



# STANDING UP FOR SMALL BUSINESS

## LOWER TAXES

*The Greens' plan to ease the pressure on small business*

People in small businesses are the heart of the economy and local communities but disadvantaged compared with big business. The Greens will give the people behind small businesses a fairer go by lowering company tax for small business.

The Australian Greens understand the pressure that small businesses are feeling. We also recognise that a healthy small business sector means a strong Australian economy. They play a vital role in the economy, providing jobs to almost half the workforce. Small businesses are also part of the community in a way big business can never be.

The old parties take the small business sector for granted, while their policies invariably promote the interests of big business and their lobbyists.

The Greens recognise the people behind small business deserve more support. We will:

- Reduce the company tax rate for small business by 2%;
- The tax cut will take effect from 1 July 2014;
- Our policy will cost \$1.75 billion over the forward estimates.

### > RECOGNISING THE PEOPLE BEHIND SMALL BUSINESS

Small business owners are people. The Greens recognise the burden and risk that many small business people take on when they establish a business. That is why we are committed to caring for people who run small businesses and their families by giving them a fairer go.

### > LOWER TAXES

The Greens will cut the tax rate for small business to promote the vitality of the sector and to encourage more Australians to enter into small businesses.

The Greens will cut the **company tax rate** from 30 per cent to 28 per cent for companies with turnover of under \$2 million from July 2014. Of the 788 000 companies in Australia, 600 000 small business companies will benefit from our policy.<sup>i</sup> The Parliamentary Budget Office estimates it will cost \$1.75 billion over the forward estimates based on the budget figures.

When the Government had proposed a cut to the company tax rate in 2010, the Greens, unlike the Liberals, supported it for small business but the Government chose not to proceed.

#### The small business tax cut will:

- free up extra income for investment, innovation and business expansion.
- Relieve the pressure on small business.
- Acknowledge the administrative costs for small business.
- Encourage growth in the small business sector.

A lower rate for small business is perfectly feasible. Small businesses face a lower company tax rate than big business in Belgium, Canada, France, Japan, the Netherlands, South Korea, Spain, the United Kingdom and the United States.<sup>ii</sup> The Government had recently planned a temporarily lower rate for small business and the Coalition propose an effective two-tier rate through Mr Abbott's parental leave levy.

### > RESOURCING SMALL BUSINESS

The Greens have a fully costed plan for a tax cut for small business including being up-front about how we will pay for it. We are prepared to stand up to big business and raise the revenue to support the people behind small businesses by taxing the mostly overseas owned mining corporations and record profit-making big banks.

<sup>i</sup> ATO, Taxation Statistics 2010-11, page 32

<sup>ii</sup> OECD Tax Database, May 2013.