

**Table 5.1: Tax Expenditures Reference Table**

Index	Functional Group	Description	Estimates (\$m)				Projections (\$m)			
			1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
<b>A Personal income tax benchmark</b>										
A1	General public services (A)	Exemption of official salaries and ex-Australian income of the Governor-General and Governor of any State	<2	<2	<2	<2	<2	<2	<2	<2
A2	General public services (A)	Deduction for Federal, State and Territory government candidates' election expenses	na	na	na	na	na	na	na	na
A3	General public services (A)	Deduction up to \$1000 for local government candidates' election expenses	na	na	na	na	na	na	na	na
A4	General public services (C)	Exemption of official salary and emoluments of officials of prescribed international organisations	na	na	na	na	na	na	na	na
A5	General public services (C)	Exemption of income of visitors who are representatives of a foreign press organisation	na	na	na	na	na	na	na	na
A6	General public services (C)	Total or partial exemptions of income earned by Australians working overseas	180	210	240	250	290	290	330	370
A7	General public services (C)	Exemption from income tax for non-residents providing advice to Government or as a member of a Royal Commission	na	na	na	na	na	na	na	na
A8	General public services (C)	Exemption of Australian-sourced income earned by Government representatives visiting Australia or by their official staff	na	na	na	na	na	na	na	na
A9	General public services (E)	Exemption of income of residents of Norfolk Island	5	5	5	5	5	5	5	5
A10	Defence	Exemption of pay and allowances for part-time members of Defence Force Reserves	35	35	40	35	30	30	30	30

**Table 5.1: Tax Expenditures Reference Table (continued)**

Index	Functional Group	Description	Estimates (\$m)				Projections (\$m)			
			1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
A11	Defence	Exemption of certain allowances and bounties payable to Defence Force personnel	2	2	2	3	2	2	3	3
A12	Defence	Exemption of the value of rations and quarters supplied without charge to Defence Force personnel	na	na	na	na	na	na	na	na
A13	Defence	Exemption of pay and allowances earned in Australia by foreign forces	<1	<1	<1	<1	<1	<1	<1	<1
A14	Defence	Exemption of pay and allowances earned by members of the Defence Force in an area prescribed by regulation	<1	<1	<1	120	50	50	50	50
A15	Defence	Exemption of some payments to civilian personnel in service with an armed force of the United Nations	<1	<1	<1	<1	<1	<1	<1	<1
A16	Defence	Rebates for Defence Force personnel serving overseas				Included in A50				
A17	Defence	Exemption from the Medicare levy for Defence Force members	30	30	30	30	30	30	35	35
A18	Defence	Exemption of income earned by visitors assisting in the defence of Australia	<1	<1	<1	<1	<1	<1	<1	<1
A19	Defence	Exemption of Disturbance Allowance for Defence Force members	5	5	5	5	4	4	5	5
A20	Defence	Exemption of Scholarship Allowance payable to Defence Force members	na	na	na	na	na	na	na	na
A21	Education	Exemption of income from certain Commonwealth educational scholarships or forms of assistance	10	10	8	8	7	7	8	9
A22	Education	Exemption of income from other scholarships or forms of assistance in limited circumstances	na	na	na	na	na	na	na	na

