

**THE NATIONALS**  
*for Regional Australia*

# OUR PLAN FOR LOWER TAXES

**GETTING  
IT DONE**   
*for Regional Australia*

# Key points

**The Morrison Government is delivering lower, fairer and simpler taxes to ensure Australians keep more of what they earn, to back small businesses and help them grow, and to drive more investment and stronger productivity.**

A re-elected Morrison Government will continue to put a speed limit on taxes. Keeping taxes below 23.9 per cent of GDP means we won't unfairly burden Australians or undermine economic growth.

Labor can't commit to a speed limit on taxes.

Labor's proposed Treasurer believes a tax cap "does not fulfil any useful economic purpose"

The reality is, Labor does not want to cap its spending.

Labor can't say how they'll pay for their promises.

**Labor can't manage money.**

And that means larger deficits and higher taxes.

Unlike Labor, **a re-elected Morrison Government commits to:**

- **No new taxes on Australian workers.**
- **No new taxes on retirees.**
- **No new taxes on superannuation.**
- **No new taxes on small businesses.**
- **No new taxes on housing.**
- **No new taxes on emissions and electricity.**

**Lower taxes have supported record investment** and helped **reduce unemployment to 4 per cent** – the equal lowest in 48 years. The jobless rate left by Labor was 5.7 per cent and rising.

Despite the global pandemic – the greatest economic shock since the Great Depression – the **Australian economy** and labour market have **outperformed all major advanced economies.**

A re-elected Coalition Government will:

- **Ensure Australians keep more of what they earn** by delivering an additional \$100 billion in permanent tax relief over the next four years.
- **Help Australians with the cost of living** by providing low and middle income earners up to \$1,500 from 1 July this year, which includes the one-off \$420 cost of living offset, and temporarily halving fuel excise, saving families 22.1 cents a litre every time they fill up the car.

- **Back small businesses with tax incentives** to upskill and train their employees and go digital.
- **Keep the speed limit on taxes** that we put in place, to keep the economy strong, keep expenditure under control and create more jobs.
- **Drive more investment** through the expanded instant asset write-off and loss-carry back measure.
- **Lower taxes to drive innovation** through Australia's first Patent Box and our additional \$2 billion investment in the Research and Development Tax Incentive.
- **Ensure multinationals pay their fair share** of tax in Australia.

At the last election the Coalition committed to lower taxes, more jobs and a stronger economy – and we've delivered.

**Lower taxes are at the heart of the Morrison Government's economic plan.**

**Lower taxes will continue to deliver a stronger economy, a stronger budget and a stronger future.**

# Our Plan

## 1. Ensuring Australians keep more of what they earn

Since the start of the pandemic, **\$40 billion in tax relief has flowed to more than 11 million Australians**. As a result of our tax cuts, an Australian on \$90,000 is more than \$50 a week better off in 2021-22.

On top of the \$12 billion in support that will flow to low and middle income earners from 1 July this year, more than 12 million Australians will benefit from over \$16 billion in permanent tax relief in 2022-23 – up to \$2,565 for individuals or \$5,130 for dual income couples.

From 1 July 2024, the next stage of our personal income tax plan will provide further tax relief for Australians earning \$45,000 or more and eliminate an entire tax bracket, ensuring **95 per cent of taxpayers face a marginal tax rate of 30 per cent or less**.

As a result of the next stage, an Australian worker on around \$60,000 will be \$1,455 better off each year, while an Australian on around \$90,000 will be \$2,340 better off every year, compared to 2017-18 tax settings.

We're simplifying the tax system, improving incentives for working Australians and increasing reward for effort.

**Under the Coalition, taxes for hard-working Australians will always be lower.**

Cumulative tax relief and tax paid for a single individual over five years from 2018-19 to 2022-23

Annual taxable income (\$)	Cumulative tax liability based on 2017-18 settings (\$)	Cumulative tax liability after PIT Plan measures (\$)	Change in cumulative tax (\$)
40,000	24,735	20,655	-4,080
60,000	60,735	52,755	-7,980
80,000	95,735	87,755	-7,980
90,000	113,660	105,005	-8,655
100,000	133,160	124,355	-8,805
120,000	172,160	163,055	-9,105
140,000	211,160	203,195	-7,965
160,000	250,160	242,195	-7,965
180,000	289,160	281,195	-7,965
200,000	336,160	328,195	-7,965

### A re-elected Coalition Government will:

- Deliver an additional \$100 billion in permanent tax cuts to more than 13 million Australians over the next four years.
- Ensure Australians keep more of what they earn, with 95 per cent of taxpayers on marginal tax rates of 30 per cent or less from 1 July 2024.

