

# STATEMENT 6: REVENUE

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# STATEMENT 6: REVENUE

## Part I: Budget Estimates

Table 1 compares revenue estimates for 1998-99 with estimates for 1999-2000.<sup>1</sup>

**Table 1: Revenue Estimates**

	1998-99	1999-00	Change on 1998-99	
	Estimate \$m	Estimate \$m	\$m	%
<b>Tax Revenue</b>				
Income Tax				
Individuals -				
Gross PAYE	68270	72970	4700	6.9
Gross Other Individuals(a)	12090	12400	310	2.6
Gross PPS(b)	2650	2710	60	2.3
Medicare Levy	4160	4330	170	4.1
Refunds	9880	11330	1450	14.7
Total Individuals	77290	81080	3790	4.9
Companies(a)	21270	22940	1670	7.9
Superannuation Funds(a)(c)	3870	3900	30	0.8
Withholding Tax	1210	1310	100	8.3
Petroleum Resource Rent Tax	420	720	300	71.4
<b>Total Income Tax</b>	104060	109950	5890	5.7
Indirect Tax				
Wholesale Sales Tax(d)	15083	15659	576	3.8
Excise Duty -				
Petroleum Products and Crude Oil(d)(e)	9544	9745	202	2.1
Other(d)	2633	2931	298	11.3
Customs Duty(d)(f)	3643	3644	2	..
<b>Total Indirect Tax</b>	30902	31979	1077	3.5
Other Taxes, Fees and Fines(g)	5885	5849	-36	-0.6
<b>TOTAL TAX REVENUE(g)</b>	140847	147779	6932	4.9
<b>Non-Tax Revenue</b>	12502	15050	2548	20.4
<b>TOTAL REVENUE(g)</b>	153349	162828	9479	6.2

(a) Includes tax on realised capital gains.

(b) PPS denotes Prescribed Payments System which includes Reportable Payments System payments by individuals (around \$2 million in both 1998-99 and 1999-2000).

(c) Includes superannuation contributions surcharge.

(d) Excludes revenue raised by the Commonwealth on an agency basis for the States and Territories (eg Revenue Replacement Payments).

(e) Estimates for Petroleum Products Excise are net of the Diesel Fuel Rebate Scheme.

(f) Customs duty includes customs duty imposed on imported petroleum products, tobacco, beer and spirits, which is akin to excise duty on these items (around \$870 million in 1998-99 and around \$890 million in 1999-2000).

(g) Consistent with GFS reporting standards, excludes Fringe Benefits Tax collected from Commonwealth Government agencies (estimated at \$245 million in 1998-99 and \$274 million in 1999-2000).

<sup>1</sup> All references to 'revenue' in this Statement refer to accrual revenue unless explicitly noted otherwise. Totals and sub-totals in tables may not add due to rounding.

In 1999-2000, taxation revenue is expected to grow by 4.9 per cent over estimated revenue in 1998-99. As a share of GDP, tax revenue is expected to remain unchanged at 23.8 per cent in 1999-2000. Total revenue is expected to increase by 6.2 per cent, with the ratio of revenue to GDP increasing slightly to 26.3 per cent from 25.9 per cent in 1998-99.

The growth in taxation revenue in 1999-2000 reflects ongoing expansion of economic activity, with growth expected in all revenue heads except for other taxes, fees and fines. Particularly strong growth is expected in: company tax, reflecting income growth through 1998-99; petroleum resource rent tax, as a result of the resumption of production in Victoria; and other excise, due to reform of tobacco taxation announced in *A New Tax System* (see Part I of *Budget Paper No. 2*).

Non-taxation revenue is expected to grow by 20.4 per cent in 1999-2000. This largely reflects expectations of higher dividend payments from Government Business Enterprises and the Reserve Bank of Australia.

Revenue measures contained in this Budget add \$27.7 million to revenue in 1999-2000, \$21.9 million in 2000-01, \$16.6 million in 2001-02 and \$25.9 million in 2002-03. Further details of revenue measures introduced since the 1998-99 Budget are included in Appendix A, and all measures introduced in the 1999-2000 Budget are described in full in *Budget Paper No. 2*.

The revenue estimates are influenced by the forecast pace and composition of economic activity. The 1999-2000 revenue estimates are based on the following major economic parameter forecasts:

- growth in nominal GDP of around 4¾ per cent;
- average earnings (national accounts basis, excluding Superannuation Guarantee Charge) growth of around 3¾ per cent;
- growth in wage and salary employment of 1½ per cent;
- an increase in nominal private consumption of around 5¾ per cent; and
- growth in 1998-99 company income of around 4½ per cent.

## **Taxation Revenue**

### **Individuals Income Tax**

Estimates for 1998-99 and 1999-2000 for the major categories of individuals income tax are shown in Table 1.

#### ***Gross Pay-As-You-Earn (PAYE) Instalment Deductions***

Wage and salary earners pay income tax on a PAYE basis through tax instalment deductions made by their employers.

Gross PAYE collections are expected to rise by 6.9 per cent in 1999-2000 in response to forecast growth in average earnings and growth in wage and salary employment.

#### ***Gross Other Individuals***

The Gross Other Individuals category includes all income tax paid by individuals, other than those made through the PAYE and Prescribed Payments System (PPS) categories. Tax revenue comprises provisional tax payments and debit assessments on income tax returns (ie where PAYE, PPS or provisional tax credits are insufficient to meet the tax assessed on income). Taxpayers in this category derive their income from salaries and wages, business, primary production, property and capital gains.

A taxpayer's provisional tax liability in a given year is generally determined by increasing the previous year's assessed income by a provisional tax uplift factor (referenced to the year-average growth rate of nominal GDP for the preceding calendar year). Taxpayers who expect their income to grow by less than the uplift factor may elect to lodge a provisional tax variation to reduce provisional tax instalments. Current year tax revenue for other individuals is made up of provisional tax instalments, where necessary, together with any balance on assessment.

Gross revenue from this item is expected to rise by 2.6 per cent in 1999-2000. The relatively slow growth in forecast revenue in 1999-2000 is largely due to expected slow growth in 1998-99 incomes. However, strong debit assessments in 1998-99 are expected to contribute positively to revenue in 1999-2000 via higher provisional tax (arising from both a higher tax base and the uplift factor).

