

Statement 4: Revenue

The upgrade to receipts over the forward estimates is much smaller than in recent Budgets. In this Budget, it is around one sixth of the average of the last five budget updates. The upgrade is concentrated in the near term, with upgrades to income tax receipts being partially offset by downgrades to excise and customs duty.

Since MYEFO, tax receipts excluding GST and policy decisions have increased by \$6.7 billion in 2025–26 and \$9.4 billion over the five years from 2024–25 to 2028–29.

The Government will deliver new personal income tax cuts to every Australian taxpayer from 1 July 2026, adding to the tax cuts that have been rolling out since 1 July 2024.

Primarily driven by the new tax cuts, policy decisions taken since MYEFO decrease tax receipts by \$15.1 billion over the five years from 2024–25 to 2028–29.

Higher employment and continuing strength in the labour market is the main driver of the upgrades to tax receipts since MYEFO. This is supported in the near term by temporary strength in mining sector profits, leading to higher company tax receipts.

These upgrades are partly offset by a downgrade to the outlook for excisable tobacco volumes across the forward estimates. Lower non-mining company profits also contribute to lower company tax estimates in the later years.

The revenue outlook continues to be exposed to the underlying economic risks. The global economic outlook remains uncertain and volatile, particularly from the escalation in trade tensions. This uncertainty poses risks for exports and global commodity prices.

The tax-to-GDP ratio is expected to be 23.5 per cent of GDP in 2025–26 and then fall to 23.4 per cent of GDP by the end of the forward estimates, following the delivery of the Government's new tax cuts for every Australian taxpayer.



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Statement 4: Revenue

Overview

Total receipts are expected to be \$735.4 billion in 2025–26, growing to \$840.8 billion in 2028–29. Since MYEFO, total receipts have been revised up \$6.9 billion in 2025–26 and down by \$5.8 billion over the five years from 2024–25 to 2028–29.

Tax receipts are the main component of total receipts and are expected to be \$676.1 billion in 2025–26, growing to \$778.3 billion in 2028–29. Income taxes are the largest contributor to growth in tax receipts. The tax-to-GDP ratio is expected to be 23.5 per cent in 2025–26 and falls to 23.4 per cent of GDP by the end of the forward estimates following the delivery of the Government’s new tax cuts for every Australian taxpayer.

More information on total receipts over the five years from 2024–25 to 2028–29 is shown in Table 4.1.

Table 4.1: Australian Government general government receipts

	Actual	Estimates				
	2023-24 \$b	2024-25 \$b	2025-26 \$b	2026-27 \$b	2027-28 \$b	2028-29 \$b
Total taxation receipts (\$b)	633.4	645.2	676.1	707.6	735.9	778.3
Growth on previous year (%)	5.3	1.9	4.8	4.7	4.0	5.8
Per cent of GDP	23.7	23.1	23.5	23.6	23.4	23.4
Tax receipts excluding GST (\$b)	548.5	555.9	582.0	608.4	631.2	667.9
Growth on previous year (%)	5.5	1.4	4.7	4.5	3.7	5.8
Per cent of GDP	20.5	19.9	20.2	20.3	20.0	20.1
Non-taxation receipts (\$b)	55.2	58.7	59.3	58.4	61.4	62.6
Growth on previous year (%)	14.5	6.3	1.0	-1.4	5.2	1.8
Per cent of GDP	2.1	2.1	2.1	2.0	2.0	1.9
Total receipts (\$b)	688.6	703.9	735.4	766.0	797.4	840.8
Growth on previous year (%)	6.0	2.2	4.5	4.2	4.1	5.5
Per cent of GDP	25.8	25.3	25.5	25.6	25.3	25.3

Tax receipts outlook

Since MYEFO, tax receipts excluding GST and policy decisions have been revised up by \$9.4 billion over the five years from 2024–25 to 2028–29, mainly reflecting higher personal income tax and superannuation fund taxes. The upgrade to total tax receipts in this Budget is small and concentrated in the near-term.

Higher employment and continuing strength in the labour market is the main driver of the upgrade to tax receipts. Excluding policy decisions, personal income tax receipts have been upgraded by \$9.9 billion and superannuation fund tax receipts by \$9.7 billion over the five years from 2024–25 to 2028–29. This is supported in the near term by higher company tax, reflecting temporarily stronger mining sector profits.

These upgrades are partially offset by lower tobacco excise receipts, which have been downgraded by \$6.9 billion over five years from 2024–25 to 2028–29 due to a weaker outlook for excisable tobacco volumes. Despite a near-term upgrade, company tax has also been downgraded by \$1.9 billion over the five years from 2024–25 to 2028–29 due to lower expected non-mining company profits in later years.