**Table 5.1: Tax Expenditures Reference Table (continued)**

Index	Functional Group	Description	Estimates (\$m)				Projections (\$m)			
			1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
A23	Education	Exemption of Australian income of visiting representatives of educational, scientific, religious or philanthropic societies and associations	<1	<1	<1	<1	<1	<1	<1	<1
A24	Education	Exemption for grants from the Australian-American Educational Foundation	<1	<1	<1	<1	<1	<1	<1	<1
A25	Health	Medical Expenses Rebate	105	125	130	145	145	150	160	165
A26	Health	Exemption from the Medicare levy for residents with a taxable income below a threshold	350	310	280	280	270	300	320	330
A27	Health	Medicare levy exemption for non-residents, repatriation beneficiaries, foreign government representatives and certain residents	40	40	45	45	50	50	55	60
A28	Health	Income-tested tax offset for private health insurance	-	-	160	60	-	-	-	-
A29	Health	30 per cent rebate for expenditure on private health insurance	-	-	-	120	220	310	320	330
		Exemption of private health insurance rebate/benefit, including expense equivalent	-	-	-	380	690	760	780	800
A30	Health	Medicare levy surcharge	-	-	-105	-140	-110	-25	-25	-25
A31	Social security and welfare	Rebate for sole parent	220	230	250	260	55	-	-	-
A32	Social security and welfare	Rebate for taxpayers supporting a dependent relative, parent in-law, or invalid relative	incl. A25	10	12	13	13	13	13	13
A33	Social security and welfare	Rebate for recipients of taxable repatriation or social security pensions; or unemployment, sickness or special benefits	1930	1930	1980	2050	1470	1520	1580	1630
A34	Social security and welfare	Rebate for housekeeper who cares for a prescribed dependant of the taxpayer	400	400	420	430	300	270	280	280

**Table 5.1: Tax Expenditures Reference Table (continued)**

Index	Functional Group	Description	Estimates (\$m)				Projections (\$m)			
			1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
A35	Social security and welfare	Rebate for dependent spouse					Included in A34			
A36	Social security and welfare	Rebate for child-housekeeper					Included in A34			
A37	Social security and welfare	Rebate for low income earners	530	520	490	440	420	350	330	310
A38	Social security and welfare	Exemption of certain social security and repatriation payments	1250	1270	1330	1390	450	470	500	520
A39	Social security and welfare	Exemption of rent subsidy payments under the Commonwealth/State mortgage and rent relief schemes	13	13	13	14	12	12	12	13
A40	Social security and welfare	Rebate for low income aged persons	-	7	20	25	30	30	35	40
A41	Social security and welfare	Family Tax Assistance, Parts A and B	17	250	380	390	320	-	-	-
A42	Social security and welfare	Rebate for CDEP participants	-	-	7	7	6	7	8	8
A43	Social security and welfare	Family Tax Benefit, Parts A and B (rebate)	-	-	-	-	260	1330	1400	1480
		Exemption of Family Tax Benefit, Parts A and B, including expense equivalent	-	-	-	-	2010	2340	2400	2440
A44	Social security and welfare	Exemption of Child Care Benefit	-	-	-	-	210	250	260	290
A45	Social security and welfare	Exemption of one-off savings bonus payments to senior Australians	-	-	-	-	430	na	-	-
A46	Social security and welfare	Exemption of certain war-related payments and pensions	295	310	330	345	325	340	360	375
A47	Social security and welfare	Exemption of compensation paid by Federal Republic of Germany for Nazi persecution	<5	<5	<5	<5	<5	<5	<5	<5
A48	Social security and welfare	Exemption of pensions, annuities or allowances paid by certain foreign governments for persecution								
A49	Social security and welfare	Income tax exemption for certain pensions received by a PNG resident	na	na	na	na	na	na	na	na
A50	Housing & community amenities	Zone rebates	175	180	180	180	185	185	190	190
A51	Culture and recreation	Concessional rates of tax for abnormal receipts	3	4	5	5	6	5	5	5

**Table 5.1: Tax Expenditures Reference Table (continued)**

Index	Functional Group	Description	Estimates (\$m)				Projections (\$m)			
			1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
A52	Other economic affairs (B)	Deductibility of union dues and subscriptions to business associations	na	na	na	na	na	na	na	na
A53	Other economic affairs (B)	Deferral of tax on share discounts and exemption of share discounts received by an employee under an approved employee share acquisition scheme	na	na	na	na	na	na	na	na
A54	Other economic affairs (B)	Tax deferral advantage of subtracting undeducted purchase price component of pension or annuity from assessable income	na	na	na	na	na	na	na	na
A55-58	Not allocated to function	Concessions under the substantiation provisions for employment-related expenses:	na	na	na	na	na	na	na	na
A55		<i>A reasonable overtime meal allowance</i>								
A56		<i>Expenses on accommodation, meals and incidental costs of travel in Australia</i>								
A57		<i>Expenses which do not exceed the amount of certain award transport allowances</i>								
A58		<i>Alternatives to the actual expenses method of substantiating car expenses</i>								
A59	Not allocated to function	Rebate on certain payments of income received in arrears	<1	<1	<1	<1	<1	<1	<1	<1
A60	Not allocated to function	Deduction for gifts other than trading stock to approved donees	195	210	230	250	276	300	325	350
A61	Not allocated to function	Deduction for gifts of trading stock to approved donees								

