

STATEMENT 4: REVENUE

Compared with the 2018-19 MYEFO, the 2019-20 Budget forecasts for tax receipts have been revised down by \$18.2 billion over the four years to 2022-23. The revisions have been driven by parameter and other variations, and policy decisions, including the Government's measure *Lower taxes for hard-working Australians: Building on the Personal Income Tax Plan*.

Parameter and other variations are expected to reduce tax receipts by \$15.0 billion over the four years to 2022-23, as revisions to the outlook for household consumption, dwelling investment and average wages weigh on the forecasts. In the near term, however, this impact will be more than offset by an increase in company tax collections in 2018-19 and 2019-20, reflecting the recent observed strength in commodity prices.

Expected GST receipts have been revised down since the 2018-19 MYEFO, including by \$1.8 billion in 2019-20, in line with downward revisions to the forecasts for growth in consumption and dwelling investment. Relative to the 2018-19 MYEFO, lower forecasts for average wages and non-farm gross mixed income have also weighed on forecast receipts for individuals and other withholding taxes.

Policy decisions taken since the 2018-19 MYEFO are expected to reduce tax receipts by \$3.2 billion over the four years to 2022-23. This includes the impact of the Government's measure *Lower taxes for hard-working Australians: Building on the Personal Income Tax Plan*. This measure, which will provide additional tax relief of \$19.5 billion over the four years to 2022-23, reduces tax receipts by \$5.7 billion over the four years to 2022-23, owing to the inclusion of a provision in the 2018-19 MYEFO. The Government's decision to extend and expand the Australian Taxation Office's Tax Avoidance Taskforce increases tax receipts.

In 2019-20, tax receipts as a share of GDP are expected to be 23.3 per cent, similar to the 2018-19 MYEFO estimate. Tax receipts as a share of GDP are expected to remain below the Government's 23.9 per cent tax-to-GDP cap until 2029-30.

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STATEMENT 4: REVENUE

OVERVIEW

Since the 2018-19 MYEFO, expected tax receipts, including new policy, have been revised up by \$1.2 billion in 2018-19, but have been revised down by \$250 million in 2019-20 and by \$18.2 billion over the four years to 2022-23.

Excluding GST, tax receipts including new policy have been revised up by \$2.2 billion in 2018-19 and \$1.6 billion in 2019-20, but have been revised down by \$8.0 billion over the four years to 2022-23. As GST receipts flow through to the States, tax receipts excluding GST represent the tax receipts available to the Australian Government to meet its own spending needs.

Including new policy, total tax receipts are forecast to grow by 7.4 per cent in 2018-19 and 3.9 per cent in 2019-20, and by 4.2 per cent on average over the four years to 2022-23 (Table 1). The growth in tax receipts is in line with growth prospects for the Australian economy, with the continued absorption of spare capacity in the labour market supporting a pick-up in average wage growth.

Total tax receipts as a share of GDP are expected to increase from 23.3 per cent in 2019-20 to 23.7 per cent in 2021-22, before temporarily dipping in 2022-23 to 23.3 per cent. Tax receipts as a share of GDP are then expected to rise over the medium-term period, but remain below the 23.9 per cent tax cap until 2029-30.

Table 1: Australian Government general government receipts

	Actual	Estimates			Projections	
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Total taxation receipts (\$b)	418.1	448.8	466.4	486.4	514.3	528.7
Growth on previous year (%)	10.2	7.4	3.9	4.3	5.7	2.8
Per cent of GDP	22.6	23.1	23.3	23.4	23.7	23.3
Tax receipts excluding GST (\$b)	354.9	383.2	399.2	416.4	440.8	451.3
Growth on previous year (%)	11.1	8.0	4.2	4.3	5.9	2.4
Per cent of GDP	19.2	19.7	19.9	20.0	20.3	19.9
Non-taxation receipts (\$b)	28.9	36.3	39.1	35.9	36.7	38.2
Growth on previous year (%)	-5.7	26.0	7.6	-8.1	2.1	4.0
Per cent of GDP	1.6	1.9	2.0	1.7	1.7	1.7
Total receipts (\$b)	446.9	485.2	505.5	522.3	551.0	566.9
Growth on previous year (%)	9.0	8.6	4.2	3.3	5.5	2.9
Per cent of GDP	24.2	25.0	25.2	25.1	25.4	25.0

TAX OUTLOOK

Table 2 reconciles the 2019-20 Budget estimates of tax receipts with the 2018-19 Budget and the 2018-19 MYEFO estimates. Since the 2018-19 MYEFO, tax receipts have been revised up by \$1.2 billion in 2018-19. This revision was driven by parameter and other variations, which include revisions due to recent economic conditions, the updated economic outlook, year-to-date tax collections and other non-policy factors. Tax receipts have been revised down by \$250 million in 2019-20 as the reduction in receipts due to policy decisions more than offsets the increase in receipts from parameter and other variations.

Table 2: Reconciliation of Australian Government general government taxation receipts estimates from the 2018-19 Budget

	Estimates			Projections		Total(a)
	2018-19	2019-20	2020-21	2021-22	2022-23	
	\$m	\$m	\$m	\$m	\$m	\$m
Tax receipts at 2018-19 Budget	440,480	465,504	491,025	519,595	*	*
Changes from 2018-19 Budget to 2018-19 MYEFO						
Effect of policy decisions	-5	-467	-2,178	-2,317	*	*
Effect of parameter and other variations	7,170	1,609	2,388	1,561	*	*
Total variations	7,165	1,142	209	-756	*	*
Tax receipts at 2018-19 MYEFO	447,645	466,646	491,235	518,839	*	*
Changes from 2018-19 MYEFO to 2019-20 Budget						
Effect of policy decisions	-2	-1,017	-701	1,342	-2,873	-3,249
Effect of parameter and other variations	1,177	769	-4,162	-5,861	-5,698	-14,952
Total variations	1,175	-249	-4,862	-4,519	-8,571	-18,202
Tax receipts at 2019-20 Budget	448,821	466,397	486,372	514,320	528,691	1,995,781

* Data is not available.

