

Table 3: Tax Expenditures Reference Table<sup>(a)</sup>

Index	Date	Description
<b>General Public Services</b>		
<b>A. Legislative and Executive Affairs</b>		
LEA1	pre 1985	Exemption of official salary and ex-Australian income of the Governor-General and Governor of any State (Section 50-15 ITAA97).
LEA2	pre 1985	Income tax deduction for election expenses of candidates for Federal, State and Territory governments (Section 25-60 ITAA97).
LEA3	1985	Income tax deduction up to \$1000 for election expenses of candidates for local government (Section 74A).
<b>C. Foreign Economic Aid</b>		
FA1	pre 1985	Exemption of income of certain international organisations (eg UN, WHO). Exemption is now provided under the <i>International Organisations (Privileges and Immunities) Act 1963</i> .
FA2	pre 1985	Exemption of official salary and emoluments of officials of prescribed international organisations. Exemption is now provided under the <i>International Organisations (Privileges and Immunities) Act</i> .
FA4	pre 1985	Exempt income of visitors who are representatives of a foreign press organisation (Subsection 23(c)(v)). (e)
FA5	(b)	Tax-sparing provisions in Australia's double tax agreements for specific investment incentives offered by developing countries.
FA6	1990	Exemption from foreign tax credit system for certain non-portfolio dividends and branch income derived in a listed country.
FA7	1990	Exemption of most passive and highly mobile active income derived by controlled foreign companies and transferor trusts in listed countries from accruals taxation.
FA8	pre 1985	Total or partial exemptions of income earned by Australians working overseas (Sections 23AF and 23AG).
FA9	pre 1985	IWT exemption for interest received by certain organisations which are exempt from tax in their home country (Section 128B(3)(a)).
FA10	pre 1985	IWT exemption for interest received by prescribed international organisations which under the <i>International Organisations (Privileges and Immunities) Act</i> are exempt from the ordinary provisions of the <i>Income Tax Assessment Act</i> .
FA11	pre 1985	DWT exemption for dividends received by prescribed organisations which are also exempt from tax in their home country (Section 128B(3)(a)).
FA12	pre 1985	DWT exemption for dividends received by prescribed international organisations which, under the <i>International Organisations (Privileges and Immunities) Act</i> , are exempt from the ordinary provisions of the <i>Income Tax Assessment Act</i> .

Table 3: Tax Expenditures Reference Table<sup>(a)</sup>

1994-95 \$m	1995-96 \$m	1996-97 \$m	1997-98 \$m	1998-99 \$m	1999-00 \$m	2000-01 \$m	2001-02 \$m
<1	<1	<1	<1	<1	<1	<1	<1
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
na	na	na	35	10	5	5	5
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
113	123	155	171	188	206	227	220
Included in NAF13							
Included in NAF13							
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na

Table 3: Tax Expenditures Reference Table (continued)

<b>Index</b>	<b>Date</b>	<b>Description</b>
<b>FA13</b>	1986	FBT exemption for benefits provided by certain international organisations (Section 55).
<b>FA14</b>	pre 1985	Exemption from income tax for remuneration paid to a non-resident for expert advice to Government or as a member of a Royal Commission (Section 23(b)). (e)
<b>FA15</b>	pre 1985	Exemption of Australian sourced income earned by government representatives visiting Australia or by their official staff (Section 23(c)(iii)). (e)
<b>D. General research</b>		
<b>GR1</b>	pre 1985	Immediate deduction for payments to an approved research institute for scientific research related to taxpayer's business (Section 30-40 ITAA97).
<b>E. General services</b>		
<b>GS1</b>	pre 1985	Exemption of income of residents of Norfolk Island (Section 24G). (c)
<b>Defence</b>		
<b>D1</b>	pre 1985	Exemption of pay and allowances for part-time members of Defence Force Reserves (Section 51-5 ITAA97).
<b>D2</b>	pre 1985	Exemption of certain allowances and bounties payable to Defence Force personnel: living-out allowances, child-education allowances, separation allowances, living-away-from-home allowances, overseas deployment allowances, retention-of-lodging allowances and re-engagement bounty (Section 51-5 ITAA97). (d)
<b>D3</b>	pre 1985	Exemption of the value of rations and quarters supplied without charge to Defence Force personnel (Section 23(t)(iv)). Since the 1986-87 income year certain allowances have been subject to the FBT.
<b>D4</b>	pre 1985	Exemption of pay and allowances earned in Australia (unless paid by the Australian Government) by foreign forces (Section 23(u)). (e)
<b>D5</b>	pre 1985	Exemption of profits or remuneration derived by US domestic corporations or US citizens or residents in connection with certain US Government projects in Australia, provided the income is subject to tax in the US (Section 23AA). (e)
<b>D6</b>	pre 1985	Exemption of pay and allowances earned by members of the Defence Force while on special overseas service in an area prescribed by regulation (Section 23AC).
<b>D8</b>	pre 1985	Exemption of compensation payments paid to civilian personnel in service with an armed force of the United Nations contributed to by Australia (Section 23AB(5)); relief from unpaid tax by such personnel in the event of death (Section 23AB(10)); and partial exemption of living allowances paid to such personnel (Section 23AB(6)).
<b>D9</b>	pre 1985	Rebates for Defence Force personnel serving overseas (Section 79B).

Table 3: Tax Expenditures Reference Table (continued)

1994-95 \$m	1995-96 \$m	1996-97 \$m	1997-98 \$m	1998-99 \$m	1999-00 \$m	2000-01 \$m	2001-02 \$m
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
10	10	<1	<1	-	-	-	-
4	5	5	5	5	5	5	5
28	32	33	35	37	39	37	39
2	2	2	2	2	2	2	2
na	na	na	na	na	na	na	na
<1	<1	<1	<1	<1	<1	<1	<1
na	na	na	na	na	na	na	na
<1	<1	<1	<1	<1	<1	<1	<1
<1	<1	<1	<1	<1	<1	<1	<1
Included in HC1							

Table 3: Tax Expenditures Reference Table (continued)

