

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
TREASURY
Australian Taxation Office
Supplementary Budget Estimates 3 November 2005

Outcome

Topic: Tax payable v GDP-graph extension
SBT-83 Hansard Page:E25

Senator Sherry asked:

Senator SHERRY—At least on this graph, the gap that is emerging with the PAYG withholding seems to be repeating the pattern that started back in 1995-96. You can see the gap starting to emerge there, Mr Carmody?

Mr Carmody—Certainly a gap emerged more significantly over a longer period.

Senator SHERRY—Yes, it is over a much longer period. We get to 1999-2000 and it quickly readjusts back by 2000-01? That is a ‘yes’?

Mr Carmody—It is.

Senator SHERRY—Are you able to project that graph out to the forward years?

Mr Carmody—I do not have it with me. I could take that on notice.

Answer:

The chart covers the period 1994-95 to 2003-04 income years and shows growth of (nominal) GDP, and tax payable for individuals and companies, expressed as indexes. The GDP numbers are published by the Australian Bureau of Statistics, while the tax payable numbers are derived from tax returns processed by the Tax Office. These numbers are published in the annual *Taxation Statistics* publication.

For the last year shown in the chart, the tax payable figures were estimated because all tax returns for that year had not been lodged and processed. Corresponding estimates for tax payable in years later than the 2003-04 income year have not been prepared. Similarly, forecasts of nominal GDP are not available for years later than 2004-05.