



Company tax in Australia: How much? How many pay?

Australian Tax Office (ATO) data for 2013-14 show that 887,349 companies submitted a tax return and paid \$66.887 bn in company tax, equal to 20% of all tax revenue collected by the ATO that year (Tables 1 and 3).

Table 1: Tax receipts by source, Australia, 2013-14

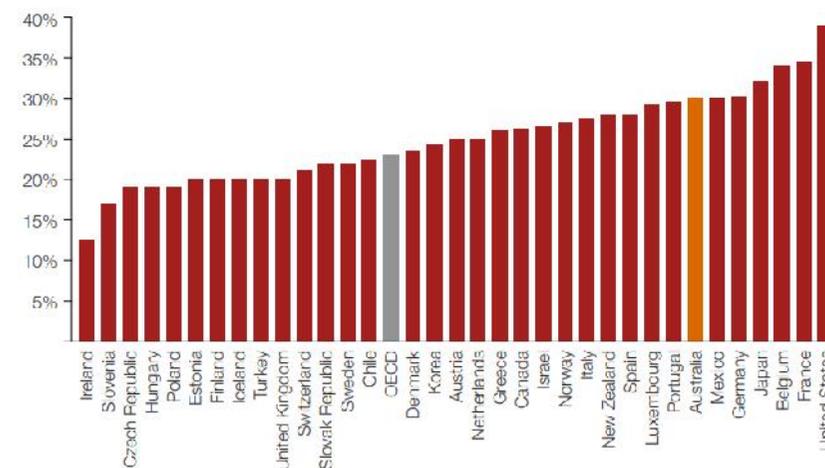
Taxation liabilities	\$mn	% of total
Individual income tax	166,197	50.3
Company income tax	66,887	20.3
Super fund income tax	12,620	3.8
GST	51,738	15.7
FBT	3,967	1.2
Excise (various)	25,808	7.8
PRRT, LCT, WET	3,020	0.9
TOTAL	330,237	100

Compared to other countries, the OECD finds that Australia has a significantly higher reliance on income taxes paid by individuals (39% of total tax receipts) and companies (19%) and a lower reliance on GST and consumption taxes (28%). A further 5% of tax revenue is paid by companies as state-based payroll tax (see Table 2). Compared to other OECD countries, Australia also has a relatively high company tax rate, at 30% (and currently 28.5% for companies with turnover under \$2mn) versus the OECD average of 23% (Chart 1).

Table 2: Tax receipts by source, Australia and OECD average

% of total receipts, 2012-2013	Australia	OECD average
Taxes on personal income & gains	39	24
Taxes of company income & gains	19	9
Social security contributions	0	27
Payroll taxes	5	1
Taxes on property	9	5
Taxes on goods and services (inc. GST)	28	33
TOTAL	100	100

Chart 1: Company tax rates, OECD countries



28.5%

Australian company tax rate for small companies in 2015-16 (<\$2mn income)

30.0%

Australian company tax rate for medium to large companies in 2015-16 (>\$2mn income)

Examined by company size, in 2013-14 (Table 3):

- 125,062 companies (14.1%) had zero or negative income. These companies collectively paid around \$65mn in tax, despite having zero or negative income in that year.
- 686,067 companies (77%) had income between \$1 and \$2mn. The ATO classes these businesses as 'micro'. Collectively, they paid \$7.6bn in tax in that year, or an average of \$11,170 per company.
- 58,212 companies (6.6%) had income between \$2mn and \$10mn. The ATO classes these businesses as 'small'. Collectively, they paid \$6.9bn in tax in that year, or an average of \$118,291 per company.
- 15,623 companies (1.8%) had income between \$10mn and \$100mn. The ATO classes these businesses as 'medium'. Collectively, they paid \$8.5bn in tax in that year, or an average of \$549,126 per company.
- 1,299 companies (0.1%) had income between \$100mn and \$250mn. The ATO classes these businesses as 'large'. Collectively, they paid \$3.3bn in tax in that year, or an average of \$2,582,755 per company.
- 1,086 companies (0.1%) had income of \$250mn or more. The ATO classes these businesses as 'very large'. Collectively, they paid \$4.0.3bn in tax in that year, or an average of \$37,143,646 per company. This 'very large' group of companies paid 60% of total company tax receipts in 2013-14.

Table 3: Company size and company tax paid, 2013-14

Income size (total business income)	Companies		Net tax paid	
	n	%	\$mn	%
Loss (less than \$0)	1,672	0.2	4	<0.1
Nil (equal to \$0)	123,390	13.9	61	0.1
Micro (\$1 to <\$2mn)	686,067	77.3	7,664	11.5
Small (\$2mn to <\$10mn)	58,212	6.6	6,886	10.3
Medium (\$10mn to <\$100mn)	15,623	1.8	8,579	12.8
Large (\$100mn to <\$250mn)	1,299	0.1	3,355	5.0
Very large (\$250mn +)	1,086	0.1	40,338	60.3
TOTAL	887,349	100.0	66,887	100.0

686,067

'Micro' companies in 2013-14
(\$1 to < \$2mn income)

58,212

'Small' companies in 2013-14
(\$2mn to < \$10mn income)

Data sources

ATO taxation statistics 2013-14, available online:
www.ato.gov.au

OECD *Statsonline*, and
OECD *Revenue Statistics 2014*, available online:
www.oecd.org/tax/tax-policy/revenue-statistics.htm

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