

s22

From: s22 @TREASURY.GOV.AU>  
Sent: Tuesday, 2 May 2023 7:37 PM  
To: s22 @TREASURY.GOV.AU>; s22 @TREASURY.GOV.AU>  
Cc: s 47E(d) @TREASURY.GOV.AU>; Brown, Diane <Diane.Brown@TREASURY.GOV.AU>; Di Marco, Katrina <Katrina.DiMarco@TREASURY.GOV.AU>; Berger-Thomson, Laura <Laura.Berger-Thomson@TREASURY.GOV.AU>; Fraser, Bede <Bede.Fraser@TREASURY.GOV.AU>; s22 @TREASURY.GOV.AU>  
Subject: Updated profile of 'Stage 3' personal income tax cuts [SEC-PROTECTED]

~~PROTECTED~~

s22

As previously discussed with Kat, please see below an updated profile of the cost of the 'Stage 3' personal income tax cuts, starting from 1 July 2024.

The updated estimate is \$69.6 billion over the forward estimates period (to 2026-27), and \$308.7 billion over the medium term (to 2033-34). The updated estimate incorporates the 2022-23 October Budget economic parameters and reflects that there is now another year of the policy both in the forward estimates period and in the medium term.

For comparison, in the lead up to the 2022-23 October Budget, the Treasurer noted that the Stage 3 tax cuts were estimated to cost around \$41 billion over the then forward estimates period (to 2025-26), and around \$254 billion over the then medium term (to 2032-33).

Please let us know if you would like anything further on this.

**Updated estimate of Stage 3 personal tax cuts (\$b)**

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2023-24 forecast period		
													Total FE (to 2026-27)	Total MT (to 2033-34)	
ATO															
- receipts	0.0	0.0	-21.7	-22.9	-25.0	-27.0	-29.0	-31.4	-33.9	-36.5	-39.2	-42.1	-69.6	-308.7	

Kind regards,

s22

s22 — A/g Assistant Secretary, CBR

Personal Tax and Social Policy Analysis Branch

P s22

*The Treasury acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures and to elders both past and present.*

~~PROTECTED~~

**Financial impacts, 2022-23 to 2032-33 (UCB, \$b)**

												Total over FE	Total over FE and MT
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	over FE	and MT
	0	0	18.8	21.9	23.8	25.8	27.6	29.9	32.5	35.4	38.2	40.7	254