<b>Index</b>	<b>Date</b>	<b>Description</b>
<b>D10</b>	pre 1985	Exemption from the Medicare levy for Defence Force members (Section 251U).
<b>D11</b>	1994	CGT exemption for gains on the disposal of war medals acquired for no consideration (Section 118-5(b) ITAA97).
<b>D12</b>	1986	FBT exemption for loan benefits on war service home loans provided under the <i>Defence Services Homes Act</i> (Section 6, <i>Fringe Benefits Tax (Application to the Commonwealth) Act</i> ).
<b>D13</b>	pre 1985	Exemption of income earned by visitors assisting in the defence of Australia if that income is not exempt from income tax in the visitor's country of residence (Section 23(v)).
<b>D14</b>	pre 1985	Exemption of Disturbance Allowance for Defence Force members from income tax (Section 51-5 ITAA97).
<b>D15</b>	pre 1985	Exemption of Scholarship Allowance from income tax. The Allowance is payable to a Defence Force member whose child forfeits a scholarship or bursary because of the member's posting to another locality.
<b>Education</b>		
<b>E1</b>	pre 1985	Exemption of income from certain Commonwealth educational scholarships or forms of assistance (Sections 23(zaa) and 23(ya)).
<b>E2</b>	pre 1985	Exemption of income from other scholarships or forms of assistance in limited circumstances (Section 23(z)).
<b>E3</b>	pre 1985	Exemption of Australian income of representatives of educational, scientific, religious or philanthropic societies and associations who are visiting Australia for the purpose of attending international or Commonwealth conferences in Australia or for carrying on research (Section 23(c)(iv)). (e)
<b>E4</b>	pre 1985	Exemption for grants from the Australian-American Educational Foundation (Section 51-10 ITAA97).
<b>E5</b>	1986	FBT reduction of the taxable value for education costs paid by employers for children of employees posted overseas (Section 65A).
<b>E6</b>	1986	FBT disregard of possible application of the \$250 threshold for deductibility for some self-education expenses when determining the 'otherwise deductible' rule for expense payment benefits of this kind (Section 24(1)).
<b>Health</b>		
<b>H1</b>	pre 1985	Medical Expenses Rebate (Section 159P).
<b>H2</b>	pre 1985	Exemption from the Medicare levy for residents with a taxable income below a threshold ( <i>Medicare Levy Act</i> Section 7). (h)

Table 3: Tax Expenditures Reference Table (continued)

1994-95 \$m	1995-96 \$m	1996-97 \$m	1997-98 \$m	1998-99 \$m	1999-00 \$m	2000-01 \$m	2001-02 \$m
26	26	28	28	29	30	31	32
<1	<1	<1	<1	<1	<1	<1	<1
na	na	na	na	na	na	na	na
<1	<1	<1	<1	<1	<1	<1	<1
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
14	14	14	15	15	16	14	14
na	na	na	na	na	na	na	na
<1	<1	<1	<1	<1	<1	<1	<1
<1	<1	<1	<1	<1	<1	<1	<1
na	na	na	na	na	na	na	na
<5	<5	<5	<5	<5	<5	<5	<5
114(f)	110(g)	165(g)	103	124	142	157	158
313	296	290	345	305	295	305	315

Table 3: Tax Expenditures Reference Table (continued)

<b>Index</b>	<b>Date</b>	<b>Description</b>
<b>H3</b>	1985	Medicare levy exemptions for non-residents, repatriation beneficiaries, foreign government representatives and residents who meet certain criteria (Section 251U).
<b>H4</b>	pre 1985	Exemption of income of public hospitals and hospitals operated by a society or association other than for gain or profit to its individual members (Section 50-30 ITAA97).
<b>H5</b>	pre 1985	Exemption of income of registered hospital, medical and health benefit funds provided they are not operated for the gain or profit of their individual members (Section 50-30 ITAA97).
<b>H6</b>	1986	FBT exemption for benefits provided by public hospitals to employees, and benefits provided to employees of public hospitals if they are employed by a State or Territory health authority rather than the institution itself (Section 57A).
<b>H7</b>	1986	FBT exemption for travel costs of employees and their families in foreign countries to obtain medical treatment (Section 58L).
<b>H8</b>	1994	Penalty rate of excise levied on leaded petrol (Sub-paragraph 11(A) 3(b)-(c)) <i>Excise Tariff Act 1921</i> .
<b>H9</b>	1994	CGT exemption for payments under General Practice Rural Incentives program (Section 118-15(e) ITAA97).
<b>H10</b>	1997	Income-tested tax offset for private health insurance up to \$150 for a single individual, \$250 for a couple and \$450 for a family with a dependent child (Subdivision 61-G, section 61-300 to 61-320). This measure had effect from 1 July 1997 to 31 December 1998 and has now been replaced by the Private Health Insurance 30 per cent Rebate.
<b>H11</b>	1998	A non-income tested 30 per cent rebate for expenditure on private health insurance. The Private Health Insurance 30 per cent offset commenced on 1 January 1999 and was announced in <i>A New Tax System</i> .
<b>Social Security</b>		
<b>SS1</b>	pre 1985	Rebate for sole parents (Section 159K).
<b>SS2</b>	pre 1985	Rebates for taxpayers supporting a dependant parent, parent-in-law, or invalid relative (Section 159J).
<b>SS3</b>	pre 1985	Rebates for recipients of taxable repatriation or social security pensions (Section 160AAA(1)); or unemployment, sickness or special benefits (Section 160AAA(2)).

Table 3: Tax Expenditures Reference Table (continued)

1994-95 \$m	1995-96 \$m	1996-97 \$m	1997-98 \$m	1998-99 \$m	1999-00 \$m	2000-01 \$m	2001-02 \$m
17	20	29	26	27	28	30	31
<1	<1	<1	<1	<1	<1	<1	<1
67	42	4	8	9	9	10	10
115	170	175	190	210	230	135	135
<5	<5	<5	<5	<5	<5	<5	<5
-147	-153	-136	-120	-105	-97	-86	-74
na	na	1	<1	<1	<1	<1	<1
-	-	-	-	207	67	-	-
-	-	-	-	-	206	294	309
183	198	212	224	230	236	243	-
Included in H1			40	48	55	60	60
1365	1410	1435	1430	1475	1515	1115	1170



Table 3: Tax Expenditures Reference Table (continued)

Index	Date	Description
SS4	pre 1985	Rebate for housekeeper who cares for a prescribed dependant of the taxpayer (Section 159L).
SS5	pre 1985	Rebate for dependent spouse (Sections 159J(1B) and 159H(3)).
SS6	pre 1985	Rebate for child-housekeeper (Section 159J(1B)).
SS7	1993	Rebate for low income earners (Section 159N).
SS8	pre 1985	Exemption of repatriation pensions, or pensions, allowances and payments of a similar nature, and certain war-related payments and pensions.
SS9	pre 1985	Exemption of certain social security pensions, benefits and allowances, and certain repatriation pensions, paid under the <i>Social Security Act 1991</i> , and the <i>National Health Act 1953</i> .
SS10	pre 1985	Exemption of compensation paid by Federal Republic of Germany by way of pensions, annuities or allowances for Nazi persecution (Section 23(kc)).
SS11	pre 1985	Exemption of pensions, annuities or allowances paid by certain foreign governments (after 2 March 1982) for persecution or disablement arising from Nazi or other enemy persecution (or flight from such persecution).
SS12	pre 1985	Life insurance policyholders' undistributed income is taxed at the trustee rate: this can be concessionary. Reversionary bonus income distributed to policyholders after 10 years is exempted from further tax. If distributed before 10 years, income is assessable to policyholders, and a tax rebate is given based on the trustee rate, not the actual tax paid (Sections 26AH and 160AAB).
SS13	pre 1985	Concessional treatment of superannuation contributions, fund income and benefits paid and other termination payments. (See Appendix B)
SS14	pre 1985	Exemption of rent subsidy payments made to tenants under Commonwealth/State mortgage and rent relief schemes (Section 23(ke)).
SS15	pre 1985	Exemption of specified mining payments to Aborigines where payments have already attracted mining withholding tax (Sections 51-25, 51-45 ITAA97; tax expenditure relates to concessional element in the setting of the rate of withholding tax).
SS16	pre 1985	Exemption of income of scientific, public educational and charitable institutions (Section 50-5, 50-50, 50-55, 50-65 ITAA97).
SS17	1985	Deductibility of expenses incurred in entertaining members of the public who are sick, disabled, poor or otherwise disadvantaged (Section 51AE(5)(k)).
SS18	1986	FBT exemption for providing safety award benefits up to a value of \$200 per year per employee (Section 58R).

