

**Senate Economics Legislation Committee**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Supplementary Budget Estimates

2016 - 2017

**Division/Agency:** Australian Taxation Office

**Question No:** 268

**Topic:** Impact of tightening thin capitalization rules

**Reference:** Written (19 October 2016)

**Senator:** Ketter, Chris

**Question:**

1) What is the impact of tightening the thin capitalization rules (limiting it to three tests) since 2013?

**Answer:**

The various changes to the thin capitalisation rules that were announced in the 2013-14 budget apply to income years commencing on or after 1 July 2014. The ATO does not yet have a complete thin capitalisation dataset from lodged tax returns for the first year of operation or subsequent years.