#### ***Gross Prescribed Payments System (PPS)***

The PPS is a withholding system for income tax collection, which applies to certain payments made under contracts for the performance of work. The PPS operates in certain industries (eg building and construction). A payer who makes a prescribed payment is required to make tax instalment deductions from the payment and remit the amount deducted to the Australian Taxation Office. The payee claims a credit for the amount deducted in his or her tax return. For the PPS to apply, the relationship between the payer and the payee must not be one of common law employment, in which case the PAYE system will operate.

Revenue from this item in 1999-2000 is expected to increase by 2.3 per cent, reflecting ongoing growth in residential construction activity, partly offset by weaker non-residential construction.

### **Medicare Levy**

Revenue from the Medicare levy in 1999-2000 is expected to rise by 4.1 per cent, mainly reflecting growth in the taxable income of individuals.

### **Individuals Income Tax Refunds**

A final assessment of tax liability for individual taxpayers is made on the basis of returns lodged after the end of a financial year. Refunds are made where tax credits exceed the final assessment. Where tax credits are insufficient to meet the final tax liability, taxpayers make an additional payment, which is collected under the Other Individuals income tax category.

Refunds in 1999-2000 are estimated to grow by 14.7 per cent, largely due to ongoing growth in income tax collected from individuals during 1998-99, and a number of measures. These include the savings rebate announced in the 1997-98 Budget and the 30 per cent private health insurance rebate announced in *A New Tax System*.

## **Company and Other Income Tax**

Table 2 contains estimates for 1998-99 and 1999-2000 for company and other income tax items.

**Table 2: Company and Other Income Tax**

	1998-99 Estimate \$m	1999-00 Estimate \$m	Change on 1998-99 %
Companies(a)	21270	22940	7.9
Superannuation Funds(a)(b)	3870	3900	0.8
Withholding Tax			
Resident	130	130	-
Non-resident			
Interest	540	570	5.6
Dividend	179	239	33.5
Royalty	360	370	2.8
Mining	1	1	-
Total Withholding Tax	1210	1310	8.3
Petroleum Resource Rent Tax	420	720	71.4
<b>TOTAL</b>	<b>26770</b>	<b>28870</b>	<b>7.8</b>

(a) Includes tax on realised capital gains.

(b) Includes superannuation contributions surcharge.

### ***Company Income Tax***

The general tax rate for companies is 36 per cent, with concessional rates applying to certain income of life assurance companies, registered organisations, pooled development funds, small credit unions and offshore banking units.

Company tax revenue is recognised as accruing to the Commonwealth when a liability for a taxation instalment arises, either through assessment by the Australian Taxation Office or through self-assessment by the taxpayer. Companies, other than small companies, are required to make one or two quarterly instalment payments (depending on the size of the company's estimated tax liability) in the year income is earned, with the remainder paid in the following year (or substituted accounting period). Small companies are required to make a single instalment payment in the financial year (or substituted accounting period) following the year income is earned. From the 2000-01 income year, the new company tax payment arrangements announced in *A New Tax System* will bring payments of company tax forward.

Company income tax is forecast to grow by 7.9 per cent in 1999-2000, largely reflecting the estimated growth in company taxable income in 1998-99. The new company tax payment arrangements will also begin to take effect for companies with early balancing dates, resulting in higher revenue in 1999-2000.

### ***Superannuation Funds Tax***

Superannuation funds are generally taxed at the concessional rate of 15 per cent in relation to investment income and certain contributions received. Superannuation funds tax is recognised as accruing to the Commonwealth on a similar basis to companies. Payments are made according to the same schedule as applies to company income tax.

Superannuation funds tax is expected to rise only slightly in 1999-2000. While contributions to superannuation funds in 1998-99 are expected to continue to rise, taxable earnings are expected to slow following strong growth in the previous income year.

### ***Withholding Tax***

Withholding tax is levied on:

- income payments to residents who, when making an investment, do not supply the investment body with a tax file number;
- certain interest, dividend and royalty payments to non-residents; and
- payments made to Aboriginal groups for the use of Aboriginal land for mineral exploration and mining.

The estimated increase in withholding tax in 1999-2000 of 8.3 per cent is largely due to the introduction of deferred company tax (announced in *A New Tax System*) on dividends paid to non-residents.

### ***Petroleum Resource Rent Tax (PRRT)***

Under the Commonwealth's *Petroleum (Submerged Lands) Act 1967*, PRRT applies to offshore areas other than the North West Shelf production license areas and associated exploration permit areas, which are subject to excise and royalty arrangements. PRRT is levied at the rate of 40 per cent of taxable profit from a petroleum project.

PRRT is expected to increase by 71.4 per cent in 1999-2000 mainly due to a recovery in Bass Strait oil production following the disruption to Victorian gas supplies in late 1998.

### **Indirect Tax**

Table 3 shows estimates for 1998-99 and 1999-2000 of various indirect taxes.

**Table 3: Indirect Tax**

	1998-99 Estimate \$m	1999-00 Estimate \$m	Change on 1998-99 %
Wholesale Sales Tax	15083	15659	3.8
Excise Duty			
Petroleum Products -			
Leaded Petrol	1783	1491	-16.4
Unleaded Petrol	4702	5092	8.3
Diesel	2908	2912	0.1
Other(a)	121	135	11.7
Total Petroleum Products	9515	9631	1.2
Crude Oil	29	115	293.5
Other Excise -			
Beer	840	857	2.0
Potable Spirits	265	271	2.0
Tobacco Products	1528	1804	18.1
Total Other Excise	2633	2931	11.3
Total Excise	12177	12677	4.1
Customs Duty(b)	3643	3644	..
TOTAL	30902	31979	3.5

(a) Includes aviation gasoline, aviation turbine fuel, fuel oil, heating oil and kerosene, and refunds/drawbacks relating to petroleum products excise.

(b) Customs duty collections include customs duty imposed on imported petroleum products, tobacco, beer and spirits, which is akin to excise duty on these items (around \$870 million in 1998-99 and around \$890 million in 1999-2000).

### ***Wholesale Sales Tax (WST)***

WST is imposed on a range of goods destined for consumption in Australia and is levied at the last wholesale or import point on the wholesale sales value of taxable goods. In 1999-2000, taxable goods will continue to be variously subject to tax rates of 12, 22, 26, 32 and 45 per cent, depending on the classification of the goods involved. These rates do not include the surcharge rates on alcohol arising from the safety net arrangements

implemented following the High Court decision invalidating State and Territory business franchise fees (which are collected by the Commonwealth on an agency basis for the States and Territories). The 32 per cent WST rate (other than that applying to furs and jewellery) will be reduced to 22 per cent 21 days after Royal Assent is given to the Goods and Services Tax (GST) legislation. This seeks to remove the incentive for consumers to delay purchases of items which they expect will fall in price under the GST.

