

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates, 2 - 3 November 2005

Question: SBT 24

Topic: Private Health Insurance Rebate

Hansard Page: E70

Senator Sherry asked:

With regard to the private health insurance rebate, in what way is this exemption calculated? Is an average rate of tax forgone calculated or is a distributional costing model utilised?

Answer:

An average tax rate is used in the calculation of the tax expenditure arising from the non-taxation of the private health insurance rebate expense.