

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

31 May – 2 June 2011

Question No: BET 262

Topic: R&D Tax Bill

Hansard Page: 127

Senator Pratt asked:

Senator PRATT: I believe there are some revenue implications for the amendments associated with the R&D tax bill that is currently before the Senate.

Mr McCullough: I think we had this discussion once before. Can I ask what amendments you are referring to, Senator? The current state of the bill, as I understand it, is that it is before the Senate, and I am not aware of any debate of the Senate having taken place or of any amendments having been moved yet.

Senator PRATT: I have been advised that the opposition has moved some. I am not aware of the detail. I would assume that perhaps the department might be. I am happy for you to take that on notice. It might have happened quite recently.

Mr McCullough: I do not know how that could be, because the bill has not been presented to the Senate. I can take it on notice.

Senator Sherry: It was listed, I know, but it was withdrawn or taken off the list.

Senator PRATT: We have done some committee work on it.

CHAIR: It is on the list but has not been brought on for debate.

Senator Sherry: It was listed on the daily program or the weekly program and then it was taken off. There may be opposition amendments circulated, but Treasury have not yet had the chance to put their forensic eye over it to see what destructive force is being applied to our government legislation.

Senator PRATT: I might therefore ask you to take it on notice. I am sure it is preparation that you will have to do, in any case, for when the debate in the Senate ensues. I would like to know what the revenue implications would be, in particular the benefits that might accrue to small business in terms of those amendments. But they do not have to be significant revenue implications.

Answer:

Tax Laws Amendment (Research and Development) Bill 2010 was introduced to the Senate on 23 November 2010, but has not yet been debated. Accordingly, no amendments have been moved.

The Parliament House website records that Senator Colbeck on behalf of the Opposition has circulated amendments.

One set relates to amending the start date from 1 July 2010 to 1 July 2011. The Government announced on 15 June 2011 that it intends to move such an amendment, and that this would have an overall impact of \$40 million over the forward estimates.