The estimated increase in WST revenue of 3.8 per cent in 1999-2000 mainly reflects forecast growth in the nominal value of taxable goods, partly offset by changes in consumption patterns prior to the introduction of the GST. Due to the difficulty in predicting the likely behavioural responses of consumers to the expected relative price changes, there is greater than usual uncertainty associated with the 1999-2000 WST estimate.

### ***Excise Duty***

*Petroleum products excise* includes excise on motor spirit (petrol), diesel fuel, aviation gasoline, aviation turbine fuel, fuel oil, heating oil and kerosene. It is imposed at specific rates per litre of product. *Crude oil excise* includes excise collected from offshore fields in the North West Shelf production license areas which are not subject to PRRT, and onshore fields and coastal waters.

Excise revenue from other petroleum products, which include aviation gasoline, aviation turbine fuel, fuel oil, heating oil and kerosene, is expected to grow by 11.7 per cent, primarily reflecting the introduction of new excise rates for aviation gasoline and aviation turbine fuel. The introduction of these new excise rates will partly fund the implementation of air safety programmes and help maintain air navigation services at regional and general aviation airports (see Part I of *Budget Paper No. 2*).

Excise revenue from total petroleum products is expected to increase by 1.2 per cent in 1999-2000 mainly reflecting an expected increase in consumption of unleaded petrol and the indexation of excise rates. The fall in excise collections from leaded petrol reflects a continuing decline in the number of vehicles that exclusively use leaded petrol.

*Other excise* is derived from beer, potable spirits and tobacco products. It is imposed at a specific rate per kilogram on tobacco products, on the alcoholic content of beer in excess of 1.15 per cent by volume and on the distilled alcohol in other products such as spirits and mixed drinks. Wine, wine products and other fermented alcohol are exempt from excise.

Excise revenue from these products is expected to increase by 11.3 per cent in 1999-2000, largely reflecting moderate growth in alcohol consumption and a rise in the value of tobacco excise resulting from the reform to tobacco taxation announced in *A New Tax System* (also see Part I of *Budget Paper No. 2*).

### ***Excise Indexation***

The rates of duty for excisable commodities (with the exception of crude oil) are adjusted each August and February in line with half-yearly Consumer Price Index (CPI) movements. If the change in the CPI is negative, the excise rate is not reduced but instead the decline is carried forward to be offset against the next positive CPI movement.

All revenue from the excise duty on aviation gasoline and aviation turbine fuel contributes to the funding of aviation programmes. In addition to the impact of indexation described above, the rates of excise and customs duty applying to aviation fuels are adjusted, as necessary, depending on the funding requirements of those programmes (see Part I of *Budget Paper No. 2*).

Existing excise rates are shown in Table 4.

**Table 4: Excise Rates<sup>(a)</sup>**

Commodity	Rates applying from 1 August 1998 \$	Rates applying from 1 February 1999 \$
Petroleum (per litre)		
Leaded Petrol	0.37093	0.37353
Unleaded Petrol	0.34905	0.35149
Diesel (gross)	0.34905	0.35149
Aviation Gasoline	0.01721	0.01733
Aviation Turbine Fuel	0.01796	0.01809
Fuel Oil	0.07243	0.07294
Heating Oil	0.07243	0.07294
Kerosene	0.07243	0.07294
Beer (per litre of alcohol over 1.15 per cent)	15.99	16.10
Potable Spirits (per litre of alcohol)		
Brandy	31.78	32.00
General rate for Other Spirits	37.21	37.47
Tobacco Products (per kg)	84.78	85.37

(a) These rates refer to the Commonwealth component of excise.

### ***Customs Duty***

*Ad valorem* tariffs are applied to many categories of imports. Customs duty revenue is affected by the Australian dollar value of imports, the level of the statutory tariff rates applied to imports and the composition of imports between high and low tariff rates. Around 60 per cent of total imports by value enter duty free.

Customs duty revenue is expected to remain almost unchanged in 1999-2000, with moderate growth in the value of imports being offset by continuing tariff rate reductions.

## Other Taxes, Fees and Fines

Table 5 shows estimates for 1998-99 and 1999-2000 of the various categories of other taxes, fees and fines.

**Table 5: Other Taxes, Fees and Fines**

	1998-99 Estimate \$m	1999-00 Estimate \$m	Change on 1998-99 %
Fringe benefits tax - external entities	3235	3286	1.6
Primary industry charges and levies - domestic	705	542	-23.1
Primary industry charges and levies - export	4	3	-16.4
License fees	109	110	0.7
Corporation law fees	349	353	1.1
Immigration fines	8	8	-0.5
Immigration fees	190	183	-3.9
Wool tax	87	74	-14.2
Departure Tax	217	247	13.7
Other(a)	981	1044	6.4
<b>TOTAL</b>	<b>5885</b>	<b>5849</b>	<b>-0.6</b>

(a) Includes all other tax revenue collected by Commonwealth agencies.

### ***Fringe Benefits Tax (FBT)***

FBT applies to a range of benefits provided by employers to their employees or associates of their employees. FBT is expected to rise by 1.6 per cent in 1999-2000, with the effect of general remuneration growth being partly offset by the effects of fringe benefits being included on employee group certificates, as announced in *A New Tax System*. This change is expected to result in some conversion of fringe benefits into ordinary income, resulting in lower FBT and higher individuals income tax.

### ***Primary Industry Charges and Levies***

Domestic primary industry charges and levies are expected to fall by 23.1 per cent in 1999-2000, mainly due to the privatisation of the Wool and Wheat Boards, and restructuring of the red meat industry. Primary industry charges and levies are used to fund various boards and bodies that operate in the primary industry sector.

## Non-Taxation Revenue

Table 6 shows estimates for 1998-99 and 1999-2000 of the various categories of non-taxation revenue.

