

Statement 5: Revenue

Since PEFO, tax receipts have been revised up by \$54.4 billion in 2022–23 and \$142.0 billion over the 4 years to 2025–26. Around two-thirds of the increase in tax receipts is concentrated in the first two years of the forward estimates. The near-term strength in tax receipts recedes in the later years of the forward estimates period as some of the factors supporting higher tax receipts are expected to moderate. Significant global headwinds are emerging which pose material risks to the revenue outlook presented in the Budget.

High commodity prices and the appreciation of the US dollar are driving stronger corporate profits in the near-term, particularly in the mining sector where company tax receipts are approaching record levels. At the same time, tax receipts from non-mining companies are benefitting from higher prices and stronger-than-expected demand, resulting in higher company tax receipts forecasts in 2022–23 and 2023–24. Strong growth in employment has also increased the number of individuals expected to pay personal income tax over 2022–23 and 2023–24.

The outlook for nominal GDP and, consequently, tax receipts is subject to significant risk. Households' response to rising interest rates, volatility in commodity prices, and a deteriorating outlook for the global economy all present significant risks to economic activity and tax receipts.

Policy decisions in this Budget focus on implementing the Government's election commitments to ensure that multinationals pay their fair share of tax, and integrity measures to support budget repair. Policy decisions since PEFO are expected to increase tax receipts by \$488 million in 2022–23 and \$9.5 billion over the 4 years to 2025–26.

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Statement 5: Revenue

Overview

Since PEFO, tax receipts have been revised up by \$54.4 billion in 2022–23 and \$142.0 billion over the 4 years to 2025–26. In the near-term, tax receipts are supported by higher Australian dollar commodity prices boosting profits in the mining sector and solid employment outcomes underpinning higher household incomes and consumption. However, these factors are expected to moderate by the end of the forward estimates period as commodity prices are assumed to return to long-run levels, employment growth slows, and the impact of rising interest rates and weaker asset prices flows through to taxable incomes. Box 5.1 disaggregates the outlook for tax receipts into persistent and temporary components.

Risks to the outlook for nominal GDP and tax receipts remain high. Rising global inflation, the potential for further energy price shocks due to the Russian invasion of Ukraine, and the impact of continued COVID-19 lockdowns and a property downturn in China are all weighing on the global outlook. Domestically, the path of monetary policy and household responses to inflation remain key risks to both economic activity and tax receipts.

Policy decisions since PEFO are expected to increase tax receipts by \$488 million in 2022–23 and \$9.5 billion over the 4 years to 2025–26. For more details on policy decisions, see Budget Statement 1 and Budget Paper No. 2.

Table 5.1: Australian Government general government receipts

	Actual(a)	Estimates(a)			
	2021-22 \$b	2022-23 \$b	2023-24 \$b	2024-25 \$b	2025-26 \$b
Total taxation receipts (\$b)	536.6	562.9	574.3	590.5	629.3
Growth on previous year (%)	13.2	4.9	2.0	2.8	6.6
Per cent of GDP	23.4	22.7	23.3	23.0	23.4
Tax receipts excluding GST (\$b)	463.0	480.4	488.7	502.4	537.0
Growth on previous year (%)	15.5	3.8	1.7	2.8	6.9
Per cent of GDP	20.2	19.3	19.9	19.6	20.0
Non-taxation receipts (\$b)	47.8	44.4	47.1	52.4	49.7
Growth on previous year (%)	3.7	-7.1	6.3	11.1	-5.2
Per cent of GDP	2.1	1.8	1.9	2.0	1.8
Total receipts (\$b)	584.4	607.2	621.4	642.8	679.0
Growth on previous year (%)	12.4	3.9	2.3	3.4	5.6
Per cent of GDP	25.4	24.5	25.3	25.1	25.2

(a) Following a determination issued by the ABS, the industry contribution levy collected by the Australian Transaction Reports and Analysis Centre has been reclassified from non-taxation receipts to taxation receipts in the 2022–23 March Budget to reflect the change in the nature of these receipts.

Box 5.1: Persistent versus temporary components of increased tax receipts

Tax receipts have been revised up over the forward estimates period, with around two-thirds of the increase concentrated in the first 2 years.

Factors contributing to the significant upgrades to the near-term tax receipt forecasts but not expected to materially impact the medium-term outlook include elevated commodity prices, large balancing payments from non-mining companies, a particularly strong near-term outlook for employment, and large balancing payments related to personal investment income (including from net rent, dividends and capital gains).

A substantial part of the near-term boost in company tax collections relates to elevated commodity prices (measured in Australian dollars), especially for energy commodities (see Budget Statement 2). This increases receipts from companies in the mining sector in 2022–23 and 2023–24, due to company tax timing. Commodity prices are not expected to remain at elevated levels indefinitely and are assumed to gradually return to long-run levels by the end of the March quarter in 2023.

Company tax receipts from the non-mining sector related to activity in prior years have also been significantly higher than expected in recent months. Tax instalments have not kept up with growth in income through the recovery, resulting in large end-of-year balancing payments (see company tax timing box, Budget Statement 5 2017–18 Budget). A second factor supporting near-term strength is lower-than-expected deductions claimed through COVID-19 business support measures. This increases tax paid in 2022–23 and 2023–24 but decreases tax paid over the medium-term as companies depreciate new assets over time rather than immediately (see Box 5.2).

Near-term strength in personal income tax is driven by the improved outlook for employment in 2022–23 and 2023–24, which is expected to moderate as economic and employment growth slow. It also reflects higher expected net rental and dividend income, capital gains and earnings from unincorporated businesses, which both boost income and increase the average rate of tax paid. However, these sources of income are expected to moderate owing to the effects of higher interest rates and a more subdued outlook for asset prices.

Other tax bases, including consumption taxes, have been less exposed to temporary factors.

Tax receipts outlook

Relative to PEFO, tax receipts are forecast to be \$54.4 billion (or 10.7 per cent) higher in 2022–23, and \$142.0 billion (or 6.4 per cent) higher over the 4 years to 2025–26. However, around two-thirds of the increase is concentrated in the first 2 years, the vast majority in company tax.

Elevated commodity prices (in Australian dollars) are expected to underpin profitability in the mining sector in the near-term, supporting significant increases in company tax receipts. However, profits are expected to taper as commodity prices return to long-term levels. Outside the mining sector, increased nominal goods and services consumption is driving higher corporate profitability for non-mining companies, contributing to these companies paying more company tax. Compared with PEFO, total company tax forecasts have been revised up by \$37.1 billion in 2022–23 and \$78.1 billion over the 4 years to 2025–26.

Labour market conditions remain tight in the near-term, with strong employment growth and higher migration both contributing to higher personal income tax. As economic activity slows, growth in employment is expected to ease, dampening growth in personal income tax. Relative to PEFO, individuals and other withholding taxes have been revised up by \$16.2 billion in 2022–23 and \$51.5 billion over the 4 years to 2025–26.

