

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Budget Estimates

20-21 November 2013

**Question: SBT 1039 - 1051**

**Topic: Multinational profit shifting (section 25-90 of the ITAA 1997)**

**Written: 28 November 2013**

**Senator WONG asked:**

- 1039. What advice did Treasury provide the Minister regarding the abolition of section 25-90 of the ITAA?
- 1040. Does Treasury continue to believe that this concession is being abused by multi-national companies?
- 1041. If not, what has changed since May of this year when this measure was introduced to reduce profit-shifting by multi-national companies?
- 1042. How much money has been claimed against this section in the last five years? Can this be broken down by year?
- 1043. How many taxpayers have claimed deductions against this section in the last five years? Can this be broken down by year?
- 1044. How confident is the Treasury in its estimate that this measure will only cost \$600 m over the forward estimates?
- 1045. How does the costing for not proceeding with the repeal of section 25-90 interact with the costing of the other thin-capitalisation changes?
- 1046. Does Treasury forecast an increase in the cost of this measure over the forward estimates?
- 1047. The Government has announced that it will introduce 'a targeted integrity rule to address certain conduit arrangements' in place of the repeal of section 25-90. What advice has the Treasury provided on alternative rules to prevent the abuse of section 25-90?
- 1048. Who will be consulted with on this 'targeted integrity rule'?
- 1049. When will these consultations occur?
- 1050. When will the new rule be introduced?
- 1051. How does weakening Labor's policy to combat profit-shifting align with the Treasurer and Assistant Treasurer's G20 agenda to reduce profit shifting?

**Answer:**

1039-1041. These questions go to advice provided to the Government.

1042-1043. These questions go to information held by the Australian Taxation Office and provided in their response to questions SBT 1056-1057.

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- 1044-1047. These questions go to advice provided to the Government.
- 1048-51. These are matters for government.