**Table 6: Non-Taxation Revenue**

	1998-99 Estimate \$m	1999-00 Estimate \$m	Change on 1998-99 %
Sales of goods and services	2505	2496	-0.4
Interest			
Interest from Other Governments	449	369	-17.9
Interest from Other Sources(a)	1852	2461	32.9
Total Interest	2301	2830	23.0
Dividends			
Dividends from Associated Entities	4126	5958	44.4
Dividends from Other Sources	75	57	-24.1
Total Dividends	4201	6014	43.2
Net foreign exchange gains	360	-	na
Net gains from sale of assets	27	9	-66.6
Other sources of non-tax revenue(b)	3107	3700	19.1
TOTAL	12502	15050	20.4

(a) Includes mainly interest revenue from swaps (around \$1.5 billion in 1998-99 and around \$1.7 billion in 1999-2000, which have been netted off from swap interest payments in previous budgets) and interest revenue from cash balances.

(b) Includes all other non-tax revenue collected by Commonwealth agencies.

## Interest

### *Interest from Other Governments*

This item mainly comprises revenue from the States and Territories on General Purpose and Specific Purpose Borrowings.

The Commonwealth receives interest payments from the States in respect of borrowings made on behalf of the States under the State Governments' Loan Council Programme and from the Northern Territory in respect of advances made under similar general purpose capital assistance arrangements. Payments relating to these advances are made in turn by the Commonwealth to bond-holders.

Interest from the States on General Purpose Borrowings is declining as a result of the June 1990 Loan Council decision that the States make additional payments to the Debt Retirement Reserve Trust Account (with analogous payments from the Territories) each year, to facilitate the redemption of all maturing Commonwealth securities issued on their behalf. The reduction in interest revenue from the States and Territories is matched by a reduction in public debt interest expense. Interest will be lower in 1999-2000 compared to 1998-99, reflecting repayments of outstanding debt to the Commonwealth in 1998-99.

The Commonwealth also receives interest on advances made under Commonwealth-State Housing Agreements, States (Works and Housing) Assistance Acts, Northern Territory Housing Advances and from the Australian Capital Territory on debts assumed upon self-government. Interest from the States on Specific Purpose Borrowings will be lower in 1999-2000 compared to 1998-99, reflecting repayments of advances to the Commonwealth in 1998-99.

### ***Interest from Other Sources***

This item includes interest income on Commonwealth cash balances and on other financial assets, including swap transactions entered into as a component of debt management operations. Interest revenue from swaps is included on a gross basis for the first time. Previously interest revenue from swaps was netted off from swap interest payments.

### **Dividends**

The main providers of dividends to the Commonwealth are its Government Business Enterprises (GBEs) and the Reserve Bank of Australia (RBA).

Dividends are expected to rise by 43.2 per cent in 1999–2000, mainly due to higher dividend payments from some GBEs and an above average dividend payment from the RBA. Dividend payments received from the RBA are affected by movements in interest rates and the exchange rate over the course of the financial year and hence can be quite volatile.

The Royal Australian Mint also provides dividend revenue to the Commonwealth. This includes seigniorage from circulating coin production, royalties from numismatic coin sales and annual dividends from the profits the Mint makes as the manufacturer of these products. An increase in revenue mainly reflects anticipated increases in circulating coin sales and higher numismatic royalties and profits associated with growth in the Sydney 2000 Olympic Coin Programme.

### **Other Sources of Non-Tax Revenue**

This item is expected to increase by 19.1 per cent in 1999-2000, in part due to slippages in the expected timing of the sale of Special Drawing Rights (SDRs), from an International Monetary Fund SDR allocation, to the RBA. Approximately \$470 million of revenue that was originally expected to accrue in 1998-99 is now expected to accrue in 1999-2000. There is an offsetting movement on the expenses side.

In addition, the Australian Taxation Office will accrue \$350 million in revenue from the States in the form of GST administration costs in 1999-2000. However, the cash payment will not be received until 2000-01.

## Part II: Forward Estimates of Revenue

Estimates of the major categories of revenue, for 1999-2000 to 2002-03, are shown in Table 7.

**Table 7: Forward Estimates of Revenue**

	1999-00		2000-01		2001-02		2002-03	
	Estimate \$b	Change on 1998-99 %	Estimate \$b	Change on 1999-00 %	Estimate \$b	Change on 2000-01 %	Estimate \$b	Change on 2001-02 %
Individuals Tax	81.1	4.9	71.4	-12.0	77.9	9.1	82.4	5.9
Per cent of GDP	13.1		10.9		11.2		11.1	
Other Income Tax	28.9	7.8	39.7	37.5	36.4	-8.5	38.7	6.6
Per cent of GDP	4.7		6.0		5.2		5.2	
<b>Total Income Tax</b>	110.0	5.7	111.1	1.0	114.2	2.8	121.2	6.1
Per cent of GDP	17.7		16.9		16.4		16.4	
Indirect Tax	32.0	3.5	22.1	-30.8	22.0	-0.7	23.1	5.0
Per cent of GDP	5.2		3.4		3.2		3.1	
<b>Total Tax(a)</b>	147.8	4.9	139.2	-5.8	142.5	2.3	150.7	5.8
Per cent of GDP	23.8		21.2		20.4		20.4	
Non-Tax Revenue	15.0	20.4	11.3	-25.1	11.3	0.2	12.3	9.3
Per cent of GDP	2.4		1.7		1.6		1.7	
<b>TOTAL REVENUE</b>	162.8	6.2	150.5	-7.6	153.8	2.2	163.1	6.1
Per cent of GDP	26.3		22.9		22.1		22.1	

(a) Includes Other Taxes, Fees and Fines.

The revenue projections have been made on the conventional assumption of no change in current policy. Therefore, the forward estimates of revenue are principally affected by projected growth in economic parameters and policy measures contained in this and previous budgets, including *A New Tax System*.

Taxation revenue generally mirrors economic activity during periods of fairly steady economic growth (as depicted by the economic projections in this Budget), but tends to swing more sharply during periods of economic contraction and expansion and more sharply than nominal GDP growth. The forward revenue estimates are also particularly susceptible to changes in the extent of tax minimisation and avoidance action by taxpayers.

Total revenue as a proportion of GDP is expected to:

- slightly increase to 26.3 per cent in 1999-2000 from 25.9 per cent in 1998-99; and
- fall to significantly lower levels in 2000-01, 2001-02 and 2002-03, due largely to the impact of *A New Tax System*.

Individuals tax falls in 2000-01 due to the introduction of lower personal tax rates in that year. Other income tax rises sharply in 2000-01 before falling in 2001-02. This is a result of the move to the new company tax payment arrangements, which result in some companies being assessed under both the new and existing arrangements in 2000-01. This results in higher accrued revenue in that year, even though companies will be allowed to defer payment of part of their liability to later years.

