

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

21 – 22 October 2009

Question: sbt 38

Topic: Luxury Car Tax

Hansard Page: E30 (22/10/09)

Senator ABETZ asked:

Senator ABETZ—What is our prediction now in relation to luxury car tax revenues? This was another great success story. We increased the tax, indicating that we would get a lot more revenue, and of course it has gone backwards. Are we on track or are we now picking up again on luxury car tax? What are our predictions?

Mr White—The budget estimate is still the latest estimate.

Senator ABETZ—I am sure that is the case, but are there some real income figures?

Mr White—On Friday the monthly financial statements were released for the months of July and August.

Senator ABETZ—Is the decrease slowing down?

Mr White—Bear with me.

Senator ABETZ—Was that document made available publicly?

Mr White—It is released by the finance minister.

Senator ABETZ—What is the document called?

Mr White—It is the monthly financial statements.

Senator ABETZ—Which page?

Mr White—I am now about to tell you it does not actually separately list luxury car tax.

Senator ABETZ—I had some trouble last time trying to disaggregate in relation to luxury car tax and I think that is why it was taken on notice.

Mr White—We might have to do that again.

Senator ABETZ—If we can do that again I would be much obliged to you.

Answer:

The *Mid-year Economic and Fiscal Outlook 2009-10* (MYEFO) includes updated estimates for Luxury Car Tax revenues. These are found in Table D8 on page 287 of the MYEFO.

These estimates take into consideration the revised economic parameters and LCT collections received to date for 2009-10. Since the 2009-10 Budget, LCT revenue has been revised upwards by \$20 million in 2009-10 and \$10 million in each of the following years.