(a) Total is equal to the sum of amounts from 2019-20 to 2022-23.

Over the four years to 2022-23, tax receipts have been revised down by \$18.2 billion, due to parameter and other variations as well as policy decisions. Policy decisions include the impact of the Government's measure *Lower taxes for hard-working Australians: Building on the Personal Income Tax Plan*. This measure will provide additional tax relief of \$19.5 billion over the four years to 2022-23, and is partly offset by the inclusion of a provision in the 2018-19 MYEFO. The decision to extend and expand the Australian Taxation Office's Tax Avoidance Taskforce will increase tax receipts. For more details on policy decisions, see *Budget Statement 1* and Budget Paper No. 2.

The 2019-20 Budget continues to provide provisions for a number of Free Trade Agreements (FTAs) which have not been finalised:

- Environmental Goods Agreement;
- Australia-Gulf Cooperation Council Free Trade Agreement;

- Australia-India Comprehensive Economic Cooperation Agreement;
- Regional Comprehensive Economic Partnership;
- Australia's Accession to the World Trade Organisation Government Procurement Agreement;
- Pacific Alliance Free Trade Agreement; and
- Australia-European Union Free Trade Agreement.

The 2019-20 Budget also includes a new provision for the Australia-United Kingdom Free Trade Agreement.

VARIATIONS IN RECEIPTS ESTIMATES

Table 3 reconciles the 2019-20 Budget estimates of total receipts, which include both tax and non-tax receipts, with the 2018-19 Budget and the 2018-19 MYEFO estimates. These differences reflect the impact of policy decisions, and the impact of parameter and other variations.

Table 3: Reconciliation of Australian Government general government receipts estimates from the 2018-19 Budget^(a)

	Estimates			Projections		Total (b)
	2018-19 \$m	2019-20 \$m	2020-21 \$m	2021-22 \$m	2022-23 \$m	
Receipts at 2018-19 Budget	473,745	503,666	525,458	553,966	*	*
Changes from 2018-19 Budget to 2018-19 MYEFO						
Effect of policy decisions	596	242	-1,580	-1,006	*	*
Effect of parameter and other variations	7,742	2,109	2,509	1,829	*	*
Total variations	8,338	2,351	929	823	*	*
Receipts at 2018-19 MYEFO	482,084	506,018	526,387	554,788	*	*
Changes from 2018-19 MYEFO to 2019-20 Budget						
Effect of policy decisions	51	-1,119	-126	1,731	-2,510	-2,024
Effect of parameter and other variations	3,031	622	-3,944	-5,498	-6,263	-15,082
Total variations	3,081	-497	-4,070	-3,767	-8,773	-17,107
Receipts at 2019-20 Budget	485,165	505,521	522,318	551,022	566,874	2,145,734

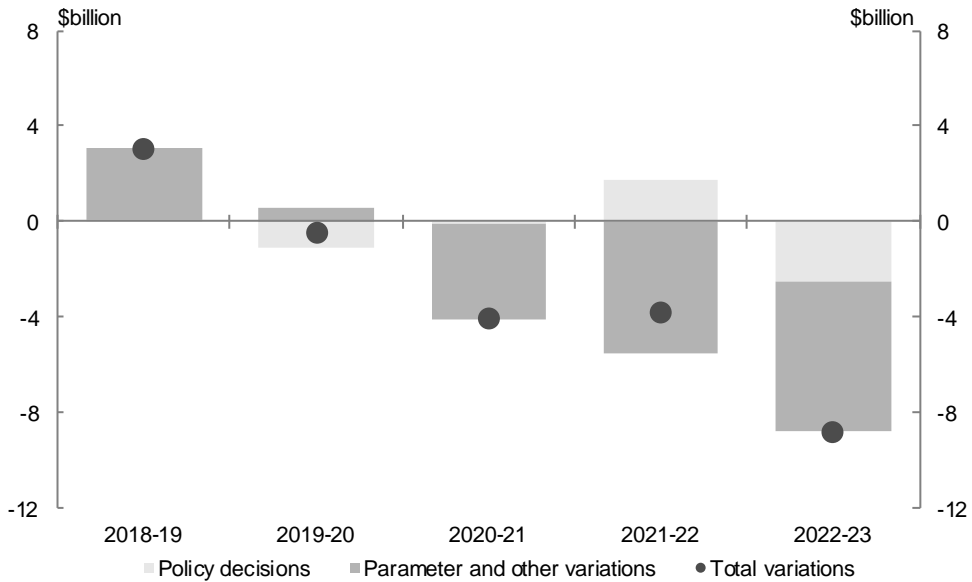
* Data is not available.

(a) Includes expected Future Fund earnings.

(b) Total is equal to the sum of amounts from 2019-20 to 2022-23.

Since the 2018-19 MYEFO, total receipts have been revised down by \$17.1 billion over the four years to 2022-23, reflecting a downward revision of \$15.1 billion from parameter and other variations and a downward revision of \$2.0 billion from policy decisions. The downward revision to total receipts is primarily driven by revisions to expected tax receipts. Excluding GST, total receipts have been revised down by \$6.8 billion over the four years to 2022-23.

