Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

10 – 11 February 2010

Question: aet 9

Topic: Capital Gains Tax Receipts

Hansard Page: Written

Senator BUSHBY asked:

1. What was the difference between the relevant actual CGT receipts compared with:
   a) CGT receipts forecast in the 2008/09 Budget
   b) CGT receipts forecast in the 2009/10 Budget, and
   c) Any other estimate made in any interim report since 2008, such as MYEFO

Answer:

Capital gains is a component of income for personal income tax, company income tax and superannuation fund tax. Capital gains tax (CGT) is a derived amount, calculated by dividing net tax across different types of income on a pro-rata basis. CGT can therefore only be calculated after tax returns are lodged and processed, which may occur months or years after the end of the relevant income year.

As such, the capital gains component of tax may remain an estimated amount for some years after the total tax outcome for the relevant year is known. For example, the estimated outcome may change considerably if a late tax return is lodged containing a large unexpected CGT event.

Table 1 shows forecasts and estimated outcomes for CGT since the 2008-09 Budget.

Table 1. Capital gains tax estimates and outcomes ($million)

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
2008-09 Budget	17,400	15,700	14,200	15,400	17,000	
2008-09 MYEFO	*19,662*	14,196	11,738	11,966	12,098	
2009-10 Budget	*18,110*	10,850	5,820	6,850	8,660	10,940
2009-10 MYEFO		*14,730*	6,540	8,170	10,720	13,130

Estimated actuals are italised