Table 3: Tax Expenditures Reference Table (continued)

1994-95 \$m	1995-96 \$m	1996-97 \$m	1997-98 \$m	1998-99 \$m	1999-00 \$m	2000-01 \$m	2001-02 \$m
1115	579	404	395	399	411	421	288
Included in SS4							
Included in SS4							
530	527	526	518	500	489	477	425
305	334	350	370	390	410	330	340
1070	1160	1250	1270	1320	1390	1050	1090
<5	<5	<5	<5	<5	<5	<5	<5
Included in SS10							
na	na	na	na	na	na	na	na
5770	8315	9160	9110	9440	9900	8745	8855
11	11	12	12	13	13	11	12
3	3	3	-	-	-	-	-
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na

Table 3: Tax Expenditures Reference Table (continued)

<b>Index</b>	<b>Date</b>	<b>Description</b>
<b>SS19</b>	1986	FBT exemption for provision of recreational or child-care facilities on an employer's premises (Section 47(2)).
<b>SS20</b>	1986	FBT exemption for employer contributions to guarantee places for employees' children in certain child-care centres (Section 47(8)).
<b>SS21</b>	1986	FBT exemption for benefits provided by public benevolent institutions, excluding public hospitals, to employees (Section 57A).
<b>SS22</b>	1986	FBT exemption for accommodation, fuel and meals for live-in employees caring for the elderly or disadvantaged (Sections 58 and 58U).
<b>SS23</b>	1986	FBT exemption for employer-provided property and facilities for immediate relief of employees and their families in times of emergency (Section 58N).
<b>SS24</b>	pre 1985	Taxation of lump sums paid after 15 August 1978 for unused annual leave or for unused long service leave: (i) in respect of service before 18 August 1993 is capped at 30 per cent plus the Medicare levy (Division 17); or (ii) in respect of service on or after 18 August 1993 under circumstances of bona fide redundancy, early retirement scheme or invalidity is capped at 30 per cent plus the Medicare levy (Division 17).
<b>SS25</b>	pre 1985	Taxation of only 5 per cent of unused long service leave attributable to service up to 15 August 1978 (Section 26AD).
<b>SS26</b>	1997	CGT exemption, up to a maximum of \$500,000 on the sale of a small business where the proceeds are used for retirement (Division 17B, section 160ZZPZAA-160ZZPZQ).
<b>SS27</b>	1997	Rebate of 18 per cent for superannuation contributions of up to \$3000 per annum made by income earning individuals on behalf of a non income earning or working spouse with an income below \$10,800 per annum (Sections 159T-159TC).
<b>SS28</b>	1996	Tax rebate for low income aged persons (Sections 160AAAA and 160AAAB).
<b>SS29</b>	1996	Increase in tax free threshold of \$1000 to one member of a couple or sole parent for each dependent child up to age 16 or student up to 18 and an additional \$2500 threshold for single income families with a child under 5, both subject to income tests (Part II, Division 5, Section 20A-20V, Income Tax Rates Act 1986).
<b>SS30</b>	1985	Income tax exemption for pensions derived by a Papua New Guinea resident and exemption of certain payments to persons formerly employed in Papua New Guinea (Sections 23(kd), 23AAA).
<b>SS31</b>	1998	Rebates for Commonwealth Development Employment Project (CDEP) participants. The Government announced in the 1998-99 Budget an extension of the beneficiary tax rebate to CDEP participants.

Table 3: Tax Expenditures Reference Table (continued)

1994-95 \$m	1995-96 \$m	1996-97 \$m	1997-98 \$m	1998-99 \$m	1999-00 \$m	2000-01 \$m	2001-02 \$m
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
70	75	150	180	190	210	130	130
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
195	195	230	216	205	195	163	137
185	175	185	170	150	135	110	85
-	-	-	-	50	50	50	45
-	-	-	-	-	Included in SS13		
-	-	-	9	26	31	37	42
-	-	17	223	391	391	312	-
na	na	na	na	na	na	na	na
-	-	-	-	na	na	na	na

Table 3: Tax Expenditures Reference Table (continued)

<b>Index</b>	<b>Date</b>	<b>Description</b>
<b>Housing and Community Amenities</b>		
<b>HC1</b>	pre 1985	Zone rebates (Section 79A).
<b>HC2</b>	1985	CGT exemption for gains on the disposal of a taxpayer's main residence and reasonable curtilage (Subdivision 118-B ITAA97).
<b>HC3</b>	1985	Extension of CGT main residence exemption for up to 6 years after the date on which the dwelling ceases to be the sole and main residence (Section 118-145 ITAA97).
<b>HC4</b>	1985	CGT exemption for gains on the disposal of a licence or right to occupy a flat or unit, including in a retirement village, that was the taxpayer's principal residence (Section 118-130 ITAA97).
<b>HC5</b>	1986	FBT reduction of the taxable value to 50 per cent of the market value for remote area housing benefits (including rent reimbursement), with 50 per cent reduction in the taxable value of fuels supplied to the housing (Sections 29(1) and 59(1)).
<b>HC6</b>	1986	FBT undervaluation of the benefit resulting from the alternative of an indexed statutory value which can be used to value remote area accommodation (Sections 29(3A) and 29A).
<b>HC7</b>	1986	FBT reduction of the taxable value to 50 per cent of the discount on interest or purchase price for remote area housing purchase assistance, with 50 per cent reduction in the taxable value of associated fuel benefits (Section 60).
<b>Culture and Recreation</b>		
<b>CR1</b>	pre 1985	Concessional rates of tax for abnormal receipts derived by authors, composers, dramatists, artists, sportspersons and inventors (Division 405 ITAA97).
<b>CR2</b>	pre 1985	Immediate deduction for capital expenditure incurred in acquiring an interest in the initial copyright of a new Australian film (Division 10BA; rate of deduction was reduced to 100 per cent from 25 May 1988).
<b>CR3</b>	pre 1985	Exemption for net receipts from new Australian films of up to a specified percentage of capital investment (Section 23H; abolished in respect of investment after 25 May 1988).
<b>CR4</b>	pre 1985	Exemption of income of sportspersons visiting Australia to engage in athletic sports or games as representatives of a foreign club or association (Section 23(c)(i)). (e)
<b>CR5</b>	pre 1985	Exemption of income of official Commonwealth sporting clubs or associations from their share of the proceeds of cricket, football or similar matches played in Australia by visiting teams (Section 50-45 ITAA97).