Indirect tax falls sharply in 2000-01 as a result of the abolition of WST. Revenue from the GST is not reported as the Commonwealth will be collecting this tax on an agency basis for the States and Territories.

Table 8 reconciles revenue estimates at the time of the *Mid-Year Economic and Fiscal Outlook 1998-99* (1998-99 MYEFO) and the 1999-2000 Budget in terms of policy decisions and parameter and other variations.

**Table 8: Reconciliation of Revenue Estimates**

	1998-99 \$m	1999-00 \$m	2000-01 \$m	2001-02 \$m
Revenue at 1998-99 MYEFO(a)	153224	158492	151258	154327
Changes from MYEFO to 1999-2000 Budget				
Effect of policy decisions	-118	-124	-121	-21
Effect of parameter and other variations	243	4459	-642	-546
Total variations	125	4336	-764	-568
Revenue at 1999-2000 Budget	153349	162828	150494	153759

(a) Estimates of revenue at the 1998-99 MYEFO are based on accrual data collected for the 1999-2000 Budget.

## Appendix A: Revenue Measures

Table A1 provides a summary of the revenue measures introduced since the 1998-99 MYEFO. A full description of all 1999-2000 Budget revenue measures can be found in Part I of *Budget Paper No. 2*.

**Table A1: Revenue Measures since the 1998-99 MYEFO<sup>(a)</sup>**

	Estimated Change in Revenue <sup>(b)</sup>			
	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m
<b>Measures introduced in the 1999-2000 Budget</b>				
Income Tax				
Amendments to the Pooled Development Funds programme	-	-2.0	-3.0	-5.0
Cessation of the Tax Incentive for Heritage Conservation	-	1.1	1.1	1.1
Indirect Tax				
Civil Aviation Safety Authority cost recovery	8.6	8.6	8.6	8.6
Funding for Airservices (location specific pricing) subsidy	11.4	5.1	-	-
Non-Tax				
Australian Communications Authority cost recovery	-	0.7	0.3	-
Cost recovery for Australian Broadcasting Authority costs associated with digital television	1.2	1.2	1.0	-
Phasing out of the Higher Education Equity Merit Scholarship Scheme	-	0.2	0.5	0.8
Increase Private Health Insurance Levy	0.3	0.3	0.3	0.3
Review package - enhancement of portfolio review tribunals and extension of Asylum Seekers Assistance scheme	8.2	7.8	7.9	8.1
Increase in the non-Electronic Travel Authority visitor visa charge	6.9	7.7	8.4	9.2
Increase in the onshore long-stay visitor visa application charge	1.2	1.4	1.5	1.6
Establish an immigration presence at the Australian Consulate General post in East Timor	1.0	1.1	1.2	1.4
Non-recovery for the Australian Geological Survey Organisation's offshore petroleum programme	-11.0	-11.0	-11.0	-
Civil Aviation Safety Authority restructuring	-0.1	-0.3	-0.2	-0.2
Sub-Total	27.7	21.9	16.6	25.9
<b>Measures introduced up to the 1999-2000 Budget</b>				
Income Tax				
Taxation of collective investment vehicles	na	*	*	*
Tax relief for post-judgment interest awards in personal injury compensation cases	-14.0	-2.0	-2.0	-2.0
Taxation measures to encourage philanthropy	-5.5	-51.0	-61.0	-71.0
Deductibility of gifts	*	*	*	*
Software expenditure	*	*	*	*
Superannuation Surcharge – abolition of advance instalment	-	-120.0	-10.0	-5.0
New investment rules for superannuation funds	-	-	-	-

**Table A1: Revenue Measures since the 1998-99 MYEFO<sup>(a)</sup> (continued)**

	Estimated Change in Revenue <sup>(b)</sup>			
	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m
Indirect Tax				
Luxury car tax	na	35.0	40.0	40.0
Reduction in 32 per cent WST rate: date of effect	13.0	-	-	-
Reform of tobacco taxation – deferral of start date <sup>(c)</sup>	-140.0	-	-	-
Tariff on steel tinsplate and aluminium cansheet	0.3	-	-	-
Removal of tariff on machine tool parts	-5.0	-5.0	-5.0	-5.0
Privatisation of the wool stockpile – tax treatment of trading stock	*	*	*	*
Sub-Total	-151.3	-143.0	-38.0	-43.0
TOTAL IMPACT OF REVENUE MEASURES <sup>(d)</sup>	-123.6	-121.1	-21.4	-17.1

\* The nature of this measure is such that a reliable estimate cannot be provided.

(a) Accrual revenue.

(b) A minus sign before an estimate indicates a reduction in revenue; no sign before an estimate indicates a gain to revenue.

(c) The reported cost reflects only the delayed introduction of the measure. Incorporating this measure and parameter changes since MYEFO, the announcement to reform tobacco taxation is expected to raise \$440 million in a full year. There will be an increase in revenue in 1999-2000 over that announced in *A New Tax System* of around \$50 million.

(d) Measures may not add due to rounding.

Table A2 provides a summary of the revenue measures introduced between the 1998-99 Budget and the 1998-99 MYEFO.

**Table A2: Revenue Measures up to the 1998-99 MYEFO<sup>(a)</sup>**

	Estimated Change in Revenue <sup>(b)</sup>			
	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m
<b>Measures included in the 1998-99 MYEFO<sup>(c)</sup></b>				
Measures introduced up to the <i>1998 Pre-Election Fiscal Outlook</i>				
Defer start date for opting out of the Superannuation Guarantee System	-	-	-	-
Cessation of the TCF Import Credit Scheme	-	107.0	120.0	133.6
Extension of the TCF Overseas Assembly Provisions	-	-8.0	-8.0	-8.2
A New Tax System	739.0	-16651.0	-17541.0	-20708.0
Student Visa Programme – additional revenue from visa processing	4.1	4.6	5.2	5.3
Extension of Electronic Travel Authority to Hong Kong and Taiwan from 1 July 1999 <sup>(d)</sup>	-9.5	-10.5	-11.6	-12.4
Sub-Total	733.6	-16557.9	-17435.5	-20589.7
Measures Introduced Since the <i>1998 Pre-Election Fiscal Outlook</i>				
Administrative Changes to Project By-Law Scheme	-0.6	-0.6	-0.7	-0.7
Removal of Tariffs on Medical and Scientific Equipment	-28.4	-33.2	-38.8	-45.4
Taxation Treatment on Disposal of Mining Property	*	*	*	*
Sub-Total	-28.9	-33.8	-39.5	-46.1
<b>TOTAL IMPACT OF REVENUE MEASURES<sup>(e)</sup></b>	<b>704.5</b>	<b>-16591.7</b>	<b>-17475.0</b>	<b>-20635.8</b>

\* The nature of this measure is such that a reliable estimate cannot be provided.

