

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Estimates 22-23 October 2008

Question: sbt 8

Topic: Australians Earning Over \$2 Million P/A

Hansard Page: Written

Senator XENOPHON asked:

1. How many Australians earned more than \$2 million per annum for the last 3 financial years?
2. How much extra revenue would be raised if those Australians who earned between \$1-2 million were taxed at the top marginal rate of 50 cents in the dollar and those who earned in excess of \$2 million were taxed at 60 cents in the dollar.

Answer:

1. Figures for the number of Australians with taxable incomes exceeding \$2 million are not publicly available. The most recent ATO Taxation Statistics publication (2005-06) indicates that there were 4,865 Australians with taxable incomes in excess of \$1 million in 2005-06. This compares to 3,995 Australians with taxable incomes in excess of \$1 million in 2004-05, and 2,965 Australians with taxable incomes in excess of \$1 million in 2003-04.
2. This question would require an analysis of a hypothetical policy to tax personal taxable income between \$1 million and \$2 million at a marginal tax rate of 50 per cent and personal taxable income exceeding \$2 million at a marginal tax rate of 60 per cent. No such policy has been announced.