Table 3: Tax Expenditures Reference Table (continued)

1994-95 \$m	1995-96 \$m	1996-97 \$m	1997-98 \$m	1998-99 \$m	1999-00 \$m	2000-01 \$m	2001-02 \$m
160	162	171	176	178	182	185	166
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
na	na	40	41	43	46	51	53
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
3	4	5	5	5	5	5	5
24	20	22	20	20	20	20	18
Included in CR2							
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na

Table 3: Tax Expenditures Reference Table (continued)

<b>Index</b>	<b>Date</b>	<b>Description</b>
<b>CR6</b>	pre 1985	Exemption of income of non-profit societies, associations or clubs established for the promotion or encouragement of sport, games, music, art, etc. and non-profit friendly societies (other than a friendly society dispensary) and non-profit community service organisations (from the 1989-90 income year) (Section 50-45 ITAA97). This is subject to the 1996-97 Budget announcement for non-resident entities. (j)
<b>CR7</b>	1994	Taxation rebate for expenditure on approved heritage conservation work from 7 April 1994 (Sections 159U-UY). The rebate will convert to a grant scheme from 1 July 1999. (i)
<b>CR8</b>	1988	Exemption of income of Film Finance Corporation.
<b>CR9</b>	1994	CGT exemption for the disposal of an asset under the Cultural Bequests program (Section 118-60 ITAA97).
<b>CR10</b>	1997	An immediate deduction is available for amounts paid by an investor for shares in a Film Licensed Investment Company (Subdivision 375-H ITAA97).
<b>Fuels and Energy</b>		
<b>FE1</b>	pre-1985	Exemption from fuel excise of 'alternative fuels'. Liquefied petroleum gas, natural gas and ethanol are the main 'alternative fuels' currently used in Australia. (k)
<b>Agriculture, Forestry and Fishing</b>		
<b>AFF1</b>	pre 1985	Allowance to primary producers to adopt specified standard values for stock valuation for natural increases in livestock (Section 70-55 ITAA 97). (l)
<b>AFF2</b>	1992	Optional deduction for horse breeding stock acquired on or after 19 August 1992 that allows 25 per cent of the cost of sires to be written off on a prime cost basis per annum and mares to be written down to \$1 at age 12. Sires and mares acquired after 20 August 1985 and prior to 19 August 1992 can be written off at 50 per cent per annum and 33 1/3 per cent per annum respectively (Sections 70-60, 70-65 ITAA97).
<b>AFF3</b>	pre 1985	Deduction over 3 years (immediate deduction prior to 19 September 1985) to primary producers for costs of conserving or conveying water.
<b>AFF4</b>	1985	Immediate deduction to certain taxpayers for capital expenditure on soil conservation, prevention of land degradation and related measures (Subdivision 387-A ITAA97).
<b>AFF5</b>	pre 1985	Income tax averaging for primary producers (Division 392 ITAA97).
<b>AFF6</b>	pre 1985	Deferment of assessment on income from double wool clip (Section 385-135 ITAA97).

Table 3: Tax Expenditures Reference Table (continued)

1994-95 \$m	1995-96 \$m	1996-97 \$m	1997-98 \$m	1998-99 \$m	1999-00 \$m	2000-01 \$m	2001-02 \$m
na	na	20	25	25	25	25	30
-	<1	<1	<1	<1	-	-	-
na	<1	<1	<1	<1	<1	<1	<1
na	na	na	na	na	na	na	na
-	-	-	-	-	na	na	na
432	489	535	571	628	690	762	836
50	50	55	60	60	85	70	70
na	na	na	na	na	na	na	na
30	30	30	30	30	30	30	26
Included in AFF3							
135	190	120	90	95	95	95	105
na	na	na	na	na	na	na	na



Table 3: Tax Expenditures Reference Table (continued)

Index	Date	Description
AFF7	pre 1985	Provision for spreading over five years of assessment of: (a) insurance recoveries for loss of timber or livestock and (b) income from forced disposal of livestock. In the latter case, profit from compulsory disposal after 30 June 1986 of livestock for Brucellosis and Tuberculosis Eradication Campaign can be spread over a 10 year period (Subdivision 385-E ITAA97).
AFF8	pre 1985	Deductions to primary producers under the Income Equalisation Deposits (IED) scheme. From 7 April 1995, the Farm Management Bonds scheme (a component of the IED scheme) was enhanced, with the investment component raised to 100 per cent and a new maximum limit on deposits of \$150,000; Loan (IED) Act 1976 (Sections 3; 4B(5); 15(4)(b); 18; 19; 20A; and 20B). These schemes were replaced by the Farm Management Deposit scheme as of 1 July 1998. (m)
AFF9	1993	Expenditure incurred on or after 1 July 1993 on acquiring and establishing grape vines for use in a business of primary production is evenly deductible over four years. Deductions are available from the time vines are planted (Section 387-D ITAA97).
AFF10	pre 1985	Depreciation over 10 years of the capital cost of telephone lines extending to land used for primary production (Sections 387-405(1), (2); 387-410(1) ITAA97).
AFF11	1995	A five year, 10 per cent taxation allowance for capital expenditure on drought preparedness assets of up to \$50,000 per taxpayer per annum effective 23 March 1995 (Sections 82AC; 50C(3); 50F(1); 56(3); 159GJ(1); and 170(10)).
AFF12	pre 1985	Lower rate of excise on brandy than the general rate (Item 2A) <i>Excise Tariff Act 1921</i> .
AFF13	pre 1985	Excise-free status of wine, alcoholic cider and a range of other alcoholic drinks except brandy.
AFF14	1995	Deduction for capital expenditure incurred in establishing horticultural plantations (Sections 387-160 to 387-210 ITAA97).
AFF15	1997	Increase in FBT exemption from 50 per cent to full exemption for remote area housing provided by primary producers (Section 58ZA).
AFF16	1997	Deductions to primary producers under the Farm Management Deposits scheme which replaced the Income Equalisation Deposits and Farm Management Bonds schemes. The scheme has a maximum limit on deposits of \$300,000 (Section 393-10).
AFF17	1998	A tax rebate of 34 cents in the dollar for expenditure on landcare works is available to primary producers with taxable incomes of up to \$20,700 a year (Division 388 ITAA97).