Policy decisions taken since MYEFO decrease tax receipts by \$259.1 million in 2025–26 and \$15.1 billion over the five years from 2024–25 to 2028–29. Policy decisions in this Budget focus on reforms to provide cost of living relief, improve tax integrity and modernise the tax system. Key policy decisions include:

- *Personal Income Tax – new tax cuts for every Australian taxpayer*
- *Personal Income Tax – increasing the Medicare levy low-income thresholds*
- *Strengthening tax integrity*

For more details on policy decisions, see *Budget Statement 1* and Budget Paper No. 2.

Variations in receipts estimates

Since MYEFO, total receipts have been revised up by \$6.9 billion in 2025–26 and revised down by \$5.8 billion over the five years from 2024–25 to 2028–29. Table 4.2 reconciles the 2025–26 Budget estimates of total receipts with the 2024–25 Budget and MYEFO.

Table 4.2: Reconciliation of Australian Government general government receipts estimates from the 2024–25 MYEFO and 2024–25 Budget

	Estimates					Total \$m
	2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m	
Receipts at 2024-25 Budget	698,446	719,353	760,010	801,811	*	*
Changes from 2024-25 Budget to 2024-25 MYEFO						
Effect of policy decisions	402	312	399	540	*	*
Effect of parameter and other variations	5,336	8,755	2,977	1,727	*	*
Total variations	5,739	9,066	3,376	2,267	*	*
Receipts at 2024-25 MYEFO	704,184	728,419	763,386	804,078	849,179	3,849,247
Changes from 2024-25 MYEFO to 2025-26 Budget						
Effect of policy decisions	21	-103	-3,425	-6,129	-4,542	-14,178
Effect of parameter and other variations	-284	7,036	6,009	-570	-3,797	8,394
Total variations	-263	6,933	2,584	-6,699	-8,339	-5,784
Receipts at 2025-26 Budget	703,922	735,353	765,970	797,379	840,840	3,843,463

* Data is not available.

Since MYEFO, parameter and other variations have increased total receipts by \$7.0 billion in 2025–26 and \$8.4 billion over the five years from 2024–25 to 2028–29. Policy decisions decrease total receipts by \$103.0 million in 2025–26 and \$14.2 billion over the five years from 2024–25 to 2028–29. The change to the outlook of total receipts overwhelmingly reflects changes to the outlook of tax receipts.

Tax receipts estimates

Tax receipts have been revised up by \$6.4 billion in 2025–26 and down by \$6.6 billion over the five years from 2024–25 to 2028–29 since MYEFO.

Table 4.3 reconciles the 2025–26 Budget estimates of tax receipts with the 2024–25 Budget and MYEFO.

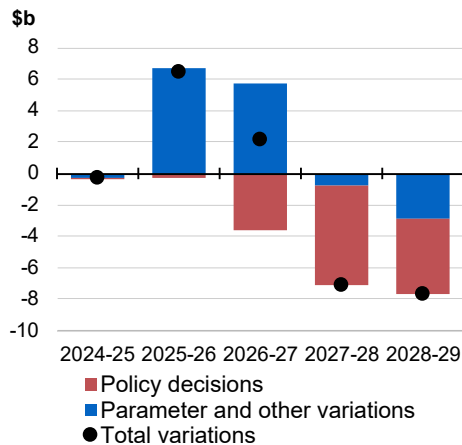
Table 4.3: Reconciliation of Australian Government general government tax receipts estimates from the 2024–25 MYEFO and 2024–25 Budget

	Estimates					Total \$m
	2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m	
Tax receipts at 2024-25 Budget	642,542	661,583	702,278	742,299	*	*
Changes from 2024-25 Budget to 2024-25 MYEFO						
Effect of policy decisions	178	107	271	266	*	*
Effect of parameter and other variations	2,845	7,961	2,872	513	*	*
Total variations	3,023	8,068	3,143	778	*	*
Tax receipts at 2024-25 MYEFO	645,565	669,651	705,421	743,077	785,942	3,549,655
Changes from 2024-25 MYEFO to 2025-26 Budget						
Effect of policy decisions	-10	-259	-3,637	-6,381	-4,817	-15,104
Effect of parameter and other variations	-313	6,694	5,772	-757	-2,858	8,538
Total variations	-323	6,435	2,135	-7,138	-7,676	-6,566
Tax receipts at 2025-26 Budget	645,242	676,086	707,556	735,939	778,266	3,543,090

* Data is not available.

