

**HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON
ECONOMICS**

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Income Tax Rates Amendment (Temporary Flood Reconstruction Levy) Bill 2011; Tax Laws
Amendment (Temporary Flood Reconstruction Levy) Bill 201120

16 February 2011

Question: 1

Topic: Proportion of taxpayers paying the levy

CHAIR: I know that 70 per cent of my electorate do not pay it, but I was interested in the figure more generally. What proportion of taxpayers paid the previous levy, under the previous government?

Ms Mrakovic—We do not have information on that with us at the moment.

CHAIR—There were not exemptions last time of this order of magnitude, though, were there?

Mr Ray—With the Timor levy you did not pay it until—

Ms O'DWYER—The Timor levy was not paid at all.

CHAIR—I mean the gun buyback.

Mr Parker—We can take that on notice.

Mr Ray—The gun buyback would have followed the distribution of people who would be subject to the Medicare levy, but we can take it on notice to see if we can come up with a number.

CHAIR—Thank you.

Answer:

For the 1996-97 income year, the Medicare levy was temporarily increased by 0.2 percentage points to 1.7 per cent to partially fund the buy-back of certain weapons as part of the firearm buy-back scheme.

The 2007-08 Taxation Statistics, which contains the latest published data for 1996-97, indicates that around 6.9 million individuals paid the Medicare levy in 1996-97 out of a total of around 8.6 million net taxpayers, and were thus liable for the increase. This represents around 80 per cent of net taxpayers.