Table 3: Tax Expenditures Reference Table (continued)

1994-95 \$m	1995-96 \$m	1996-97 \$m	1997-98 \$m	1998-99 \$m	1999-00 \$m	2000-01 \$m	2001-02 \$m
na	na	na	na	na	na	na	na
9	14	32	26	24	9	-	-
1	2	3	4	4	4	4	4
<1	1	1	1	1	1	1	1
-	3	20	14	15	15	-	-
6	6	5	5	5	5	4	4
na	na	na	na	na	na	na	na
-	-	-	1	3	4	5	5
-	-	-	5	5	5	5	5
-	-	-	-	-	23	45	29
na	na	na	na	20	20	20	20

Table 3: Tax Expenditures Reference Table (continued)

<b>Index</b>	<b>Date</b>	<b>Description</b>
<b>Assistance to Mining, Manufacturing and Construction</b>		
<b>MM1</b>	pre 1985	Deduction for certain allowable capital expenditure (not on plant and equipment) incurred in carrying on a prescribed mining operation or prescribed petroleum operation over 10 years or life of mine, whichever is the lesser, for expenditure incurred after 19 July 1982; for expenditure incurred before that date, deduction allowed over the lesser of the life of the mine and a fixed statutory period which is varied according to the date of the expenditure (deductions for items of plant under these provisions abolished with effect from 25 May 1988). Deduction over 10 years (or 20 years at taxpayer's option) for capital expenditure on facilities used to transport minerals and unrefined petroleum away from the mine site or field (Division 330). Deduction over 20 years provided for certain allowable capital expenditure incurred in developing quarry operations after 15 August 1989 (Subdivision 330-H ITAA97).
<b>MM2</b>	pre 1985	Immediate deduction for capital expenditure incurred in prospecting or exploration by general and petroleum miners and in quarrying (Subdivision 330-A ITAA97).
<b>MM4</b>	pre 1985	Exemption of income from sale, transfer or assignment of rights to mine gold or prescribed metals (Section 330-60 ITAA97). (Abolished in respect of income from contracts entered into after 20 August 1996, subject to transitional arrangements.)
<b>MM5</b>	1992	Development Allowance of 10 per cent for plant and equipment relating to major projects, approved by the Development Allowance Authority, which commenced on or after 27 February 1992 and completed before 30 June 2002 (Sections 82AAAA and 82AA-AQ). The allowance was extended to the motor vehicle and printing production industries on 18 January 1994, Development Allowance Authority Act 1992 (Sections 15, 27, 40).
<b>MM6</b>	1993	General investment allowance provides an additional tax deduction of 10 per cent of the cost of qualifying plant and equipment ordered from 9 February 1993 and before 1 July 1994 and which is first used for the purpose of producing assessable income, or installed ready for use, before 1 July 1994.
<b>MM7</b>	1991	Deduction over 10 years or life of project to which it relates, whichever is the least, for expenditure incurred on or after 12 March 1991 on an eligible environmental impact study (Section 400-15 ITAA97).
<b>MM8</b>	1992	Immediate deduction for expenditure on or after 19 August 1992 for the sole or dominant purpose of preventing, combating or rectifying pollution, or treating, cleaning up, removing or storing waste where the waste or pollution was produced by, or is on the site of, the taxpayer's income-producing activities (Sections 400-55, 400-65 ITAA97).

Table 3: Tax Expenditures Reference Table (continued)

1994-95 \$m	1995-96 \$m	1996-97 \$m	1997-98 \$m	1998-99 \$m	1999-00 \$m	2000-01 \$m	2001-02 \$m
120	100	80	80	80	80	80	80
na	na	na	na	na	na	na	na
40	40	40	38	18	5	-	-
50	50	325	270	190	175	245	215
445	200	12	-	-	-	-	-
<10	<10	<10	Included with MM8				
na	na	na	14	15	15	16	17

Table 3: Tax Expenditures Reference Table (continued)

<b>Index</b>	<b>Date</b>	<b>Description</b>
<b>MM9</b>	pre 1985	Absence of balancing adjustment on disposal for certain depreciable assets (eg buildings) which would recapture allowed income tax deduction for depreciation in excess of actual decline in asset's market value over period to date of asset's disposal.
<b>MM10</b>	pre 1985	The ability to roll over liability for balancing adjustments levied on the disposal of certain depreciable assets (Subdivision 42-F, H and J).
<b>MM11</b>	1992	Exemption for borrowings for eligible infrastructure facilities, from 1 July 1992. From 1 July 1994: the maximum term of the concession was increased from 10 to 15 years; the exemption became applicable to more sectors; and investors were offered a tax rebate equal to the company tax rate as an alternative to the non-assessable income arrangement (Division 16L, Sections 159GZZZZD to 159GZZZZH). No further approvals from 14 February 1997. The scheme has been replaced by MM17 (see below).
<b>MM12</b>	pre 1985	Immediate deduction for expenditure incurred in obtaining or seeking to obtain, for the purpose of producing assessable income, the registration or extension of a patent, design or copyright (Section 373-5 ITAA97).
<b>MM13</b>	pre 1985	Exemption of income of funds established to enable scientific research to be conducted by or in conjunction with a public university, provided the funds are actually being applied for that purpose (Section 50-5 ITAA97).
<b>MM14</b>	1985	Deductions of up to 125 per cent for eligible expenditure on research and development activities undertaken after 20 August 1996 (150 per cent before). Eligible expenditures which are of a current nature receive an immediate 125 per cent deduction. Eligible expenditures on R&D plant are deductible at 125 per cent over three years. Expenditure on 'core technology' which relates to R&D activities undertaken by the firm is deductible over the period of the related R&D activities, subject to constraints about the maximum deduction allowable (Section 73B). (n)
<b>MM15</b>	Pre 1985	Depreciation to nil rather than estimated scrap value (Division 42 ITAA97).
<b>MM16</b>	Pre 1985	Rollover relief for balancing adjustments for exploration, mining and quarrying activities (Subdivision 330-J ITAA97).
<b>MM17</b>	1998	Infrastructure Borrowings Tax Offset Scheme, which provides a tax rebate on interest received from infrastructure providers. It is open to selected land transport facilities, project proponents with applications pending for the previous infrastructure borrowings (IBs) tax concession scheme at 14 February 1997, and extensions to projects which had previously been certified to use IBs (Sections 396-5 to 396-110 ITAA97).

Table 3: Tax Expenditures Reference Table (continued)

1994-95 \$m	1995-96 \$m	1996-97 \$m	1997-98 \$m	1998-99 \$m	1999-00 \$m	2000-01 \$m	2001-02 \$m
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
-	na	40	115	105	85	60	40
23	23	24	27	30	30	30	29
<1	<1	<1	<1	<1	<1	<1	<1
685	675	800	430	490	510	540	580
<10	<10	<10	<10	<10	<10	<10	<10
na	na	na	na	na	na	na	na
-	-	-	<10	75	75	75	75

Table 3: Tax Expenditures Reference Table (continued)