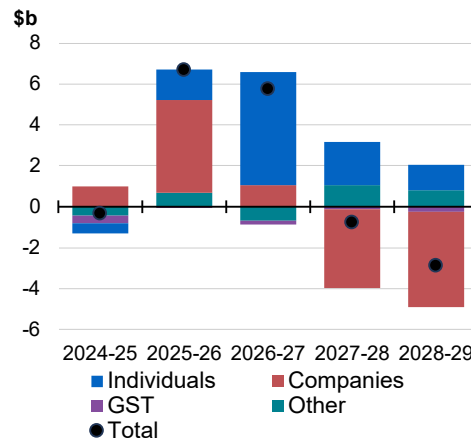
Since MYEFO, parameter and other variations are expected to increase tax receipts by \$6.7 billion in 2025–26 and \$8.5 billion over the five years from 2024–25 to 2028–29. Policy decisions are estimated to decrease tax receipts by \$259.1 million in 2025–26 and \$15.1 billion over the five years from 2024–25 to 2028–29.

Chart 4.1: Revisions to total tax receipts since 2024–25 MYEFO



Source: Treasury.

Chart 4.2: Parameter and other variations to total tax receipts since 2024–25 MYEFO



Source: Treasury.

Tax receipts forecasts are based on available information prior to each economic and fiscal update. Growth in the key economic parameters that influence tax receipts is shown in Table 4.4.

Table 4.4: Key economic parameters for tax receipts^(a)

	Outcomes		Forecasts			
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Revenue parameters						
Nominal gross domestic product	4.1	4 1/4	3 1/4	4	5 1/4	5 1/2
Change since 2024-25 MYEFO		1	- 1/4	-1	- 1/4	
Compensation of employees ^(b)	7.5	5 3/4	4 1/2	4 1/4	5	5 1/4
Change since 2024-25 MYEFO		3/4	1/4	- 1/2	- 1/4	
Corporate gross operating surplus ^(c)	-3.2	- 1/2	-1 1/4	1 1/4	5 1/2	6
Change since 2024-25 MYEFO		1 1/2	- 3/4	-2 3/4	1/4	
Non-farm gross mixed income	0.1	2 1/2	8 1/4	7 1/4	7 1/4	6 1/2
Change since 2024-25 MYEFO		-1 3/4	1 1/4	- 1/2	1/4	
Property income ^(d)	16.0	6 3/4	2 1/4	4	5	5
Change since 2024-25 MYEFO		-1 1/4	-1 1/4	- 1/2	1/4	
Consumption subject to GST	3.7	2 1/4	5	4 1/4	5	4 1/2
Change since 2024-25 MYEFO		0	1/2	1/2	1	

a) Current prices, per cent change on previous year. Changes since 2024–25 MYEFO are percentage points.

b) Compensation of employees measures total remuneration earned by employees.

c) Corporate gross operating surplus is an Australian System of National Accounts measure of company profits, gross of depreciation.

d) Property income measures income derived from rent, dividends and interest.

Source: ABS Australian National Accounts: National Income, Expenditure and Product; and Treasury.

Changes in the outlook for individual heads of revenue are explained in more detail below.

Individuals and other withholding taxes

Since MYEFO, total individuals and other withholding tax receipts have been revised up by \$1.3 billion in 2025–26 and revised down by \$6.5 billion over the five years from 2024–25 to 2028–29. Individuals and other withholding taxes have been revised down from 2026–27 with the delivery of the Government’s new tax cuts for every Australian taxpayer.

Excluding new policy decisions, individuals and other withholding tax receipts have been revised up by \$1.5 billion in 2025–26 and \$9.9 billion over the five years from 2024–25 to 2028–29. This reflects a stronger outlook for employment and wages growth.

New tax policy measures announced since MYEFO are expected to decrease individuals and other withholding tax receipts by \$179.1 million in 2025–26 and \$16.4 billion over the five years from 2024–25 to 2028–29.

Fringe benefits tax

Since MYEFO, fringe benefits tax receipts have been revised up by \$50.0 million in 2025–26 and \$240.0 million over the five years from 2024–25 to 2028–29. This reflects the stronger outlook for employment.

Company tax

Since MYEFO, company tax receipts have been revised up by \$4.5 billion in 2025–26 and revised down by \$800.0 million over the five years from 2024–25 to 2028–29.

Excluding new policy decisions, company tax receipts have been revised up by \$4.5 billion in 2025–26 and revised down by \$1.9 billion over the five years from 2024–25 to 2028–29. The upgrade in the near term reflects a stronger outlook for mining sector profits, reflecting higher near-term commodity prices. Company tax receipts have been downgraded in 2027–28 and 2028–29, driven by a weaker outlook for non-mining sector profits.

New tax policy measures announced since MYEFO are expected to decrease company tax receipts by \$32.5 million in 2025–26 and increase company tax receipts by \$1.1 billion over the five years from 2024–25 to 2028–29.