(a) Cash revenue.

(b) A minus sign before an estimate indicates a reduction in revenue; no sign before an estimate indicates a gain to revenue.

(c) Descriptions of these measures are provided in the *Mid-Year Economic and Fiscal Outlook 1998-99*.

(d) Further information on client numbers since the *Mid-Year Economic and Fiscal Outlook 1998-99* suggests that the impact of this measure may be lower than originally estimated.

(e) Measures may not add due to rounding.

## Appendix B: Tax Expenditures

### Overview

This appendix discusses the effect on revenue of concessional taxation treatment of specific groups and/or activities. Consistent with data published in previous Tax Expenditures Statements (TES), all the data contained in this appendix have been compiled on a cash basis.

Individuals and businesses derive financial benefits from various tax concessions. These concessions are usually delivered by tax exemptions, deductions, rebates or reduced rates. They can either reduce or delay the collection of tax revenue. The Government can use taxation concessions to allocate resources to different activities in much the same way that it can use direct expenditure programmes. For this reason, and noting their direct impact on the fiscal balance, these tax concessions are generally called ‘tax expenditures’.

Following a review of existing tax expenditures, first announced in the 1996-97 Budget, the Government has decided to undertake periodic monitoring and evaluation of all tax expenditures through normal budget processes to ensure they deliver Government assistance in an effective manner.

### Aggregate Tax Expenditures

Table B1 shows estimates for the period 1995-96 to 2002-03 of aggregate tax expenditures. The availability of new information, and decisions taken since the 1996-97 TES was published, has led to a re-estimation of actual costs and forward projections for aggregate tax expenditures. The 1997-98 TES will be published shortly.

The document *A New Tax System* outlined significant reforms to both expenses and revenues — some of which will impact on the costings of tax expenditures. The treatment of *A New Tax System* in the figures in Table B1 is as follows.

- Those measures that do not fundamentally alter the way in which a tax is assessed, and therefore do not affect the benchmarks against which a tax expenditure is costed (see Attachment A of the 1996-97 TES), include the impact of *A New Tax System* in their estimates/projections. For example, any tax expenditures relating to personal income will take into account the new personal income tax rates which, under *A New Tax System*, come into effect from July 2000.
- The impact of *A New Tax System* measures that fundamentally alter the way in which a tax is assessed, and which therefore require an alteration to the benchmark, such as changes to the taxation regime applying to trusts, have not been included in the tax expenditure costings below.

The treatment reflects the difficulty of defining a benchmark prior to legislation being passed by the Parliament. Further, substantial elements of the package will not be decided until the *Review of Business Taxation* (which is currently examining many of these tax expenditures in consultation with business) has completed its work.

**Table B1: Aggregate Tax Expenditures 1995-96 to 2002-03**

Year	Superannuation (\$m)	Other Tax Expenditures(a) (\$m)	Total (\$m)	Tax Expenditures as a Proportion of GDP (%)
1995-96	8315	9506	17821	3.50
1996-97	9160	10117	19277	3.62
1997-98	9110	10359	19469	3.45
1998-99 (est)	9440	11623	21063	3.56
1999-2000 (est)	9900	12427	22327	3.60
2000-01 (proj)	8745	10868	19613	2.98
2001-02 (proj)	8855	10068	18923	2.71
2002-03 (proj)	9265	10423	19688	2.66

(a) These aggregates do not include measures allowing delayed payments of tax.

In analysing the data presented in Table B1, there are a number of considerations that must be kept in mind.

- These figures will understate the total cost to revenue of tax expenditures. The TES does not provide a comprehensive listing of all tax expenditures, and some of those that are identified have not been costed due to a lack of data.
- Tax expenditures in the form of delayed tax payments (such as depreciation allowances, which merely defer tax revenue collections to a later date), have been excluded from the estimates of aggregate tax expenditures.
- Changes over time in methodology and available data used for calculating the cost of particular expenditures means that there can be quite large revisions to tax expenditure estimates. Therefore particular tax expenditure estimates may not be strictly comparable from year to year.
- Forward projections for the outyears can be subject to considerable uncertainty. Caution should be exercised when trying to draw strong conclusions on longer-term trends.

## **Tax Expenditures by Functional Categories**

Table B2 compares the costs of identified tax expenditures for which a cost has been estimated in 1997-98 with underlying outlays by functional category.

The aggregates for a number of tax expenditure categories are only approximations, as some tax expenditures do not lend themselves to easy categorisation. For example, it may not be possible to determine precisely which industry sectors have accessed tax concessions that are available to all industries. Tax expenditures that cannot be classified as belonging to a particular functional category are aggregated in the 'Not Allocated to Function' category.

Table B2 indicates there is considerable variation in the importance of tax expenditures to particular sectors of the economy. For example, while a relatively small level of assistance was provided through tax expenditures to the Education sector, over 91 per cent of the total Government assistance to the Fuel and Energy sector was provided in the form of tax expenditures.

The most significant category of tax expenditures was Social Security and Welfare, accounting for \$14.2 billion, or about 73 per cent of total tax expenditures. This compares with the next largest category (Mining and Mineral Resources other than fuels, Manufacturing and Construction) at almost \$1 billion, or about 5 per cent of total tax expenditures.

