

From:
To:
Cc:
Subject: BTWG - S22 company cut preliminary costings
Date: Friday, 18 May 2012 6:27:53 PM
Attachments:

Attached is preliminary advice for Section 22 the 1% to 5% reduction
in the company tax rate.

Section 22

The numbers and analysis contained in the document should be treated with extreme caution. Both models used for these costings are in development. The costings are intended as a starting point for discussion within the BTWG. TAD will continue to work through these models to improve the reliability of the estimates.

Analyst

Tax Analysis Division
The Treasury, Langton Crescent, Parkes ACT 2600
phone:
email:

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Section 22

Company Tax Rate Cuts

Preliminary estimates for a range of company tax cuts are provided in the table below. These figures include a preliminary estimate of clawback, though clawback has not yet been properly modelled. The preliminary estimates do not consider the impacts of either timing or behavioural change. In addition, costings of this nature and size often require estimates of the revenue impact that may arise from broader macro-economic effects.

Company Tax Rate Cuts	Approximate Annual Cost (\$m)
Down to 29 per cent	-2,000
Down to 28 per cent	-4,000
Down to 27 per cent	-7,000
Down to 26 per cent	-9,000
Down to 25 per cent	-11,000

Assumptions

- Clawback: 20%
- Rounding of estimates to the nearest \$1b