Statement 4: Revenue

Despite ongoing impacts of the COVID-19 pandemic, the Australian economy continues to outperform expectations, and the outlook for revenue has improved substantially.

Parameter and other variations since MYEFO have increased expected tax receipts by $133.5 billion over the 4 years to 2025-26. Almost three quarters of the improvement to the outlook since MYEFO has been led by stronger household incomes, with a tightening labour market and higher average wages driving stronger personal income tax and GST receipts across the forward estimates and into the medium-term. In the near-term, strong bulk commodity prices are supporting company tax receipts.

Policy decisions in this Budget will ease cost of living pressures through temporary, targeted and responsible action. Policy decisions taken since MYEFO reduce tax receipts by $7.4 billion over the 4 years to 2025-26.

After accounting for policy decisions, total tax receipts have been revised up in each year of the forward estimates and by a total of $126.1 billion (or 6.0 per cent) over the 4 years to 2025-26.

In 2021-22, tax receipts as a share of GDP are expected to be 22.4 per cent, around 1.5 percentage points higher than the 2021-22 Budget estimate of 20.9 per cent. Tax receipts as a share of GDP are expected to be 22.9 per cent in 2025-26, the final year of the forward estimates.

As a result of the stronger outlook, which reflects both the success of the Government's economic plan and the resilience of the Australian economy, tax receipts in 2021-22 are now expected to exceed the levels forecast in the 2019-20 MYEFO, prior to the onset of the COVID-19 pandemic.

There remains considerable uncertainty around the implications for the revenue estimates associated with the unfolding events in Ukraine and Russia. In addition, while its ongoing impacts are expected to be moderate, COVID-19 remains a risk to the outlook.

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Statement 4: Revenue

Overview

The outlook for the Australian economy has strengthened. The stronger-than-expected labour market coupled with higher commodity prices has translated into significantly higher receipts in 2021-22 than expected at MYEFO and the 2021-22 Budget. Falling unemployment and an improved outlook for average earnings has resulted in upward revisions to receipts across the forward estimates.

Tax receipts across the three months to February are $12.6 billion above MYEFO forecasts for the 2021-22 financial year. This is driven by a strong domestic economy, with the equal lowest unemployment rate since 1974 driving higher personal income tax, elevated near-term commodity prices increasing company tax receipts, and strong on-assessment outcomes from the 2020-21 income year across individuals, companies and superannuation funds.

As a result of the stronger outlook, tax receipts are now expected to exceed the levels forecast prior to the onset of the COVID-19 pandemic in the 2019-20 MYEFO for the 2021-22 financial year. This reflects the success of the Government's economic response to COVID-19, including direct economic support that has been highly effective at sustaining both labour market connections and household and small business incomes, as well as strong near-term commodity prices.

Policy decisions since MYEFO reduce tax receipts by $7.4 billion over the 4 years to 2025-26. For more details on policy decisions, see Budget Statement 1 and Budget Paper No. 2.

While total tax receipts in 2022-23 are significantly higher than expected at MYEFO, tax receipts are forecast to decrease by 0.8 per cent in 2022-23 compared to 2021-22, largely the result of the assumed decline in commodity prices. Tax receipts are then expected to grow by 4.0 per cent on average over the 4 years to 2025-26 (Table 4.1).

Table 4.1: Australian Government general government receipts

	Actual	Estimates(a)				
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	$b	$b	$b	$b	$b	$b
Total taxation receipts ($b)	**473.9**	**512.5**	**508.4**	**541.8**	**566.6**	**598.2**
Growth on previous year (%)	9.7	8.2	-0.8	6.6	4.6	5.6
Per cent of GDP	22.9	22.4	22.1	22.9	22.8	22.9
Tax receipts excluding GST ($b)	**400.8**	**439.8**	**429.0**	**458.9**	**480.1**	**507.9**
Growth on previous year (%)	7.9	9.7	-2.4	7.0	4.6	5.8
Per cent of GDP	19.4	19.2	18.7	19.4	19.3	19.4
Non-taxation receipts ($b)	**46.1**	**44.1**	**39.2**	**43.5**	**48.6**	**45.7**
Growth on previous year (%)	22.4	-4.2	-11.1	10.8	11.9	-6.1
Per cent of GDP	2.2	1.9	1.7	1.8	2.0	1.7
Total receipts ($b)	**519.9**	**556.6**	**547.6**	**585.2**	**615.2**	**643.9**
Growth on previous year (%)	10.8	7.1	-1.6	6.9	5.1	4.7
Per cent of GDP	25.1	24.3	23.8	24.7	24.7	24.6

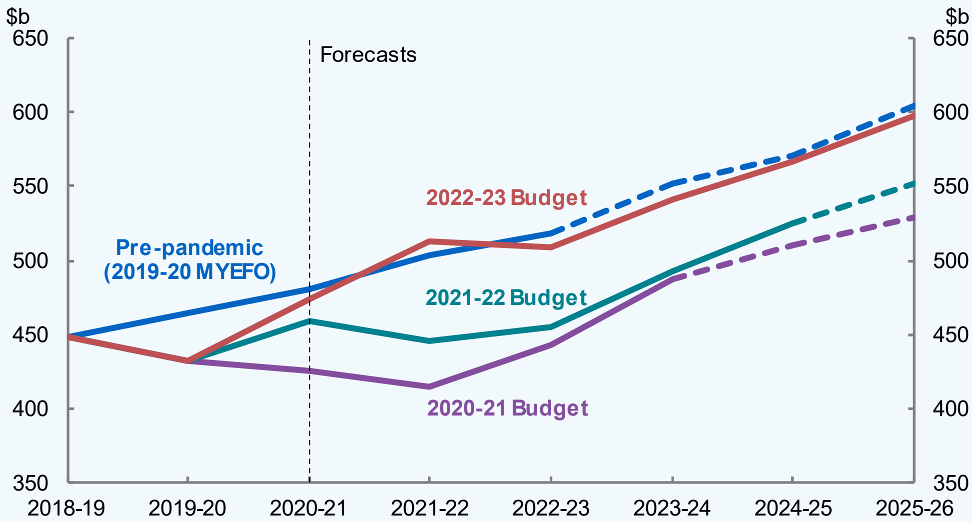
(a) In the 2022-23 Budget, following a determination issued by the ABS, the industry contribution levy collected by the Australian Transaction Reports and Analysis Centre has been reclassified from non-taxation receipts to taxation receipts to reflect the change in the nature of these receipts. The taxation receipts and non-taxation receipts series in Statement 10: Historical Australian Government Data have been back cast from 2014-15 for this change.