Superannuation fund taxes

Since MYEFO, superannuation fund tax receipts have been revised up by \$2.4 billion in 2025–26 and \$9.7 billion over the five years from 2024–25 to 2028–29. The upgrade to superannuation fund taxes reflects higher-than-expected current year collections, higher contributions due to the strength in employment and an increase in tax from earnings on investments.

Superannuation fund taxes are highly volatile from one year to the next, primarily due to year-to-year changes in tax from earnings on investments and the consequential impact on the timing of tax payments.

Petroleum resource rent tax (PRRT)

Since MYEFO, PRRT receipts have been revised up by \$100.0 million in 2025–26 and \$750.0 million over the five years from 2024–25 to 2028–29. The upgrade is primarily due to a higher assumed oil price.

Goods and services tax (GST)

Since MYEFO, GST receipts have been revised up by \$5.8 million in 2025–26 and revised down by \$492.8 million over the five years from 2024–25 to 2028–29.

Excluding new policy decisions, GST receipts have been revised down by \$0.3 million in 2025–26 and \$895.8 million over the five years from 2024–25 to 2028–29. This primarily reflects weaker-than-expected price pressures in the dwelling construction industry.

New tax policy measures announced since MYEFO are expected to increase GST receipts by \$6.1 million in 2025–26 and \$403.0 million over the five years from 2024–25 to 2028–29.

Excise and customs duty

Since MYEFO, total excise and customs duty receipts have been revised down by \$1.7 billion in 2025–26 and \$8.6 billion over the five years from 2024–25 to 2028–29.

Excluding new policy decisions, excise and customs duty receipts have been revised down by \$1.7 billion in 2025–26 and \$8.5 billion over the five years from 2024–25 to 2028–29. The downgrade overwhelmingly reflects the significant downward revision to tobacco excise receipts. This is due to persistently weaker-than-expected collections and a weaker outlook for excisable tobacco volumes over the forward estimates. The Government has provided further funding in this Budget to combat the trade of illicit tobacco.

Policy decisions are expected to decrease excise and customs duty receipts by \$10.0 million in 2025–26 and \$125.0 million over the five years from 2024–25 to 2028–29.

The 2025–26 Budget estimates continue to include provision for the Australia European Union Free Trade Agreement, which has not been finalised. This provision is assumed to impact customs duty receipts. No other Free Trade Agreements (FTAs) that are currently under negotiation are expected to have a material impact on revenue over the forward estimates. A full list of FTAs currently under negotiation is available on the Department of Foreign Affairs and Trade website.

Other taxes

Other taxes encompass a range of sources of receipts, including visa application charges, major bank levy, luxury car tax, wine equalisation tax and agricultural levies.

Since MYEFO, other tax receipts have been revised down by \$140.6 million in 2025–26 and \$843.0 million over the five years from 2024–25 to 2028–29. Policy decisions are expected to decrease other tax receipts by \$43.6 million in 2025–26 and \$95.9 million over the five years from 2024–25 to 2028–29.

Non-tax receipts estimates

Since MYEFO, non-tax receipts are expected to increase by \$0.5 billion in 2025–26 and by \$2.3 billion over the five years from 2024–25 to 2028–29.

Parameter and other variations are expected to increase non-tax receipts by \$0.3 billion in 2025–26 and by \$1.4 billion over the five years to 2028–29. This increase is driven by increases in the number and value of funded benefit transfers to the Consolidated Revenue Fund from the Commonwealth Superannuation Corporation, and in anticipated lodgments of unclaimed monies from financial institutions. In addition, non-tax receipts have been revised up by \$1.5 billion in 2028–29 to account for the differences between the projection methodology at MYEFO and the forward estimate in this Budget. This increase is partially offset by lower-than-expected Commonwealth Government interest earnings due to an anticipated decrease in short-term interest rates.

Policy decisions are expected to increase non-tax receipts by \$0.2 billion in 2025–26, and by \$0.9 billion over the five years to 2028–29. This increase is largely driven by the standard

non-tax revenue impacts of Pharmaceutical Benefits Scheme listings, which partially offset expenditure impacts of these listings.

