

From: s22(a)(ii)
To: s22(a)(ii)
Cc: Mrakovcic, Maryanne; Francis, Geoff; s22(a)(ii); McCullough, Paul; s22(a)(ii)
Subject: Re: Acceleration of small business tax cuts TPs.docx [SEC=PROTECTED]
Date: Wednesday, 10 October 2018 7:55:18 PM

Brilliant thanks everyone

Sent from my iPhone

On 10 Oct 2018, at 7:54 pm, s22(a)(ii) <[s22\(a\)\(ii\)@treasury.gov.au](mailto:s22(a)(ii)@treasury.gov.au)> wrote:

Thanks s22(a)(ii)

TAD has confirmed this is OK.

Cheers,

s22(a)(ii)

From: s22(a)(ii)
Sent: Wednesday, 10 October 2018 7:53 PM
To: s22(a)(ii)
Cc: Mrakovcic, Maryanne; Francis, Geoff; s22(a)(ii); McCullough, Paul; s22(a)(ii)
Subject: Re: Acceleration of small business tax cuts TPs.docx [SEC=PROTECTED]

Thanks s22(a)(ii)

Looks good subject to TAD confirming as you have flagged.

s22(a)(ii)

Sent from my iPad

On 10 Oct 2018, at 7:48 pm, s22(a)(ii) <[s22\(a\)\(ii\)@treasury.gov.au](mailto:s22(a)(ii)@treasury.gov.au)> wrote:

Hi s22(a)(ii)

As discussed, we have updated the Cameo to focus solely on the effect of the changes to the unincorporated tax discount. TAD is yet to confirm the below, but will review shortly.

Providing total tax liability numbers will run the risk of confusing the message as the changes in liability interact with the LMITO and personal tax changes.

Grateful if you could confirm you are OK with this approach.

Cheers,

s22(a)(ii)

<image001.jpg>

s22(a)(ii)

Senior Adviser

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How the tax cut for unincorporated businesses work:

Sally runs a cafe - she has two part time employees. Sally's business has an annual turnover of \$300,000 and taxable income of \$45,240. This is her only income.

Previous law

In 2014-15, Sally did not receive a discount on the tax she was required to pay on her small business income.

Changes introduced by the Government

Currently, Sally has access to the 8 per cent unincorporated tax discount, which reduces her tax liability by around \$500.

Changes we have announced today

Today we announced the Government will legislate to increase the rate of the unincorporated discount for small businesses to 16 per cent, 5 years earlier than is currently legislated. This means that someone in Sally's position will be able to access the maximum \$1,000 discount, five years sooner in 2021-22.

Sally also has access to a range of other small business tax concessions and will benefit from the Government's legislated Personal Income

Tax Plan.

From: s22(a)(ii)
Sent: Wednesday, 10 October 2018 6:17 PM
To: s22(a)(ii)
Cc: Francis, Geoff; s22(a)(ii) [REDACTED] McCullough, Paul
Subject: RE: Acceleration of small business tax cuts TPs.docx
[SEC=PROTECTED]

Hi s22(a)(ii)

Thanks for updating.

As discussed with s22(a)(ii) we will need to updated in the previous law unincorporated tax discount sentence please. The way it is written it combines the personal income tax changes with changes to the discount from 14-15 to now.

Based on the following re-write can we please have an updated number: Previous Law: If the un-incorporated discount was still 5 per cent under the previous law, Sally would have paid \$x in tax at her marginal tax rates (including the Medicare levy and offsets) in 2018-19.

Old version:

Previous law

In 2014-15, under the previous law, Sally would have paid \$6,833 in tax at her marginal tax rates (including the Medicare levy and offsets). There was no discount for her small business income.

Changes introduced by the Government that we have legislated

Under the Government's legislated changes, Sally currently has access to the 8 per cent unincorporated tax discount, which is capped at a maximum of \$1000.

Sally currently pays \$5,886 in tax (including the Medicare levy). Sally is \$500 better off under the new law - this is because of the unincorporated discount.

Changes we have announced today

Today we announced the Government will legislate to increase the rate of the un-incorporated discount for small businesses to 16 per cent 5 years earlier than is currently legislated. This means

that Sally will be able to access the full \$1,000 discount, five years earlier in 2021-22.

Her tax bill, will be reduced from \$5,886 to \$5386 (including the Medicare levy and offsets), when the un-incorporated discount increases to 16 per cent in 2021-22.

Sally also has access to a range of other small business tax concessions, including the \$20,000 instant asset write off, and will benefit from the Government's legislated Personal Income Tax Plan.

s22(a)(ii)

Adviser (Tax and Commonwealth State Relations)

Office of the Hon Josh Frydenberg MP

Treasurer

02 6277 7340

s22(a)(ii)

From: s22(a)(ii)

Sent: Wednesday, 10 October 2018 5:32 PM

To: s22(a)(ii)

Cc: Francis, Geoff; s22(a)(ii)

McCullough, Paul

Subject: RE: Acceleration of small business tax cuts TPs.docx
[SEC=PROTECTED]

Hi s22(a)(ii)

A revised version of the cameo's is attached. The incorporated business cameo is ok and we have filled out the unincorporated example (I have left track changes on for ease of reference).

s22(a)(ii)

s22(a)(ii)

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✉ s22(a)(ii) @treasury.gov.au

From: s22(a)(ii)

Sent: Wednesday, 10 October 2018 4:10 PM

To: s22(a)(ii)

Cc: Francis, Geoff; s22(a)(ii)

Subject: Acceleration of small business tax cuts TPs.docx

[SEC=PROTECTED]

Importance: High

Hi s22(a)(ii)

Can Treasury please complete the cameo's in the attached and fact check the other material. TAD has already check the table so no need to review that.

Need it completed asap this afternoon please to support announcement tomorrow.

Thanks

s22(a)(ii)