Box 4.1: The impact of COVID-19 on taxation receipts

Tax receipts have recovered more quickly than expected and in 2021-22 are estimated to return to levels forecast prior to the pandemic (see Chart 4.1). Underpinned by the Government's economic plan and policy response, this reflects the faster-than-expected economic recovery, dampening the impact of the structural features of the tax system that operate as automatic stabilisers during a downturn, along with strong commodity prices (see *Budget 2020-21,* Box 1: Supporting households and businesses during a downturn).

The outlook for tax receipts was revised down substantially in the 2020-21 Budget. In the 2021-22 Budget, while there were expected to be short-term windfall gains due to elevated commodity prices, the increase in revenue over the medium-term was forecast to be only modestly higher.

Chart 4.1: The outlook for tax receipts at Budget updates compared to pre-pandemic forecasts (2019-20 MYEFO)



Source: Budget papers, Treasury
Note: Dashed lines indicate medium term projections.

Tax receipts are now expected to return close to pre-pandemic levels in all years. In addition to stronger-than-expected business profits in the near-term, this recovery has been led by the labour market, with a stronger outlook for employment and average wages. This is despite a smaller population due to reduced net overseas migration, although increased labour force participation has partially offset this effect.

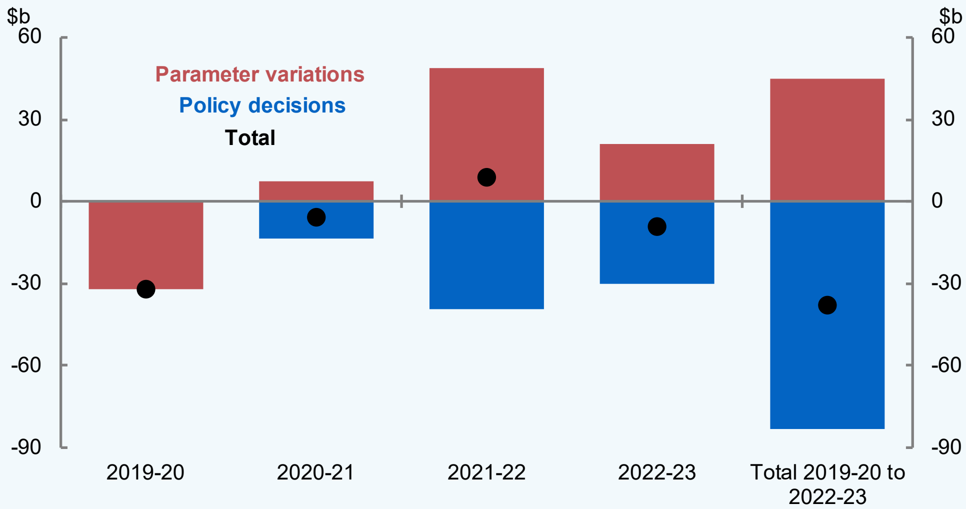
Box 4.1: The impact of COVID-19 on taxation receipts (continued)

In addition to the impact of parameter variations, the Government has also provided more than $80 billion in tax relief measures for individuals and businesses in response to the pandemic over the three years to 2022-23 (Chart 4.2).

The Government lowered taxes for individuals by bringing forward Stage 2 of the legislated Personal Income Tax Plan and retaining the low and middle income tax offset to support household incomes through to 2021-22. In this Budget, the Government has announced additional tax measures to ease cost of living pressures, including *Addressing Cost of Living Pressures – temporary reduction in fuel excise* and *Cost of living tax offset.* As these measures are all temporary, they do not have a structural impact on tax receipts.

The measures *Small Business – skills and training boost* and *Small Business – technology investment boost* included in this Budget provide further incentives for small and medium businesses to invest in technology, upskill staff and grow their business. These build on measures such as temporary loss carry-back and temporary full expensing. These measures provided a significant up-front benefit by supporting cash flow, investment, and job creation.

Chart 4.2: Policy and parameter variations compared to pre-pandemic forecasts (2019-20 MYEFO)



Source: Budget papers, Treasury

Tax receipts outlook

On the back of the faster-than-expected recovery from the COVID-19 pandemic, the outlook for the Australian economy has strengthened. This translates into an improved outlook for tax receipts which, relative to MYEFO, are forecast to be $126.1 billion (6.0 per cent) higher over the 4 years to 2025-26.

The unemployment rate is now at a multi-decade low, with the tightening labour market and wage increases expected to drive higher personal income tax receipts, and flow through to higher nominal consumption. Elevated commodity prices will also continue to support company tax receipts in the near term. Over the latter half of the forward estimates period, a significant improvement in the outlook for employment is expected to drive higher prices and wages growth, further supporting personal income tax and GST receipts.

The outlook for personal income tax receipts reflects the improved labour market outlook more broadly. Compensation of employees is stronger, supported by the recovery in employment to date, with wage growth also expected to be higher later in the forward estimates as firms compete to attract labour. This strength is partly offset by a downgrade to dividends and unincorporated business income forecasts across the forward estimates. Relative to MYEFO, individuals and other withholding taxes have been revised up by $90.0 billion over the 4 years to 2025-26.

Upgrades to the forecast for resources sector profits, largely due to ongoing strong non-rural commodity exports, are supporting an improved short-term outlook for company profits. Since MYEFO, company tax forecasts have been revised up by $9.8 billion over the 4 years to 2025-26.

Upgrades to the outlook for household consumption and dwelling investment have resulted in GST receipts being revised up by $11.4 billion over the 4 years to 2025-26. The improved outlook for household consumption combined with higher inflation expectations are driving upwards revisions to forecasts for excise and customs duties, which have been upgraded by $1.1 billion over the 4 years to 2025-26.

The improved labour market outlook, along with broad-based strength in earnings on investments held by superannuation funds, supports an improved outlook for superannuation taxes, which are forecast to be $8.6 billion higher over the 4 years to 2025-26.

