



Stop companies claiming tax deductions for travel to tax havens	
Party:	Australian Greens
Summary of proposal: The proposal would stop companies from claiming a tax deduction for travel and related expenses to and from tax havens. <ul style="list-style-type: none">• Australian taxpayers would be required to notify the Australian Tax Office if they have residency or citizenship in a tax haven.• The Australian government would exclude companies based in tax havens from all government contracts. The proposal would have effect from 1 July 2022.	

Costing overview

The proposal would be expected to have a revenue impact, but due to a lack of data and the significant uncertainty surrounding travel and related expenses resultant of the COVID-19 pandemic, the Parliamentary Budget Office (PBO) has determined that this proposal is unquantifiable.

The proposal would be expected to have financial implications that extend beyond the 2022-23 Budget forward estimates period. Financial implications (including a separate Public Debt Interest (PDI) table) over the period to 2032-33 are provided at Attachment A.

Table 1: Financial implications (\$m)^{(a)(b)}

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	-	*	*	*	*
Underlying cash balance	-	*	*	*	*

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

* Unquantifiable impact.

- Indicates nil

Methodology

The PBO has determined that this proposal is unquantifiable due to the lack of data on the level of deductions made under the baseline and the ongoing uncertainty about the level of domestic and international travel stemming from the COVID-19 pandemic.

Attachment A – Stop companies claiming tax deductions for travel to tax havens – financial implications

Table A1: Stop companies claiming tax deductions for travel to tax havens – Fiscal and underlying cash balance (\$m)^{(a)(b)}

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Revenue													
<i>Stop companies claiming tax deductions for travel to tax havens</i>	-	*	*	*	*	*	*	*	*	*	*	*	*
Total (excluding PDI)	-	*	*	*	*	*	*	*	*	*	*	*	*

(a) The PBO has not undertaken any analysis to assess whether the proposed expenditures would be sufficient to achieve the objective of the policy proposals.

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

* Unquantifiable impact.

- Indicates nil

Table A2: Stop companies claiming tax deductions for travel to tax havens – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
Fiscal balance	-	*	*	*	*	*	*	*	*	*	*	*	*
Underlying cash balance	-	*	*	*	*	*	*	*	*	*	*	*	*

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in any tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary¹.
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- * Unquantifiable impact.
- Indicates nil

¹ [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)