Included in A60

**Table 5.1: Tax Expenditures Reference Table (continued)**

Index	Functional Group	Description	Estimates (\$m)				Projections (\$m)			
			1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
A62	Not allocated to function	Concession for post-judgment interest awards in personal injury compensation cases	-	-	-	14	2	2	2	2
A63	Not allocated to function	Rebate of interest on certain government securities	<1	<1	<1	<1	<1	<1	<1	<1
<b>B Retirement benefits benchmark</b>										
B1	Social security and welfare	Concessional treatment of superannuation	8650	9915	9420	9530	8845	9595	10495	11495
B2	Social security and welfare	Concessional treatment of non-superannuation termination benefits	1290	1370	1450	1530	1490	1580	1680	1780
B3	Social security and welfare	Capped taxation rate applying to unused recreation and long-service leave	230	280	260	250	210	195	185	175
B4	Social security and welfare	Taxation of 5 per cent of unused long-service leave accumulated by 15 August 1978	185	190	160	160	160	155	155	155
B5	Social security and welfare	CGT exemption on the sale of a small business at retirement	-	-	25	25	25	25	25	25
B6	Other economic affairs (C)	Small business 15 year retirement CGT exemption	-	-	-	-	na	na	na	na
B7	Other economic affairs (C)	CGT rollover relief for ADF and superannuation funds	na	na	na	na	na	na	na	na
B8	Not allocated to function	Savings rebate	-	-	350	520	-	-	-	-
<b>C Fringe benefits tax benchmark</b>										
C1	General public services (B)	Benefits provided by certain international organisations	na	na	na	na	na	na	na	na
C2	Defence	Loan benefits on war service home loans	na	na	na	na	na	na	na	na
C3	Defence	Exclusion from reporting requirement for certain benefits provided to Defence Force personnel	-	-	-	-	10	10	10	10

**Table 5.1: Tax Expenditures Reference Table (continued)**

Index	Functional Group	Description	Estimates (\$m)				Projections (\$m)				
			1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	
C4	Defence	Exclusion from reporting for certain elements of the Overseas Living Allowance									
C5	Education	Education costs for children of employees posted overseas	na	na	na	na	na	na	na	na	na
C6	Education	Disregard of possible application of the \$250 threshold for deductibility for some self-education expenses	<5	<5	<5	<5	<5	<5	<5	<5	<5
C7	Health	Benefits provided by public hospitals to their employees	175	190	210	230	135	135	140	145	
C8	Health	Employee/family travel costs associated with overseas medical treatment	<5	<5	<5	<5	<5	<5	<5	<5	<5
C9	Social security and welfare	Safety award benefits up to \$200 per year per employee	na	na	na	na	na	na	na	na	na
C10	Social security and welfare	Recreation/child care facilities provided on an employer's premises	na	na	na	na	na	na	na	na	na
C11	Social security and welfare	Employer contributions to secure child care places in certain centres	na	na	na	na	na	na	na	na	na
C12	Social security and welfare	Benefits provided by PBIs (excluding public hospitals) to employees	150	180	190	210	240	240	250	260	
C13	Social security and welfare	Accommodation, food and meals for live-in employees caring for elderly or disadvantaged	na	na	na	na	na	na	na	na	na
C14	Social security and welfare	Employer provided property/facilities for immediate relief of employees/families in times of emergency	na	na	na	na	na	na	na	na	na
C15	Housing & community amenities	Housing benefits and residential fuels in remote areas	40	40	35	35	80	70	80	80	
C16	Housing & community amenities	Exemption for housing provided by certain employers in regional areas	-	-	-	-	na	na	na	na	na

