

**Senate Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates, 1 to 4 June 2004

**Question: Bud 45**

**Topic: Effective Marginal Tax Rate - Increase**

**Hansard Page: E71**

Senator Collins asked:

Let me give you a cameo. I presume you will have to take it on notice. I have given FaCS the same cameo. Let us see if you reach the same concern. Is it not the case that a dual income family with two children, one under five, on \$23,000 per annum will experience an effective marginal tax rate of 93 per cent if a secondary income earner increases their earnings from \$8,000 per annum—so that is the ratio of earnings—an increase of six per cent over the pre-budget effective marginal tax rate, which would have been 87 per cent for the same family?

**Mr Tune**—I have no idea. I will have to take that one on notice, certainly.

Answer:

No. That is not correct.