## 2. Helping Australians with the cost of living

The Coalition is helping Australians deal with cost of living pressures as part of our plan for a stronger future.

**Low and middle income earners will receive up to \$1,500** when they lodge their tax returns from 1 July this year.

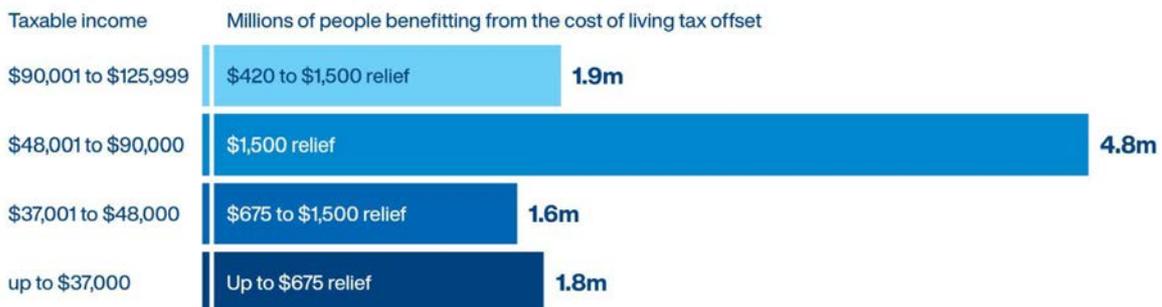
This includes the **new one-off \$420 cost of living offset** announced in the 2022-23 Budget, together with the low and middle income tax offset for 2021-22, together providing around **\$12 billion in support to more than 10 million Australians**.

The Morrison Government's unprecedented decision to **halve fuel excise for six months** will help families and small businesses deal with the increase in fuel prices triggered by the Russian invasion of Ukraine.

A family with two cars who fill up once a week could save around \$30 a week or about \$700 over the next six months.

Whether you're dropping the kids at school, driving to and from work or visiting family and friends, it will cost less.

### Tax relief from the cost of living tax offset and LMITO



#### A re-elected Coalition Government will:

- Help Australians with the cost of living by providing low and middle income earners with up to \$1,500 from 1 July this year, which includes the one-off \$420 cost of living offset, temporarily halving fuel excise, and delivering additional and ongoing tax relief.

### 3. Backing small businesses

Small and family businesses are the engine room of our economy.

They employ nearly 8 million Australians.

**The Morrison Government has backed small businesses with the lowest tax rates in 50 years** and record investment incentives.

The Coalition has **reduced the small business tax rate to 25 percent, down from 30 per cent under Labor.**

We also introduced the unincorporated small business tax offset for sole traders, which increased to 16 per cent from 2021-22 (to a cap of \$1,000).

These reforms are expected to deliver **more than \$21 billion in tax cuts to more than 3.6 million small businesses**, with around \$2.6 billion in tax relief to flow from 1 July this year.

In the 2022-23 Budget, the Morrison Government is also **rewarding small businesses that invest in skills and new digital technology.**

For every \$100 a small business spends on external training courses for its employees, **it will get a \$120 tax deduction.**

For every \$100 a small business spends on digital technologies like cloud computing, e-Invoicing, cyber security and web design, **they will get a \$120 tax deduction** (on expenditure of up to \$100,000 a year).

#### **A re-elected Coalition Government will:**

- Continue to back small business by establishing the Skills and Training Boost and the Technology Investment Boost – **\$1.6 billion in tax relief** over the next four years.
  - Tax relief is being provided through **two new 120 per cent bonus tax deductions for investments in external training and digital technologies.**

## 4. Speed limit on taxes

The Coalition will continue to put a speed limit on taxes that we put in place, to keep the economy strong, keep expenditure under control and create more jobs.

Keeping taxes below 23.9 per cent of GDP **places a discipline on spending** and **ensures higher taxes do not stifle** investment, workforce participation and economic growth.