With the outlook for inflation contributing to higher nominal household consumption, forecasts for GST receipts have been upgraded by \$3.1 billion in 2022–23 and \$9.4 billion over the 4 years to 2025–26 since PEFO. This improved outlook is partially offset by an expected decrease in dwelling investment, as a combination of capacity constraints and the effects of moderating house prices and rising interest rates dampen demand for new housing construction.

Policy decisions in this Budget focus on implementing the Government's election commitments to ensure that multinationals pay their fair share of tax, and integrity measures to support budget repair. Policy decisions taken since PEFO increase tax receipts by \$488 million in 2022–23 and \$9.5 billion over the 4 years to 2025–26. Key policy decisions include:

- *Extend ATO Compliance Programs – Shadow Economy Program.*
- *Extend ATO Compliance Programs – Tax Avoidance Taskforce.*
- *Multinational Tax Integrity Package – amending Australia's interest limitation (thin capitalisation) rules.*
- *Multinational Tax Integrity Package – denying deductions for payments relating to intangibles held in low- or no-tax jurisdictions.*
- *Migration Program – 2022–23 planning levels.*
- *Powering Australia – Electric Car Discount.*

- *Improving the integrity of off-market share buy-backs.*
- *Depreciation – reverse the measure allowing taxpayers to self-assess the effective life of intangible depreciating assets.*

For more details on policy decisions, see Budget Statement 1 and Budget Paper No. 2.

Variations in receipts estimates

Since PEFO, total receipts have been revised up by \$58.7 billion in 2022–23 and \$157.7 billion over the 4 years to 2025–26. Table 5.2 reconciles the 2022–23 October Budget estimates of total receipts with PEFO and the 2022–23 March Budget.

Table 5.2: Reconciliation of Australian Government general government receipts estimates from PEFO and the 2022–23 March Budget^(a)

	Estimates				Total(b) \$m
	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	
Receipts at 2022-23 March Budget	547,632	585,208	615,237	643,900	2,391,977
Changes from 2022-23 March Budget to 2022 PEFO					
Effect of policy decisions	815	-120	-155	-155	385
Effect of parameter and other variations	86	101	102	155	445
Total variations	901	-19	-53	0	830
Receipts at 2022 PEFO	548,533	585,189	615,184	643,900	2,392,806
Changes from 2022 PEFO to 2022-23 October Budget					
Effect of policy decisions	1,410	2,458	3,967	5,253	13,088
Effect of parameter and other variations	57,286	33,793	23,689	29,870	144,638
Total variations	58,696	36,252	27,656	35,123	157,727
Receipts at 2022-23 October Budget	607,229	621,441	642,840	679,023	2,550,533

(a) Includes expected Future Funds earnings.

(b) Total is equal to the sum of amounts from 2022–23 to 2025–26.

Since PEFO, parameter and other variations have increased total receipts by \$57.3 billion in 2022–23 and \$144.6 billion over the 4 years to 2025–26. Policy decisions increase receipts by \$1.4 billion in 2022–23 and \$13.1 billion over the 4 years to 2025–26 compared with PEFO.

The upgrade to the forecasts of total receipts overwhelmingly reflects upgrades to the forecasts of tax receipts.

Tax receipts estimates

Relative to PEFO, forecasts of total tax receipts have been revised up by \$54.4 billion in 2022–23 and by \$142.0 billion over the 4 years to 2025–26. Over 90 per cent of the revision relates to personal income tax and corporate income tax receipts.

Table 5.3 reconciles the 2022–23 October Budget estimates of tax receipts with PEFO and the 2022–23 March Budget.

Table 5.3: Reconciliation of Australian Government general government tax receipts estimates from the 2022–23 March Budget

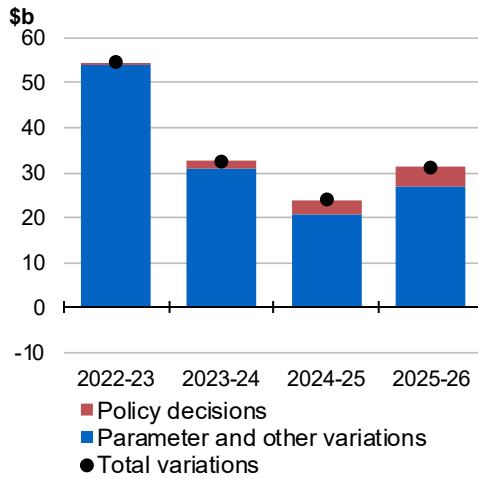
	Estimates(b)				Total(a) \$m
	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m	
Tax receipts at 2022-23 March Budget	508,400	541,757	566,625	598,233	2,215,015
Changes from 2022-23 March Budget to 2022 PEFO					
Effect of policy decisions	-60	-120	-155	-155	-490
Effect of parameter and other variations	85	100	100	105	390
Total variations	25	-20	-55	-50	-100
Tax receipts at 2022 PEFO	508,425	541,737	566,570	598,183	2,214,915
Changes from 2022 PEFO to 2022-23 October Budget					
Effect of policy decisions	488	1,654	3,124	4,282	9,548
Effect of parameter and other variations	53,945	30,901	20,758	26,870	132,474
Total variations	54,434	32,554	23,881	31,152	142,021
Tax receipts at 2022-23 October Budget	562,858	574,292	590,451	629,335	2,356,936

(a) Total is equal to the sum of amounts from 2022–23 to 2025–26.

(b) Following a determination issued by the ABS, the industry contribution levy collected by the Australian Transaction Reports and Analysis Centre has been reclassified from non-taxation receipts to taxation receipts in the 2022–23 March Budget to reflect the change in the nature of these receipts.

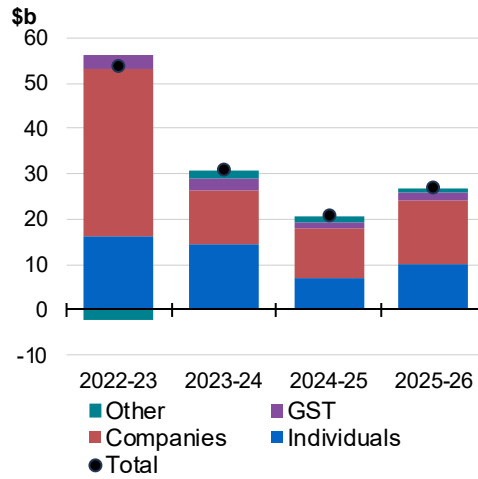
Since PEFO, parameter and other variations are expected to increase tax receipts by \$53.9 billion in 2022–23 and \$132.5 billion over the 4 years to 2025–26. Policy decisions increase tax receipts by \$488 million in 2022–23 and \$9.5 billion over the 4 years to 2025–26 compared with PEFO.

Chart 5.1: Revisions to total tax receipts since PEFO



Source: Treasury

Chart 5.2: Parameter and other variations to total tax receipts since PEFO



Source: Treasury

These upgrades reflect near-term strength across major heads of revenue, driven by high commodity prices delivering strength in corporate profits and a higher number of people in employment supporting personal income tax receipts. Growth in the key economic parameters that influence tax receipts is shown in Table 5.4.

