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To:
Cc:
Subject: 2 pager for small business
Date: Friday, 11 May 2012 11:30:02 AM
Attachments: [120510 - BRF - What is the Government doing for small business Final.docx](#)

Good morning ,

As requested, a 2 pager for small business issues is attached.

Please be in touch if you would like anything further.

Kind regards,

Policy Analyst

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Effect of budget announcements on small business

Section 22

Section 22

Other issues

Section 22

Why didn't the Government proceed with the promise to cut the company tax rate?

The Government was not able to secure the necessary parliamentary support to pass the company tax rate cut.

The Greens may have supported the cut for small business. Why did the Government decide not to implement the cut, even if it was only for small business?

This would have resulted in a permanent differential company rate for small business, not temporary as the Government had proposed.

The creation of a dual company tax regime for an extended period would create legislative and administrative complexity and generate significant compliance issues. For example, a company may avoid tax by shifting its profits to a small business company to be taxed at the lower rate and allocate deductions to a large company taxed at the higher rate. It would also discourage companies from expanding.

Section 22

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