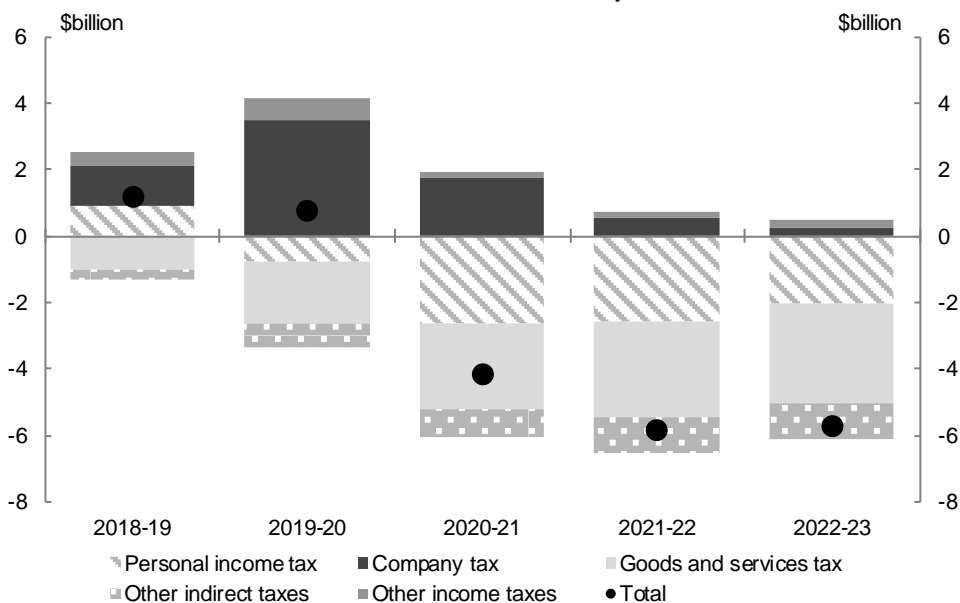
Chart 1 shows the contributions to revisions from policy decisions and from parameter and other variations to the estimates for total receipts since the 2018-19 MYEFO.

Chart 1: Revisions to total receipts estimates since the 2018-19 MYEFO

Source: Treasury.

Since the 2018-19 MYEFO, parameter and other variations have increased forecast tax receipts by \$1.2 billion in 2018-19 and by \$800 million in 2019-20, but have reduced tax receipts by \$15.0 billion over the four years to 2022-23 (Chart 2). Excluding GST, parameter and other variations have increased forecast tax receipts by \$2.2 billion in 2018-19 and by \$2.6 billion in 2019-20, but have reduced forecast receipts by \$4.6 billion over the four years to 2022-23.

Chart 2 shows that the outlook for growth in household consumption and dwelling investment is expected to weigh on GST receipts, while the outlook for growth in average wages and non-farm gross mixed income is expected to weigh on personal income tax receipts. In the near term, however, this will be more than offset by the recent observed strength in commodity prices, which is expected to increase company tax collections in 2018-19 and 2019-20.

Chart 2: Parameter and other variations to tax receipts since the 2018-19 MYEFO

Source: Treasury.

The key economic parameters that influence tax receipts are shown in Table 4. Analysis of the sensitivity of the tax receipts estimates to changes in the economic outlook is provided in *Budget Statement 7*.

Table 4: Key economic parameters for revenue^(a)

	Estimates			Projections	
	2018-19	2019-20	2020-21	2021-22	2022-23
Nominal gross domestic product	5	3 1/4	3 3/4	4 1/2	4 1/2
Change since 2018-19 MYEFO	1/4	- 1/4	- 1/2	1/4	na
Compensation of employees(b)	4 1/4	4 1/4	4 3/4	5	5
Change since 2018-19 MYEFO	1/4	- 1/4	- 1/4	- 1/4	na
Corporate gross operating surplus(c)	9 1/4	1 1/2	3/4	3	3 1/4
Change since 2018-19 MYEFO	1 3/4	1 1/2	-2	1	na
Non-farm gross mixed income	3	2 1/4	6	6 1/4	5 1/2
Change since 2018-19 MYEFO	-3	-2 1/2	1 1/4	2	na
Property income(d)	4	4 1/4	5	4 3/4	4 3/4
Change since 2018-19 MYEFO	-1 1/4	-3 1/2	1/2	1/4	na
Consumption subject to GST	3 1/4	4 3/4	5 1/4	5 1/4	5 1/4
Change since 2018-19 MYEFO	-1	- 1/2	0	0	na

(a) Current prices, per cent change on previous year. Changes since the 2018-19 MYEFO are percentage points.

(b) Compensation of employees measures total remuneration earned by employees.

(c) Corporate gross operating surplus is an Australian System of National Accounts measure of company profits, gross of depreciation.

(d) Property income measures income derived from rent, dividends and interest.

na not applicable.

Individuals and other withholding taxation receipts

Compared with the 2018-19 MYEFO, individuals and other withholding taxation receipts have been revised up by \$900 million in 2018-19, but then revised down by \$1.7 billion in 2019-20 and by \$13.5 billion over the four years to 2022-23. The downward revisions reflect parameter and other variations, as well as the Government's measure *Lower taxes for hard-working Australians: Building on the Personal Income Tax Plan*. Despite these revisions, individuals and other withholding taxation receipts are expected to grow by 7.7 per cent in 2018-19, 2.6 per cent in 2019-20, and by 4.3 per cent on average over the four years to 2022-23, which is broadly in line with growth prospects for the Australian economy.

Excluding new policy, individuals and other withholding taxation receipts have been revised up by \$900 million in 2018-19, reflecting stronger-than-expected collections relating to prior income years and lower-than-expected deductions, such as work-related expenses. From 2019-20, the revisions to the outlook for growth in average wages and non-farm gross mixed income contribute to a downward revision to individuals and other withholding taxation receipts of \$800 million in 2019-20 and \$8.1 billion over the four years to 2022-23.

