



Public Hearing: Wednesday, 16 February 2011

Inquiry into the Flood Levy Bills

CANBERRA PUBLIC HEARING – WEDNESDAY, 16 FEBRUARY 2011

The House Economics Committee will examine the proposed Temporary Flood Reconstruction Levy legislation at a public hearing on Wednesday, 16 February 2011 from 9.30am to 2.45 pm in Committee Room 2R1, Parliament House, Canberra.

The hearing is part of the committee's inquiry into the *Income Tax Rates Amendment (Temporary Flood Reconstruction Levy) Bill 2011*; and the *Tax Laws Amendment (Temporary Flood Reconstruction Levy) Bill 2011*.

The explanatory memorandum states that the bills will 'introduce a one-year progressive flood reconstruction levy in the form of additional income tax on Australian resident and foreign resident individuals in the 2011-12 financial year. These changes will ensure that those with a greater capacity to pay make a larger contribution to the rebuilding of disaster affected regions of Australia through revenue raised by the levy.' The proposed levy will raise \$1.8 billion.

The amount of levy payable is at the rate of 0.5 per cent on taxable income between \$50,001 and \$100,000, and 1.0 per cent on taxable income in excess of \$100,000. No levy is payable where the taxpayer has a taxable income of \$50,000 or less or where they fall into an exemption category.

The Chair of the committee, Craig Thomson, MP, said that the flood levy responds to some of the worst and most destructive floods in our nation's history. "Vital infrastructure has been destroyed and needs rebuilding," Mr Thomson said.

"The committee intends to report to parliament this Monday so debate can commence in the house on Tuesday," he said.

Public Hearing

Committee Room 2R1, Parliament House, Canberra

9.30am	Commonwealth Treasury
10.15am	Queensland Treasury
11.15am	Saul Eslake
11.45am	Warwick McKibbin
12.15pm	Insurance Council of Australia
1.45pm	Australian Council of Social Services
2.15pm	Australian Council of Trade Unions

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