Table 4.5: Reconciliation of 2024–25 general government (cash) receipts

	Estimates		Change on MYEFO	
	MYEFO \$m	Budget \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	293,600	293,600	0	0.0
Gross other individuals	81,700	80,500	-1,200	-1.5
less: Refunds	39,900	39,200	-700	-1.8
Total individuals and other withholding tax	335,400	334,900	-500	-0.1
Fringe benefits tax	4,910	4,950	40	0.8
Company tax	132,500	133,500	1,000	0.8
Superannuation fund taxes	21,910	22,810	900	4.1
Petroleum resource rent tax	1,350	1,450	100	7.4
Income taxation receipts	496,070	497,610	1,540	0.3
Goods and services tax	89,753	89,400	-353	-0.4
Wine equalisation tax	1,120	1,110	-10	-0.9
Luxury car tax	1,170	1,170	0	0.0
Excise and customs duty				
Petrol	7,200	7,250	50	0.7
Diesel	17,440	17,390	-50	-0.3
Other fuel products	2,070	2,040	-30	-1.4
Tobacco	8,750	7,400	-1,350	-15.4
Beer	2,720	2,750	30	1.1
Spirits	3,310	3,280	-30	-0.9
Other alcoholic beverages(a)	1,760	1,770	10	0.6
Other customs duty				
Textiles, clothing and footwear	170	160	-10	-5.9
Passenger motor vehicles	380	380	0	0.0
Other imports	1,560	1,560	0	0.0
less: Refunds and drawbacks	730	870	140	19.2
Total excise and customs duty	44,630	43,110	-1,520	-3.4
Major Bank Levy	1,730	1,770	40	2.3
Agricultural levies	678	735	57	8.4
Visa application charges	4,147	4,129	-18	-0.4
Other taxes	6,267	6,209	-58	-0.9
Indirect taxation receipts	149,495	147,632	-1,863	-1.2
Taxation receipts	645,565	645,242	-323	0.0
Sales of goods and services	22,039	21,796	-243	-1.1
Interest received	9,968	9,520	-448	-4.5
Dividends and distributions	7,206	7,380	174	2.4
Other non-taxation receipts	19,407	19,984	577	3.0
Non-taxation receipts	58,620	58,680	60	0.1
Total receipts	704,184	703,922	-263	0.0
<i>Memorandum:</i>				
<i>Total excise</i>	31,650	31,680	30	0.1
<i>Total customs duty</i>	12,980	11,430	-1,550	-11.9
<i>Capital gains tax(b)</i>	29,900	30,700	800	2.7

a) 'Other alcoholic beverages' are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

b) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes.

Table 4.6: Reconciliation of 2025–26 general government (cash) receipts

	Estimates		Change on MYEFO	
	MYEFO \$m	Budget \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	308,300	310,600	2,300	0.7
Gross other individuals	82,200	79,900	-2,300	-2.8
less: Refunds	42,100	40,800	-1,300	-3.1
Total individuals and other withholding tax	348,400	349,700	1,300	0.4
Fringe benefits tax	5,030	5,080	50	1.0
Company tax	135,900	140,400	4,500	3.3
Superannuation fund taxes	23,210	25,560	2,350	10.1
Petroleum resource rent tax	1,850	1,950	100	5.4
Income taxation receipts	514,390	522,690	8,300	1.6
Goods and services tax	94,228	94,234	6	0.0
Wine equalisation tax	1,210	1,200	-10	-0.8
Luxury car tax	1,200	1,200	0	0.0
Excise and customs duty				
Petrol	7,450	7,450	0	0.0
Diesel	17,850	17,850	0	0.0
Other fuel products	2,020	2,020	0	0.0
Tobacco	8,650	7,050	-1,600	-18.5
Beer	2,850	2,780	-70	-2.5
Spirits	3,450	3,380	-70	-2.0
Other alcoholic beverages(a)	1,850	1,830	-20	-1.1
Other customs duty				
Textiles, clothing and footwear	170	170	0	0.0
Passenger motor vehicles	370	380	10	2.7
Other imports	1,600	1,620	20	1.3
less: Refunds and drawbacks	730	730	0	0.0
Total excise and customs duty	45,530	43,800	-1,730	-3.8
Major Bank Levy	1,790	1,850	60	3.4
Agricultural levies	625	669	44	7.1
Visa application charges	4,211	4,199	-12	-0.3
Other taxes	6,467	6,244	-223	-3.5
Indirect taxation receipts	155,261	153,396	-1,865	-1.2
Taxation receipts	669,651	676,086	6,435	1.0
Sales of goods and services	21,774	21,921	147	0.7
Interest received	9,659	9,389	-269	-2.8
Dividends and distributions	7,129	7,416	286	4.0
Other non-taxation receipts	20,206	20,540	334	1.7
Non-taxation receipts	58,768	59,266	498	0.8
Total receipts	728,419	735,353	6,933	1.0
<i>Memorandum:</i>				
Total excise	32,570	32,450	-120	-0.4
Total customs duty	12,960	11,350	-1,610	-12.4
Capital gains tax(b)	26,100	27,600	1,500	5.7

a) 'Other alcoholic beverages' are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

b) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes.