Policy decisions in this Budget help to ease cost of living pressures for households and support small businesses. Policy decisions taken since MYEFO reduce tax receipts by $7.4 billion over the 4 years to 2025-26. Key policy decisions include:

- Support for individuals by providing a cost of living tax offset when they lodge their 2021-22 tax returns, reducing receipts by $4.1 billion over the 4 years to 2025-26.

- Addressing cost of living pressures through a temporary reduction in fuel excise, reducing receipts by $2.8 billion in 2021-22 and $2.9 billion in 2022-23.
- Providing businesses with a temporary technology investment boost and skills and training boost, reducing receipts by $1.6 billion over the 4 years to 2025-26.

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

Considerable uncertainty remains around the outlook for tax receipts as they are inextricably tied to the outlook for economic activity. The full impact of the unfolding events of the Russian invasion of Ukraine is still uncertain, presenting substantial risks to the outlook, including volatility in world commodity prices.

Variations in receipts estimates

Since MYEFO, total receipts have been revised up by $31.2 billion in 2022-23 and $120.5 billion over the 4 years to 2025-26. Table 4.2 reconciles the 2022-23 Budget estimates of total receipts with the 2021-22 Budget and 2021-22 MYEFO.

Table 4.2: Reconciliation of Australian Government general government receipts estimates from the 2021-22 Budget[(a)]

	Estimates					
	2021-22 $m	2022-23 $m	2023-24 $m	2024-25 $m	2025-26 $m	Total(b) $m
Receipts at 2021-22 Budget	**482,053**	**494,000**	**532,855**	**571,969**	*	*
Changes from 2021-22 Budget to 2021-22 MYEFO						
Effect of policy decisions	562	897	941	770	*	*
Effect of parameter and other variations	49,515	21,552	16,458	18,426	*	*
Total variations	**50,077**	**22,449**	**17,399**	**19,196**	*	*
Receipts at 2021-22 MYEFO	**532,130**	**516,449**	**550,254**	**591,165**	**613,560**	**2,271,428**
Changes from 2021-22 MYEFO to 2022-23 Budget						
Effect of policy decisions	-2,342	-8,351	1,596	602	739	-5,415
Effect of parameter and other variations	26,838	39,534	33,358	23,470	29,601	125,963
Total variations	**24,496**	**31,183**	**34,954**	**24,072**	**30,339**	**120,549**
Receipts at 2022-23 Budget	**556,626**	**547,632**	**585,208**	**615,237**	**643,900**	**2,391,977**

*Data is not published.
(a) Includes expected Future Funds earnings.
(b) Total is equal to the sum of amounts from 2022-23 to 2025-26.

Since MYEFO, parameter and other variations have increased total receipts by $39.5 billion in 2022-23 and $126.0 billion over the 4 years to 2025-26. Policy decisions reduce receipts by $5.4 billion over the 4 years to 2025-26 compared with MYEFO.

The upgrade to the forecasts of total receipts is predominantly driven by the upgrades to the forecasts of taxation receipts.

Taxation receipts estimates

Relative to MYEFO, forecasts of total tax receipts have been revised up by $29.9 billion in 2022-23 and by $126.1 billion over the 4 years to 2025-26. While these upgrades are broad-based, the most significant upwards revision is to total individuals and other withholding taxes.

Table 4.3 reconciles the 2022-23 Budget estimates of tax receipts with the 2021-22 Budget and 2021-22 MYEFO.

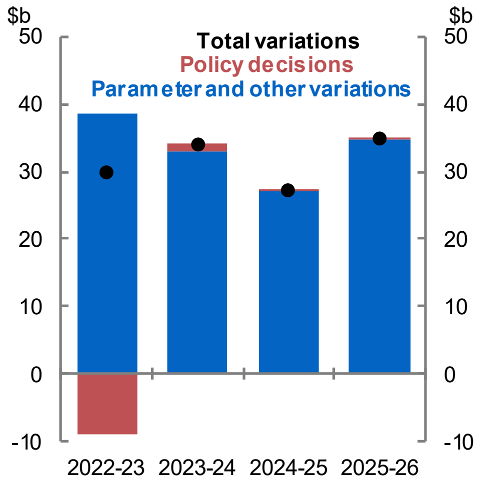
Table 4.3: Reconciliation of Australian Government general government taxation receipts estimates from the 2021-22 Budget

	Estimates(b)					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total(a)
	$m	$m	$m	$m	$m	$m
Tax receipts at 2021-22 Budget	**445,599**	**455,328**	**493,106**	**525,353**	*	*
Changes from 2021-22 Budget to 2021-22 MYEFO						
Effect of policy decisions	17	649	553	493	*	*
Effect of parameter and other variations	44,872	22,551	13,950	13,625	*	*
Total variations	44,888	23,200	14,502	14,119	*	*
Tax receipts at 2021-22 MYEFO	**490,487**	**478,528**	**507,609**	**539,472**	**563,285**	**2,088,894**
Changes from 2021-22 MYEFO to 2022-23 Budget						
Effect of policy decisions	-2,742	-8,810	1,141	87	210	-7,372
Effect of parameter and other variations	24,735	38,682	33,008	27,066	34,739	133,494
Total variations	21,993	29,872	34,148	27,153	34,948	126,122
Tax receipts at 2022-23 Budget	**512,480**	**508,400**	**541,757**	**566,625**	**598,233**	**2,215,015**

* Data is not published.
(a) Total is equal to the sum of amounts from 2022-23 to 2025-26.
(b) In the 2022-23 Budget, 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 to reflect the change in the nature of these receipts. The taxation receipts and non-taxation receipts series in Statement 10: Historical Australian Government Data have been back-cast from 2014-15 for this change.

