

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

TREASURY

Australian Taxation Office

(Budget Estimates 29 May 2007)

Question **BET 86**
Topic: **PBS-ATO budget statement**
Hansard Page: **E11-12**

Senator **Carr** asked:

I will take you now to the 2007-08 Treasury PBS on page 205. In the ATO section there is a line item called R&D refundable tax offset for small companies. For 2006-07, it is estimated to be \$290 million and for 2007-08 it is \$320 million. Am I right in thinking that this line item represents estimates of the funding that is actually paid out to companies under the offsets each year?

Mr Callaghan—Sorry, which document are you referring to? The portfolio budget statement?

Senator CARR—The PBS.

Mr Callaghan—The portfolio budget statement?

Senator CARR—Yes. For 2007-08 on page 205 under 2.5, Special appropriations.

Mr Brown—Yes. What is in the tax expenditure statement is not the tax offset amount. What is in the tax expenditure statement is the tax expenditure that arises because the offset, which is an outlay, is not taxable.

Senator CARR—Yes. But in the PBS figure, we are moving from \$290 million to \$320 million. I take it that represents an estimate of the funding that will actually be paid out to companies under that offset program.

Mr Brown—That is the estimate of the amount that will be paid, ye

Senator CARR Is it possible for you to give me the estimates for each year for the current forward estimates?

Mr Brown—I do not have those estimates.

Senator CARR—Who does?

Mr Callaghan—I do not think they are published on a forward estimates basis.

Senator CARR—Why is that?

Mr Callaghan—Well, it is a breakdown of an ongoing program. Certainly in terms of the documentation we are looking at here we do not have the breakdown of every component of ongoing programs over the forward estimates and all the details of them.

Senator CARR—But you have the figure here for 2007-08.

Mr Callaghan—Yes. That is in the tax office's budget statement.

Senator CARR—So do I ask the tax office whether they have got the forward estimates?

Mr D'Ascenzo—We do not have that information. We can go back and see where that information came from and see what we can provide.

Answer

Forward estimates of the R&D refundable tax offset for small companies are not separately published in Budget Papers including the ATO Agency Budget Statement in the Treasury Portfolio Statements. However, estimates are made and included in the expenses aggregates in the Budget and are as follow:

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Budget 2007-08 estimate: R&D tax offset		
Year	Cash \$m	Accrual \$m
2006-07	261	290
2007-08	290	320
2008-09	320	360
2009-10	360	400
2010-11	400	440