

## FISCAL IMPACT OF ANNOUNCED MEASURES

The business tax reforms announced by the Government today represent the first part of a two-stage consideration of the recommendations of the Review of Business Taxation.

The reforms announced today are broadly revenue neutral in 2000-01. The Government's consideration of the remainder of the Review's recommendations will be guided by the objective of achieving a broadly revenue neutral outcome from business tax reform in later years.

The estimates presented in Table 1 show the impact of the announced reforms against the revenue benchmark set by the business tax measures announced in *A New Tax System*.

Table 1: Fiscal Impact of Business Tax Reforms

	1999-00 (\$m)	2000-01 (\$m)	2001-02 (\$m)	2002-03 (\$m)	2003-04 (\$m)	2004-05 (\$m)
<b>Announced Reforms</b>						
Lower company tax rate	-60	-1260	-3,480	-3,140	-3,090	-3,410
Changes to entity measures announced in ANTS	-100	-430	-1,040	-490	-690	-550
Depreciation and small business measures	40	1,210	2,240	2,190	2,440	2,070
Capital gains tax measures	0	130	150	80	40	-50
Integrity measures	20	390	540	580	630	620
Growth dividend	0	30	50	100	150	250
<b>Overall impact of announced measures</b>	<b>-110</b>	<b>70</b>	<b>-1,530</b>	<b>-670</b>	<b>-520</b>	<b>-1,060</b>
Impact of deferred measures <sup>1</sup>	0	470	820	950	940	1,040
Overall impact of announced and deferred measures	-110	540	-710	270	420	-20

<sup>1</sup> The revenue from the deferred measures is dependent upon the time of implementation.

Note: figures may not add due to rounding.