

# TREASURY EXECUTIVE MINUTE

Minute No.

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14 January 2011

Deputy Prime Minister and Treasurer

cc: Assistant Treasurer and Minister for  
Financial Services and Superannuation

## **FLOOD ASSISTANCE: MAKING BUSINESS ASSISTANCE GRANTS TAX EXEMPT**

**Timing:** Urgent. Your Office requested we brief you today.

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- It is too early to be able to accurately estimate the number of recipients of the grants. Accordingly, the total cost to revenue of exempting the grants from tax is currently unquantifiable. However, for every \$10 million of grants provided, the estimated cost to revenue would be around \$2.7 million over the forward estimates period (\$2.2 million in 2011-12, \$0.4 million in 2012-13 and \$0.1 million in 2013-14). We expect that an estimate of the cost to revenue of the exemption would be able to be reported in the 2011-12 Budget, once the total value of grants paid out is clearer.

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A/g Manager  
Industry Tax Policy Unit