**Table 5.1: Tax Expenditures Reference Table (continued)**

Index	Functional Group	Description	Estimates (\$m)				Projections (\$m)			
			1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
C17	Housing & community amenities	Exclusion from reporting for regional housing benefits provided by certain employers in regional areas	-	-	-	-	na	na	na	na
C18	Housing & community amenities	Discount on interest or purchase for remote area housing purchase assistance and associated fuel benefits	na	na	na	na	na	na	na	na
C19	Transport and communications	Free or discounted commuter travel to employees where employer carries on business of providing public transport	30	30	30	30	35	35	35	35
C20	Transport and communications	Employee taxi travel arriving at or leaving from place of work	na	na	na	na	na	na	na	na
C21	Transport and communications	Exemption for free travel to and from duty by police officers on public transport	-	-	-	-	5	5	5	5
C22	Other economic affairs (A)	Discounted valuation of employee standby travel for airline employees and travel agents	70	85	85	85	95	100	100	105
C23	Other economic affairs (B)	Long service awards of more than 15 years to \$500 per employee	<5	<5	<5	<5	<5	<5	<5	<5
C24	Other economic affairs (B)	Food and accommodation provided to employees training under the Australian Traineeship Scheme	<5	<5	<5	<5	<5	<5	<5	<5
C25	Other economic affairs (B)	Compensation-related benefits, certain relocation and recruitment expenses	na	na	na	na	na	na	na	na
C26	Other economic affairs (B)	Occupational health and counselling services and some training courses	na	na	na	na	na	na	na	na
C27	Other economic affairs (B)	Discounted valuation of certain relocation and recruitment expenses	na	na	na	na	na	na	na	na
C28	Other economic affairs (B)	Reimbursement of car expenses incurred with occupational health and counselling services and some training courses	na	na	na	na	na	na	na	na
C29	Other economic affairs (C)	Exemption for certain loan benefits	na	na	na	na	na	na	na	na



**Table 5.1: Tax Expenditures Reference Table (continued)**

Index	Functional Group	Description	Estimates (\$m)				Projections (\$m)			
			1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
C30	Other economic affairs (C)	Discounted valuation of certain loan benefits	na	na	na	na	na	na	na	na
C31	Other economic affairs (C)	Application of statutory formula to value car benefits	740	870	910	940	880	910	940	960
C32	Other economic affairs (C)	Record keeping for employers submitting a return with \$5,000 or less in taxable benefits	-	-	-	5	5	5	5	5
C33	Other economic affairs (C)	Car parking on small business premises	na	na	na	na	na	na	na	na
C34	Not allocated to function	Rebate of FBT for some non-government, non-profit organisations	45	55	60	65	50	40	40	40
C35	Not allocated to function	Benefits in relation to certain compassionate travel of employees	<5	<5	<5	<5	<5	<5	<5	<5
C36	Not allocated to function	Fringe benefits provided by religious institutions	160	170	175	180	170	175	180	185
C37	Not allocated to function	Staff accommodation at religious institutions and meals provided in religious houses	<5	<5	<5	<5	<5	<5	<5	<5
C38	Not allocated to function	Provision of food and drink in certain circumstances	na	na	na	na	na	na	na	na
C39	Not allocated to function	Discounted valuation of arm's length transaction price for in-house property and residual fringe benefits	na	na	na	na	na	na	na	na
C40	Not allocated to function	Airline transport fringe benefits and free discounted goods and services up to a threshold	na	na	na	na	na	na	na	na
C41	Not allocated to function	Board fringe benefits	20	20	25	25	30	35	35	35
C42	Not allocated to function	Certain car parking fringe benefits	na	na	na	na	na	na	na	na
C43	Not allocated to function	Benefits resulting from valuation arrangements for car parking	na	na	na	na	na	na	na	na
C44	Not allocated to function	Discounted valuation for holiday travel for employees posted overseas	na	na	na	na	na	na	na	na
C45	Not allocated to function	Transport for oil rig and remote area employees in certain circumstances	na	na	na	na	na	na	na	na