Table 4.7: Australian Government general government (cash) receipts

	Actual	Estimates				
	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m
Individuals and other withholding taxes						
Gross income tax withholding	294,949	293,600	310,600	327,000	346,800	368,700
Gross other individuals	74,199	80,500	79,900	84,900	90,700	97,700
less: Refunds	37,635	39,200	40,800	41,900	44,400	46,100
Total individuals and other withholding tax	331,513	334,900	349,700	370,000	393,100	420,300
Fringe benefits tax	4,632	4,950	5,080	5,110	5,220	5,440
Company tax	141,177	133,500	140,400	144,500	144,000	149,300
Superannuation fund taxes	12,465	22,810	25,560	26,110	26,110	28,860
Petroleum resource rent tax	1,144	1,450	1,950	1,800	1,650	1,450
Income taxation receipts	490,931	497,610	522,690	547,520	570,080	605,350
Goods and services tax	85,031	89,400	94,234	99,309	104,868	110,481
Wine equalisation tax	1,091	1,110	1,200	1,240	1,300	1,350
Luxury car tax	1,253	1,170	1,200	1,270	1,330	1,400
Excise and customs duty						
Petrol	6,941	7,250	7,450	7,600	7,800	8,100
Diesel	16,092	17,390	17,850	18,770	19,470	20,060
Other fuel products	1,999	2,040	2,020	2,070	2,120	2,170
Tobacco	9,730	7,400	7,050	6,800	6,750	6,700
Beer	2,599	2,750	2,780	2,910	2,970	2,990
Spirits	3,208	3,280	3,380	3,430	3,450	3,450
Other alcoholic beverages(a)	1,686	1,770	1,830	1,930	1,950	2,000
Other customs duty						
Textiles, clothing and footwear	159	160	170	180	150	160
Passenger motor vehicles	391	380	380	350	120	120
Other imports	1,501	1,560	1,620	1,680	890	910
less: Refunds and drawbacks	791	870	730	730	730	730
Total excise and customs duty	43,514	43,110	43,800	44,990	44,940	45,930
Major Bank Levy	1,623	1,770	1,850	1,930	2,030	2,140
Agricultural levies	637	735	669	684	691	712
Visa application charges	3,385	4,129	4,199	4,402	4,579	4,696
Other taxes	5,936	6,209	6,244	6,211	6,120	6,208
Indirect taxation receipts	142,469	147,632	153,396	160,036	165,859	172,916
Taxation receipts	633,400	645,242	676,086	707,556	735,939	778,266
Sales of goods and services	19,867	21,796	21,921	22,974	24,192	25,304
Interest received	10,509	9,520	9,389	8,939	9,798	10,109
Dividends and distributions	6,412	7,380	7,416	7,766	8,212	8,946
Other non-taxation receipts	18,397	19,984	20,540	18,736	19,238	18,214
Non-taxation receipts	55,185	58,680	59,266	58,414	61,440	62,573
Total receipts	688,585	703,922	735,353	765,970	797,379	840,840
<i>Memorandum:</i>						
<i>Total excise</i>	29,761	31,680	32,450	33,810	34,860	35,900
<i>Total customs duty</i>	13,753	11,430	11,350	11,180	10,080	10,030
<i>Capital gains tax(b)</i>	26,400	30,700	27,600	27,600	28,900	30,200

a) 'Other alcoholic beverages' are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

b) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes.

Variations in revenue estimates

The revenue estimates are the accrual accounting equivalent of the cash-based receipts estimates. Changes in revenue are generally driven by the same factors as receipts.

Revenues are usually higher than the cash equivalents because the amounts are generally recognised when they are owed rather than when they are paid. The differences between the accrual and cash amounts therefore generally reflect payment timing differences.

Table 4.8 provides a reconciliation of the 2025–26 Budget revenue estimates with those at the 2024–25 Budget and MYEFO.

Table 4.8: Reconciliation of Australian Government general government revenue estimates from the 2024–25 MYEFO and the 2024–25 Budget

	Estimates					Total \$m
	2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m	2028-29 \$m	
Revenue at 2024-25 Budget	711,505	732,740	776,239	819,628	*	*
Changes from 2024-25 Budget to 2024-25 MYEFO						
Effect of policy decisions(a)	118	225	429	405	*	*
Effect of parameter and other variations	6,631	10,245	4,361	2,406	*	*
Total variations	6,749	10,470	4,790	2,810	*	*
Revenue at 2024-25 MYEFO	718,253	743,211	781,029	822,438	*	*
Changes from 2024-25 MYEFO to 2025-26 Budget						
Effect of policy decisions(a)	21	-49	-3,419	-6,292	-2,874	-12,613
Effect of parameter and other variations	-706	7,100	5,949	-717	*	*
Total variations	-685	7,052	2,530	-7,009	*	*
Revenue at 2025-26 Budget	717,568	750,262	783,559	815,429	862,506	3,929,325

* Data is not available.

a) Excludes secondary impacts on public debt interest of policy decisions and offsets from the Contingency Reserve for decisions taken.