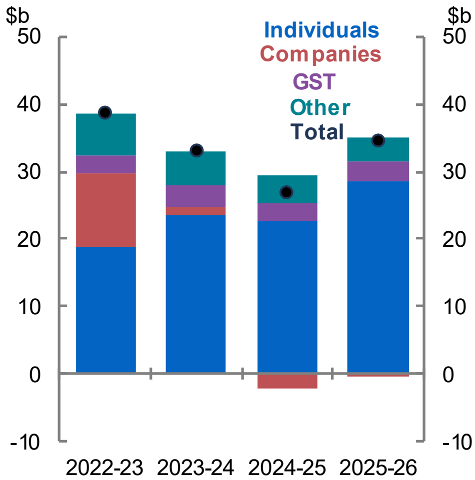
Since MYEFO, parameter and other variations are expected to increase tax receipts by $38.7 billion in 2022-23 and $133.5 billion over the 4 years to 2025-26. Policy decisions reduce tax receipts by $7.4 billion over the 4 years to 2025-26 compared with MYEFO.

Chart 4.3: Revisions to total tax receipts since MYEFO



Source: Treasury

Chart 4.4: Parameter and other variations to total tax receipts since MYEFO



Source: Treasury

These upgrades reflect broad-based strength across almost all heads of revenue, driven by the faster-than-expected recovery from the COVID-19 pandemic and an improved economic outlook. Growth in the key economic parameters that influence tax receipts is shown in Table 4.4.

Table 4.4: Key economic parameters for tax receipts[(a)]

	Outcomes	Forecasts				
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Nominal gross domestic product	4.4	10 3/4	1/2	3	5 1/4	5
Change since 2021-22 MYEFO		*4 1/4*	*- 3/4*	*-1 1/2*	*1/4*	
Compensation of employees(b)	3.3	5 1/2	6 1/4	5 1/4	5 1/4	5 1/4
Change since 2021-22 MYEFO		*2*	*2*	*1/4*	*1/4*	
Corporate gross operating surplus(c)	9.6	12 1/2	-13	-2 1/2	4 1/4	4 1/4
Change since 2021-22 MYEFO		*10 1/4*	*-4 3/4*	*-5 3/4*	*- 3/4*	
Non-farm gross mixed income	11.0	1/4	-2 1/4	3	6 3/4	6 1/2
Change since 2021-22 MYEFO		*2 3/4*	*-3 1/4*	*-3*	*1 3/4*	
Property income(d)	-2.4	8 3/4	6 1/4	8	5 3/4	5 1/2
Change since 2021-22 MYEFO		*-3 1/4*	*1/4*	*3 1/4*	*3/4*	
Consumption subject to GST	1.3	6 3/4	9 1/2	7	5 3/4	5 1/4
Change since 2021-22 MYEFO		*2 3/4*	*-3/4*	*0*	*0*	

(a) Current prices, per cent change on previous year. Changes since the 2021-22 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.
Source: ABS Australian National Accounts: National Income, Expenditure and Product, and Treasury

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

Individuals and other withholding taxation receipts

Since MYEFO, total individuals and other withholding taxation receipts have been revised up by $13.8 billion in 2022-23 and $90.0 billion over the 4 years to 2025-26. Individuals and other withholding taxation receipts are expected to increase by 8.3 per cent in 2021-22 and by 4.6 per cent in 2022-23.

Excluding new policy decisions, individuals and other withholding taxation receipts have been revised up by $18.9 billion in 2022-23 and $93.8 billion in the 4 years to 2025-26. This is due to higher-than-expected tax collections in 2021-22, on the back of a faster recovery in employment and higher average wages, reflecting tightening in the labour market. Strength in net capital gains and net rental income relating to prior income years also contributes to the upgrade, but this is partly offset by forecast weakness in unincorporated business income and dividend income.

New tax policy measures announced since MYEFO are expected to reduce individuals and other withholding taxation receipts by $3.8 billion over the 4 years to 2025-26. This is largely the result of the measure *Cost of living tax offset*, which will increase the low and middle income tax offset by $420 for the 2021-22 income year.

Fringe benefits tax

Since MYEFO, fringe benefits tax receipts have been revised up by $40 million in 2022-23 and $580 million over the 4 years to 2025-26. Receipts are expected to increase over the forward estimates period in line with returning strength in the revenue base due to substantial upgrades to total compensation of employees.

Company tax

Since MYEFO, company tax receipts are expected to be $10.3 billion higher in 2022-23 and $9.8 billion higher over the 4 years to 2025-26.

Compared with MYEFO, parameter and other variations account for $10.8 billion of the upgrade in the forecast for company tax receipts in 2022-23 and $9.2 billion of the upgrade over the 4 years 2025-26. Company tax receipts have been revised up significantly in 2021-22 and 2022-23 largely as a result of elevated bulk commodity prices increasing profits in the resources sector, but this strength is expected to taper off in later years in line with the assumed decline in iron ore and coal prices. For more information on the sensitivity of company tax receipts to the terms of trade, see Budget Statement 7, Table 7.1: Sensitivity analysis of a US$10 per tonne movement in iron ore prices.

There continues to be considerable uncertainty around the forecasts for company tax receipts. This is partly due to substantial uncertainty around the outlook for the economy, particularly given commodity price volatility as a result of the Russian invasion of Ukraine (Budget Statement 2 refers), as well as uncertainty around the extent to which companies will use losses incurred during the COVID-19 pandemic to offset future profits.

New tax policy measures announced since MYEFO are expected to increase company tax receipts by $0.6 billion over the 4 years to 2025-26. This is largely as a result of the extension of the ATO's Tax Avoidance Taskforce on multinationals, large corporates and high wealth individuals, which is estimated to increase total tax receipts by $2.1 billion over the 4 years to 2025-26.

The Government is also providing $1.6 billion in additional tax relief to small businesses through the 2022-23 Budget, as detailed in Box 4.2. This reduces company tax as well as personal income tax receipts over the forward estimates period.

Box 4.2: Targeted tax support for small businesses

Small businesses – those with annual turnover below $50 million – are a critical part of our economy. In 2013-14, there were around 3.3 million small businesses employing around 7.1 million people. By 2018-19, this had grown to around 3.6 million businesses, employing around 7.8 million people. Sole traders are an important part of this sector, with around 1.4 million in operation. The Government is committed to leveraging the tax system to support small businesses to invest, grow and employ more Australians.