**Table 5.1: Tax Expenditures Reference Table (continued)**

Index	Functional Group	Description	Estimates (\$m)				Projections (\$m)			
			1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
C46	Not allocated to function	Discounted valuation of remote area holiday benefits	na	na	na	na	na	na	na	na
C47	Not allocated to function	Minor benefits	na	na	na	na	na	na	na	na
C48	Not allocated to function	Private use of business property consumed on business premises	na	na	na	na	na	na	na	na
C49	Not allocated to function	Allowances and accommodation benefits	na	na	na	na	na	na	na	na
C50	Not allocated to function	Private use of company car that is minor and infrequent	na	na	na	na	na	na	na	na
C51	Not allocated to function	Loans to employees to meet employment-related and accommodation-related expenses	na	na	na	na	na	na	na	na
C52	Not allocated to function	Exclusion from reporting for certain travel in marked emergency vehicles	-	-	-	-	na	na	na	na
C53	Not allocated to function	Exemption for organisations promoting the prevention or control of disease in people	-	-	-	-	na	na	na	na
<b>D Business tax benchmark</b>										
<b>Income tax benchmark</b>										
D1	Culture and recreation	Income tax exemption for non-profit societies	20	25	30	30	30	25	25	30
D2	Culture and recreation	Income tax exemption for the Australian Film Finance Corporation	<1	<1	<1	<1	<1	<1	<1	<1
D3	Culture and recreation	Income tax exemption for Australian film receipts								
D4	Culture and recreation	Income tax exemption for certain promotion and development non-profit societies	30	30	30	30	28	25	25	25
D5	Mining, mineral, manufacturing	Infrastructure Bonds Scheme	40	115	105	85	60	25	20	10
D6	Mining, mineral, manufacturing	Infrastructure Borrowings Tax Offset Scheme	-	<10	75	75	75	75	75	75
D7	Mining, mineral, manufacturing	Income tax exemption for sale, transfer or assignment of mining rights	40	40	18	5	-	-	-	-

**Table 5.1: Tax Expenditures Reference Table (continued)**

Index	Functional Group	Description	Estimates (\$m)				Projections (\$m)			
			1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
D8	Mining, mineral, manufacturing	Income tax exemption for funds established for scientific research	<1	<1	<1	<1	<1	<1	<1	<1
D9	Health	Income tax exemption for registered health benefit organisations	8	25	50	50	45	50	50	55
D10	Health	Income tax exemption for public and non-profit hospitals	<1	<1	<1	<1	<1	<1	<1	<1
D11	Social security and welfare	Income tax exemption for religious, scientific, charitable or public educational institutions	na	na	na	na	na	na	na	na
D12	Social security and welfare	Concessional taxation treatment of mining payments made in connection with the use of Aboriginal land	..	..	..	..	..	..	..	..
D13	Social security and welfare	Taxation of life insurance investment income	na	na	na	na	na	na	na	na
D14	Agriculture, forestry and fishing	Income tax averaging for primary producers	145	100	75	65	60	70	80	90
D15	Agriculture, forestry and fishing	Deferment of income from a double wool clip	na	na	na	na	na	na	na	na
D16	Agriculture, forestry and fishing	Spreading insurance recoveries for loss of timber or livestock	na	na	na	na	na	na	na	na
D17	Agriculture, forestry and fishing	Valuation of livestock from natural increase	55	60	60	70	70	75	85	90
D18	Other economic affairs (B)	Income tax exemption for trade unions and registered organisations	na	10	10	10	10	10	9	9
D19	Other economic affairs (B)	Income tax exemption for CRAFT apprenticeship rebates	20	12	13	7	12	11	5	-
D20	Other economic affairs (C)	Concessional tax rate for the life insurance business of friendly societies	25	18	18	19	20	3	-	-
D21	Other economic affairs (C)	Income tax exemption for current pension liabilities	na	na	na	na	na	na	na	na
D22	Other economic affairs (C)	Income tax exemption for foreign superannuation funds	na	na	na	na	na	na	na	na
D23	Other economic affairs (C)	Pooled Development Funds	<1	<1	<1	3	5	8	11	16
D24	Other economic affairs (C)	Concessional treatment of some credit unions	25	30	<1	<1	<1	<1	<1	<1