Since MYEFO, total revenue has been revised up by \$7.1 billion in 2025–26 and down by \$5.2 billion over the five years from 2024–25 to 2028–29.

The changes in the individual heads of revenue accrual estimates relative to MYEFO are shown in Tables 4.9 and 4.10, for 2024–25 and 2025–26, respectively. For the 5-year accrual table, the accrual equivalent of Table 4.7, see Budget Statement 9, Note 3.

Additional revenue and receipts historical tables are available online and can be accessed at www.budget.gov.au.

Table 4.9: Reconciliation of 2024–25 general government (accrual) revenue

	Estimates		Change on MYEFO	
	MYEFO \$m	Budget \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	296,800	296,800	0	0.0
Gross other individuals	87,400	86,200	-1,200	-1.4
less: Refunds	39,900	39,200	-700	-1.8
Total individuals and other withholding tax	344,300	343,800	-500	-0.1
Fringe benefits tax	5,030	5,070	40	0.8
Company tax	135,500	136,500	1,000	0.7
Superannuation fund taxes	21,930	22,830	900	4.1
Petroleum resource rent tax	1,400	1,500	100	7.1
Income taxation revenue	508,160	509,700	1,540	0.3
Goods and services tax	94,770	94,420	-350	-0.4
Wine equalisation tax	1,130	1,120	-10	-0.9
Luxury car tax	1,170	1,170	0	0.0
Excise and customs duty				
Petrol	7,050	7,100	50	0.7
Diesel	17,040	16,990	-50	-0.3
Other fuel products	2,040	2,010	-30	-1.5
Tobacco	8,750	7,400	-1,350	-15.4
Beer	2,620	2,650	30	1.1
Spirits	3,310	3,280	-30	-0.9
Other alcoholic beverages(a)	1,760	1,770	10	0.6
Other customs duty				
Textiles, clothing and footwear	170	160	-10	-5.9
Passenger motor vehicles	380	380	0	0.0
Other imports	1,560	1,560	0	0.0
less: Refunds and drawbacks	730	870	140	19.2
Total excise and customs duty	43,950	42,430	-1,520	-3.5
Major bank levy	1,750	1,790	40	2.3
Agricultural levies	682	739	57	8.3
Visa application charges	4,147	4,129	-18	-0.4
Other taxes	7,850	7,710	-140	-1.8
Indirect taxation revenue	155,449	153,508	-1,941	-1.2
Taxation revenue	663,609	663,208	-401	-0.1
Sales of goods and services	21,067	21,166	98	0.5
Interest	11,046	10,532	-514	-4.6
Dividends and distributions	7,137	7,205	68	0.9
Other non-taxation revenue	15,394	15,458	64	0.4
Non-taxation revenue	54,644	54,360	-284	-0.5
Total revenue	718,253	717,568	-685	-0.1
<i>Memorandum:</i>				
Total excise	30,970	31,000	30	0.1
Total customs duty	12,980	11,430	-1,550	-11.9
Capital gains tax(b)	29,900	30,700	800	2.7

a) 'Other alcoholic beverages' are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

b) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes.

Table 4.10: Reconciliation of 2025–26 general government (accrual) revenue

	Estimates		Change on MYEFO	
	MYEFO \$m	Budget \$m	\$m	%
Individuals and other withholding taxes				
Gross income tax withholding	311,800	314,100	2,300	0.7
Gross other individuals	86,800	84,500	-2,300	-2.6
less: Refunds	42,100	40,800	-1,300	-3.1
Total individuals and other withholding tax	356,500	357,800	1,300	0.4
Fringe benefits tax	5,100	5,150	50	1.0
Company tax	139,000	143,500	4,500	3.2
Superannuation fund taxes	23,230	25,580	2,350	10.1
Petroleum resource rent tax	1,880	1,980	100	5.3
Income taxation revenue	525,710	534,010	8,300	1.6
Goods and services tax	99,290	99,300	10	0.0
Wine equalisation tax	1,220	1,210	-10	-0.8
Luxury car tax	1,210	1,210	0	0.0
Excise and customs duty				
Petrol	7,450	7,450	0	0.0
Diesel	17,850	17,850	0	0.0
Other fuel products	2,020	2,020	0	0.0
Tobacco	8,650	7,050	-1,600	-18.5
Beer	2,850	2,780	-70	-2.5
Spirits	3,450	3,380	-70	-2.0
Other alcoholic beverages(a)	1,850	1,830	-20	-1.1
Other customs duty				
Textiles, clothing and footwear	170	170	0	0.0
Passenger motor vehicles	370	380	10	2.7
Other imports	1,600	1,620	20	1.3
less: Refunds and drawbacks	730	730	0	0.0
Total excise and customs duty	45,530	43,800	-1,730	-3.8
Major bank levy	1,810	1,870	60	3.3
Agricultural levies	625	669	44	7.1
Visa application charges	4,211	4,199	-12	-0.3
Other taxes	8,249	8,036	-213	-2.6
Indirect taxation revenue	162,144	160,294	-1,850	-1.1
Taxation revenue	687,854	694,304	6,450	0.9
Sales of goods and services	21,808	22,256	448	2.1
Interest	11,039	10,619	-419	-3.8
Dividends and distributions	7,155	7,434	279	3.9
Other non-taxation revenue	15,354	15,648	295	1.9
Non-taxation revenue	55,356	55,958	602	1.1
Total revenue	743,211	750,262	7,052	0.9
<i>Memorandum:</i>				
<i>Total excise</i>	32,570	32,450	-120	-0.4
<i>Total customs duty</i>	12,960	11,350	-1,610	-12.4
<i>Capital gains tax(b)</i>	26,100	27,600	1,500	5.7

