



PARLIAMENT OF AUSTRALIA

House of Representatives Standing Committee on Economics

15 December 2015

Mr Phil Bowen PSM FCPA
Parliamentary Budget Officer
Parliamentary Budget Office
Suite S1-115, Parliament House
CANBERRA ACT 2600

Dear Mr Bowen

INQUIRY INTO TAX DEDUCTIBILITY

The House of Representatives Standing Committee on Economics has commenced a short term inquiry into tax deductibility.

The Treasurer has requested that “the committee should examine some options to simplify the personal and company income tax system, with a particular focus on options to broaden the base of these taxes in order to fund reductions in marginal rates. Matters to be examined include:

- The personal tax system as it applies to individual non-business income, with particular reference to the deductibility of expenditure of individuals in earning assessable income, including but not limited to an examination of comparable jurisdictions such as the United Kingdom and New Zealand; and
- The company income tax system, with particular reference to the deductibility of interest incurred by businesses in deriving their business income.”

The committee believes that the PBO can make a significant contribution to this inquiry by making a submission. Your submission should be made online at www.aph.gov.au/TaxDeductibility or emailed to economics.reps@aph.gov.au by **Friday, 15 January 2016**. At a later stage, your submission will be authorised for publication.

As part of the inquiry, a roundtable public hearing is scheduled for Friday, 5 February 2016. The committee will seek the attendance of you and/or representatives of the PBO at the roundtable hearing.

If your staff require additional information about this inquiry they can phone me on 02 6277 4564.

Thank you for your assistance.

Yours sincerely

Stephen Boyd
Secretary

CC: Mr Colin Brown