<b>Index</b>	<b>Date</b>	<b>Description</b>
<b>MM18</b>	1998	Increase in FBT exemption from 50 per cent to full exemption for remote area housing provided by employers in the mining industry. (Announced in <i>A New Tax System</i> and is to take effect from April 2000.)
<b>Transport and Communications</b>		
<b>TC1</b>	1986	FBT exemption for providing free or discounted commuter travel to employees where the employer carries on a business of providing public transport (Section 47(1)).
<b>TC2</b>	1997	FBT exemption for employee taxi travel arriving at or leaving from place of work from 1 April 1997. From 1 April 1995 an exemption was available for travel before 6 am or after 8 pm.
<b>TC3</b>	1994	CGT exemption for payments under the Sydney Aircraft Noise Insulation Project (Section 118-15(e) ITAA97).
<b>TC4</b>	1994	CGT exemption for payments under the M4/M5 Cashback Scheme (Regulation 16 of 1998). (i)
<b>Other Economic Affairs</b>		
<b>A. Tourism and Area Promotion</b>		
<b>TAP1</b>	1986	FBT valuation of stand-by travel for airline employees and travel agents at 37.5 per cent of full fare (Section 33).
<b>B. Labour and Employment</b>		
<b>LE1</b>	pre 1985	Exemption of income received by trade unions and registered associations of employers or employees (Section 50-15 ITAA97). (An exception is that trade unions and employee associations are assessable on non-premium income attributable to the business of granting certain annuities under Section 50-15 ITAA97.) (j)
<b>LE2</b>	pre 1985	Deductibility, up to a limit, of union dues and subscriptions to business associations (Section 73(3)).
<b>LE3</b>	pre 1985	Exemption of rebates paid to employers who take on apprentices under the CRAFT (Commonwealth Rebate for Apprentice Full-Time Training) scheme (Section 23(jc)). Consistent with the Government's 1997-98 Budget announcement, the CRAFT scheme has been converted to an outlays program.
<b>LE4</b>	pre 1985	Deferral of tax on share discounts and, from 1 July 1988, exemption of share discounts received by an employee under an approved employee share acquisition scheme currently up to a maximum of \$1000 (Div 13A).
<b>LE5</b>	1986	FBT exemption for long service awards for service of more than 15 years to a value of \$500 per employee (Section 58Q).

Table 3: Tax Expenditures Reference Table(continued)

1994-95 \$m	1995-96 \$m	1996-97 \$m	1997-98 \$m	1998-99 \$m	1999-00 \$m	2000-01 \$m	2001-02 \$m
-	-	-	-	-	-	25	20
25	25	25	25	25	25	30	30
na	na	na	na	na	na	na	na
na	na	na	11	15	15	13	13
na	na	na	na	na	na	na	na
65	60	70	70	70	70	75	80
na	na	na	10	10	10	10	10
na	na	na	na	na	na	na	na
23	21	14	13	7	11	11	5
na	na	na	na	na	na	na	na
<5	<5	<5	<5	<5	<5	<5	<5



Table 3: Tax Expenditures Reference Table (continued)

Index	Date	Description
LE6	1986	FBT exemption for food and accommodation provided to employees training under the Australian Traineeship Scheme (Section 58S).
LE7	1986	FBT exemption for providing compensation-related benefits, certain relocation and recruitment expenses (Sections 58A-D and F).
LE8	1986	FBT exemption for providing occupational health and counselling services and some training courses (Sections 58J, K and M).
LE9	1986	FBT reduction in the taxable value of certain relocation and recruitment expenses (Sections 61B-E).
LE10	1986	FBT reduction in the taxable value of benefits in the form of a reimbursement of car expenses on cents per km basis where the expenses are incurred in association with occupational health and counselling services and some training courses (Section 61F).
<b>C. Other Economic Affairs, nec</b>		
OEA1	1988	Ten year straight line depreciation for capital expenditure in connecting or upgrading mains electricity for a property on which a business is conducted (Sections 387-350 to 387-390 ITAA97).
OEA2	pre 1985	Deduction to co-operative companies for amounts distributed to members as bonuses, interest or dividends and for the repayment of Commonwealth and State government loans (Section 120(1)).
OEA3	pre 1985	The concessional treatment of the investment income of registered organisations from certain types of life, disability and accident policies (taxable, at a concessional rate of 20 per cent, from 1983-84 to 1987-88 income years; 30 per cent for the life insurance business of friendly societies from 1988-89 to 1993-94 income years; 33 per cent for the 1994-95 to 1998-99 income years; and 39 per cent for subsequent income years). (j)
OEA4	pre 1985	Concessional treatment of credit unions (Section 23G). (o)
OEA5	1992	Application of a concessional (effectively 10 per cent) rate of tax on eligible income derived by an Offshore Banking Unit (OBU) from 1 July 1992. The Government has introduced legislation to Parliament following the 1997 <i>Investing for Growth</i> statement which will extend the OBU concessions.
OEA6	1994	CGT: a limited form of rollover available to certain eligible superannuation funds which merge on or after 1 July 1994 and before 1 July 1997 to defer accrued CGT liabilities (Section 160ZZPI).
OEA7	1994	CGT rollover relief is provided where a complying Approved Deposit Fund (ADF) converts to a complying superannuation fund, or where a complying superannuation fund or a complying ADF redesigns its trust deed, effective 12 January 1994 (Section 126-C ITAA97).

Table 3: Tax Expenditures Reference Table (continued)

1994-95 \$m	1995-96 \$m	1996-97 \$m	1997-98 \$m	1998-99 \$m	1999-00 \$m	2000-01 \$m	2001-02 \$m
<5	<5	<5	<5	<5	<5	<5	<5
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
4	4	5	6	6	7	7	6
<1	<1	<1	<1	<1	<1	<1	<1
31	22	23	18	18	19	-	-
45	18	25	30	1	1	1	1
10	9	13	17	27	35	35	35
-	na	na	na	-	-	-	-
<1	na	na	na	-	-	-	-

Table 3: Tax Expenditures Reference Table (continued)

Index	Date	Description
OEA8	1995	Multinational firms establishing regional headquarters in Australia can claim, inter alia, business expenses incurred in relocating from overseas (Sections 82C-CE).
OEA9	1986	Exemption of certain payments from reducing cost base of trusts for CGT purposes (Section 104-70(7) ITAA97).
OEA10	1995	Concessional CGT treatment of demutualised insurance organisations.
OEA11	pre 1985	Exemption of income of foreign superannuation funds (Section 23(jb)).
OEA12	1986	FBT exemption for benefits on loans where the interest paid is above the declared rate but below the market rate (Section 18). (p)
OEA13	1986	FBT undervaluation of benefits on loans where the interest paid is below the declared rate and is below the market rate (Section 18). (p)
OEA14	1986	FBT undervaluation of benefits resulting from the statutory formula available to value car benefits (Section 9).
OEA15	1994	IWT half exemption for notional interest paid by a foreign bank branch to its overseas parent (Section 160ZZZJ(2)).
OEA16	1992	DWT exemptions for dividends paid by pooled development funds (Sections 128B(3)(ba), 124ZM).
OEA17	pre 1985	Assessable income of a pension or annuity stream is determined after subtracting the undeducted purchase price (UPP) component of that income stream. The UPP (capital component) of a superannuation pension or annuity is apportioned evenly over the term of the income stream payments. This provides a tax deferral advantage because the UPP component of an income stream typically grows over time until the last payment of the stream is mainly comprised of the UPP component.
OEA18	pre 1985	Income relating to current pensions is not taxable in the hands of the superannuation fund. It is taxable when paid to the pensioner but this could be some time after the income accrues, possibly representing a deferral of tax liability.
OEA19	1992	Concessional taxation treatment available to investment companies that are established and registered as Pooled Development Funds (PDFs) (Sections 46(1), (2), (7), (7A); 46A(1), (5), (9), (10); 124ZS-ZV; 124ZW-ZZD, and the <i>Income Tax Rates Act 1986</i> , Sections 3(1); 23(4C), (4D)). Enhancements to the PDF program were announced in the 1999-2000 Budget.
OEA20	1986	CGT exemption of 50 per cent of that part of a capital gain attributable to goodwill where a taxpayer, whose net business interests are less than \$2.2 million, has disposed of a business (Sections 118-250, 118-255 ITAA97).

