



INSURANCE TAX

Commission Position Paper CGC 2008/08

***SUBMISSION BY SOUTH AUSTRALIAN
DEPARTMENT OF TREASURY AND FINANCE***

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SOUTH AUSTRALIAN SUBMISSION ON INSURANCE TAX

Issues raised in Commission Position Paper 2008/08 (September 2008) included:

1. *The Commission's intention to assess CTP, general and life insurance together.*

The Commission is proposing to assess capacity for insurance duty using total insurance premiums (CTP, general and life) less premium revenue from employer's liability insurance, reinsurance and fire insurance levies.

SA Position

South Australia believes that there is a conceptual case for assessing CTP insurance separately to general and life insurance. The CTP insurance base is fundamentally different to the life and general insurance base, with some Jurisdictions levying different rates of duty on CTP insurance.

The proposed simplification process does not appear to result in a significant improvement in the reliability or robustness of the process overall. Undertaking separate analysis of CTP insurance and general and life insurance gives a more accurate result that is less likely to be affected by differences in the insurance bases.