Prior to the COVID-19 pandemic, the Government legislated a staged reduction in the company tax rate for small businesses, from 30 per cent in 2013-14 to 25 per cent from 2021-22 onwards. The incorporated small business share of total company tax paid declined in each year between 2015-16 and 2018-19. By 2018-19, these small businesses were paying 29 per cent of company tax compared with 35 per cent in 2015-16. Alongside the company tax cut, the Government has introduced and subsequently enhanced the tax discount for unincorporated small businesses. It is estimated these two legislative changes will deliver more than $21 billion in tax cuts to small businesses between 2015-16 and 2024-25, with around $2.6 billion flowing to small businesses in 2022-23.

In response to the COVID-19 pandemic, the Government introduced the *Boosting Cash Flow for Employers* measure, which supported over 820,000 eligible businesses and not-for-profit entities that employ individuals, providing around $36 billion in support to date. The Government introduced accelerated depreciation deductions and an expansion of the instant asset write-off. The accelerated depreciation deductions allow businesses with annual turnover below $5 billion to immediately deduct the full cost of eligible assets used or ready for use by 30 June 2023. This can work in combination with the loss carry-back scheme, which allows companies to obtain a tax offset or refund by offsetting losses against previously taxed profits derived in earlier years.

In this Budget, the Government is providing $1.6 billion in tax incentives for small businesses through the technology investment boost and the skills and training boost. Small businesses will be able to deduct a bonus 20 per cent of the cost of expenses and depreciating assets that support digital uptake, up to $100,000 of expenditure per year, between 7.30pm (AEDT) on 29 March 2022 and 30 June 2023. Small businesses will also have access to a bonus 20 per cent deduction for the cost of eligible external training courses for employees, which will apply between 7:30pm (AEDT) on 29 March 2022 and 30 June 2024. Small businesses also benefit from the Government's other initiatives to encourage innovation such as the patent box (which has been extended in this Budget) and the Research and Development Tax Incentive.

Superannuation fund taxes

Since MYEFO, superannuation fund tax receipts have been revised up by $3.0 billion in 2022-23 and $8.6 billion across the 4 years to 2025-26. Tax receipts from superannuation funds are expected to grow strongly, by 89.6 per cent in 2021-22 but then decrease by 36.2 per cent in 2022-23.

This reflects strong outcomes from prior income years, including substantial one-off strength in capital gains. Superannuation fund tax receipts are then supported by higher employment earnings leading to higher tax on contributions as well as a decline in forecast franking credits from dividends affecting 2022-23 and 2023-24.

Petroleum resource rent tax (PRRT)

Since MYEFO, PRRT receipts have been revised up by $1.0 billion in 2022-23, and by $4.0 billion over the 4 years to 2025-26, consistent with significantly higher recent oil prices. PRRT receipts are forecast to increase by 110.0 per cent in 2021-22 and by 45.5 per cent in 2022-23.

Goods and services tax (GST)

Since MYEFO, GST receipts have been revised up by $2.6 billion in 2022-23 and by $11.4 billion over the 4 years to 2025-26. Receipts from GST are forecast to decrease by 0.2 per cent in 2021-22 and increase by 9.1 per cent in 2022-23.

Increases in GST receipts largely reflect upgrades to consumption subject to GST and private dwelling investment. Increases in employment and wages are expected to flow through to higher nominal consumption, while private dwelling investment upgrades are partly driven by near term supply chain shortages driving up prices in the construction sector.

Excise and customs duty

Since MYEFO, total excise and customs duty receipts have been revised down by $1.0 billion in 2022-23 and up by $1.1 billion over the 4 years to 2025-26. Excise and customs duties are forecast to decline by 7.6 per cent in 2021-22 but grow by 8.2 per cent in 2022-23. This reflects higher-than-expected fuel and alcohol excise collections, as well as upgrades to the outlook for fuel and alcohol consumption and an increase to forecasts of the consumer price index across the forward estimates. This is partially offset by a downgrade to the outlook for tobacco consumption.

Policy decisions are expected to reduce excise and customs duty receipts by $4.1 billion over the 4 years to 2025-26. This largely reflects the measure *Addressing Cost of Living Pressures – temporary reduction in fuel excise*, which will help reduce the burden of higher fuel prices by halving the excise for 6 months from 30 March 2022.

The 2022-23 Budget estimates continue to include provisions for the Australia-European Union Free Trade Agreement (FTA) and the Australia-India Comprehensive Economic Cooperation Agreement which have not been finalised and impact the customs duty head of revenue.

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 MYEFO, luxury car tax (LCT) receipts have been revised up by $160 million in 2022-23 and $570 million over the 4 years to 2025-26. LCT receipts are forecast to decrease by 3.7 per cent in 2021-22 and remain steady in 2022-23. This is consistent with the expectation that purchases of new motor vehicles are beginning to ease off the elevated levels recorded in 2020-21 and will moderate in the latter years of the forward estimates.

Since MYEFO, wine equalisation tax (WET) receipts have been revised up by $70 million in 2022-23, and $280 million over the 4 years to 2025-26. WET receipts are forecast to grow by 1.9 per cent in 2021-22 and by 2.6 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 passenger movement charge.

Since MYEFO, other taxes have been revised down by $29.3 million in 2022-23, and by $143.1 million over the 4 years to 2025-26. Other taxes are forecast to increase by 2.0 per cent in 2021-22 and increase by 16.0 per cent in 2022-23.

Excluding new policy decisions, other taxes have been revised up by $81.2 million in 2022-23, but revised down by $39.6 million over the 4 years to 2025-26.

Non-taxation receipts

Since MYEFO, non-taxation receipts are expected to increase by $1.3 billion in 2022-23 and decrease by $5.6 billion over the 4 years to 2025-26.

Parameter and other variations are expected to increase non-taxation receipts by $0.9 billion in 2022-23, and to decrease non-taxation receipts by $7.5 billion over the 4 years to 2025-26. This is primarily due to lower expected dividends from the Reserve Bank of Australia (RBA), with the assumed rise in interest rates reducing the

RBA's profits. This is partially offset by higher-than-expected Future Fund earnings and an increase in liquefied natural gas (LNG) royalties.

Since MYEFO, policy decisions are expected to increase non-taxation receipts by $0.5 billion in 2022-23, and by $2.0 billion over the 4 years to 2025-26, including proceeds arising from the Clean Energy Regulator allowing permit holders to exit their fixed delivery contracts held under the Emissions Reduction Fund.