The speed limit of 23.9 per cent is the average tax to GDP rate recorded in the period after the introduction of the GST and before the onset of the Global Financial Crisis.

Over this period the economy grew strongly, more jobs were created, and the unemployment rate fell to be around 4 per cent.

Even with a speed limit on taxes, the 2022-23 Budget showed the **largest and fastest improvement** to the bottom line in over 70 years, being \$103 billion better off over the forward estimates compared to last year.

**We want Australians to keep more of what they earn.**

This is in stark contrast to Labor.

**Labor has not committed to a speed limit on taxes.**

Labor believes a tax cap “does not fulfil any useful economic purpose” (ALP National Platform: a fair go for Australia, 1 February 2019).

Labor believes a tax cap is “imposed for political reasons rather than good economic reasons” (Jim Chalmers, National Press Club Q&A, 5 April 2022).

**The reality is, Labor does not want to cap its spending.**

Labor would have **unnecessarily spent an additional \$81 billion** in COVID-19 support, including a \$6 billion cash splash to Australians already vaccinated.

Labor’s **uncosted and hidden policies**, including highly subsidised childcare to millionaires, are expected to **cost at least \$302 billion** over the next decade.

**Labor can’t manage money.**

**And that always means larger deficits and higher taxes.**

A re-elected Coalition Government will:

- Continue to put a **speed limit on taxes** to keep the economy strong and ensure Australians keep more of what they earn.

## 5. Expanded Instant Asset Write Off

To unlock investment, the Morrison Government has expanded the successful Instant Asset Write Off.

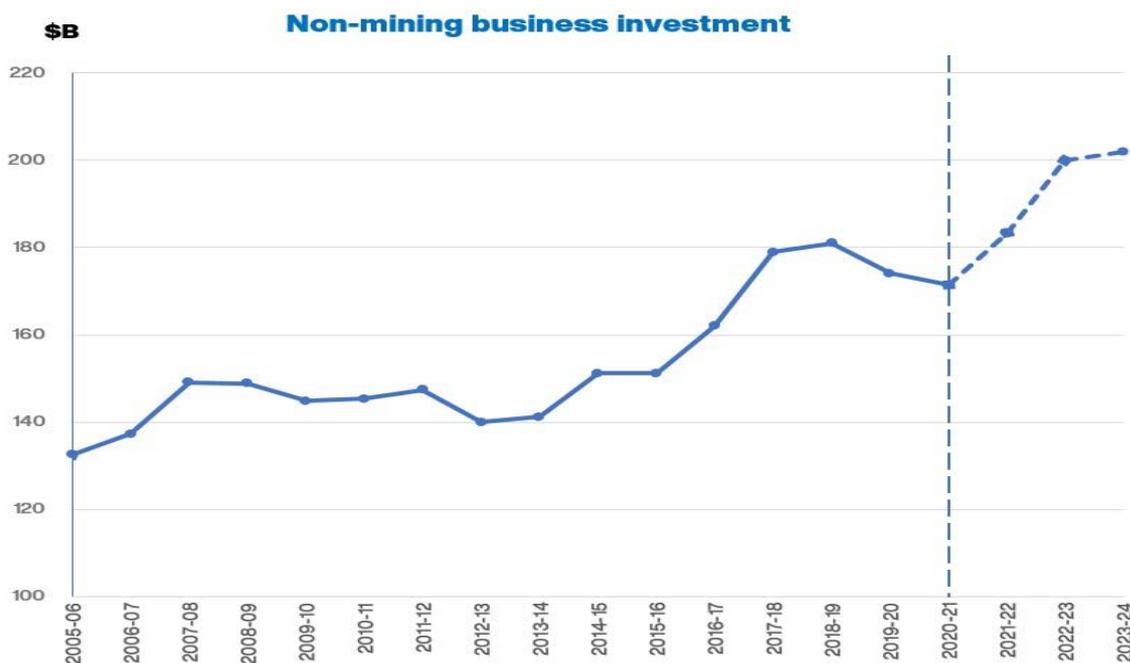
**Over 99 per cent of businesses can write off the full value of any eligible asset** they buy until 30 June 2023. Small, medium and larger businesses with a turnover of up to \$5 billion are eligible.

