

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio

Supplementary Budget Estimates 1 - 2 November 2006

Question: **sbt 51**
Topic: **Entrepreneur tax offset**
Hansard Page: **E103**

Senator SHERRY asked:

While you are looking, again I cannot recall whether I requested the number of individual taxpayers with a gross income under \$75,000 who are in the STS business partnerships.

Mr Ray—Is that to do with the entrepreneur tax offset, Senator? Your question on the STS was question No. BET55. It was a written question, and we answered saying that there are approximately 620,000 businesses currently who have adopted the STS.

Senator SHERRY—I do not recall asking about the number of taxpayers with a gross income under \$75,000.

Mr Ray—You did not in this question.

Senator SHERRY—Do you have an answer to that?

Mr Ray—I am happy to take it on notice.

Senator SHERRY—Does the entrepreneur tax offset provide a greater concession to taxpayers with lower turnover ratios?

Mr Ray—The short answer to your question is, yes, it does.

Senator SHERRY—Is there an estimate of the mean gross income, as distinct from the turnover, at which the ETO phases out completely?

Mr Ray—You are stretching my knowledge, but it is a turnover test and it phases down from \$55,000 to \$75,000 of turnover. As you know, the link between turnover and gross income is all over the place.

Senator SHERRY—Could you take on notice if there is any by-industry data on this.

Mr Ray—Yes.

Answer:

1. The number of STS taxpayers with a gross income under \$75,000 is not published.
2. There is no estimate of the mean gross income at which the Entrepreneurs' tax offset (ETO) phases out, because eligibility for the ETO is based on group turnover.
3. Industry data has not been published.