



Senator Alan Eggleston

Liberal Senator for Western Australia
Chair of the Senate Economics References Committee
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MEDIA RELEASE

Regional businesses hit with car tax hike

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Regional businesses and industries will be hit with a higher tax burden under a Government Bill to reform car fringe benefits tax rules, WA Senator Alan Eggleston said today.

The Government has proposed to replace existing car fringe benefit rules with a single statutory rate of 20 per cent regardless of the kilometres travelled, which will further disadvantage people in regional WA who drive longer distances everyday.

“North West businesses will face yet another unnecessary tax hike as a consequence of this ill-conceived measure, by a Government out of touch with rural and regional Australia,” Senator Eggleston said.

“During Senate Estimates last month, Treasury admitted that more taxpayers will be worse off by the way the fringe benefits tax is calculated on cars and that about 60 percent of people will pay more tax under changes to the FBT.”

Senator Eggleston said the Government was not interested in playing fair or using a flat rate of 15 %, which would result in a more modest increase in taxation revenue.

“Using a kilometre-based threshold is out dated and needs reform, however we are calling for a fair and consistent approach for all Australians, not just people living in the cities.”

If passed, the amendments would raise around \$1 billion in additional revenue, most of it from regional businesses including those in areas like the Pilbara and Kimberley. The Northern Territory, Queensland and other regional areas would also be affected.

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