Table 4.5: Reconciliation of 2021-22 general government (cash) receipts

	Estimates		Change from MYEFO	
	MYEFO	Budget		
	$m	$m	$m	%
Individuals and other withholding taxes				
Gross income tax withholding	227,400	236,300	8,900	3.9
Gross other individuals	50,300	54,200	3,900	7.8
less: Refunds	38,700	38,200	-500	-1.3
Total individuals and other withholding tax	239,000	252,300	13,300	5.6
Fringe benefits tax	3,310	3,330	20	0.6
Company tax	100,300	109,100	8,800	8.8
Superannuation fund taxes	23,210	24,560	1,350	5.8
Petroleum resource rent tax	1,400	1,650	250	17.9
Income taxation receipts	**367,220**	**390,940**	**23,720**	**6.5**
Goods and services tax	72,541	72,782	241	0.3
Wine equalisation tax	1,140	1,140	0	0.0
Luxury car tax	770	880	110	14.3
Excise and customs duty				
Petrol	5,650	4,950	-700	-12.4
Diesel	13,580	11,720	-1,860	-13.7
Other fuel products	1,640	1,510	-130	-7.9
Tobacco	13,300	12,950	-350	-2.6
Beer	2,490	2,440	-50	-2.0
Spirits	3,080	3,280	200	6.5
Other alcoholic beverages(a)	1,270	1,440	170	13.4
Other customs duty				
Textiles, clothing and footwear	190	190	0	0.0
Passenger motor vehicles	350	330	-20	-5.7
Other imports	1,290	1,340	50	3.9
less: Refunds and drawbacks	800	800	0	0.0
Total excise and customs duty	42,040	39,350	-2,690	-6.4
Major Bank Levy	1,500	1,500	0	0.0
Agricultural levies	554	600	46	8.2
Other taxes(b)	4,723	5,289	566	12.0
Indirect taxation receipts	**123,267**	**121,540**	**-1,727**	**-1.4**
Taxation receipts	**490,487**	**512,480**	**21,993**	**4.5**
Sales of goods and services	17,520	17,626	106	0.6
Interest received	2,732	2,557	-175	-6.4
Dividends and distributions(c)	7,980	9,142	1,162	14.6
Other non-taxation receipts(b)	13,411	14,821	1,411	10.5
Non-taxation receipts	**41,642**	**44,146**	**2,504**	**6.0**
Total receipts	**532,130**	**556,626**	**24,496**	**4.6**
Memorandum:				
Total excise	*24,850*	*22,370*	*-2,480*	*-10.0*
Total customs duty	*17,190*	*16,980*	*-210*	*-1.2*
Capital gains tax(d)	*24,500*	*24,100*	*-400*	*-1.6*

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

(b) In the 2022-23 Budget, 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 to reflect the change in the nature of these receipts. The taxation receipts and non-taxation receipts series in Statement 10: Historical Australian Government Data have been back-cast from 2014-15 for this change.

(c) ‘Dividends’ has been renamed ‘dividends and distributions’ to more accurately reflect the transactions included in this item.

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

Table 4.6: Reconciliation of 2022-23 general government (cash) receipts

	Estimates		Change from MYEFO	
	MYEFO $m	Budget $m	$m	%
Individuals and other withholding taxes				
Gross income tax withholding	233,900	249,600	15,700	6.7
Gross other individuals	54,100	55,400	1,300	2.4
less: Refunds	37,900	41,100	3,200	8.4
Total individuals and other withholding tax	250,100	263,900	13,800	5.5
Fringe benefits tax	3,590	3,630	40	1.1
Company tax	79,900	90,200	10,300	12.9
Superannuation fund taxes	12,660	15,660	3,000	23.7
Petroleum resource rent tax	1,400	2,400	1,000	71.4
Income taxation receipts	**347,650**	**375,790**	**28,140**	**8.1**
Goods and services tax	76,861	79,432	2,571	3.3
Wine equalisation tax	1,100	1,170	70	6.4
Luxury car tax	720	880	160	22.2
Excise and customs duty				
Petrol	6,300	6,050	-250	-4.0
Diesel	14,530	12,880	-1,650	-11.4
Other fuel products	1,900	2,700	800	42.1
Tobacco	13,150	12,800	-350	-2.7
Beer	2,600	2,650	50	1.9
Spirits	2,920	3,080	160	5.5
Other alcoholic beverages(a)	1,080	1,220	140	13.0
Other customs duty				
Textiles, clothing and footwear	200	170	-30	-15.0
Passenger motor vehicles	290	310	20	6.9
Other imports	1,330	1,400	70	5.3
less: Refunds and drawbacks	700	700	0	0.0
Total excise and customs duty	43,600	42,560	-1,040	-2.4
Major Bank Levy	1,600	1,550	-50	-3.1
Agricultural levies	541	560	19	3.4
Other taxes(b)	6,456	6,458	2	0.0
Indirect taxation receipts	**130,878**	**132,610**	**1,732**	**1.3**
Taxation receipts	**478,528**	**508,400**	**29,872**	**6.2**
Sales of goods and services	18,136	18,346	210	1.2
Interest received	3,032	2,820	-212	-7.0
Dividends and distributions(c)	4,825	5,284	459	9.5
Other non-taxation receipts(b)	11,929	12,783	854	7.2
Non-taxation receipts	**37,921**	**39,232**	**1,311**	**3.5**
Total receipts	**516,449**	**547,632**	**31,183**	**6.0**
Memorandum:				
Total excise	*26,550*	*25,640*	*-910*	*-3.4*
Total customs duty	*17,050*	*16,920*	*-130*	*-0.8*
Capital gains tax(d)	*22,500*	*22,400*	*-100*	*-0.4*

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

(b) In the 2022-23 Budget, 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 to reflect the change in the nature of these receipts. The taxation receipts and non-taxation receipts series in Statement 10: Historical Australian Government Data have been back-cast from 2014-15 for this change.

(c) ‘Dividends’ has been renamed ‘dividends and distributions’ to more accurately reflect the transactions included in this item.

