

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

1 June 2010

Question: BET 255

Topic: Company tax rate (ATO)

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Senator PRATT—Thank you very much, Chair. Given the government's intention to introduce its RSPT, based on giving a fair share of our natural resource wealth and sharing it with Australians, I want to ask about the government's tax relief to companies, small businesses and the retirement savings. To start with, I would like to know how many businesses it is foreseen will benefit by the cutting of the company tax rate to 28 per cent. How does that rate compare internationally?

Mr Parker—I do not have the number in front of me. We may have it here, I am not sure. The short answer to your question is that all tax-paying companies would benefit from this. There are a substantial number of companies in the tax system which do not pay tax—trustees and all that kind of stuff. Do my ATO colleagues or others have that particular information?

Ms Granger—Perhaps I can help with the small business aspect of that. The faster acceleration affects 720,000 small businesses.

Senator PRATT—I beg your pardon. How many?

Ms Granger—That is 720,000. That is in one of the facts sheets.

Senator PRATT—You do not have a state by state breakdown to know how many would be in Western Australia?

Ms Granger—No.

Senator Sherry—I think we can take that on notice. I think I can reasonably assure you of a rapid response.

Answer:

The following information is based on 2007-08 company tax returns processed as at 25 June 2010, with turnover of less than \$2 million.

A state breakdown of the small business companies which will benefit in the reduction of the company tax rate is as follows:

State	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Australia
Small Businesses	295,000	176,000	137,000	61,000	46,000	9,000	11,000	4,000	739,000