**Table 5.1: Tax Expenditures Reference Table (continued)**

Index	Functional Group	Description	Estimates (\$m)				Projections (\$m)			
			1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
D25	Other purposes (C)	Income tax exemption for Katherine Business Re-establishment trust fund	-	-	2	-	-	-	-	-
D26	Other purposes (C)	Income tax exemption for Cyclones Elaine and Vance trust fund	-	-	-	1	-	-	-	-
D27	Not allocated to function	Transitional taxation of life insurance management fees	-	-	-	-	120	150	135	135
D28	Not allocated to function	Income tax exemption for State/Territory bodies	na	na	na	na	na	na	na	na
D29	Not allocated to function	Income tax exemption for municipal authorities and other local governing bodies	95	95	95	100	100	90	95	100
<b>Capital gains tax (CGT) benchmark</b>										
D30	Culture and recreation	CGT exemption for the Cultural Bequests and Cultural Gifts programs	na	na	na	na	na	na	na	na
D31	Health	CGT exemption for Rural and Remote General Practice program	1	<1	<1	<1	<1	<1	<1	<1
D32	Other economic affairs (C)	Venture capital concessions	-	-	-	-	na	na	na	na
D33	Other economic affairs (C)	Small business 50 per cent CGT exemption for the sale of active business assets	-	-	-	-	na	na	na	na
D34	Other economic affairs (C)	Small business CGT rollover	-	-	60	55	40	40	45	45
D35	Other economic affairs (C)	Small business CGT partial exemption for goodwill	na	na	na	na	na	-	-	-
D36	Other economic affairs (C)	Limited CGT rollover for merging superannuation funds	na	na	-	-	-	-	-	-
D37	Other economic affairs (C)	Exemption from reducing the cost base of trusts for CGT purposes	na	na	na	na	na	na	na	na
D38	Other economic affairs (C)	CGT discount for individuals	-	-	-	-	860	1 180	1 290	1 420
D39	Other economic affairs (C)	CGT discount for superannuation funds	Included in B1							
D40	Other economic affairs (C)	CGT scrip-for-scrip rollover relief	-	-	-	-	na	na	na	na
D41	Other economic affairs (C)	CGT rollover relief for involuntary disposals	-	-	-	-	na	na	na	na
D42	Defence	CGT exemption for valour or brave conduct decorations	<1	<1	<1	<1	<1	<1	<1	<1

