

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates 2012

15 – 17 February 2012

Question: AET 148

Topic: Medicare Levy Surcharge

Hansard Page: Written

Senator BROWN asked:

148. Should the Medicare levy surcharge be costed like a 'tax expenditure' as it is effectively an increase in the marginal tax rate with a concession for people who take out private health insurance?
- a. If so, how large is it?

Answer:

The Medicare Levy surcharge is an additional surcharge on those who chose not to take out private health insurance and whose income is above specific thresholds that depend on their family circumstances.

The Medicare Levy surcharge for those who do not have complying private health insurance was estimated to raise \$190 million in 2011-12, according to the 2011 Tax Expenditure Statement.