

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates, 2 June – 4 June 2009

Question: bet 6

Topic: Investors

Hansard Page: Written

Senator Bob Brown asked:

1. What is the total value of losses claimed in each of the past ten years for which data is available by
(a) all investors, and
(b) investors in residential rental property?
2. What is the total value of capital gains reported by investors in these categories in each of these years?
3. What is the net budgetary effect of the differences between losses claimed and gains reported in each of these years?
4. In each of the past ten years for which data is available, how many companies have paid corporate income tax at less than (a) 15% and (b) 5% of their gross income?

Answer:

1. The following table provides the losses claimed for the past 10 years by a) all individual investors and b) individual rental property investors

	(a) All individual investors in a loss position	(b) Individual rental property investors in a loss position
Losses claimed		
Income Year	\$m	\$m
1999-00	-3,565	-3,110
2000-01	-4,588	-4,050
2001-02	-4,652	-4,039
2002-03	-5,627	-4,981
2003-04	-7,292	-6,552
2004-05	-8,929	-8,001
2005-06	-10,346	-9,153
2006-07	-12,279	-10,560
2007-08*	-13,497	-11,733

Notes:

- Data current as at 19 June 2009.

* 2007-08 tax returns are not as fully processed as earlier years. As such caution should be used when comparing with earlier years as additional returns will be processed in the future.

(a) All investors in a loss position are those individuals with at least one of the following: net rental income, dividends (franked and unfranked), franking credit, net non-primary trust distributions. These investors are in a loss position because they have net rental income less than zero or the sum of dividends (franked and unfranked), franking credit, net non-primary trust distributions less dividend and interest deductions is less than zero.

(b) Rental property investors are those individuals with rental income. However, these investors have rental deductions greater than rental income (ie. a net rental loss).

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2. The following tables provide the capital gains reported by a) individual investors in a loss position and b) all investors with a profit or loss

Individual investors in a loss position (as per question 1)	Total capital gains ^(c)		Net capital gains ^(d)	
Total and net capital gains	All individual investors	Individual rental property Investors	All individual investors	Individual rental property Investors
Income Year	\$m	\$m	\$m	\$m
1999-00	2,826	1,771	1,677	1,060
2000-01	2,106	2,361	981	1,121
2001-02	4,983	3,783	2,233	1,734
2002-03	6,077	4,961	2,752	2,265
2003-04	9,241	7,510	4,271	3,493
2004-05	9,826	7,563	4,498	3,477
2005-06	12,389	9,166	5,789	4,275
2006-07	18,291	12,865	8,707	6,081
2007-08*	16,219	11,873	7,128	5,242

Profit and loss Investors	Total capital gains ^(c)		Net capital gains ^(d)	
Total and net capital gains	All individual investors	Individual rental property Investors	All individual investors	Individual rental property Investors
Income Year	\$m	\$m	\$m	\$m
1999-00	9,365	3,554	5,432	2,092
2000-01	11,370	4,476	5,294	2,092
2001-02	13,885	6,732	6,055	3,047
2002-03	14,768	8,243	6,248	3,681
2003-04	21,941	11,825	9,459	5,373
2004-05	26,574	12,140	11,392	5,464
2005-06	33,391	14,986	14,902	6,863
2006-07	50,444	21,937	23,311	10,188
2007-08*	42,143	19,100	17,966	8,390

Notes:

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(a) All investors in a loss position are those individuals with at least one of the following: net rental income, dividends (franked and unfranked), franking credit, net non-primary trust distributions. These investors are in a loss position because they have net rental income less than zero OR the sum of dividends (franked and unfranked), franking credit, net non-primary trust distributions less dividend and interest deductions is less than zero.

(b) Rental property investors are those individuals with rental income. However, these investors have rental deductions greater than rental income (ie. a net rental loss).

(c) Total current year capital gains

(d) After capital losses and any capital gain discounts are applied

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3. This information is not available. The net budgetary impact cannot be directly calculated since deductions for investment losses and income from capital gains form components in the calculation of taxable income.

4. The following table provides the net tax as a proportion of total income for companies for the past 10 years.

Taxable Companies (net tax > zero)	Net tax as a proportion of Total Income			
	More than 0% to 5%	More than 5% to 15%	More than 15%	Total
Income Year	No. of companies	No. of companies	No. of companies	No. of companies
1999-2000	145,727	47,978	73,641	267,346
2000-01	155,013	55,441	79,054	289,508
2001-02	150,869	47,631	72,333	270,833
2002-03	161,376	52,229	67,266	280,871
2003-04	170,546	55,587	72,794	298,927
2004-05	177,306	60,682	80,284	318,272
2005-06	179,711	63,786	85,814	329,311
2006-07	181,717	64,236	88,770	334,723
2007-08*	182,346	64,349	92,359	339,054

Notes:

- Data current as at 7 August 2009.

- Gross income has been defined at company total income (item 6S)

- Corporate income tax has been defined as net tax which is Tax payable from the company tax return calculation statement less other refundable credits (label Z calculation statement)

- This data by definition will only include taxable companies, those with net tax greater than zero.

* 2007-08 tax returns are not as fully processed as earlier years. As such caution should be used when comparing with earlier years as additional returns will be processed in the future.