This near-term strength is already flowing through in monthly tax collections. In the first quarter of 2022–23, personal income tax collections were around \$5.8 billion (or 12 per cent) higher than expected at PEFO, while company tax collections were around \$8.8 billion (or 40 per cent) higher than expected at PEFO (see Chart 5.3). This recent strength in collections is supporting the substantial upward revision to tax receipts in the near-term.

Chart 5.3: Tax collections since PEFO – deviations from expected collections by month and head of revenue

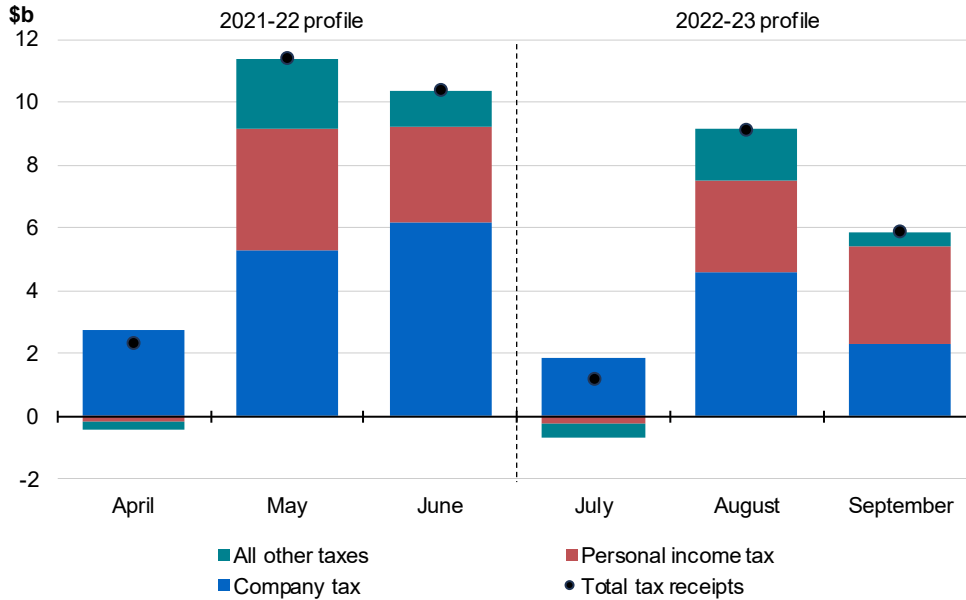


Table 5.4: Key economic parameters for tax receipts^(a)

	Outcomes		Forecasts		
	2021-22	2022-23	2023-24	2024-25	2025-26
Revenue parameters					
Nominal gross domestic product	11.0	8	-1	4 1/4	5
Change since PEFO		7 1/2	-4	-1	0
Compensation of employees ^(b)	5.6	8	5	4 1/4	4 3/4
Change since PEFO		1 3/4	- 1/4	-1	- 1/2
Corporate gross operating surplus ^(c)	12.9	7 3/4	-15	3 3/4	5
Change since PEFO		20 3/4	-12 1/2	- 1/2	3/4
Non-farm gross mixed income	-2.6	6 3/4	3 3/4	4 3/4	6
Change since PEFO		9	3/4	-2	- 1/2
Property income ^(d)	9.0	6	5	5 1/2	5
Change since PEFO		- 1/4	-3	- 1/4	- 1/2
Consumption subject to GST	9.1	14 3/4	3 3/4	4 1/2	5 1/4
Change since PEFO		5 1/4	-3 1/4	-1 1/4	0

(a) Current prices, per cent change on previous year. Changes since PEFO 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.

Source: ABS Australian National Accounts: National Income, Expenditure and Product, and Treasury

Changes in the outlook for individual heads of revenue are explained in more detail below.

Individuals and other withholding taxes

Since PEFO, total individuals and other withholding tax receipts have been revised up by \$16.2 billion in 2022–23 and \$51.5 billion over the 4 years to 2025–26. Year-on-year, individuals and other withholding tax receipts are expected to grow by 8.1 per cent in 2022–23 and by 8.7 per cent in 2023–24.

Excluding new policy decisions, individuals and other withholding tax receipts have been revised up by \$16.1 billion in 2022–23 and \$47.6 billion in the 4 years to 2025–26. Collections have continued to exceed expectations, reflecting higher-than-expected numbers of people employed as well as higher nominal wages and higher-than-expected income from net rent, dividends and capital gains.

For 2022–23, the outlook for income tax withholding receipts remains strong, consistent with the forecasts for employment growth. On-assessment collections are also expected to remain elevated in 2022–23, reflecting higher dividend, net rental and small business incomes. However, as the impact of tighter monetary policy flows through the economy, employment growth is expected to slow. Higher interest rates and moderating asset prices are expected to impact tax receipts through larger interest deductions and weaker capital gains receipts from 2023–24 onwards.

New tax policy measures announced since PEFO are expected to increase individuals and other withholding tax receipts by \$73 million in 2022–23 and \$4.0 billion over the 4 years to 2025–26. Key decisions driving these expected outcomes include:

- The measure to extend and expand *ATO Compliance Programs – Tax Avoidance Taskforce*, which is estimated to increase total individuals and other withholding tax receipts by \$85 million in 2022–23 and \$877 million over the 4 years to 2025–26.
- The *Migration Program – 2022–23 planning levels* measure, which is estimated to increase total individuals and other withholding tax receipts by \$13 million in 2022–23 and \$554 million over the 4 years to 2025–26.
- The *Powering Australia – Electric Car Discount* measure, which is estimated to decrease total individuals and other withholding tax receipts by \$10 million in 2022–23 and \$140 million over the 4 years to 2025–26.
- The *Boosting Parental Leave to Enhance Economic Security, Support and Flexibility for Australia’s Families* measure, which is estimated to decrease total individuals and other withholding tax receipts by \$15 million in 2022–23, but increase receipts by \$240 million over the 4 years to 2025–26.

Fringe benefits tax

Since PEFO, fringe benefits tax receipts have been revised down by \$140 million in 2022–23 and \$2.1 billion over the 4 years to 2025–26. The downward revision in the forecast for fringe benefits tax receipts reflects a downward trend in the share of employees’ compensation paid as taxable fringe benefits.

New tax policy measures announced since PEFO are expected to further decrease fringe benefits tax receipts by \$8 million in 2022–23 and \$59 million over the 4 years to 2025–26. This is primarily driven by the *Powering Australia – Electric Car Discount* measure, which is estimated to decrease fringe benefits tax receipts by \$10 million in 2022–23 and \$75 million over the 4 years to 2025–26.

Company tax

Since PEFO, company tax receipts have been revised up to be \$37.1 billion higher in 2022–23 and \$78.1 billion higher over the 4 years to 2025–26. Year-on-year, company tax receipts are expected to grow by 3.2 per cent in 2022–23 and fall by 21.6 per cent in 2023–24.