The Government's measure *Lower taxes for hard-working Australians: Building on the Personal Income Tax Plan*, which will provide an additional \$19.5 billion in personal income tax relief over the four years to 2022-23, will reduce individuals and other withholding taxation receipts by a total of \$5.7 billion over the four years to 2022-23, due to the inclusion of a provision in the 2018-19 MYEFO. The measure will provide additional tax relief to individuals, supporting consumption growth and easing cost of living pressures. Further information on the measure *Lower taxes for hard-working Australians: Building on the Personal Income Tax Plan* can be found in Budget Paper No. 2, Budget Measures 2019-20.

Fringe benefits tax

Receipts from fringe benefits tax are forecast to fall by 3.9 per cent in 2018-19 but to grow by 4.5 per cent in 2019-20. Relative to the 2018-19 MYEFO, receipts are expected to be \$60 million lower in 2018-19, \$70 million lower in 2019-20 and \$300 million lower over the four years to 2022-23, reflecting a declining share of total compensation of employees expected to be provided as fringe benefits.

Company tax

Compared with the 2018-19 MYEFO, company tax receipts are expected to be \$1.2 billion higher in 2018-19, \$3.4 billion higher in 2019-20 and \$8.0 billion higher over the four years to 2022-23. The large upward revision in 2019-20 reflects expected gains in 2018-19 mining profits flowing into 2019-20 as a result of the delays between when profit is accrued and when company tax is paid. In addition, while commodity prices are assumed to decline over 2019-20, the continued period of elevated prices relative to the 2018-19 MYEFO further improves mining profits and company tax in that year.

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The Government's decision to extend and expand the Australian Taxation Office's Tax Avoidance Taskforce will also increase tax receipts, particularly in 2021-22 and 2022-23.

The strength in company tax receipts, which are forecast to grow by 10.8 per cent in 2018-19 and 5.5 per cent in 2019-20, largely reflects strength in expected mining profits. However, these profits are not anticipated to fully flow through to company tax receipts over the forward estimates. This is in part because several LNG companies have accumulated a large stock of losses from previous investments, which can be used to reduce tax payable in the coming years (see Box 2, *Budget Statement 5*, Budget Paper No. 1 of the 2017-18 Budget for a discussion of losses and company tax timing).

The outlook for commodity prices is a source of significant uncertainty for the forecasts of company tax receipts. Further information on the 2019-20 Budget assumptions for commodity prices is available in *Budget Statement 2* (pages 2-20 and 2-21), and details on the impact of changes in the assumptions on tax receipts are discussed in Box 4, *Budget Statement 2*.

Superannuation fund taxes

Tax receipts from superannuation funds are expected to grow by 5.1 per cent in 2018-19 but fall by 14.5 per cent in 2019-20. The forecast fall in 2019-20 mainly reflects the impact of recent off-market share buybacks.

Compared with the 2018-19 MYEFO, receipts are expected to be around \$650 million higher in 2018-19, \$800 million higher in 2019-20 and \$2.1 billion higher over the four years to 2022-23. Higher receipts mainly reflect stronger outcomes from superannuation funds relating to the 2017-18 income year. Gains in equity markets since the 2018-19 MYEFO have also contributed to the upward revisions to expected tax receipts.

Petroleum resource rent tax (PRRT)

PRRT¹ receipts are forecast to grow by 3.1 per cent in 2018-19 and 21.7 per cent in 2019-20. Since the 2018-19 MYEFO, receipts are expected to be \$200 million lower in 2018-19, \$100 million lower in 2019-20 and \$450 million lower over the four years to 2022-23, consistent with weaker-than-expected collections. These revisions are unrelated to the measures announced in the Government's response to the 2017 Petroleum Resource Rent Tax Review.

1 PRRT estimates include an amount of Minerals Resource Rent Tax (MRRT) receipts which has not been separately disclosed owing to taxpayer confidentiality.

Goods and services tax (GST)

Receipts from GST are forecast to grow by 4.0 per cent in 2018-19 (equivalent to \$2.5 billion), and by 2.4 per cent (equivalent to \$1.6 billion) in 2019-20. Compared with the 2018-19 MYEFO, receipts are expected to be around \$1.0 billion lower in 2018-19, \$1.8 billion lower in 2019-20 and \$10.3 billion lower over the four years to 2022-23. The downward revisions reflect weaker-than-expected collections, and the downward revisions to forecasts for growth in consumption and dwelling investment.

Nonetheless, GST receipts are expected to grow by 4.2 per cent on average over the four years to 2022-23 and are projected to be \$14.3 billion higher in 2022-23 than in 2017-18.

Excise and customs duty

Excise and customs duty receipts are forecast to grow by 3.7 per cent in 2018-19 and 14.9 per cent in 2019-20. The strong growth in 2019-20 partly reflects the commencement of the 2018-19 Budget measure *Black Economy Package – combatting illicit tobacco*.

Since the 2018-19 MYEFO, excise and customs duty receipts have been revised down by \$340 million in 2018-19, \$420 million in 2019-20 and \$2.6 billion over the four years to 2022-23. The downward revision in 2018-19 reflects weaker-than-expected collections. The downward revisions beyond 2018-19 reflect lower forecasts for household consumption growth and crude oil excise.

Other sales taxes

Other sales taxes include the luxury car tax (LCT) and the wine equalisation tax (WET).

LCT receipts are forecast to decline by 7.9 per cent in 2018-19, and remain flat in 2019-20. This is consistent with a decline in the sales of vehicles subject to LCT as well as a decline in the average prices of these vehicles. Since the 2018-19 MYEFO, LCT receipts have been revised down by \$360 million over the four years to 2022-23.

WET receipts are forecast to grow by 13.0 per cent in 2018-19 and 6.9 per cent in 2019-20. Since the 2018-19 MYEFO, forecast WET receipts have been revised down by \$100 million over the four years to 2022-23.