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

Table 4.7: Australian Government general government (cash) receipts

	Actual	Estimates				
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	$m	$m	$m	$m	$m	$m
Individuals and other withholding taxes						
Gross income tax withholding	220,457	236,300	249,600	264,500	266,500	281,100
Gross other individuals	48,769	54,200	55,400	58,800	61,200	65,300
less: Refunds	36,265	38,200	41,100	34,300	37,400	38,200
Total individuals and other withholding tax	232,961	252,300	263,900	289,000	290,300	308,200
Fringe benefits tax	3,569	3,330	3,630	3,930	4,120	4,330
Company tax	98,786	109,100	90,200	87,500	103,000	109,600
Superannuation fund taxes	12,956	24,560	15,660	19,410	20,560	22,110
Petroleum resource rent tax	786	1,650	2,400	2,400	2,400	2,400
Income taxation receipts	**349,058**	**390,940**	**375,790**	**402,240**	**420,380**	**446,640**
Goods and services tax	72,932	72,782	79,432	82,921	86,603	90,362
Wine equalisation tax	1,119	1,140	1,170	1,200	1,250	1,300
Luxury car tax	914	880	880	850	890	940
Excise and customs duty						
Petrol	5,985	4,950	6,050	7,350	7,950	8,250
Diesel	12,740	11,720	12,880	15,120	16,270	16,820
Other fuel products	1,580	1,510	2,700	2,200	2,280	2,280
Tobacco	14,264	12,950	12,800	12,700	13,100	13,550
Beer	2,543	2,440	2,650	2,710	2,890	2,970
Spirits	3,160	3,280	3,080	3,100	3,280	3,410
Other alcoholic beverages(a)	1,301	1,440	1,220	1,260	1,280	1,320
Other customs duty						
Textiles, clothing and footwear	178	190	170	120	120	120
Passenger motor vehicles	372	330	310	90	90	100
Other imports	1,189	1,340	1,400	1,000	1,040	1,050
less: Refunds and drawbacks	729	800	700	700	700	700
Total excise and customs duty	42,582	39,350	42,560	44,950	47,600	49,170
Major Bank Levy	1,619	1,500	1,550	1,600	1,650	1,750
Agricultural levies	525	600	560	572	578	589
Other taxes(b)	5,101	5,289	6,458	7,424	7,673	7,483
Indirect taxation receipts	**124,792**	**121,540**	**132,610**	**139,517**	**146,245**	**151,593**
Taxation receipts	**473,850**	**512,480**	**508,400**	**541,757**	**566,625**	**598,233**
Sales of goods and services	16,390	17,626	18,346	19,520	20,413	20,943
Interest received	2,812	2,557	2,820	3,393	3,670	3,932
Dividends and distributions(c)	9,757	9,142	5,284	5,672	6,048	6,418
Other non-taxation receipts(b)	17,105	14,821	12,783	14,866	18,481	14,374
Non-taxation receipts	**46,063**	**44,146**	**39,232**	**43,451**	**48,612**	**45,667**
Total receipts	**519,913**	**556,626**	**547,632**	**585,208**	**615,237**	**643,900**
Memorandum:						
Total excise	*24,462*	*22,370*	*25,640*	*31,320*	*33,450*	*34,480*
Total customs duty	*18,120*	*16,980*	*16,920*	*13,630*	*14,150*	*14,690*
Capital gains tax(d)	*19,600*	*24,100*	*22,400*	*21,600*	*22,300*	*23,100*

(a) ‘Other alcoholic beverages’ are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).
(b) In the 2022-23 Budget, 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 to reflect the change in the nature of these receipts. The taxation receipts and non-taxation receipts series in Statement 10: Historical Australian Government Data have been back-cast from 2014-15 for this change.
(c) ‘Dividends’ has been renamed ‘dividends and distributions’ to more accurately reflect the transactions included in this item.
(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 4.8 provides a reconciliation of the 2022-23 Budget's revenue estimates with those at the 2021-22 Budget and 2021-22 MYEFO.

Table 4.8: Reconciliation of Australian Government general government revenue estimates from the 2021-22 Budget

	Estimates					
	2021-22	2022-23	2023-24	2024-25	2025-26	Total(a)
	$m	$m	$m	$m	$m	$m
Revenue at 2021-22 Budget	**496,621**	**505,145**	**544,487**	**577,959**	*	*
Changes from 2021-22 Budget to 2021-22 MYEFO						
Effect of policy decisions(b)	530	1,266	918	781	*	*
Effect of parameter and other variations	45,378	23,929	18,564	18,584	*	*
Total variations	**45,907**	**25,195**	**19,482**	**19,364**	*	*
Revenue at 2021-22 MYEFO	**542,528**	**530,340**	**563,969**	**597,323**	*	*
Changes from 2021-22 MYEFO to 2022-23 Budget						
Effect of policy decisions(b)	-2,379	-8,318	2,305	1,081	260	-4,672
Effect of parameter and other variations	26,268	38,924	29,386	23,337	*	*
Total variations	**23,889**	**30,606**	**31,691**	**24,417**	*	*
Revenue at 2022-23 Budget	**566,417**	**560,947**	**595,660**	**621,741**	**655,232**	**2,433,579**

*Data is not published
(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 MYEFO, total revenue has been revised up by $30.6 billion in 2022-23 and by $116.2 billion over the 4 years to 2025-26.

The changes in the individual heads of revenue accrual estimates relative to MYEFO are shown in Tables 4.9 and 4.10, for 2021-22 and 2022-23, respectively. For the 5-year accrual table, the accrual equivalent of Table 4.7, see Budget Statement 9, Note 3.

