

Senate Standing Committee on Economics
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Inquiry into Treasury Laws Amendment (2023 Measures No. 1) Bill 2023 [Provisions]

Division: Corporate and International Tax Division
Topic: Schedule 5 policy impacts
Reference: Written
Senator: Andrew Bragg

Question:

1. How can the Treasury rely on 2016-17 market dynamics and data when costing the policy in schedule 5?
2. How does Treasury respond to the proposition that up to \$2 billion of tax revenue could be lost in corporate income tax as a result of schedule 5?

Answer:

1. Please see response to IQ23-000046.
2. Following consultation, the Bill was amended to restrict the application of these provisions to companies. The amendments are consistent with the intent of this Bill to only apply where there are contrived arrangements. This is reflected in the costing which was based on observations of the relevant activity by the ATO prior to issuing Taxpayer Alert TA 2015/2.