Other taxes

Compared with the 2018-19 MYEFO, major bank levy receipts are expected to be unchanged in 2018-19, but around \$200 million lower over the four years to 2022-23, consistent with lower-than-expected growth in eligible bank liabilities. Nonetheless, major bank levy receipts are forecast to increase from \$1.6 billion in 2018-19 to \$1.9 billion in 2022-23.

Other taxes are forecast to grow by 12.4 per cent in 2018-19 and by 2.5 per cent in 2019-20. Since the 2018-19 MYEFO, other taxes are around \$110 million higher in 2018-19, \$180 million lower in 2019-20 and \$420 million lower over the four years to 2022-23.

Another component of other taxes is the Skilling Australians Fund levy. Since the 2018-19 MYEFO, Skilling Australians Fund levy receipts are forecast to be \$126 million lower over the four years to 2022-23. This reflects lower-than-expected demand for employer nominated visas.

Non-taxation receipts

Since the 2018-19 MYEFO, non-taxation receipts have been revised up by \$1.9 billion in 2018-19, largely reflecting upward revisions in Future Fund earnings. Non-taxation receipts have been revised down by \$247.9 million in 2019-20, largely reflecting lower than expected State and Territory contributions to the National Disability Insurance Scheme (NDIS) and lower than expected receipts from the Pharmaceutical Benefits Scheme.

Non-taxation receipts (including Future Fund earnings) are expected to grow by 26.0 per cent in 2018-19, primarily due to increased Future Fund earnings and the growth in State and Territory contributions to the NDIS, reflecting the progressive implementation of the NDIS. Non-taxation receipts are expected to grow by 7.6 per cent in 2019-20, largely reflecting higher Unclaimed Super Monies receipts due to the commencement of the Protecting Your Super Package.

The changes in the individual heads of revenue relative to the 2018-19 MYEFO are shown in Table 5 and Table 6, for 2018-19 and 2019-20 respectively. Table 7 shows the Australian Government general government cash receipts from 2017-18 to 2022-23 by head of revenue.

Table 5: Reconciliation of 2018-19 general government (cash) receipts

	Estimates		Change on MYEFO	
	MYEFO \$m	Budget \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	205,800	205,800	0	0.0
Gross other individuals	46,300	46,700	400	0.9
less: Refunds	30,000	29,500	-500	-1.7
Total individuals and other withholding tax	222,100	223,000	900	0.4
Fringe benefits tax	3,820	3,760	-60	-1.6
Company tax	92,500	93,700	1,200	1.3
Superannuation fund taxes	10,710	11,360	650	6.1
Petroleum resource rent tax(a)	1,350	1,150	-200	-14.8
Income taxation receipts	330,480	332,970	2,490	0.8
Goods and services tax	66,789	65,783	-1,006	-1.5
Wine equalisation tax	1,030	1,010	-20	-1.9
Luxury car tax	700	640	-60	-8.6
Excise and customs duty				
Petrol	6,000	6,000	0	0.0
Diesel	11,550	11,550	0	0.0
Other fuel products	2,280	2,220	-60	-2.6
Tobacco	12,950	12,850	-100	-0.8
Beer	2,490	2,460	-30	-1.2
Spirits	2,350	2,320	-30	-1.3
Other alcoholic beverages(b)	1,000	990	-10	-1.0
Other customs duty				
Textiles, clothing and footwear	200	200	0	0.0
Passenger motor vehicles	450	450	0	0.0
Other imports	1,330	1,320	-10	-0.8
less: Refunds and drawbacks	500	600	100	20.0
Total excise and customs duty	40,100	39,760	-340	-0.8
Major bank levy	1,550	1,550	0	0.0
Agricultural levies	560	541	-19	-3.5
Other taxes	6,436	6,567	131	2.0
Indirect taxation receipts	117,165	115,851	-1,315	-1.1
Taxation receipts	447,645	448,821	1,175	0.3
Sales of goods and services	14,180	13,467	-713	-5.0
Interest received	4,397	4,412	15	0.3
Dividends	4,390	7,175	2,785	63.4
Other non-taxation receipts	11,471	11,290	-181	-1.6
Non-taxation receipts	34,438	36,344	1,906	5.5
Total receipts	482,084	485,165	3,081	0.6
<i>Memorandum:</i>				
<i>Total excise</i>	23,350	23,240	-110	-0.5
<i>Total customs duty</i>	16,750	16,520	-230	-1.4
<i>Capital gains tax(c)</i>	16,600	17,600	1,000	6.0

(a) This item includes an amount of MRRT receipts which has not been separately disclosed owing to taxpayer confidentiality.

(b) 'Other alcoholic beverages' are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

(c) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes.

