



Australian Government

The Treasury

PHASE OUT OF THE NET MEDICAL EXPENSES TAX OFFSET

SUMMARY OF CONSULTATION PROCESS

The Government announced on 6 November 2013 that it would phase out the Net Medical Expenses Tax Offset.

This measure was included in Tax and Superannuation Laws Amendment (2014 Measures No. 1) Bill 2014, which was introduced into Parliament on 27 February 2014.

Consultation process

Consultation on the draft legislation was conducted between 11 December 2013 and 17 January 2014. Thirteen submissions were received, including three which are confidential.

Submissions can be viewed on the [Treasury website](#).

Summary of key issues

There were no issues raised in relation to the drafting of the legislation or the content of the explanatory material.

Some of the submissions acknowledged that the net medical expenses tax offset has shortcomings. However, none of the submissions supported the phase out of the net medical expenses tax offset. In particular, the submissions noted that the phase out would adversely affect the financial situations of the aged, those with children and those with severe illnesses (such as cancer).

Several concerns were raised in the submissions relating to the effect of removing the offset. These include: a lack of an equivalent rebate, the limited scope of the Medicare safety net, and uncertainty around the scope of the aged care reforms and the National Disability Insurance Scheme.

Feedback

Feedback on the consultation process for this measure can be forwarded to consultation@treasury.gov.au . Alternatively, you can contact Simone Abbot on 02 6263 3816.

Thank you to all participants in the consultation process.