**Table B2: Aggregate Tax Expenditures and Direct Outlays by Functional Category, 1997-98**

Functional Category	Tax Expenditures(a) \$m	Budget Outlays(b) \$m	Total \$m
<b>General Public Service</b>			
Legislative and Executive Affairs	< 1	532	532
Financial and Fiscal Affairs	-	1726	1726
Foreign Economic Aid	206	1719	1925
General Research	< 1	1225	1225
General Services	5	-231	-226
Government Superannuation Benefits	-	1596	1596
Defence	65	10473	10538
Public Order and Safety	-	999	999
Education	15	10756	10771
Health	552	20647	21199
Social Security & Welfare	14155	50182	64337
Housing and Community Amenities	217	1028	1245
Recreation and Culture	50	1287	1337
Fuel and Energy	571	55	626
Agriculture, Forestry and Fishing	236	1991	2227
Mining and Mineral Resources other than Fuels; Manufacturing; and Construction	974	1649	2623
Transport and Communication	36	1066	1102
<b>Other Economic Affairs</b>			
Tourism and Area Promotion	70	91	161
Labour and Employment Affairs	23	2555	2578
Other Economic Affairs, nec	963	288	1251
<b>Other Purposes</b>			
Public Debt Interest	-	8401	8401
General Purpose Inter-Government Transactions	-	17842	17842
Natural Disaster Relief	-	76	76
Contingency Reserve	-	-	-
Asset Sales	-	-151	-151
Not Allocated to Function	1331	-	1331
<b>TOTAL</b>	<b>19469</b>	<b>135803</b>	<b>155272</b>

(a) These aggregates do not include measures allowing delayed payments of tax.

(b) Outlays are reported on an underlying basis.

## Appendix C: Revenue Statistics 1988-89 to 1999-2000 (Cash Basis)

**Table C1: Commonwealth Revenue (\$m)<sup>(a)</sup>**

	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99(b)	1999-00(b)
<b>Tax Revenue</b>												
Income Tax												
Individuals -												
Gross PAYE	39106	41322	41704	41388	43035	44451	48078	53302	57401	62116	67630	72310
Gross Other	9666	9958	10932	8865	7905	8217	8971	9538	11110	11499	11770	12070
Gross PPS(c)	1440	1912	1693	1563	1589	1781	2049	2059	2110	2384	2600	2660
Medicare Levy(d)	2320	2545	2480	2385	2415	2870	3030	3350	4150	3760	4100	4270
Refunds	4984	5672	6546	7516	7433	6743	7481	7835	8318	8935	9880	11330
Total Individuals	47548	50065	50263	46685	47511	50575	54647	60414	66453	70822	76220	79980
Companies	10265	12926	14166	13419	13071	12700	15588	18252	19173	19406	21060	22040
Superannuation	7	376	1053	1139	1522	1191	1913	1634	2595	3093	3770	3940
Withholding Tax	737	915	901	941	764	877	903	1349	1080	1137	1210	1310
Petroleum Resource Rent Tax	-	42	293	876	1389	1072	865	791	1308	907	420	720
Fringe Benefits Tax	990	1168	1262	1327	1344	1417	2740	3031	3163	3168	3230	3280
<b>Total Income Tax</b>	59547	65493	67938	64387	65602	67833	76656	85470	93773	98534	105910	111270
Indirect Tax												
Sales Tax	9402	10132	9365	9113	9252	10414	11624	12955	13308	14085	15080	15450
Excise Duty -												
Crude Oil and LPG	1188	1232	1354	64	116	62	27	13	9	16	29	115
Petroleum Products	5828	6416	6642	7093	7200	8499	9406	10224	10543	10895	9521	9635
Other Excise Duty	2252	2239	2364	2324	2361	2253	2567	2612	2739	2663	2630	2930
Total Excise Duty	9268	9888	10360	9482	9677	10814	12001	12849	13291	13574	12180	12680
Customs Duty	3752	3954	3319	3299	3331	3226	3474	3124	3289	3637	3640	3640
<b>Total Indirect Tax</b>	22422	23974	23044	21893	22260	24455	27099	28928	29888	31296	30900	31770

**Table C1: Commonwealth Revenue (\$m)<sup>(a)</sup> — continued**

	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99(b)	1999-00(b)
<b>Tax Revenue</b> (cont.)												
Other Taxes, Fees and Fines	1928	1876	2243	1690	1572	1736	1933	1988	2154	2387	2392	2371
<b>TOTAL TAX REVENUE</b>	83897	91343	93225	87970	89434	94024	105687	116386	125815	132217	139202	145411
<b>Non-Tax Revenue</b>												
Interest Received	3755	3473	3309	2976	2477	2051	1790	1403	1126	1139	2158	2704
Dividends and Other	1144	1178	1558	2563	3150	4671	2952	3899	4089	3610	10304	12523
<b>TOTAL NON-TAX REVENUE</b>	4899	4651	4867	5539	5627	6722	4743	5302	5216	4749	12462	15226
<b>TOTAL REVENUE</b>	88796	95995	98093	93509	95062	100747	110430	121688	131031	136966	151664	160637

(a) Figures up to and including 1997-98 are on a Budget Sector basis. Figures for 1998-99 and 1999-2000 are on a General Government sector basis.

(b) Estimates for 1998-99 and 1999-2000 are derived using cash flow data from the Commonwealth's new accrual accounting system. As a result, the categories 'Interest Received' and 'Dividends and Other' now include items that were netted off in previous budgets. For example, Interest Received now includes receipts from swaps (around \$1.5-2 billion) and Dividends and Other now includes 'Sales of goods and services' (around \$2.5-3 billion) and 'Other sources of non-tax revenue' (around \$3 billion), which were previously netted off. Estimates for Petroleum Products Excise are net of the Diesel Fuel Rebate Scheme.

(c) PPS denotes Prescribed Payments System.

(d) The Medicare levy was increased from 1.5 to 1.7 per cent for the period from 1 July 1996 to 30 June 1997 to fund the guns buy-back scheme.

