

Policy proposals	Fiscal impact 2016-17 (\$m)	Fiscal impact 2017-18 (\$m)	Fiscal impact 2018-19 (\$m)	Fiscal impact 2019-20 (\$m)	4 year net fiscal impact 2016-17 to 2019-20 (\$m)	10 Year net fiscal impact 2016-17 to 2026-27 (\$m)
Liberal-National Party (LNP)						
From 2016, as part of its “Families Get Ahead” policy, the LNP will partially address bracket creep by increasing the 37% tax threshold from \$80,000 to \$87,000 as explained and costed in the 2016-17 Budget .	-800	-950	-1,050	-1,150	-3,950	Not estimated
Will not extend the Temporary Deficit Repair Levy after 1 July 2017 (a 2% levy for taxable income in excess of \$180,000). The 2014-15 Budget estimated revenue of \$1.2 billion per year, between 2015 and 2017, and a modest amount of \$150 million in 2017-18.						
Will not remove or limit negative gearing .						
Will defer previously announced changes to tax residency rules for temporary working holiday makers (the 'backpacker tax').	-20	-20	0	0	-40	Not estimated
Australian Labor Party (ALP)						
Will legislate to retain the 2% “temporary deficit repair levy” as permanent, keeping the top marginal rate at 49% on individuals earning over \$180,000.	0	1,150	1,450	1,550	4,150	19,200
Will limit negative gearing to new housing from 1 July 2017 and will halve the capital gains tax 50% discount from 50% to 25% for assets purchased after 1 July 2017 (and held longer than 12 months). Assets	0	-12	542	1,399	1,929	37,322

purchased before this date will not be affected. ⁱ See more and detailed costings in the ALP's Fiscal Plan						
Will cap deductions for individual tax advice at \$5000.	-3	-2	150	150	295	1,700
Agrees with LNP to defer changes to tax residency rules for temporary working holiday makers (the 'backpacker tax').	-20	-20	0	0	-40	Not estimated
The Greens						
Will oppose the \$80,000 threshold tax cut, make the 2% Temporary Budget Repair Levy permanent and introduce a 50% top tax rate on incomes over \$1 million, effective 1 September 2016. The PBO fiscal costing can be accessed here .	794	2,750	3,100	3,300	9,944	40,494
High income tax guarantee : will limit tax deductions for top income earners so as to require the top 1% of taxpayers, who have a total income of \$300,000 or more a year, to pay a marginal tax rate of 47% on income over \$300,000. Deductions cannot be used to reduce taxable income below 35% of total, pre-tax income. The PBO fiscal costing can be accessed here .	-306	2,079	3,332	3,283	8,388	Not estimated
Will remove negative gearing for all asset classes, for assets purchased on or after 1 July 2015, with grandfathering arrangements for existing investments.	896	2,049			2,945	Not estimated
Will phase out the capital gains tax 50% discount by 10% each year, from 1 July 2016, to eliminate the discount from 1 July 2020.					7,028	Not estimated

ⁱ There is a difference between the initial amount of estimated savings from the ALP's proposed changes to negative gearing and capital gains tax concessions, which were costed by the Parliamentary Budget Office, and what it published in its 'Budget Repair Strategy' of 10 June 2016. In this document, the ALP stated these measures would improve the budget by \$1.9 billion over the

forward estimates, and \$37.3 billion over the medium term. These figures were re-stated in the week prior to the election in the ALP's 'Fiscal Plan', of 26 June.