Compared with PEFO, parameter and other variations account for \$36.9 billion of the upgrade in the forecast for company tax receipts in 2022–23 and \$74.1 billion of the upgrade over the 4 years to 2025–26. Bulk non-rural commodity prices have remained elevated for longer than assumed, contributing substantially to the strength in company tax receipts. Lower-than-expected use of COVID-19 business support measures (such as temporary full expensing and loss carry-back) also significantly increased forecast receipts (see Box 5.2).

Company tax receipts have been revised up throughout the forward estimates period with around 63 per cent of the total upgrade concentrated in the first 2 years. High commodity prices are expected to contribute to strong short-term profits in the resources sector, with this strength expected to taper off in later years as commodity prices return to assumed long-term price levels.

There continues to be considerable uncertainty around the forecasts for company tax receipts. This is partly due to substantial risks to the outlook for the economy. For more details on the economic outlook, see Budget Statement 2.

New tax policy measures announced since PEFO are expected to increase company tax receipts by \$192 million in 2022–23 and \$4.0 billion over the 4 years to 2025–26. This is largely driven by:

- The measure to extend and expand *ATO Compliance Programs – Tax Avoidance Taskforce*, which is estimated to increase company tax receipts by \$192 million in 2022–23 and \$2.0 billion over the 4 years to 2025–26.
- The measure to extend *ATO Compliance Programs – Shadow Economy Program*, which is not expected to increase company tax receipts in 2022–23, but is estimated to increase company tax receipts by \$503 million over the 4 years to 2025–26.
- The enactment of the *Multinational Tax Integrity Package*, which is not expected to increase company tax receipts in 2022–23, but is estimated to increase company tax receipts by a total of \$970 million over the 4 years to 2025–26.

Box 5.2: The impact of recent depreciation measures on tax receipts

Australia's tax system generally allows businesses to deduct the cost of business inputs against assessable income, with tax payable on the net income of the business. Where businesses acquire capital assets (such as machinery or vehicles), the full cost is generally not deductible immediately but spread over a number of years to reflect the value (or effective life) of the asset over time.

A range of policies have been put in place to allow these depreciation deductions to be claimed more quickly. Claiming depreciation upfront provides a tax timing benefit to entities, with an initial fall in the tax burden offset by fewer deductions in subsequent years.

As part of the economic response to COVID-19, several accelerated depreciation measures were introduced on a temporary basis to support business investment in a time of economic uncertainty (see Table 5.5). The largest of these is temporary full expensing (TFE), which allows over 99 per cent of Australian businesses to immediately deduct the full value of new depreciating assets.

Table 5.5: Accelerated depreciation measures available during COVID-19

Measure	Key dates	Annual turnover threshold	Per-asset threshold
Instant Asset Write-Off (IAWO)	From 2 April 2019 <i>(pre-COVID policy)</i>	Less than \$50 million	\$30,000
Increased and extended IAWO	From 12 March 2020	Less than \$500 million	\$150,000
Backing Business Investment (BBI)	From 12 March 2020	Less than \$500 million	No cost threshold
Temporary full expensing (TFE)	From 6 October 2020 to 30 June 2023	Less than \$5 billion	No cost threshold

Note: Each measure has different dates of application, asset cost thresholds, and rules for entity and asset eligibility. Further information is available on the ATO website.

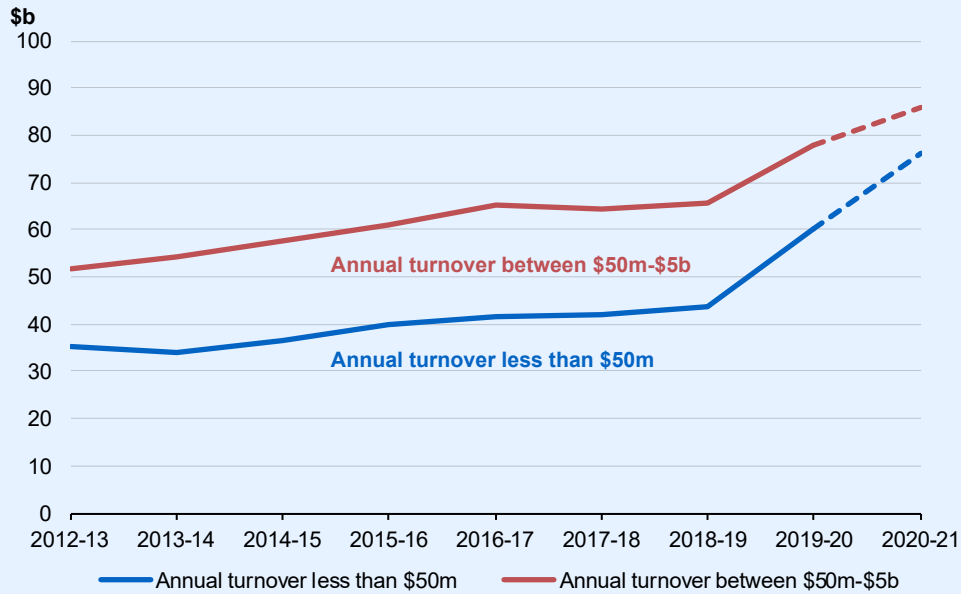
Despite high deductions for depreciation over the past 2 years, tax return data from 2020–21 (the first full financial year after the measures were introduced) suggests that the use of these measures is significantly lower than originally predicted, particularly by large businesses. This has contributed to the temporary increase in company tax receipts (Box 5.1).

Treasury analysis and stakeholder consultation point to two key reasons for the lower-than-expected use of TFE. The first involves businesses having a preference to depreciate assets over time rather than all at once. Under TFE, businesses could opt out on an asset-by-asset basis. Businesses (particularly large businesses) may have opted out if they considered the cash flow benefits of the policy did not outweigh: the added complexity of demonstrating eligibility or applying different depreciation rules; the impact of the policy on the accumulation and distribution of franked profits over time; and/or the interaction of the policy with the consolidation rules affecting the future sale value of the business. This is also consistent with the observation that larger businesses have used TFE for a smaller share of expenditure relative to small businesses (see Chart 5.4).

continued on next page

Box 5.2: The impact of recent depreciation measures on tax receipts (continued)

Chart 5.4: Estimated business depreciation



Note: Data for 2020–21 is indicative only. Estimated depreciation is derived from the greater of reported business depreciation expenses and deductions on business income tax returns.

Source: Treasury analysis of ATO data

The second factor explaining the lower use of TFE is the impact of supply chains on eligibility, particularly in 2020–21. Under TFE, businesses can immediately deduct the full cost of assets that were both purchased and installed or used within the life of the policy. The recent disruptions to global supply chains have meant that the period between purchase and installation of assets has increased, pushing out the year in which deductions can be claimed. In response to this, the policy was extended in the 2021–22 Budget to allow businesses more time to have eligible assets installed.

The lower-than-expected use of TFE and other depreciation incentives increases expected tax receipts to the end of 2022–23. This will lead to lower company tax receipts over the medium term since businesses will have more depreciation deductions available than expected.