**Table 5.1: Tax Expenditures Reference Table (continued)**

Index	Functional Group	Description	Estimates (\$m)				Projections (\$m)			
			1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
D43	Housing & community amenities	CGT main residence exemption	na	na	na	na	na	na	na	na
D44	Transport and communications	CGT exemption for payments under the Sydney Aircraft Noise Insulation project	na	11	15	11	6	5	5	5
D45	Transport and communications	CGT exemption for payments under the M4/M5 Cashback Scheme	na	na	9	12	14	12	13	13
<b>Deductions benchmark</b>										
<i>Effective life</i>										
D46	Culture and recreation	Tax incentives for film investment	22	20	21	21	21	19	19	19
D47	Culture and recreation	Film Licensed Investment Companies	-	-	-	na	na	na	na	na
D48	Mining, mineral, manufacturing	Development allowance	330	260	260	250	220	200	170	-
D49	Mining, mineral, manufacturing	Investment allowance	12	-	-	-	-	-	-	-
D50	Mining, mineral, manufacturing	Research and development tax concession	800	430	400	440	460	470	440	480
D51	Mining, mineral, manufacturing	Concession for eligible scientific research	included in D50							
D52	Mining, mineral, manufacturing	Capital expenditure deduction for mining, quarrying and petroleum operations	80	60	40	30	30	30	30	30
D53	Mining, mineral, manufacturing	Deduction for patents, designs and copyright	25	25	25	30	30	30	25	25
D54	Mining, mineral, manufacturing	Exploration and prospecting deduction	na	na	na	na	na	na	na	na
D55	Mining, mineral, manufacturing	Deduction for expenditure on environmental impact studies	<10 included in D56 (from 1997-98)							
D56	Mining, mineral, manufacturing	Deduction for expenditure on pollution control	na	14	18	19	18	18	19	20
D57	Mining, mineral, manufacturing	Depreciation to nil value rather than estimated scrap value	<10	<10	<10	<10	<10	<10	<10	<10
D58	Mining, mineral, manufacturing	Depreciation balancing charge rollover relief	na	na	na	na	na	na	na	na
D59	Mining, mineral, manufacturing	Balancing charge rollover relief for exploration, mining and quarrying activities	na	na	na	na	na	na	na	na
D60	Mining, mineral, manufacturing	Absence of cost base recapture for certain assets	na	na	na	na	na	na	na	na

**Table 5.1: Tax Expenditures Reference Table (continued)**

Index	Functional Group	Description	Estimates (\$m)				Projections (\$m)			
			1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
D61	Mining, mineral, manufacturing	Accelerated depreciation allowance for plant and equipment	1730	1930	2050	2110	1530	275	-460	-865
D62	Mining, mineral, manufacturing	Accelerated depreciation for employees' amenities				included in D61				
D63	Mining, mineral, manufacturing	Accelerated depreciation for mining buildings	260	310	310	310	310	290	260	260
D64	Mining, mineral, manufacturing	Depreciation pooling for low-value assets	-	-	-	-	165	550	650	715
D65	Mining, mineral, manufacturing	Accelerated depreciation for Australian trading ships	12	-7	-8	-20	-25	-25	-17	-14
D66	Agriculture, forestry and fishing	Accelerated depreciation for water management costs	30	25	20	20	20	20	25	25
D67	Agriculture, forestry and fishing	Landcare deduction				included in D66				
D68	Agriculture, forestry and fishing	Landcare offset	-	-	<1	1	1	1	<1	<1
D69	Agriculture, forestry and fishing	Deduction for horse breeding stock	na	na	na	na	na	na	na	na
D70	Agriculture, forestry and fishing	Depreciation of the capital cost of telephone lines for primary producers	1	1	1	1	1	1	1	1
D71	Agriculture, forestry and fishing	Tax write-off for horticultural plants	1	2	4	5	5	5	5	6
D72	Agriculture, forestry and fishing	Accelerated depreciation for grapevine plantings	4	4	4	4	4	4	4	4
D73	Agriculture, forestry and fishing	Drought investment allowance	13	14	12	10	10	6	1	-
D74	Other economic affairs (C)	Depreciation for upgrading mains electricity to a business property	6	7	7	7	7	7	7	7
D75	Not allocated to function	Accelerated depreciation for software	-	-	15	65	165	250	270	240
D76	Not allocated to function	Immediate deduction relating to Y2K upgrades	-	-	5	105	130	-70	-70	-65
D77	Not allocated to function	Immediate deductibility for GST-related plant and software	-	-	-	-	185	-50	-50	-40
<b>Apportionment</b>										
D78	Other economic affairs (C)	13-month rule for prepayments	na	na	na	na	na	na	na	na
D79	Other economic affairs (C)	Transitional arrangements for prepayments	-	-	-	45	825	-225	-90	-220
D80	Other economic affairs (C)	The 10-year rule for prepayments	na	na	na	na	na	na	na	na