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

Table 4.9: Reconciliation of 2021-22 general government (accrual) revenue

	Estimates		Change on MYEFO	
	MYEFO	Budget		
	$m	$m	$m	%
Individuals and other withholding taxes				
Gross income tax withholding	229,700	238,500	8,800	3.8
Gross other individuals	53,800	57,500	3,700	6.9
less: Refunds	38,700	38,200	-500	-1.3
Total individuals and other withholding tax	244,800	257,800	13,000	5.3
Fringe benefits tax	3,160	3,180	20	0.6
Company tax	102,700	111,500	8,800	8.6
Superannuation fund taxes	23,230	24,580	1,350	5.8
Petroleum resource rent tax	1,470	1,720	250	17.0
Income taxation revenue	**375,360**	**398,780**	**23,420**	**6.2**
Goods and services tax	76,410	76,409	-1	0.0
Wine equalisation tax	1,160	1,160	0	0.0
Luxury car tax	770	880	110	14.3
Excise and customs duty				
Petrol	5,650	4,950	-700	-12.4
Diesel	13,580	11,720	-1,860	-13.7
Other fuel products	1,640	1,510	-130	-7.9
Tobacco	13,300	12,950	-350	-2.6
Beer	2,490	2,440	-50	-2.0
Spirits	3,080	3,280	200	6.5
Other alcoholic beverages(a)	1,270	1,440	170	13.4
Other customs duty				
Textiles, clothing and footwear	190	190	0	0.0
Passenger motor vehicles	350	330	-20	-5.7
Other imports	1,290	1,340	50	3.9
less: Refunds and drawbacks	800	800	0	0.0
Total excise and customs duty	42,040	39,350	-2,690	-6.4
Major bank levy	1,510	1,510	0	0.0
Agricultural levies	554	600	46	8.2
Other taxes(b)	6,237	6,692	455	7.3
Indirect taxation revenue	**128,681**	**126,600**	**-2,081**	**-1.6**
Taxation revenue	**504,041**	**525,380**	**21,339**	**4.2**
Sales of goods and services	17,424	17,628	204	1.2
Interest	3,619	3,916	297	8.2
Dividends and distributions(c)	5,178	6,219	1,042	20.1
Other non-taxation revenue(b)	12,266	13,273	1,007	8.2
Non-taxation revenue	**38,487**	**41,036**	**2,549**	**6.6**
Total revenue	**542,528**	**566,417**	**23,889**	**4.4**
Memorandum:				
Total excise	*24,850*	*22,370*	*-2,480*	*-10.0*
Total customs duty	*17,190*	*16,980*	*-210*	*-1.2*
Capital gains tax(d)	*24,500*	*24,100*	*-400*	*-1.6*

(a) 'Other alcoholic beverages' are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).
(b) In the 2022-23 Budget, 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 revenue to taxation revenue to reflect the change in the nature of this revenue. The taxation revenue and non-taxation revenue series in Statement 10: Historical Australian Government Data have been back-cast from 2014-15 for this change.
(c) 'Dividends' has been renamed 'dividends and distributions' to more accurately reflect the transactions included in this item.
(d) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes.

Table 4.10: Reconciliation of 2022-23 general government (accrual) revenue

	Estimates		Change on MYEFO	
	MYEFO	Budget		
	$m	$m	$m	%
Individuals and other withholding taxes				
Gross income tax withholding	236,400	252,100	15,700	6.6
Gross other individuals	57,800	59,100	1,300	2.2
less: Refunds	37,900	41,100	3,200	8.4
Total individuals and other withholding tax	256,300	270,100	13,800	5.4
Fringe benefits tax	3,540	3,580	40	1.1
Company tax	81,900	92,200	10,300	12.6
Superannuation fund taxes	12,690	15,690	3,000	23.6
Petroleum resource rent tax	1,440	2,440	1,000	69.4
Income taxation revenue	**355,870**	**384,010**	**28,140**	**7.9**
Goods and services tax	79,880	82,460	2,580	3.2
Wine equalisation tax	1,120	1,190	70	6.3
Luxury car tax	720	880	160	22.2
Excise and customs duty				
Petrol	6,300	6,050	-250	-4.0
Diesel	14,530	12,880	-1,650	-11.4
Other fuel products	1,900	2,700	800	42.1
Tobacco	13,150	12,800	-350	-2.7
Beer	2,600	2,650	50	1.9
Spirits	2,920	3,080	160	5.5
Other alcoholic beverages(a)	1,080	1,220	140	13.0
Other customs duty				
Textiles, clothing and footwear	200	170	-30	-15.0
Passenger motor vehicles	290	310	20	6.9
Other imports	1,330	1,400	70	5.3
less: Refunds and drawbacks	700	700	0	0.0
Total excise and customs duty	43,600	42,560	-1,040	-2.4
Major bank levy	1,620	1,570	-50	-3.1
Agricultural levies	541	560	19	3.4
Other taxes(b)	7,735	7,729	-7	-0.1
Indirect taxation revenue	**135,217**	**136,949**	**1,732**	**1.3**
Taxation revenue	**491,087**	**520,959**	**29,872**	**6.1**
Sales of goods and services	18,128	18,326	198	1.1
Interest	3,718	3,751	33	0.9
Dividends and distributions(c)	5,682	5,292	-390	-6.9
Other non-taxation revenue(b)	11,726	12,619	894	7.6
Non-taxation revenue	**39,254**	**39,988**	**734**	**1.9**
Total revenue	**530,340**	**560,947**	**30,606**	**5.8**
Memorandum:				
Total excise	*26,550*	*25,640*	*-910*	*-3.4*
Total customs duty	*17,050*	*16,920*	*-130*	*-0.8*
Capital gains tax(d)	*22,500*	*22,400*	*-100*	*-0.4*

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

(b) In the 2022-23 Budget, 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 revenue to taxation revenue to reflect the change in the nature of this revenue. The taxation revenue and non-taxation revenue series in Statement 10: Historical Australian Government Data have been back-cast from 2014-15 for this change.

(c) ‘Dividends’ has been renamed ‘dividends and distributions’ to more accurately reflect the transactions included in this item.

(d) ‘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 benchmark variations. Section 12 of the *Charter of Budget Honesty Act 1998* (CBHA) requires the publication of an overview of estimated tax expenditures.

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 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 Benchmarks and Variations Statements (TBAVS) are generally not directly comparable, because of changes or modifications to – for example – benchmarks, individual benchmark variations, data used or modelling methodology.

The information in Table A.1 is derived from the 2021 TBAVS, 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. Further information on benchmarks and variations from them will be available in the next TBAVS, scheduled to be published in January 2023.

Table A.1: Estimates of large measured benchmark variations

Benchmark variations		Estimate $m			
		2022-23	2023-24	2024-25	2025-26
Large positive benchmark variations					
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 benchmark variations (continued)

Benchmark variations		Estimate $m			
		2022-23	2023-24	2024-25	2025-26
Large negative benchmark variations					
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