The propensity to claim TFE may evolve over the remainder of the policy’s operation as business and economic circumstances change. Treasury will continue to monitor TFE claims as tax return data becomes available and update any impact on company tax receipts.

Superannuation fund taxes

Since PEFO, superannuation fund tax receipts have been revised down by \$3.1 billion in 2022–23 but up by \$1.7 billion across the 4 years to 2025–26.

Year-on-year, tax receipts from superannuation funds are expected to drop sharply in 2022–23 by 52.5 per cent to \$12.6 billion. Utilisation of franking credits made available through the payment of a significant in-specie dividend, coupled with recent off-market share buy-back activity, is the key driver for the revision, which is compounded by expected weakness in capital gains following recent repricing in financial asset markets.

Looking beyond 2022–23, strong underlying growth in collections from large superannuation funds drives upwards revisions in all subsequent years of the forward estimates. These revisions are largely attributable to growth in taxable member contributions, consistent with higher overall levels of total compensation of employees.

New tax policy measures announced since PEFO also increase superannuation fund tax receipts by \$1 million in 2022–23 and \$467 million over the 4 years to 2025–26. This includes the impact of the *Improving the integrity of off-market share buy-backs* measure, which is not expected to significantly impact tax receipts in 2022–23, but is expected to increase tax receipts by \$400 million over the 4 years to 2025–26.

Petroleum resource rent tax (PRRT)

Since PEFO, PRRT receipts have been revised up by \$200 million in 2022–23, but down by \$450 million over the 4 years to 2025–26.

PRRT receipts are forecast to further increase in 2022–23 due to higher average Australian dollar oil and east coast gas prices.

PRRT receipts are expected to fall from their peak in 2022–23, as production in maturing fields (including in the Bass Strait) declines and the prices of oil and gas stabilise. PRRT liabilities will be further weighed down by the cost of decommissioning parts of the Bass Strait fields, following a direction from the National Offshore Petroleum Safety and Environmental Management Authority to commence decommissioning works in coming years.

Goods and services tax (GST)

Since PEFO, GST receipts have been revised up by \$3.1 billion in 2022–23 and by \$9.4 billion over the 4 years to 2025–26.

Compared with PEFO, parameter and other variations account for \$3.1 billion of the upgrade in the forecast for GST receipts in 2022–23 and \$8.8 billion of the upgrade over the 4 years to 2025–26. Increases in forecast GST receipts largely reflect upgrades to the outlook for consumption subject to GST. This is partially offset by a decrease in GST receipts from dwelling investment, which has been downgraded in 2024–25 and 2025–26 in response to higher expected interest rates and moderating housing prices.

New tax policy measures announced since PEFO are expected to reduce GST receipts by \$4 million in 2022–23, but to raise \$617 million over the 4 years to 2025–26. This is largely driven by:

- The *Extend ATO Compliance Programs – Shadow Economy Program* measure, which is not expected to increase GST receipts in 2022–23, but is estimated to increase GST receipts by \$443 million over the 4 years to 2025–26.
- The *Migration Program – 2022–23 planning levels* measure, which is estimated to increase GST receipts by \$5 million in 2022–23 and \$135 million over the 4 years to 2025–26.
- The *Powering Australia – Electric Car Discount* measure, which is expected to reduce GST receipts by \$5 million in 2022–23 and \$65 million over the 4 years to 2025–26.
- Deferring the start date of the previously announced *Black Economy – introducing a sharing economy reporting regime* measure. The deferral is expected to reduce GST receipts by \$4 million in 2022–23 but have no impact in future years.

Excise and customs duty

Since PEFO, total excise and customs duty receipts have been revised up by \$225 million in 2022–23 and \$2.4 billion over the 4 years to 2025–26.

The forecast for excise and customs duty is mixed, both in 2022–23 and throughout the 4 years to 2025–26. Forecasts for fuel and tobacco excise receipts have been downgraded since PEFO, while alcohol excise and customs duty have been upgraded. The downgrade in fuel and tobacco excise is driven by a weak outlook for consumption of these goods, partially offset by increases to excise rates. The outlook for alcohol excise receipts has improved, driven by stronger consumption of higher-taxed spirits and pre-mixed beverages compared with lower-taxed beer. High import prices have supported customs duties applied to imported goods.

The 2022–23 October Budget estimates continue to include provision for the Australia-European Union Free Trade Agreement (FTA), which has not been finalised. This provision is assumed to impact customs duty receipts.

A number of other FTAs are currently under negotiation but are not expected to have a material impact on revenue over the forward estimates. A full list of FTAs currently under negotiation is available on the Department of Foreign Affairs and Trade website.

Other sales taxes

Since PEFO, luxury car tax (LCT) receipts have been revised up by \$230 million in 2022–23 and \$220 million over the 4 years to 2025–26. The forecast increase in 2022–23 is consistent with the expectation of elevated pricing for motor vehicles, which is being partially offset by forecasts of lower sales volumes in the near-term as demand moderates from recent highs. Compared to the revenue base estimated at PEFO, only some of the strength seen in 2021–22 outcomes is expected to persist as an ongoing improvement to the revenue base.

Since PEFO, wine equalisation tax (WET) receipts have been revised up by \$20 million in 2022–23, but down by \$10 million over the 4 years to 2025–26. On a year-on-year basis, WET receipts are forecast to grow by 8.1 per cent in 2022–23.

Other taxes

Other taxes encompass a range of sources of revenue, including the major bank levy and agricultural levies. Those particularly impacted by the travel restrictions implemented in response to the COVID-19 pandemic include visa application charges and the passenger movement charge.

Since PEFO, visa application charges have been revised up by \$426 million in 2022–23 and \$777 million over the 4 years to 2025–26. The increased revenue is primarily driven by a strong recovery in Temporary Resident, Student and Working Holiday visa applications following the re-opening of international borders, and an increase to the planning level under the *Migration Program – 2022–23 planning levels* measure.

Since PEFO, other taxes have been revised up by \$548 million in 2022–23, and by \$1.3 billion over the 4 years to 2025–26. On a year-on-year basis, other taxes are forecast to increase by 13.6 per cent in 2022–23.

Excluding new policy decisions, other taxes have been revised up by \$298 million in 2022–23, and \$682 million over the 4 years to 2025–26.

Non-tax receipts

Since PEFO, non-tax receipts are expected to increase by \$4.3 billion in 2022–23 and by \$15.7 billion over the 4 years to 2025–26.

Parameter and other variations account for the majority of this movement, and are expected to increase non-tax receipts by \$3.3 billion in 2022–23, and by \$12.2 billion over the 4 years to 2025–26. This movement is driven by higher-than-expected earnings from the Future Fund, higher earnings from interest on cash deposits due to the rise in short-term interest rates, and an expected increase in petroleum royalties.

Policy decisions are expected to increase non-tax receipts by \$0.9 billion in 2022–23, and by \$3.5 billion over the 4 years to 2025–26. This movement is primarily driven by the expected earnings of the Housing Australia Future Fund, as announced in the 2022–23 October Budget measure *Safer and More Affordable Housing*.