Table 6: Reconciliation of 2019-20 general government (cash) receipts

	Estimates		Change on MYEFO	
	MYEFO \$m	Budget \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	216,200	218,100	1,900	0.9
Gross other individuals	48,900	47,600	-1,300	-2.7
less: Refunds	34,600	36,900	2,300	6.6
Total individuals and other withholding tax	230,500	228,800	-1,700	-0.7
Fringe benefits tax	4,000	3,930	-70	-1.8
Company tax	95,500	98,900	3,400	3.6
Superannuation fund taxes	8,910	9,710	800	9.0
Petroleum resource rent tax	1,500	1,400	-100	-6.7
Income taxation receipts	340,410	342,740	2,330	0.7
Goods and services tax	69,195	67,364	-1,831	-2.6
Wine equalisation tax	1,100	1,080	-20	-1.8
Luxury car tax	720	640	-80	-11.1
Excise and customs duty				
Petrol	6,300	6,350	50	0.8
Diesel	12,350	12,300	-50	-0.4
Other fuel products	2,440	2,280	-160	-6.6
Tobacco	17,530	17,410	-120	-0.7
Beer	2,590	2,530	-60	-2.3
Spirits	2,410	2,380	-30	-1.2
Other alcoholic beverages(a)	1,050	1,030	-20	-1.9
Other customs duty				
Textiles, clothing and footwear	200	200	0	0.0
Passenger motor vehicles	440	420	-20	-4.5
Other imports	1,300	1,290	-10	-0.8
less: Refunds and drawbacks	500	500	0	0.0
Total excise and customs duty	46,110	45,690	-420	-0.9
Major bank levy	1,650	1,600	-50	-3.0
Agricultural levies	547	520	-27	-5.0
Other taxes	6,913	6,763	-151	-2.2
Indirect taxation receipts	126,236	123,657	-2,579	-2.0
Taxation receipts	466,646	466,397	-249	-0.1
Sales of goods and services	15,957	15,745	-212	-1.3
Interest received	5,413	5,701	289	5.3
Dividends	5,230	6,165	934	17.9
Other non-taxation receipts	12,771	11,512	-1,259	-9.9
Non-taxation receipts	39,371	39,124	-248	-0.6
Total receipts	506,018	505,521	-497	-0.1
<i>Memorandum:</i>				
<i>Total excise</i>	24,780	24,540	-240	-1.0
<i>Total customs duty</i>	21,330	21,150	-180	-0.8
<i>Capital gains tax(b)</i>	17,000	18,100	1,100	6.5

(a) 'Other alcoholic beverages' are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

(b) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes.

Table 7: Australian Government general government (cash) receipts

	Actual	Estimates			Projections	
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	\$m	\$m	\$m	\$m	\$m	\$m
Individuals and other withholding taxes						
Gross income tax withholding	192,229	205,800	218,100	230,600	245,600	248,400
Gross other individuals	43,866	46,700	47,600	49,700	54,500	57,200
less: Refunds	29,102	29,500	36,900	38,100	39,800	41,500
Total individuals and other withholding tax	206,993	223,000	228,800	242,200	260,300	264,100
Fringe benefits tax	3,911	3,760	3,930	4,170	4,380	4,610
Company tax	84,591	93,700	98,900	99,500	102,000	104,700
Superannuation fund taxes	10,804	11,360	9,710	13,210	14,760	16,260
Petroleum resource rent tax(a)	1,116	1,150	1,400	1,400	1,400	1,400
Income taxation receipts	307,415	332,970	342,740	360,480	382,840	391,070
Goods and services tax	63,235	65,783	67,364	70,153	73,679	77,549
Wine equalisation tax	894	1,010	1,080	1,110	1,150	1,200
Luxury car tax	695	640	640	650	680	720
Excise and customs duty						
Petrol	6,098	6,000	6,350	6,500	6,750	7,150
Diesel	11,127	11,550	12,300	12,750	13,400	14,150
Other fuel products	2,109	2,220	2,280	2,290	2,360	2,460
Tobacco	11,879	12,850	17,410	15,900	16,530	16,960
Beer	2,451	2,460	2,530	2,580	2,660	2,760
Spirits	2,207	2,320	2,380	2,440	2,520	2,630
Other alcoholic beverages(b)	962	990	1,030	1,040	1,080	1,120
Other customs duty						
Textiles, clothing and footwear	200	200	200	190	200	200
Passenger motor vehicles	504	450	420	350	190	60
Other imports	1,211	1,320	1,290	1,080	980	920
less: Refunds and drawbacks	390	600	500	500	500	500
Total excise and customs duty	38,357	39,760	45,690	44,620	46,170	47,910
Major bank levy	1,139	1,550	1,600	1,700	1,800	1,900
Agricultural levies	555	541	520	564	576	590
Other taxes	5,764	6,567	6,763	7,096	7,424	7,752
Indirect taxation receipts	110,638	115,851	123,657	125,893	131,479	137,621
Taxation receipts	418,053	448,821	466,397	486,372	514,320	528,691
Sales of goods and services	9,941	13,467	15,745	16,985	17,551	17,991
Interest received	3,433	4,412	5,701	6,375	6,731	6,897
Dividends	5,407	7,175	6,165	5,683	6,153	6,984
Other non-taxation receipts	10,072	11,290	11,512	6,903	6,267	6,311
Non-taxation receipts	28,853	36,344	39,124	35,945	36,702	38,183
Total receipts	446,905	485,165	505,521	522,318	551,022	566,874
<i>Memorandum:</i>						
Total excise	22,703	23,240	24,540	25,200	26,300	27,710
Total customs duty	15,654	16,520	21,150	19,420	19,870	20,200
Capital gains tax(c)	15,600	17,600	18,100	18,700	19,800	21,000
Medicare levy(d)	16,560	17,330	18,150	19,060	20,100	21,070

(a) This item includes an amount of MRRT receipts which has not been separately disclosed owing to taxpayer confidentiality.

(b) 'Other alcoholic beverages' are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

(c) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes. The 2017-18 reported figure is an estimate.

(d) Income year basis. Includes a component of taxes linked to the top marginal rate. The 2017-18 reported figure is an estimate.

VARIATIONS IN REVENUE ESTIMATES

The revenue estimates are the accrual accounting equivalent of the cash-based receipts estimates. Changes in revenue are generally driven by the same factors as receipts. Revenue amounts are usually higher than the cash equivalents because the amounts are generally recognised when they are owed rather than when they are paid. The differences between the accrual and cash amounts therefore generally reflect timing differences. Table 8 provides a reconciliation of the 2019-20 Budget's revenue estimates with those at the 2018-19 MYEFO.

Table 8: Reconciliation of Australian Government general government revenue estimates from the 2018-19 MYEFO

	Estimates			Projections		Total(b)
	2018-19	2019-20	2020-21	2021-22	2022-23	
	\$m	\$m	\$m	\$m	\$m	\$m
Revenue at 2018-19 MYEFO	493,288	514,505	538,186	568,341	*	*
Changes from 2018-19 MYEFO to 2019-20 Budget						
Effect of policy decisions(a)	51	-819	378	2,243	-2,252	-450
Effect of parameter and other variations	2,457	78	-4,304	-5,877	*	*
Total variations	2,507	-741	-3,926	-3,634	*	*
Revenue at 2019-20 Budget	495,796	513,763	534,260	564,707	580,480	2,193,210

* Data is not available.