Companies with annual turnover of less than \$5 billion can also **offset losses against previously taxed profits** (loss carry-back) to generate a refund up to the 2022-23 income year.

The expanded Instant Asset Write Off and loss carry-back incentives **create strong incentives for businesses to boost investment.**

These incentives are working. Non-mining business investment is expected to grow by 7 per cent in 2021-22 and 9 per cent in 2022-23, **reaching the highest share of the economy since 2011 in the June quarter of 2023.**

The incentives are expected to support **around \$320 billion of business investment, driving productivity and creating jobs.**



Source: ABS National accounts: National Income, Expenditure and Product and Treasury.

A re-elected Coalition Government will:

- Back business through the **expanded Instant Asset Write Off** and loss carry back incentives, which have been extended to the end of June 2023.

## 6. Lower taxes to drive innovation

The Morrison Government continues to **reform the tax system** to boost investment in research and development, encourage innovation, and deliver stronger productivity and real wages growth.

The Government has established **Australia's first ever Patent Box**.

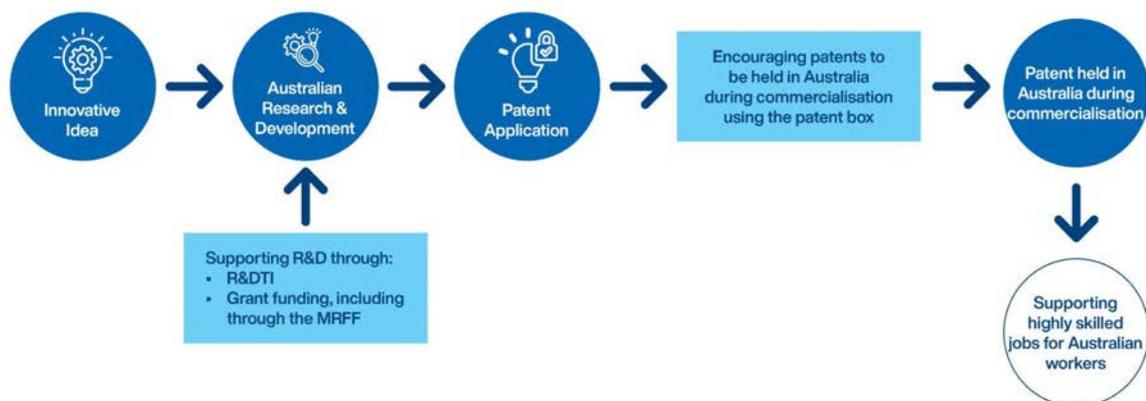
This will provide a concessional tax rate of 17 per cent for businesses that undertake research and development and commercialise their innovation in Australia.

Initially, the Patent Box applied to medical and biotech innovation. In the 2022-23 Budget, it was extended to cover agriculture and low emission innovations.

The Patent Box builds on the Government's **additional \$2 billion investment in the Research and Development Tax Incentive**, which is ensuring businesses that undertake the most research and development also benefit the most.

These reforms to the tax system complement the Government's \$2.2 billion investment in University Research Commercialisation, which will **supercharge the generation and translation of Australian research into new commercial products**.

Taken together, these innovative and complementary reforms are boosting investment in research and development, encouraging more businesses to commercialise their innovations in Australia, and creating more high paid jobs for Australians.



A re-elected Coalition Government will:

- Expand the Patent Box to apply to **medical and biotech, agriculture and low emission innovations**. The tax on income from new innovations will be almost half the rate that applies to large companies to boost investment, innovation and create more high paying jobs for Australians.

## 7. Ensure multinationals pay their fair share

Ensuring multinationals pay their fair share of tax in Australia continues to be a key priority for the Coalition Government.

More than a dozen measures have been put in place to make multinationals pay their fair share. This includes the Multinational Anti-Avoidance Law and the Diverted Profits Tax.

Since July 2016, **the ATO has raised \$25.8 billion in additional tax from multinationals**, large companies and wealthy individuals through these rules. That's almost \$5 billion a year.

On the back of this success, in the 2022-23 Budget the Coalition extended the ATO's Tax Avoidance Taskforce by two years, which is expected to raise a further \$2.1 billion in tax.