Table 5.6: Reconciliation of 2022–23 general government (cash) receipts

	Estimates		Change from PEFO	
	PEFO October Budget \$m	Budget \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	249,615	260,000	10,385	4.2
Gross other individuals	55,400	61,900	6,500	11.7
<i>less: Refunds</i>	41,115	41,800	685	1.7
Total individuals and other withholding tax	263,900	280,100	16,200	6.1
Fringe benefits tax	3,630	3,490	-140	-3.9
Company tax	90,200	127,300	37,100	41.1
Superannuation fund taxes	15,660	12,610	-3,050	-19.5
Petroleum resource rent tax	2,400	2,600	200	8.3
Income taxation receipts	375,790	426,100	50,310	13.4
Goods and services tax	79,432	82,532	3,101	3.9
Wine equalisation tax	1,170	1,190	20	1.7
Luxury car tax	880	1,110	230	26.1
Excise and customs duty				
Petrol	6,050	5,600	-450	-7.4
Diesel	12,880	13,170	290	2.3
Other fuel products	2,700	2,700	0	0.0
Tobacco	12,800	12,400	-400	-3.1
Beer	2,650	2,620	-30	-1.1
Spirits	3,080	3,480	400	13.0
Other alcoholic beverages(a)	1,220	1,500	280	23.0
Other customs duty				
Textiles, clothing and footwear	179	180	1	0.7
Passenger motor vehicles	311	420	109	35.0
Other imports	1,415	1,440	25	1.8
<i>less: Refunds and drawbacks</i>	700	700	0	0.0
Total excise and customs duty	42,585	42,810	225	0.5
Major Bank Levy	1,550	1,550	0	0.0
Agricultural levies	560	623	63	11.3
Visa application charges(c)	2,139	2,565	426	19.9
Other taxes(b)(c)	4,319	4,378	59	1.4
Indirect taxation receipts	132,635	136,758	4,124	3.1
Taxation receipts	508,425	562,858	54,434	10.7
Sales of goods and services	18,346	18,550	204	1.1
Interest received	2,820	5,275	2,455	87.1
Dividends and distributions	5,284	5,677	393	7.4
Other non-taxation receipts(b)	13,659	14,869	1,210	8.9
Non-taxation receipts	40,109	44,371	4,262	10.6
Total receipts	548,533	607,229	58,696	10.7
<i>Memorandum:</i>				
<i>Total excise</i>	25,640	25,990	350	1.4
<i>Total customs duty</i>	16,945	16,820	-125	-0.7
<i>Capital gains tax(d)</i>	22,400	21,900	-500	-2.2

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

(b) Following a determination issued by the ABS, the industry contribution levy collected by the Australian Transaction Reports and Analysis Centre was reclassified from non-taxation receipts to taxation receipts in the 2022-23 March Budget to reflect the change in the nature of these receipts.

(c) Visa application charges were previously included in 'other taxes'.

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

Table 5.7: Reconciliation of 2023–24 general government (cash) receipts

	Estimates		Change from PEFO	
	PEFO October Budget \$m	\$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	264,480	275,500	11,020	4.2
Gross other individuals	58,800	64,900	6,100	10.4
<i>less: Refunds</i>	34,300	36,000	1,700	5.0
Total individuals and other withholding tax	288,980	304,400	15,420	5.3
Fringe benefits tax	3,930	3,510	-420	-10.7
Company tax	87,500	99,800	12,300	14.1
Superannuation fund taxes	19,410	20,460	1,050	5.4
Petroleum resource rent tax	2,400	2,450	50	2.1
Income taxation receipts	402,220	430,620	28,400	7.1
Goods and services tax	82,921	85,641	2,720	3.3
Wine equalisation tax	1,200	1,190	-10	-0.8
Luxury car tax	850	870	20	2.4
Excise and customs duty				
Petrol	7,350	6,850	-500	-6.8
Diesel	15,120	15,620	500	3.3
Other fuel products	2,200	2,120	-80	-3.6
Tobacco	12,700	12,600	-100	-0.8
Beer	2,710	2,680	-30	-1.1
Spirits	3,100	3,480	380	12.3
Other alcoholic beverages(a)	1,260	1,620	360	28.6
Other customs duty				
Textiles, clothing and footwear	120	150	30	25.0
Passenger motor vehicles	90	380	290	321.8
Other imports	1,000	1,350	350	35.0
<i>less: Refunds and drawbacks</i>	700	700	0	0.0
Total excise and customs duty	44,950	46,150	1,200	2.7
Major Bank Levy	1,600	1,600	0	0.0
Agricultural levies	572	591	19	3.3
Visa application charges(c)	2,803	2,867	64	2.3
Other taxes(b)(c)	4,621	4,762	141	3.1
Indirect taxation receipts	139,517	143,672	4,154	3.0
Taxation receipts	541,737	574,292	32,554	6.0
Sales of goods and services	19,520	19,594	74	0.4
Interest received	3,393	5,805	2,412	71.1
Dividends and distributions	5,672	6,150	478	8.4
Other non-taxation receipts(b)	14,867	15,600	732	4.9
Non-taxation receipts	43,452	47,149	3,697	8.5
Total receipts	585,189	621,441	36,252	6.2
<i>Memorandum:</i>				
<i>Total excise</i>	31,320	31,780	460	1.5
<i>Total customs duty</i>	13,630	14,370	740	5.4
<i>Capital gains tax(d)</i>	21,600	21,300	-300	-1.4

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

(b) Following a determination issued by the ABS, the industry contribution levy collected by the Australian Transaction Reports and Analysis Centre was reclassified from non-taxation receipts to taxation receipts in the 2022-23 March Budget to reflect the change in the nature of these receipts.

(c) Visa application charges were previously included in 'other taxes'.

