

TABLE 1: FISCAL IMPACT OF STAGE ONE BUSINESS TAX REFORMS (a)

	99-00	00-01	01-02	02-03	03-04	04-05
	\$m	\$m	\$m	\$m	\$m	\$m
Cost to revenue of a lower company tax rate	-60	-1260	-3480	-3135	-3090	-3405
Changes to entity measures announced in ANTS						
Special regime for collective investment vehicles (CIVs)	0	-55	-145	-105	-105	-100
Defer taxing trusts as companies and CIVs	-40	-85	-300	110	-15	-10
Refunding imputation credits during year	0	0	-190	0	-10	-10
Taxing unfranked inter-entity distributions	-60	35	-70	-120	-155	-125
Changes to timing for life insurers	0	-180	0	40	0	0
Transitional taxation of fees on life policies	0	-110	-110	-110	-90	-90
Delay life policyholders measures (b)	0	-30	-30	0	0	0
Consolidation of losses in acquired companies	0	0	-190	-380	-390	-300
Value shifting and loss duplication in groups	0	0	0	75	80	85
Total	-100	-425	-1035	-490	-685	-550
Depreciation and small business measures						
Depreciation measures (all taxpayers)						
Remove accelerated depreciation	30	1050	2260	2300	2610	2550
Pooling of low value depreciable assets (< \$1000)	0	30	410	40	-80	-180
Removal of balancing charge offset	20	400	360	170	80	0
Allow write-off for indefeasible rights	-11	-51	-37	-36	-30	-29
Sub-total	39	1429	2993	2474	2580	2341
Small business measures						
Cash accounting	0	0	-220	-320	0	0
Simplified depreciation arrangements	0	0	-60	-220	-230	-330
Small business exemption from depreciation measures (c)	0	-219	-474	257	88	56
Sub-total	0	-219	-754	-283	-142	-274
Total depreciation and small business measures	39	1210	2239	2191	2438	2067
Capital gains tax measures						
Reform CGT for individuals	0	210	230	210	180	100
Reform CGT for superannuation funds	0	-70	-50	-70	-60	-60
Freeze indexation for other entities	0	10	40	50	60	70
Allowance for CGT arbitrage activities	0	-20	-50	-100	-150	-180
CGT rollover relief for scrip for scrip acquisitions	0	2	-19	-5	11	29
Venture capital (including PDFs)	0	0	0	0	0	-5
Small business provisions (incl. 15 yr exemption) (d)	*	*	*	*	*	*
Total	0	132	151	85	41	-46
Integrity measures						
Addressing lease assignments	0	15	45	55	70	70
Value shifting through debt forgiveness	0	25	22	0	0	0
Loss duplication in groups	0	35	20	0	0	0
Repeal excess deductions rules for mining operations	0	30	40	35	35	35
Prevent duplication of unrealised losses	0	65	90	85	95	100
Remove defects in the continuity of ownership test (e)	0	35	35	35	40	40
Disposal of loss assets within majority owned groups (e)	0	60	50	15	10	5
Value shifting measures outside groups	0	0	0	140	150	160
Tighten 13 month prepayment rule	15	220	325	260	275	255
Total	15	485	627	625	675	665
Growth dividend (f)	0	25	50	100	150	250
Fiscal impact of stage one measures	-106	167	-1448	-624	-471	-1019