



Australian Government

The Treasury

REPEALING THE 2015-16 PERSONAL INCOME TAX CUTS

SUMMARY OF CONSULTATION PROCESS

On 15 October 2013, the Government invited submissions on the exposure drafts of bills to repeal the carbon tax and related legislation. These bills will deliver on the Government's election commitment to repeal the carbon tax.

The Clean Energy (Income Tax Rates and Other Amendments) Bill 2013, which is part of this package of bills, amends the *Clean Energy (Income Tax Rates Amendments) Act 2011* and the *Clean Energy (Tax Laws Amendments) Act 2011* to repeal the second round of personal income tax cuts that were legislated to commence on 1 July 2015.

The second round of tax cuts were to be delivered by rolling more of the low-income tax offset into the statutory rates and thresholds, and were intended to compensate households for the transition to an expected higher floating carbon price. They are no longer necessary, as the carbon tax will be repealed.

There is no change to the first round of personal income tax cuts that commenced from 1 July 2012.

The Clean Energy (Income Tax Rates and Other Amendments) Bill 2013 was introduced into Parliament on 13 November 2013.

Consultation process

Consultation on the draft legislation was conducted between 15 October 2013 and 4 November 2013, as part of the broader consultation for the repeal of the carbon tax. 106 public submissions were received, in addition to a number of confidential submissions. None of the confidential submissions referred to the repeal of the 2015-16 tax cuts.

The draft legislation and the submissions received can be viewed by clicking on the following link: <http://www.environment.gov.au/carbon-tax-repeal/consultation.html>

Summary of key issues

Uniting Care Australia provided a submission noting that 'an expected negative impact on lower and modest income households and small businesses' as a result of the repeal of the 2015-16 tax cuts would occur. However, this submission did not consider the overall repeal of the carbon tax on household disposable income.

Feedback

Feedback on the consultation process for this measure can be forwarded to consultation@treasury.gov.au.