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

Table 5.8: Australian Government general government (cash) receipts

	Actual	Estimates			
	2021-22 \$m	2022-23 \$m	2023-24 \$m	2024-25 \$m	2025-26 \$m
Individuals and other withholding taxes					
Gross income tax withholding	239,669	260,000	275,500	270,800	286,700
Gross other individuals	57,432	61,900	64,900	65,700	67,800
less: Refunds	38,048	41,800	36,000	38,100	34,600
Total individuals and other withholding tax	259,052	280,100	304,400	298,400	319,900
Fringe benefits tax	3,331	3,490	3,510	3,510	3,410
Company tax	123,308	127,300	99,800	115,600	125,700
Superannuation fund taxes	26,546	12,610	20,460	21,960	24,360
Petroleum resource rent tax	1,638	2,600	2,450	2,100	2,000
Income taxation receipts	413,876	426,100	430,620	441,570	475,370
Goods and services tax	73,498	82,532	85,641	88,173	92,382
Wine equalisation tax	1,100	1,190	1,190	1,240	1,290
Luxury car tax	960	1,110	870	880	920
Excise and customs duty					
Petrol	5,015	5,600	6,850	7,400	7,650
Diesel	11,744	13,170	15,620	16,770	17,320
Other fuel products	1,521	2,700	2,120	2,180	2,190
Tobacco	12,604	12,400	12,600	12,950	13,300
Beer	2,461	2,620	2,680	2,880	2,930
Spirits	3,213	3,480	3,480	3,760	3,820
Other alcoholic beverages(a)	1,456	1,500	1,620	1,730	1,770
Other customs duty					
Textiles, clothing and footwear	192	180	150	130	120
Passenger motor vehicles	361	420	380	290	180
Other imports	1,378	1,440	1,350	1,050	700
less: Refunds and drawbacks	818	700	700	700	700
Total excise and customs duty	39,126	42,810	46,150	48,440	49,280
Major Bank Levy	1,454	1,550	1,600	1,650	1,700
Agricultural levies	626	623	591	582	594
Visa application charges(c)	1,982	2,565	2,867	2,967	3,110
Other taxes(b)(c)	3,964	4,378	4,762	4,949	4,690
Indirect taxation receipts	122,710	136,758	143,672	148,881	153,965
Taxation receipts	536,586	562,858	574,292	590,451	629,335
Sales of goods and services	17,725	18,550	19,594	20,691	21,220
Interest received	2,446	5,275	5,805	5,991	6,147
Dividends and distributions	11,564	5,677	6,150	6,632	7,019
Other non-taxation receipts(b)	16,036	14,869	15,600	19,075	15,301
Non-taxation receipts	47,772	44,371	47,149	52,389	49,688
Total receipts	584,358	607,229	621,441	642,840	679,023
<i>Memorandum:</i>					
Total excise	22,539	25,990	31,780	33,950	34,920
Total customs duty	16,588	16,820	14,370	14,490	14,360
Capital gains tax(d)	24,100	21,900	21,300	21,200	20,900

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

(b) Following a determination issued by the ABS, the industry contribution levy collected by the Australian Transaction Reports and Analysis Centre was reclassified from non-taxation receipts to taxation receipts in the 2022-23 March Budget to reflect the change in the nature of these receipts.

(c) Visa application charges were previously included in 'other taxes'.

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

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.

Revenues 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 payment timing differences.

Table 5.9 provides a reconciliation of the 2022–23 October Budget revenue estimates with those at the 2022–23 March Budget and PEFO.

Table 5.9: Reconciliation of Australian Government general government revenue estimates from the 2022–23 March Budget

	Estimates				Total(a)
	2022-23	2023-24	2024-25	2025-26	
	\$m	\$m	\$m	\$m	\$m
Revenue at 2022-23 March Budget	560,947	595,660	621,741	655,232	2,433,579
Changes from 2022-23 March Budget to 2022 PEFO					
Effect of policy decisions(b)	815	-120	-155	-155	385
Effect of parameter and other variations	86	101	102	155	445
Total variations	901	-19	-53	0	830
Revenue at 2022 PEFO	561,848	595,641	621,687	655,232	2,434,409
Changes from 2022 PEFO to 2022-23 October Budget					
Effect of policy decisions(b)	1,766	3,156	4,364	6,065	15,351
Effect of parameter and other variations	61,403	34,642	23,040	29,707	148,791
Total variations	63,168	37,798	27,403	35,772	164,142
Revenue at 2022-23 October Budget	625,016	633,439	649,091	691,004	2,598,551

(a) Total is equal to the sum of amounts from 2022–23 to 2025–26.

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

Since PEFO, total revenue has been revised up by \$63.2 billion in 2022–23 and by \$164.1 billion over the 4 years to 2025–26.

The changes in the individual heads of revenue accrual estimates relative to PEFO are shown in Tables 5.10 and 5.11, for 2022–23 and 2023–24, respectively. For the 5-year accrual table, the accrual equivalent of Table 5.8, see Budget Statement 10, Note 3.

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

Table 5.10: Reconciliation of 2022–23 general government (accrual) revenue

	Estimates		Change from PEFO	
	PEFO October Budget \$m	Budget \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	252,115	262,800	10,685	4.2
Gross other individuals	59,100	65,600	6,500	11.0
less: Refunds	41,115	41,800	685	1.7
Total individuals and other withholding tax	270,100	286,600	16,500	6.1
Fringe benefits tax	3,580	3,440	-140	-3.9
Company tax	92,200	129,900	37,700	40.9
Superannuation fund taxes	15,690	12,670	-3,020	-19.2
Petroleum resource rent tax	2,440	2,790	350	14.3
Income taxation revenue	384,010	435,400	51,390	13.4
Goods and services tax	82,460	86,820	4,360	5.3
Wine equalisation tax	1,190	1,210	20	1.7
Luxury car tax	880	1,120	240	27.3
Excise and customs duty				
Petrol	6,050	5,600	-450	-7.4
Diesel	12,880	13,220	340	2.6
Other fuel products	2,700	2,700	0	0.0
Tobacco	12,800	12,400	-400	-3.1
Beer	2,650	2,650	0	0.0
Spirits	3,080	3,480	400	13.0
Other alcoholic beverages(a)	1,220	1,500	280	23.0
Other customs duty				
Textiles, clothing and footwear	179	180	1	0.7
Passenger motor vehicles	311	420	109	35.0
Other imports	1,415	1,440	25	1.8
less: Refunds and drawbacks	700	700	0	0.0
Total excise and customs duty	42,585	42,890	305	0.7
Major Bank Levy	1,570	1,570	0	0.0
Agricultural levies	560	623	63	11.3
Visa application charges(c)	2,139	2,565	426	19.9
Other taxes(b)(c)	5,589	5,670	80	1.4
Indirect taxation revenue	136,974	142,468	5,494	4.0
Taxation revenue	520,984	577,868	56,884	10.9
Sales of goods and services	18,326	18,371	45	0.2
Interest	3,751	8,192	4,441	118.4
Dividends and distributions	5,292	5,695	403	7.6
Other non-taxation revenue(b)	13,495	14,891	1,395	10.3
Non-taxation revenue	40,864	47,149	6,285	15.4
Total revenue	561,848	625,016	63,168	11.2
<i>Memorandum:</i>				
Total excise	25,640	26,070	430	1.7
Total customs duty	16,945	16,820	-125	-0.7
Capital gains tax(d)	22,400	21,900	-500	-2.2

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

(b) Following a determination issued by the ABS, the industry contribution levy collected by the Australian Transaction Reports and Analysis Centre was reclassified from non-taxation revenue to taxation revenue in the 2022-23 March Budget to reflect the change in the nature of this revenue.

(c) Visa application charges were previously included in 'other taxes'.