**Table 5.1: Tax Expenditures Reference Table (continued)**

Index	Functional Group	Description	Estimates (\$m)				Projections (\$m)			
			1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
D81	Other economic affairs (C)	Exemption from the tax shelter prepayments measure for passive investments	-	-	-	-	na	na	na	na
<b>Private use</b>										
D82	Other economic affairs (C)	Capitalisation of ownership costs of assets held partly for private use	na	na	na	na	na	na	na	na
D83	Not allocated to function	Exemption from non-commercial losses provisions (primary producers and artists)	-	-	-	-	20	87	77	63
<b>Other</b>										
D84	Social security and welfare	Deductibility of expenses for entertaining disadvantaged members of the public	na	na	na	na	na	na	na	na
D85	Agriculture, forestry and fishing	Income Equalisation Deposits scheme	30	25	25	9	-	-	-	-
D86	Agriculture, forestry and fishing	Farm Management Deposit scheme	-	-	-	25	40	30	35	35
D87	Other economic affairs (C)	Deduction to co-operative companies	<1	<1	<1	<1	<1	<1	<1	<1
<b>International benchmark</b>										
D88	Defence	Income tax exemption for certain US projects in Australia	na	na	na	na	na	na	na	na
D89	General public services (C)	Income tax exemption for prescribed international organisations	na	na	na	na	na	na	na	na
D90	Other economic affairs (C)	Half IWT on foreign bank branch interest payments to the foreign bank	included in D102							
D91	Other economic affairs (C)	Deductibility of costs of setting up a regional headquarters	7	2	2	2	2	<1	<1	<1
D92	Other economic affairs (C)	Concessional tax treatment of income of offshore banking units	13	17	30	35	35	30	30	30
D93	Other economic affairs (C)	DWT exemption for Pooled Development Funds	na	na	na	na	na	na	na	na
D94	General public services (C)	IWT exemption for certain overseas organisations	included in D102							
D95	General public services (C)	DWT exemption for certain overseas organisations	na	na	na	na	na	na	na	na

**Table 5.1: Tax Expenditures Reference Table (continued)**

Index	Functional Group	Description	Estimates (\$m)				Projections (\$m)			
			1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
D96	General public services (C)	IWT and DWT exemption for prescribed international organisations	na	na	na	na	na	na	na	na
D97	General public services (C)	Tax sparing provisions in Australia's DTAs	na	35	10	5	5	5	5	-
D98	General public services (C)	Exemption for branch profits from foreign tax credit system	na	na	na	na	na	na	na	na
D99	Not allocated to function	Exemption of non-portfolio dividends from foreign tax credit system	na	na	na	na	na	na	na	na
D100	Not allocated to function	Exemption from accrual taxation for controlled foreign companies	na	na	na	na	na	na	na	na
D101	Not allocated to function	Exemption from accrual taxation for transferor trusts	na	na	na	na	na	na	na	na
D102	Not allocated to function	Exemption from IWT on widely spread debentures	740	740	560	580	570	570	570	570
D103	Not allocated to function	Exemption from IWT on some government loans								included in D102
<b>Excise duty benchmark</b>										
E1	Health	Penalty rate of excise levied on leaded petrol	-135	-120	-105	-85	-90	-80	-70	-60
E2	Health	Penalty rate of excise levied on cigarettes with less than 0.8 grams of tobacco	-	-	-	na	na	na	na	na
E3	Fuels and energy	Exemption from excise for 'alternative fuels'	540	570	630	690	800	890	970	1 130
E4	Fuels and energy	Concessional rate of excise levied on fuel oil, heating oil and kerosene	360	320	160	140	155	170	185	210
E5	Fuels and energy	Concessional rate of excise levied on aviation gasoline and aviation turbine fuel	727	709	750	845	845	875	895	925
E6	Agriculture, forestry and fishing	Concessional rate of excise levied on brandy	5	5	5	5	3	3	3	3
E7	Not allocated to function	No excise-free threshold for other alcoholic beverages not exceeding 10 per cent alcohol and not subject to WET	-	-	-	-	-11	-12	-12	-13
E8	Not allocated to function	WET rebate scheme	-	-	-	-	15	15	16	17