The next phase of our reform agenda is to continue to play a leadership role and work through the G20 and OECD **to establish a minimum global tax of 15 per cent** and redirect some of the taxes that large multinationals pay to countries where their products or services are sold.

While Labor wants Australians to believe they will be tough on multinationals that try to avoid paying tax in Australia, the facts tell a different story:

- **Labor voted against our changes to multinational tax avoidance**, putting in jeopardy the \$25.8 billion in additional tax we've collected since July 2016.
- **Labor voted to delay GST applying to foreign multinationals** for low value goods they ship to Australia by an entire year when they were in opposition in 2017.
- **Labor introduced the mining tax** when they were last in office which raised no revenue but damaged business confidence and our international reputation.

A re-elected Coalition Government will:

- **Extend the ATO Tax Avoidance Taskforce** by two years, which is expected to raise a further \$2.1 billion in tax from multinationals, large groups and trusts.
- Continue to play a leadership role **to implement a minimum global tax of 15 per cent** and redirect some of the taxes that large multinationals pay to countries where their products or services are sold.

# Our Record

When the Morrison Government was re-elected in 2019 **we made a commitment to reduce taxes for Australians and small businesses – and we delivered.**

The Coalition has legislated **more than \$320 billion in tax cuts for hard-working Australians.**

Around **\$40 billion in tax cuts** has flowed to more than 11 million Australians since the start of the pandemic.

Over the next four years, **more than \$100 billion in permanent tax cuts** will help Australians manage cost of living pressures, encourage higher labour force participation and deliver a stronger economy.

The next stage of our personal income tax plan will **eliminate an entire tax bracket from 1 July 2024** – ensuring 95 per cent of taxpayers face a marginal tax rate of 30 per cent or less.

We have also cut the **small business tax rate to 25 per cent**, the lowest in over 50 years.

The Morrison Government's two new bonus tax deductions encourage small businesses to go digital and upskill their staff, delivering an **additional \$1.6 billion in tax relief.**

We are also reducing red tape for small business by using technology to streamline the tax system, so businesses can focus on what they do best.

And the **expanded Instant Asset Write Off**, now available until 30 June 2023, will support record levels of investment.

We have invested a further **\$2 billion in the R&D Tax Incentive**, and established a Patent Box for medical, biotech, low emission and agriculture innovations.

These tax reforms will continue to boost investment and R&D, and lead to more innovations commercialised in Australia, which is critical to higher productivity and real wages.

**Lower taxes are at the heart of the Morrison Government's economic plan.**

**Lower taxes will continue to deliver a stronger economy, a stronger budget and a stronger future.**

# The Risk of Labor

There is a clear choice at this election.

A choice between the **Coalition Government that is delivering lower taxes** or the **Labor Party that would increase taxes, weaken our economy and put jobs in jeopardy.**

**Labor believes in higher taxes.**

Labor sees the tax system as a blank cheque to fund excessive spending, which ends up weakening the economy and costing jobs.

Their track record speaks for itself.

When Labor was last in office they imposed higher taxes on hard-working Australians, higher taxes on superannuation – **and a carbon tax which doubled the price of electricity faced by Australians.**

**Labor took \$387 billion in higher taxes to the 2019 election.**

**Labor leader Albanese argued for higher taxes on retirees, housing, families and inheritances.**

**Senior Labor figures, including their would-be treasurer Jim Chalmers, have said they are “proud” of Labor’s higher taxes.** They’ve called personal income tax cuts **“offensive” and “handouts.”**

On major policy issues – like JobKeeper, **taxes**, mining and energy – Albanese flip-flops.

**Albanese would be too weak to stand up to the Greens or the unions.**

The ACTU continues to call for death duties, higher taxes on retirees and superannuation and a carbon tax. In the ACTU’s 2021 Policy document, “A Fair Share - Tax and Revenue” they:

“... recognise the need to consider tax policy areas in detail, including ... **wealth and inheritance tax, the taxation treatment of dividend imputation and franking credits**, and measures to fund public infrastructures land tax and **carbon pricing.**”  
(ACTU, A Fair Share - Tax and Revenue, 2021, p9)

Albanese also called for **death duties** in a November 2003 speech. When as shadow employment minister he said Australia was **“one of the few countries in the OECD” without death duties and as “a society we need to get our priorities back in balance.”** (Albanese “A Fine Balance: Restoring Social Entitlements” 7 November 2003).

