

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates 30 May – 1 June 2006

Question: bet 89

Topic: Professor Apps findings about tax increase for family scenario

Hansard Page: E30

Senator SHERRY asked:

This may jog your memory a bit if it is the reference that you may have read. Professor Apps found that, for two-earner families where the primary earner's income is \$40,000 and the second earner's income is between \$30,000 and \$35,000, taking into account family tax benefit and Medicare levy changes, the second earner, which is usually a woman, gets a tax increase of \$369 a year in the budget. Are you aware of those findings?

Mr Tune—No.

Mr Heferen—We would have to go away and check that. I cannot answer that.

Answer:

Under the 2006-07 Budget, both the primary and secondary earner would pay less tax and receive more Family Tax Benefit in all of Professor Apps scenarios. That is, they would both benefit from additional disposable income.