

SENATE STANDING COMMITTEE ON ECONOMICS QUESTION
(Supplementary Budget Estimates 20 October – 21 October)

Question: SBT 82

Topic: Employee Share Schemes

Senator Bushby asked:

How have the changes made last year to taxation of employee share schemes affected revenue from such schemes? (I am referring to the shift from division 13a to division 83a in the tax act).

Do you know whether the changes have affected use or availability of employee share schemes in Australia? Have they affected options and shares differently?

Answer:

Final data as to the expected revenue from the 2009-10 income year is not yet available as individual income tax returns continue to be lodged and Employee Share Scheme Annual Reports for the 2009-10 income year are currently being processed. As such the ATO does not yet have the information to provide a comparison between the revenue raised under former Division 13 of the *Income Tax Assessment Act 1936* and that raised under Division 83A of the *Income Tax Assessment Act 1997*.

The ATO has no direct evidence that would indicate that the changes to the taxation of employee share schemes has significantly impacted on the broader use or availability of employee share schemes in Australia. Further, we have no data that demonstrates any difference between the affect the changes have had on employee share plans as distinct from employee options plans. Once again, the use and availability of such plans are affected not only by taxation considerations but also by market fluctuations and economic trends.