Albanese has publicly called for a **\$57 billion retirees tax, a \$31 billion housing tax, and \$34 billion in higher taxes on superannuation**, and described the Coalition's tax cuts for hard-working Australians as **“tax cuts for the top end of town” and “unfair tax cuts.”** (Albanese “Liberals Will Cut Infrastructure Investment To Pay For Secret Tax Cuts” 16 April 2016).

Labor can’t commit to a speed limit on taxes.

Labor can't say how they'll pay for their promises.

Labor believes a tax cap "does not fulfil any useful economic purpose."

And **they can't manage money.**

That means **larger deficits and higher taxes.**

Albanese has never held a financial portfolio.

He's never delivered a budget.

**In uncertain times, Australia can't risk Labor.**

COALITION	LABOR
<p><b>Tax cap</b> 23.9 per cent of GDP</p>	<p><b>Tax cap</b> Uncapped</p>
<p><b>Income tax on \$60,000 income</b> \$8,476 (2021-22)</p>	<p><b>Income tax on \$60,000 income</b> \$11,047 (2013-14)</p>
<p><b>Income tax on \$90,000 income</b> \$18,217 (2021-22)</p>	<p><b>Income tax on \$90,000 income</b> \$21,247 (2013-14)</p>
<p><b>Small business tax rate</b> 25 per cent (2021-22)</p>	<p><b>Small business tax rate</b> 30 per cent (2013-14)</p>
<p><b>Announced tax measures</b></p> <p>\$320 billion in <b>tax cuts</b> for households</p> <ul style="list-style-type: none"> <li>• Eliminate an entire tax bracket</li> <li>• 95% of workers face a marginal tax rate of 30% or less</li> </ul> <p>\$21 billion in <b>tax cuts</b> for small business</p> <ul style="list-style-type: none"> <li>• 25% small business tax rate</li> <li>• Small business tax incentives worth \$1.6 billion over the next four years</li> </ul> <p>\$50 billion in <b>tax relief</b> through business investment incentives</p> <ul style="list-style-type: none"> <li>• Expanded Instant Asset Write Off to 30 June 2023.</li> </ul>	<p><b>Announced tax measures</b></p> <p>When last in office Labor <b>imposed higher taxes, including</b></p> <ul style="list-style-type: none"> <li>• Carbon tax</li> <li>• Mining tax</li> <li>• Higher taxes on Australian workers</li> </ul> <p>At the 2019 election Labor wanted to impose \$387 billion in <b>higher taxes, including</b></p> <ul style="list-style-type: none"> <li>• \$230 billion of higher taxes on Australian workers</li> <li>• \$57 billion Retirees tax</li> <li>• \$34 billion Superannuation taxes</li> <li>• \$31 billion Housing tax</li> <li>• \$27 billion Small family business tax</li> </ul> <p>Now Jim Chalmers said he wants to “<b>maintain flexibility</b>” and Albanese said Labor will make “<b>tax adjustments</b>” all in a Budget they plan to hand down <b>after the election</b>.</p>
<p><b>Multinational tax</b></p> <ul style="list-style-type: none"> <li>• More than a dozen measures to <b>tackle multinational tax avoidance</b>.</li> </ul>	<p><b>Multinational tax</b></p> <ul style="list-style-type: none"> <li>• Labor <b>voted against</b> our changes to multinational tax avoidance, putting in jeopardy the \$25.8 billion in additional tax we’ve collected.</li> </ul>

- **\$25.8 billion in additional tax** on the back of these measures - that's almost \$5 billion a year.
- **Extended the ATO Tax Avoidance Taskforce** in the 2022-23 Budget, which is expected to raise a further \$2.1 billion in tax.

- Labor **voted to delay** GST applying to foreign multinationals for low value goods they ship to Australia.
- Labor introduced the **mining tax** which raised no revenue but damaged business confidence and our international reputation.

# Cost

Funding for the Coalition's Plan for Lower Taxes is already provided for within budget estimates.

**THE NATIONALS**  
*for Regional Australia*

 For further details of The Nationals' Plan go to: [www.nationals.org.au](http://www.nationals.org.au)