(a) Excludes secondary impacts on public debt interest of policy decisions and offsets from the Contingency Reserve for decisions taken.

(b) Total is equal to the sum of amounts from 2019-20 to 2022-23.

Since the 2018-19 MYEFO, total revenue has been revised up by around \$2.5 billion in 2018-19, but down by \$750 million in 2019-20.

The changes in the individual heads of revenue accrual estimates relative to the 2018-19 MYEFO are shown in Tables 9 and 10, for 2018-19 and 2019-20 respectively. For the five year accrual table, the accrual equivalent of Table 7, see *Budget Statement 9: Budget Financial Statements*, Note 3.

Additional revenue and receipts historical tables are available online and can be accessed at www.budget.gov.au.

Table 9: Reconciliation of 2018-19 general government (accrual) revenue

	Estimates		Change on MYEFO	
	MYEFO \$m	Budget \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	207,600	207,600	0	0.0
Gross other individuals	49,500	50,200	700	1.4
less: Refunds	30,000	29,500	-500	-1.7
Total individuals and other withholding tax	227,100	228,300	1,200	0.5
Fringe benefits tax	3,930	3,870	-60	-1.5
Company tax	94,500	95,600	1,100	1.2
Superannuation fund taxes	10,670	11,320	650	6.1
Petroleum resource rent tax(a)	1,480	1,250	-230	-15.5
Income taxation revenue	337,680	340,340	2,660	0.8
Goods and services tax	69,180	68,065	-1,115	-1.6
Wine equalisation tax	1,050	1,030	-20	-1.9
Luxury car tax	700	640	-60	-8.6
Excise and customs duty				
Petrol	6,010	6,010	0	0.0
Diesel	11,570	11,570	0	0.0
Other fuel products	2,280	2,220	-60	-2.6
Tobacco	12,950	12,850	-100	-0.8
Beer	2,495	2,560	65	2.6
Spirits	2,350	2,320	-30	-1.3
Other alcoholic beverages(b)	1,000	990	-10	-1.0
Other customs duty				
Textiles, clothing and footwear	200	200	0	0.0
Passenger motor vehicles	450	450	0	0.0
Other imports	1,330	1,320	-10	-0.8
less: Refunds and drawbacks	500	600	100	20.0
Total excise and customs duty	40,135	39,890	-245	-0.6
Major bank levy	1,650	1,560	-90	-5.5
Agricultural levies	561	542	-19	-3.4
Other taxes	7,041	7,018	-23	-0.3
Indirect taxation revenue	120,317	118,745	-1,572	-1.3
Taxation revenue	457,997	459,085	1,088	0.2
Sales of goods and services	14,024	13,455	-569	-4.1
Interest	4,810	4,837	27	0.6
Dividends	4,648	7,718	3,070	66.0
Other non-taxation revenue	11,809	10,701	-1,108	-9.4
Non-taxation revenue	35,292	36,711	1,419	4.0
Total revenue	493,288	495,796	2,507	0.5
<i>Memorandum:</i>				
<i>Total excise</i>	23,385	23,370	-15	-0.1
<i>Total customs duty</i>	16,750	16,520	-230	-1.4
<i>Capital gains tax(c)</i>	16,600	17,600	1,000	6.0

(a) This item includes an amount of MRRT receipts which has not been separately disclosed owing to taxpayer confidentiality.

(b) 'Other alcoholic beverages' are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

(c) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes.

Table 10: Reconciliation of 2019-20 general government (accrual) revenue

	Estimates		Change on MYEFO	
	MYEFO \$m	Budget \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	217,900	219,800	1,900	0.9
Gross other individuals	51,900	51,200	-700	-1.3
less: Refunds	34,600	36,900	2,300	6.6
Total individuals and other withholding tax	235,200	234,100	-1,100	-0.5
Fringe benefits tax	4,110	4,040	-70	-1.7
Company tax	97,300	100,600	3,300	3.4
Superannuation fund taxes	8,960	9,750	790	8.8
Petroleum resource rent tax	1,520	1,290	-230	-15.1
Income taxation revenue	347,090	349,780	2,690	0.8
Goods and services tax	71,650	69,630	-2,020	-2.8
Wine equalisation tax	1,120	1,100	-20	-1.8
Luxury car tax	720	640	-80	-11.1
Excise and customs duty				
Petrol	6,190	6,240	50	0.8
Diesel	12,150	12,100	-50	-0.4
Other fuel products	2,410	2,250	-160	-6.6
Tobacco	17,500	17,380	-120	-0.7
Beer	2,525	2,470	-55	-2.2
Spirits	2,410	2,380	-30	-1.2
Other alcoholic beverages(a)	1,050	1,030	-20	-1.9
Other customs duty				
Textiles, clothing and footwear	200	200	0	0.0
Passenger motor vehicles	440	420	-20	-4.5
Other imports	1,300	1,290	-10	-0.8
less: Refunds and drawbacks	500	500	0	0.0
Total excise and customs duty	45,675	45,260	-415	-0.9
Major bank levy	1,750	1,610	-140	-8.0
Agricultural levies	578	551	-27	-4.7
Other taxes	8,182	8,025	-158	-1.9
Indirect taxation revenue	129,675	126,815	-2,860	-2.2
Taxation revenue	476,765	476,596	-170	0.0
Sales of goods and services	15,833	15,757	-77	-0.5
Interest	5,785	6,009	224	3.9
Dividends	5,420	6,112	691	12.8
Other non-taxation revenue	10,701	9,290	-1,410	-13.2
Non-taxation revenue	37,739	37,168	-572	-1.5
Total revenue	514,505	513,763	-741	-0.1
<i>Memorandum:</i>				
Total excise	24,375	24,140	-235	-1.0
Total customs duty	21,300	21,120	-180	-0.8
Capital gains tax(b)	17,000	18,100	1,100	6.5

(a) 'Other alcoholic beverages' are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

(b) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes.