Table 3: Tax Expenditures Reference Table (continued)

1994-95 \$m	1995-96 \$m	1996-97 \$m	1997-98 \$m	1998-99 \$m	1999-00 \$m	2000-01 \$m	2001-02 \$m
-	6	7	2	2	2	2	2
na	na	na	na	na	na	na	na
-	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
800	650	740	870	910	940	880	910
Included in NAF13							
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
<1	<1	<1	<1	<1	3	5	8
na	na	na	na	na	na	na	na

Table 3: Tax Expenditures Reference Table (continued)

<b>Index</b>	<b>Date</b>	<b>Description</b>
<b>OEA21</b>	1997	CGT rollover relief for businesses with net assets of less than \$5 million, including rollover relief for shares. This measure has been extended to include situations where land and buildings integral to the business are owned by an entity other than the entity operating the business.
<b>OEA22</b>	1997	FBT exemption for record keeping for employers (other than a government body or tax exempt body) submitting a return in a base year with \$5,000 or less in taxable benefits and thereafter not significantly altering the amount or kind of benefits provided in each year.
<b>OEA23</b>	1997	FBT exemption for small businesses in respect of car parking on their business premises. For the purposes of the exemption, small business employers are taxpayers (other than government bodies and listed public companies and their subsidiaries) with gross incomes of less than \$10 million.
<b>OEA25</b>	1998	Generic tax framework for the demutualisation of non-insurance organisations.
<b>Total Other Purposes</b>		
<b>D. Natural Disaster Relief</b>		
<b>NDR1</b>	1999	Tax exemption for business assistance grants from the Katherine and District Business Re-Establishment Trust. (i)
<b>Not Allocated to Function</b>		
<b>NAF1-4</b>		Concessions under the substantiation provisions for employment-related expenses incurred after 1 July 1986 (Sections 82KT-82KZB) including (NAF1-NAF4):
<i>NAF1</i>	1986	<i>expenses up to the amount of a reasonable overtime meal allowance are not subject to substantiation requirements;</i>
<i>NAF2</i>	1986	<i>substantiation rules do not apply to expenses on accommodation, meals and incidental costs of travel in Australia up to the amount of a reasonable travel allowance;</i>
<i>NAF3</i>	1986	<i>expenses which do not exceed the amount of certain award transport allowances are not subject to substantiation requirements (rules relaxed somewhat from 1 July 1988); and</i>
<i>NAF4</i>	1986	<i>use of 1/3 of car expenses or 12 per cent of the purchase cost of the car as alternatives to the actual expenses method of substantiating car expenses.</i>
<b>NAF5</b>	pre 1985	Exemption of income of religious institutions (Sections 50-5, 50-50, 50-55, 50-65 ITAA97). (This exemption is generally not available to offshore organisations from 1 July 1997.)
<b>NAF6</b>	pre 1985	Exemption of income of non-profit societies or associations predominantly devoted to the promotion or development of aviation or tourism, or of agricultural, pastoral, horticultural, viticultural, manufacturing or industrial resources of Australia (Section 50-40 ITAA97). (j)

Table 3: Tax Expenditures Reference Table (continued)

1994-95 \$m	1995-96 \$m	1996-97 \$m	1997-98 \$m	1998-99 \$m	1999-00 \$m	2000-01 \$m	2001-02 \$m
-	-	-	-	290	305	315	290
-	-	-	-	-	25	25	25
-	-	-	20	20	20	20	20
-	-	-	-	-	na	na	na
-	-	-	-	2	-	-	-
na	na	na	na	na	na	na	na
See above							
See above							
See above							
See above							
na	na	na	na	na	na	na	na
30	30	30	30	30	30	30	30

Table 3: Tax Expenditures Reference Table (continued)

Index	Date	Description
NAF7	1986	Rebate on certain payments of income received in arrears, including lump sum payments of workers' or accident compensation and of social security and other benefits, on or after 1 July 1986 (Sections 159ZR-159ZRD).
NAF8	pre 1985	Rebate of interest on certain government or semi-government securities issued before 1 November 1968 (Section 160AB).
NAF9	pre 1985	Exemption of income of municipal corporations and other local governing bodies and public authorities (other than a State or Territory body within the meaning of Division 1AB) (Section 23(d)).
NAF10	pre 1985	Exemption of income of a State/Territory body (Part III, Division 1AB). (This exemption was included in Section 23 (d) before 1 July 1994.)
NAF11	pre 1985	Deduction for gifts other than trading stock to approved donees (Section 30-15 to 30-100 ITAA97). Section 30-15 to 30-100 provides the list of approved donees.
NAF12	pre 1985	Deduction for gifts of trading stock to approved donees, where deduction is the value of stock included in taxpayer's assessable income (Section 78(12)). Section 78 provides the list of approved donees.
NAF13	pre 1985	IWT exemption for foreign borrowings raised by a public offer of debentures (Section 128F). The Government announced in the 1997 statement <i>Investing for Growth</i> the extension of the IWT exemption to publicly offered corporate securities issued in Australia.
NAF14	pre 1985	IWT exemption for interest on loans raised outside Australia by a State or by an authority of the Commonwealth or a State and the loan funds are not used by an authority in competing directly with a non-government enterprise (Section 128GA). (Abolished with respect to loans contracted for after 1 July 1986.)
NAF15	1994	FBT rebate for specified categories of non-government, non-profit organisations from 1 April 1994 (Section 65J).
NAF16	1986	FBT exemption for benefits provided by employers in relation to certain compassionate travel of employees (Section 58LA).
NAF17	1986	FBT exemption for fringe benefits provided by religious institutions (Section 57).
NAF18	1986	FBT exemption for staff accommodation at religious institutions and meals provided in religious houses (Section 58T).
NAF19	1986	FBT exemption for provision of food or drink in certain circumstances (Sections 54 and 58V).
NAF20	1986	FBT reduction of the taxable value to 75 per cent of the arm's length transaction price for in-house property and residual fringe benefits (Sections 42(1), 48 and 49).