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

Table 5.11: Reconciliation of 2023–24 general government (accrual) revenue

	Estimates		Change from PEFO	
	PEFO October Budget \$m	Budget \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	267,280	278,600	11,320	4.2
Gross other individuals	62,600	68,900	6,300	10.1
less: Refunds	34,300	36,000	1,700	5.0
Total individuals and other withholding tax	295,580	311,500	15,920	5.4
Fringe benefits tax	3,880	3,460	-420	-10.8
Company tax	89,200	101,700	12,500	14.0
Superannuation fund taxes	19,440	20,520	1,080	5.6
Petroleum resource rent tax	2,410	2,430	20	0.8
Income taxation revenue	410,510	439,610	29,100	7.1
Goods and services tax	85,920	88,630	2,710	3.2
Wine equalisation tax	1,220	1,210	-10	-0.8
Luxury car tax	850	860	10	1.2
Excise and customs duty				
Petrol	7,350	6,850	-500	-6.8
Diesel	15,170	15,670	500	3.3
Other fuel products	2,220	2,140	-80	-3.6
Tobacco	12,700	12,600	-100	-0.8
Beer	2,740	2,700	-40	-1.5
Spirits	3,140	3,510	370	11.8
Other alcoholic beverages(a)	1,270	1,620	350	27.6
Other customs duty				
Textiles, clothing and footwear	120	150	30	25.0
Passenger motor vehicles	90	380	290	321.8
Other imports	1,000	1,350	350	35.0
less: Refunds and drawbacks	700	700	0	0.0
Total excise and customs duty	45,100	46,270	1,170	2.6
Major Bank Levy	1,620	1,620	0	0.0
Agricultural levies	572	591	19	3.3
Visa application charges(c)	2,803	2,867	64	2.3
Other taxes(b)(c)	5,848	6,011	163	2.8
Indirect taxation revenue	143,934	148,060	4,126	2.9
Taxation revenue	554,444	587,670	33,226	6.0
Sales of goods and services	19,518	19,596	77	0.4
Interest	4,294	7,476	3,181	74.1
Dividends and distributions	5,681	6,169	489	8.6
Other non-taxation revenue(b)	11,704	12,528	825	7.0
Non-taxation revenue	41,197	45,769	4,572	11.1
Total revenue	595,641	633,439	37,798	6.3
<i>Memorandum:</i>				
Total excise	31,420	31,850	430	1.4
Total customs duty	13,680	14,420	740	5.4
Capital gains tax(d)	21,600	21,300	-300	-1.4

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

(b) Following a determination issued by the ABS, the industry contribution levy collected by the Australian Transaction Reports and Analysis Centre was reclassified from non-taxation revenue to taxation revenue in the 2022-23 March Budget to reflect the change in the nature of this revenue.

(c) Visa application charges were previously included in 'other taxes'.

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

Appendix A: Tax Expenditures

This appendix contains an overview of Australian Government tax expenditures. Section 12 of the *Charter of Budget Honesty Act 1998* (CBHA) requires the publication of an overview of estimated tax expenditures. The Government will publish an enhanced Tax Expenditures Statement in 2022–23. This will highlight distributional analysis for select major areas of tax expenditures, providing greater transparency to the public.

Tax benchmarks represent a standard tax treatment that applies to similar taxpayers or types of activities. Policy approaches can apply a tax treatment different from a standard approach, which can give rise to positive or negative tax expenditures. The choice of benchmark unavoidably involves judgment and may therefore be contentious in some cases.

Consistent with most OECD countries, estimates of tax expenditures 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 Budget if a specific tax expenditure was abolished through policy change, as there may be significant changes in taxpayer behaviour.

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

The information in Table A.1 is derived from the 2021 Tax Benchmarks and Variations Statement, published in January 2022, based on economic parameters as at the publication of the 2021–22 MYEFO. It does not include the impact of policy decisions, or changes in the economic outlook since then on benchmark variations.

Table A.1: Estimates of large measured tax expenditures

Tax expenditures		Estimate \$m			
		2022-23	2023-24	2024-25	2025-26
Large tax expenditures					
E8	Main residence exemption – discount component	33,500	35,000	34,500	35,500
E7	Main residence exemption	29,000	30,000	29,500	31,000
C4	Concessional taxation of superannuation entity earnings	26,350	20,000	19,900	21,050
C2	Concessional taxation of employer superannuation contributions	21,800	23,400	21,450	22,250
E15	Discount for individuals and trusts	11,730	12,270	12,870	12,620
B67	Accelerated depreciation for business entities	11,000	5,200	-7,400	-8,100
H26	Food	8,700	9,100	9,400	9,800
H14	Education	5,450	5,700	5,950	6,200
A25	Exemption for National Disability Insurance Scheme amounts	5,270	6,820	7,340	8,020
H17	Health – medical and health services	5,200	5,500	5,800	6,100
B83	Simplified depreciation rules	4,700	1,700	-5,000	-6,200
H2	Financial supplies – input taxed treatment	3,550	3,750	3,900	4,100
A26	Exemption of Child Care Assistance payments	2,700	2,900	2,900	3,100
B24	Temporary loss carry-back for certain incorporated entities	2,660	2,570	-880	-680
B12	Exemption from interest withholding tax on certain securities	2,410	2,410	2,410	2,410
D15	Exemption for public benevolent institutions (excluding hospitals)	2,300	2,400	2,300	2,400
A23	Concessional taxation of non-superannuation termination benefits	2,250	2,200	1,950	1,900
A19	Medicare levy exemption for residents with taxable income below the low-income thresholds	2,050	2,050	2,050	2,050
B57	Lower company tax rate	2,000	2,500	3,200	3,100
D11	Exemption for public and not-for-profit hospitals and public ambulance services	2,000	2,000	1,900	2,000
H5	Child care services	1,880	1,980	2,120	2,270
C6	Deductibility of life and total and permanent disability insurance premiums provided inside of superannuation	1,850	1,970	1,950	2,050
A38	Exemption of Family Tax Benefit payments	1,840	1,880	1,770	1,790
B2	Local government bodies income tax exemption	1,680	1,690	1,690	1,700
A55	Philanthropy – deduction for gifts to deductible gift recipients	1,645	1,760	1,830	1,790
A17	Exemption of the Private Health Insurance Rebate	1,560	1,640	1,690	1,620
H18	Health – residential care, community care and other care services	1,500	1,590	1,680	1,770
C3	Concessional taxation of personal superannuation contributions	1,350	1,400	1,500	1,400
C1	Concessional taxation of capital gains for superannuation funds	1,200	1,150	1,350	1,550
B78	Capital works expenditure deduction	1,200	1,210	1,210	1,130
A37	Exemption of certain income support benefits, pensions or allowances	1,200	1,250	1,200	1,210
B6	Reduced withholding tax under international tax treaties	1,170	1,350	1,550	1,800
H6	Water, sewerage and drainage	1,150	1,180	1,220	1,250
F6	Concessional rate of excise levied on aviation gasoline and aviation turbine fuel	1,020	1,070	1,150	1,180

Table A.1: Estimates of large measured tax expenditures (continued)

Tax expenditures		Estimate \$m			
		2022-23	2023-24	2024-25	2025-26
Large negative tax expenditures					
F10	Higher rate of excise levied on cigarettes not exceeding 0.8 grams of tobacco	-1,445	-1,485	-1,525	-1,570
F21	Customs duty	-1,850	-1,080	-1,120	-1,160