The Senate

Standing Committee on Economics

Tax Laws Amendment (Budget Measures) Bill 2008

Printed by the Senate Printing Unit, Parliament House, Canberra.

ISBN 978-0-642-71943-0

Senate Standing Committee on Economics

Members

Senator Annette Hurley, Chair South Australia, ALP Senator Alan Eggleston, Deputy Chair Western Australia, LP Senator Mark Bishop Western Australia, ALP Senator David Bushby Tasmania, LP Senator Barnaby Joyce Queensland, NATS Senator Anne McEwen South Australia, ALP Senator Andrew Murray Western Australia, AD Senator Ruth Webber Western Australia, ALP

Secretariat

Mr John Hawkins, Secretary Mr Glenn Ryall, Research Officer Ms Lauren McDougall, Executive Assistant

PO Box 6100 Parliament House Canberra ACT 2600 Ph: 02 6277 3540

Fax: 02 6277 5719

E-mail: economics.sen@aph.gov.au

Internet: http://www.aph.gov.au/senate/committee/economics_ctte/index.htm

TABLE OF CONTENTS

Membership of Committee	iii
Chapter 1	1
Introduction	
Background	1
Conduct of the inquiry	1
Structure of the report	1
Chapter 2	3
Fringe benefits	
Meal cards	3
Other work-related items	7
Chapter 3	9
Employee share schemes	
Background	9
Election mechanism	10
Removal of double taxation	10
Chapter 4	11
Depreciation of computer software	
Chapter 5	13
Conclusions	
Additional Comments from the Coalition	15
Overview	
Discussion	15
Fringe Benefits Tax – Meal Cards, raising an estimated \$610 million over the forward estimates	15
Employee share schemes – election to be taxed on shares or options in the year of grant, raising an estimated \$77 million over the forward estimates	16
Employee share schemes – removal of double taxation	16
Depreciation of computer software, raising an estimated	10
\$1.3 billion over the forward estimates	16
Recommendations	17

APPENDIX 1 Submissions Received	19
APPENDIX 2 Public Hearing and Witnesses	21