Table 3: Tax Expenditures Reference Table (continued)

1994-95 \$m	1995-96 \$m	1996-97 \$m	1997-98 \$m	1998-99 \$m	1999-00 \$m	2000-01 \$m	2001-02 \$m
<1	<1	<1	<1	<1	<1	<1	<1
<1	<1	<1	<1	<1	<1	<1	<1
115	95	95	95	95	100	105	110
na	na	na	na	na	na	na	na
169(q)	184(q)	196	211	223	234	246	227
na	From 1994-95 included in NAF11						
720	750	740	750	760	750	740	740
Included in NAF13							
35	45	47	55	57	59	42	44
<5	<5	<5	<5	<5	<5	<5	<5
150	155	160	170	175	180	170	175
<5	<5	<5	<5	<5	<5	<5	<5
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na



Table 3: Tax Expenditures Reference Table (continued)

<b>Index</b>	<b>Date</b>	<b>Description</b>
<b>NAF21</b>	1986	FBT exemption for up to \$500 per employee of the taxable value of airline transport fringe benefits and free discounted goods or services of a kind ordinarily provided to employers' customers or clients (Section 62).
<b>NAF22</b>	1986	FBT valuation of board fringe benefits at \$2 per meal, or \$1 per meal if the person is under the age of 12 (Section 36).
<b>NAF23</b>	1993	FBT exemption for car parking benefits provided by employers who are non-profit scientific organisations, religious institutions or public education institutions. Exemption for all car parking benefits was available up to 1 July 1993 (Section 58G).
<b>NAF24</b>	1993	FBT undervaluation of benefits resulting from valuation arrangements for car parking (Section 39A).
<b>NAF25</b>	1986	FBT reduction in the taxable value of holiday travel by 50 per cent of actual cost up to an amount equal to 50 per cent of the cost of one return holiday per year to Australia, irrespective of destination, for employees posted overseas (Section 61A).
<b>NAF26</b>	1986	FBT exemption in certain circumstances for transport for oil rig and remote area employees (Section 47(7)).
<b>NAF27</b>	1986	FBT reduction in taxable value by up to 50 per cent of cost for remote area holiday benefits, including those given to the employee's family (Sections 60A and 61).
<b>NAF28</b>	1986	FBT exemption for minor benefits (Section 58P).
<b>NAF29</b>	1986	FBT exemption for private use of business property consumed on business premises and principally for use in connection with business operations (Sections 41 and 47(3)).
<b>NAF30</b>	1986	FBT exemption for benefits such as allowances or components of allowances, accommodation, food and household goods provided while living away from home in order to perform duties of employment (Sections 21, 31, 47(5), 58E and 63).
<b>NAF31</b>	1986	FBT exemption for private use of company cars that is minor and infrequent (Section 47(6)).
<b>NAF32</b>	1986	FBT exemption for fringe benefits on loans provided to employees to meet employment-related and accommodation-related expenses (Sections 17(3) and 17(4)).

Table 3: Tax Expenditures Reference Table (continued)

1994-95 \$m	1995-96 \$m	1996-97 \$m	1997-98 \$m	1998-99 \$m	1999-00 \$m	2000-01 \$m	2001-02 \$m
na	na	na	na	na	na	na	na
30	20	20	20	25	25	25	25
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na
na	na	na	na	na	na	na	na

Table 3: Tax Expenditures Reference Table (continued)

Index	Date	Description
NAF34	1998	Tax offset for savings, to a value in 1998-99 of 7.5 per cent of undeducted superannuation contributions and/or net personal income from savings and investment, with a maximum rebate of \$225 (Subdivision 61-A, section 61-50 to 61-70). The Government announced in ANTS that the savings offset would be terminated with effect from 1999-2000. (i)
NAF35	1998	Immediate deduction for expenditure on acquiring new software (including upgrades) or substantially rebuilding current software which has the predominant nature of ensuring Y2K compliance, providing such expenditure is incurred by 31 December 1999.

Notes

- Nil
- na Denotes estimate of revenue cost is not available.
- nec Denotes not elsewhere classified.
- <X Denotes revenue cost is less than X million dollars (eg <1 denotes that the estimate is less than \$1 million).
- (a) 1997-98 figures are preliminary only and are subject to revision on receipt of tax data for 1997-98. Figures for 1998-99 to 2000-2001 are projections based on currently available information.
- (b) The date of effect of this tax expenditure depends on the date on which the double tax agreement takes effect.
- (c) The exemption of income of Norfolk Island residents reflects that the Island is basically self-supporting. The only contributions by the Commonwealth are of a one-off nature eg a dollar-for-dollar grant for a water and sewerage scheme.
- (d) In the case of living-away-from-home allowances and living allowances paid to Defence Force personnel, the benchmark is defined to be compensation for the actual additional costs faced by employees in living away from their homes. On this view, the tax expenditure relates solely to any excess over such a component.
- (e) Denotes item referring to Australian-source income of non-residents.
- (f) Includes invalid relative rebate, parent or parent-in-law rebate and superannuation pension or annuity rebate.
- (g) Includes invalid relative rebate and parent or parent-in-law rebate.
- (h) The Medicare levy in 1996-97 was raised from 1.5 to 1.7 per cent to fund the costs associated with the gun buyback scheme (the gun levy). It is assumed the revenue impact of exemption from the gun levy is experienced in 1997-98.
- (i) Recent measure, yet to be legislated.
- (j) The tax expenditure element here refers to the exemption of income not related to the application of the mutuality principle; ie, from trading with non-members and investment income.

Table 3: Tax Expenditures Reference Table (continued)

1994-95 \$m	1995-96 \$m	1996-97 \$m	1997-98 \$m	1998-99 \$m	1999-00 \$m	2000-01 \$m	2001-02 \$m
-	-	-	-	350	580	-	-
-	-	-	-	5	75	65	-105

- (k) Based on estimates and projections of fuel use published by ABARE in *Australian Energy Consumption and Production* (1997). Calculated on equivalent unit of energy basis. The estimates and projections exclude the effect of the recent Commonwealth safety net arrangements for petrol on the benchmark following the invalidation of State business franchise fees by the High Court.
- (l) The tax expenditure element relates to the difference between the standard specified values and market value.
- (m) The IED scheme allows primary producers to make deposits that are tax-deductible upon deposit but assessable on withdrawal. A negative expenditure may thus occur in a year when farmers make a net withdrawal from the scheme. The main effect of this scheme is to allow a tax deferral, but tax will be reduced to the extent that deposits are made in high income, high marginal tax rate years but withdrawn in years of low income and low marginal tax rates. In the long run, the real value of the concession for farmers will be the sum of each year's estimate.
- (n) The general (that is, non-syndicated) R&D tax concession provides both immediate deductibility of capital expenditure and premium deductions over 100 per cent for eligible expenditures. The tax expenditure estimates provided relate only to the revenue cost of premium deductions for R&D under the general concession. No estimate is made of the cost of the bring forward of capital deductions. As a result, the estimates provide a lower limit to the revenue cost of the tax expenditure on R&D against a benchmark of amortisation of eligible expenditures over time.
- (o) This exemption was removed from the beginning of the 1994-95 income year for credit unions with gross balance sheet assets of \$30 million or more and for other credit unions from the 1995-96 income year. Taxation will be at the concessional rate of 20 per cent until the beginning of the 1997-98 income year at which time the full corporate rate will apply. Concessional rates of taxation will be provided for credit unions with low levels of notional taxable income.
- (p) The term 'declared rate' (also referred to elsewhere as the 'benchmark rate') is used to refer to the rate declared by the Commissioner of Taxation for the purpose of determining FBT liability for loan benefits.
- (q) This estimate is derived from donations claimed on individuals' returns only. Donations made by companies, partnerships and trusts are not included. This estimate will therefore significantly understate the true cost to revenue of the concession.

Sources: Unless otherwise specified, Australian Taxation Office, Australian Customs Service, or the Treasury.