

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

2016 - 2017

Division/Agency: Budget Policy Division

Question No: 416

Topic: Budget impact of the tax cuts

Reference: Hansard page 94 (19 October 2016)

Senator: Gallagher, Katy

Question:

Senator GALLAGHER: But by the end of the medium term you would still have budget impact of the tax cuts, notwithstanding the other changes that might happen around various other taxes.

Mr M Brennan: That is right.

Senator GALLAGHER: Would that be able to be provided to us?

Mr M Brennan: I would have to take that on notice. It is not a figure that I have ready to hand.

Answer:

The cost of the proposals to lift the small business entity threshold and reduce the company tax rate to 25 per cent to 2026-27 was estimated at \$48.2 billion in cash terms at the time of the 2016-17 Budget. This has been incorporated into the medium term projections of the underlying cash balance.