APPENDIX A: TAX BENCHMARKS AND VARIATIONS STATEMENT

This appendix contains an overview of Australian Government tax benchmarks and variations, as required by Section 12 of the *Charter of Budget Honesty Act 1998* (CBHA).

Tax benchmarks represent a standard taxation treatment that applies to similar taxpayers or types of activities. Policy approaches can apply a taxation treatment different from a standard approach and the resulting variations can give rise to positive or negative variations.

The choice of benchmark unavoidably involves judgment and may therefore be contentious in some cases.

Benchmark variation estimates should be interpreted with caution as they do not indicate the revenue gain or loss to the budget if they were to be abolished by a change of policy. In addition, the characterisation of a provision of the tax law that gives rise to a benchmark variation does not indicate a view on how an activity or class of taxpayer ought to be taxed.

Consistent with most OECD countries, estimates of a benchmark variation reflect the extent to which a variation is utilised, similar to budget estimates of outlays on demand-driven expenditure programs.

This is known as the 'revenue forgone' approach which, in practice, involves estimating the difference in revenue between the actual and benchmark tax treatments but, importantly, assuming taxpayer behaviour is the same in each circumstance.

Revenue forgone estimates therefore do not indicate the revenue gain to the Australian Government Budget if specific benchmark variations were abolished through policy change, as there may be significant changes in taxpayer behaviour were the variations removed.

Care needs to be taken when comparing benchmark variations with direct expenditures as they may measure different things. In addition, estimates from different editions of previously released Tax Expenditures Statements (TES) are generally not comparable, because of changes or modifications to – for example – benchmarks, individual benchmark variations, data used or modelling methodology.

The CBHA also requires the publication of an annual report. The 2018 Tax Benchmarks and Variations Statement was published in January 2019 and provides a detailed description of Australian Government benchmarks and benchmark variations and, where possible, the estimated value, or order of magnitude, of each benchmark variation.

Statement 4: Revenue

The information in Table A1 is derived from the 2018 Tax Benchmarks and Variations Statement and does not include the impact of decisions in this Budget on benchmark variations. Further information on benchmarks and variations from them will be available in future Tax Benchmark and Variations reports.

Table A1: Estimates of large measured benchmark variations

Benchmark variations	Estimate \$m			
	2019-20	2020-21	2021-22	2022-23
Large positive benchmark variations				
E7 Main residence exemption - discount component	35,000	36,000	37,500	40,000
E6 Main residence exemption	29,500	31,000	32,000	33,500
C4 Concessional taxation of superannuation entity earnings	20,150	21,100	22,650	23,650
C2 Concessional taxation of employer superannuation contributions	19,100	20,450	22,700	23,350
E14 Discount for individuals and trusts	9,310	9,370	9,430	9,500
H26 Food	7,500	7,800	8,100	8,400
H14 Education	5,050	5,400	5,800	6,200
H17 Health - medical and health services	4,550	4,850	5,150	5,450
H2 Financial supplies - input taxed treatment	3,850	4,150	4,400	4,750
A26 Exemption for National Disability Insurance Scheme amounts	2,550	3,020	3,320	3,600
B2 Local government bodies income tax exemption	2,450	2,790	3,170	3,610
B12 Exemption from interest withholding tax on certain securities	2,360	2,360	2,360	2,360
A24 Concessional taxation of non-superannuation termination benefits	2,200	2,100	2,000	1,900
C6 Deductibility of life and total permanent disability insurance premiums provided inside of superannuation	2,180	2,460	2,870	3,200
A19 Medicare levy exemption for residents with taxable income below the low-income thresholds	1,990	2,015	2,045	2,075
A40 Exemption of Family Tax Benefit payments	1,960	1,980	2,000	1,970
B52 Lower company tax rate	1,900	3,400	4,100	4,000
A27 Exemption of Child Care Assistance payments	1,825	1,920	2,045	2,015
C1 Concessional taxation of capital gains for superannuation funds	1,800	1,950	2,150	2,250
D10 Exemption for public and not-for-profit hospitals and public ambulance services	1,800	1,900	2,000	2,000
D14 Exemption for public benevolent institutions (excluding hospitals)	1,800	1,900	2,000	2,000
H5 Child care services	1,680	1,790	1,920	2,070
A17 Exemption of the Private Health Insurance Rebate	1,540	1,590	1,650	1,710
A57 Philanthropy - deduction for gifts to deductible gift recipients	1,510	1,610	1,715	1,825
C3 Concessional taxation of personal superannuation contributions	1,400	1,650	1,750	1,950
F7 Concessional rate of excise levied on aviation gasoline and aviation turbine fuel	1,400	1,430	1,500	1,540
H18 Health - residential care, community care and other care services	1,270	1,350	1,440	1,530
A39 Exemption of certain income support benefits, pensions or allowances	1,170	1,180	1,190	1,190
H6 Water, sewerage and drainage	1,150	1,210	1,280	1,350
B73 Capital works expenditure deduction	1,150	1,230	1,320	1,410
E30 Small business 50 per cent reduction	1,090	1,170	1,250	1,340
Large negative benchmark variations				
F22 Customs duty	-1,460	-1,290	-1,130	-920
F11 Higher rate of excise levied on cigarettes not exceeding 0.8 grams of tobacco	-2,920	-3,130	-3,290	-3,460