**Table C2: Major Categories of Revenue as a Proportion of Gross Domestic Product (per cent)**

	Tax Revenue														Non-Tax Revenue			Total Revenue	
	Income Tax				Other Tax Revenue										Interest	Dividends and Other	Total Non-Tax Revenue		
	Individuals				Excises						Sales Tax	Customs Duty	Total Other Tax (f)	Total Tax Revenue					
	Gross PAYE (a)	Gross Other (a)	Gross PPS (a)	Total (b)	Companies	Super Funds	FBT	Total (c)	Petroleum Products (d)	Other (e)					Total Excises				
1988-89	11.8	2.9	0.4	13.6	2.9	..	0.3	17.0	2.0	0.6	2.6	2.7	1.1	7.0	23.9	1.1	0.3	1.4	25.3
1989-90	11.4	2.7	0.5	13.1	3.4	0.1	0.3	17.1	2.0	0.6	2.6	2.6	1.0	6.8	23.9	0.9	0.3	1.2	25.1
1990-91	11.1	2.9	0.4	12.7	3.6	0.3	0.3	17.2	2.0	0.6	2.6	2.4	0.8	6.4	23.6	0.8	0.4	1.2	24.8
1991-92	10.8	2.3	0.4	11.5	3.3	0.3	0.3	15.9	1.8	0.6	2.3	2.3	0.8	5.8	21.7	0.7	0.6	1.4	23.1
1992-93	10.6	2.0	0.4	11.2	3.1	0.4	0.3	15.4	1.7	0.6	2.3	2.2	0.8	5.6	21.0	0.6	0.7	1.3	22.3
1993-94	10.5	1.9	0.4	11.3	2.8	0.3	0.3	15.1	1.9	0.5	2.4	2.3	0.7	5.8	21.0	0.5	1.0	1.5	22.5
1994-95	10.8	2.0	0.5	11.5	3.3	0.4	0.6	16.2	2.0	0.5	2.5	2.5	0.7	6.1	22.3	0.4	0.6	1.0	23.3
1995-96	11.1	2.0	0.4	11.9	3.6	0.3	0.6	16.8	2.0	0.5	2.5	2.6	0.6	6.1	22.9	0.3	0.8	1.0	24.0
1996-97	11.5	2.2	0.4	12.5	3.6	0.5	0.6	17.7	2.0	0.5	2.5	2.5	0.6	6.0	23.7	0.2	0.8	1.0	24.7
1997-98	11.7	2.2	0.4	12.6	3.4	0.5	0.6	17.5	1.9	0.5	2.4	2.5	0.6	6.0	23.5	0.2	0.6	0.8	24.3
1998-99(g)	12.1	2.1	0.5	12.9	3.6	0.6	0.5	17.9	1.6	0.4	2.1	2.5	0.6	5.6	23.5	0.4	1.7	2.1	25.6
1999-00(g)	12.3	2.1	0.5	12.9	3.6	0.6	0.5	17.9	1.6	0.5	2.0	2.5	0.6	5.5	23.5	0.4	2.0	2.5	25.9

(a) The totals for these categories include Medicare levy collections.

(b) The total for the individuals category includes Medicare levy collections and refunds.

(c) The total for the income tax category also includes refunds, Medicare levy collections, PRRT and withholding tax.

(d) Petroleum products excise includes crude oil and LPG excise.

(e) The 'Other' category comprises excise from beer, potable spirits and tobacco.

(f) As well as excises, sales tax and customs duty, 'Other Tax Revenue' includes other taxes, fees and fines.

(g) Estimates for 1998-99 and 1999-2000 are on a General Government sector basis and are derived using cash flow data from the Commonwealth's new accrual accounting system. Note that the categories 'Interest' and 'Dividends and Other' include significant new items that were netted off in previous budgets. Estimates for Petroleum Products Excise are net of the Diesel Fuel Rebate Scheme.

**Table C3: Major Categories of Revenue as a Proportion of Total Revenue (per cent)**

	Tax Revenue															Non-Tax Revenue		
	Income Tax								Other Tax Revenue							Interest	Dividends and Other	Total Non-Tax Revenue
	Individuals				Companies	Super Funds	FBT	Total (c)	Excises			Sales Tax	Customs Duty	Total Other Tax (f)	Total Tax Revenue			
	Gross PAYE (a)	Gross Other (a)	Gross PPS (a)	Total (b)					Petroleum Products (d)	Other (e)	Total Excises							
1988-89	46.5	11.3	1.6	53.5	11.6	..	1.1	67.1	7.9	2.5	10.4	10.6	4.2	27.4	94.5	4.2	1.3	5.5
1989-90	45.5	10.8	2.0	52.2	13.5	0.4	1.2	68.2	8.0	2.3	10.3	10.6	4.1	26.9	95.2	3.6	1.2	4.8
1990-91	44.8	11.6	1.7	51.2	14.4	1.1	1.3	69.3	8.2	2.4	10.6	9.5	3.4	25.8	95.0	3.4	1.6	5.0
1991-92	46.8	9.8	1.7	49.9	14.4	1.2	1.4	68.9	7.7	2.5	10.1	9.7	3.5	25.2	94.1	3.2	2.7	5.9
1992-93	47.7	8.8	1.8	50.0	13.7	1.6	1.4	69.0	7.7	2.5	10.2	9.7	3.5	25.1	94.1	2.6	3.3	5.9
1993-94	46.8	8.6	1.9	50.2	12.6	1.2	1.4	67.3	8.5	2.2	10.7	10.3	3.2	26.0	93.3	2.0	4.6	6.7
1994-95	46.1	8.6	2.0	49.5	14.1	1.7	2.5	69.4	8.5	2.3	10.9	10.5	3.1	26.3	95.7	1.6	2.7	4.3
1995-96	46.4	8.3	1.8	49.6	15.0	1.3	2.5	70.2	8.4	2.1	10.6	10.6	2.6	25.4	95.6	1.2	3.2	4.4
1996-97	46.7	9.0	1.7	50.7	14.6	2.0	2.4	71.6	8.1	2.1	10.1	10.2	2.5	24.5	96.0	0.9	3.1	4.0
1997-98	48.0	8.8	1.8	51.7	14.2	2.3	2.3	71.9	8.0	1.9	9.9	10.3	2.7	24.6	96.5	0.8	2.6	3.5
1998-99(g)	47.1	8.2	1.8	50.3	13.9	2.5	2.1	69.8	6.3	1.7	8.0	9.9	2.4	22.0	91.8	1.4	6.8	8.2
1999-00(g)	47.5	7.9	1.7	49.8	13.7	2.5	2.0	69.3	6.1	1.8	7.9	9.6	2.3	21.3	90.5	1.7	7.8	9.5

(a) The totals for these categories include Medicare levy collections.

(b) The total for the individuals category includes Medicare levy collections and refunds.

(c) The total for the income tax category also includes refunds, Medicare levy collections, PRRT and withholding tax.

(d) Petroleum products excise includes crude oil and LPG excise.

(e) The 'Other' category comprises excise from beer, potable spirits and tobacco.

(f) As well as excises, sales tax and customs duty, 'Other Tax Revenue' includes other taxes, fees and fines.

(g) Estimates for 1998-99 and 1999-2000 are on a General Government sector basis and are derived using cash flow data from the Commonwealth's new accrual accounting system. Note that the categories 'Interest' and 'Dividends and Other' include significant new items that were netted off in previous budgets. Estimates for Petroleum Products Excise are net of the Diesel Fuel Rebate Scheme.