a) 'Other alcoholic beverages' are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).

b) 'Capital gains tax' is part of gross other individuals, company tax and superannuation fund taxes.

Appendix A: Tax Expenditures

This appendix contains an overview of Australian Government tax expenditures. Section 12 of the *Charter of Budget Honesty Act 1998* requires the publication of an overview of estimated tax expenditures.

The Government published the 2024–25 Tax Expenditures and Insights Statement (TEIS) on 17 December 2024. The TEIS provides an estimate of the revenue forgone from tax expenditures, along with distributional analysis on large tax expenditures and commonly utilised features of the tax system.

Tax benchmarks represent a standard tax treatment that applies to similar taxpayers or types of activities. Policy approaches can apply a tax treatment different from a standard approach, which can give rise to positive or negative tax expenditures. The choice of benchmark unavoidably involves some judgment.

Consistent with most OECD countries, estimates of tax expenditures reflect the extent to which they are used, similar to Budget estimates of outlays on demand-driven expenditure programs. This is known as the ‘revenue forgone’ approach which, in practice, involves estimating the difference in revenue between the actual and benchmark tax treatments but, importantly, assuming taxpayer behaviour is the same in each circumstance. Revenue forgone estimates therefore do not indicate the revenue gain to the Budget if a specific tax expenditure was abolished through policy change, as there may be significant changes in taxpayer behaviour.

Care needs to be taken when comparing tax expenditures with direct expenditures as they may measure different things. In addition, estimates from different editions of previously released Statements are generally not directly comparable, because of changes or modifications to—for example—benchmarks, individual tax expenditures, data used or modelling methodology.

Table A.4.1 lists the largest measured tax expenditures for 2024–25 and several personal deduction categories. It is derived from the 2024–25 TEIS and is based on economic parameters as at the publication of MYEFO. It does not include the impact of policy decisions, or changes in the economic outlook since then on tax expenditures. The TEIS is not a statement of policy intent.

The 2024–25 TEIS also contains distributional analysis on some features of the tax system, including deductions for individuals. The items in the deductions category are not tax expenditures so they do not result in forgone revenue against the benchmark. However, the difference between tax paid with the deduction and tax that would have been paid if the deduction was not claimed has been included in Table A.4.1 for comparison purposes.

Table A.4.1: Estimates of large measured tax expenditures and deductions

Tax type affected	Code	Title	Revenue forgone 2024-25 (\$m)*	Average growth 2020-21 to 2023-24 (%)	Average projected growth over FEs (%)
Positive tax expenditures and deductions					
Super	C2	Concessional taxation of employer superannuation contributions	29,150	14.2	4.1
CGT	E8	Main residence exemption – discount component	27,000	18.6	8.0
Deductions		Rental deductions	26,500	14.4	6.1
CGT	E7	Main residence exemption	24,500	18.0	7.7
CGT	E15	Discount for individuals and trusts	22,730	27.0	-3.4
Super	C4	Concessional taxation of superannuation earnings	22,200	6.2	13.0
Income	A26	Exemption for National Disability Insurance Scheme amounts	11,420	29.7	8.8
Deductions		Work-related expenses	11,300	10.6	3.7
GST	H25	Food	9,500	6.1	3.6
GST	H17	Health – medical and health services	5,400	5.0	6.5
GST	H14	Education	4,550	6.6	5.4
Income	A27	Exemption of Child Care Assistance payments	4,100	20.8	4.9
Income	B63	Lower tax rate for small companies	3,500	11.1	2.6
GST	H2	Financial supplies – input taxed treatment	3,500	3.7	4.5
FBT	D15	Exemption for public benevolent institutions (excluding hospitals)	2,950	11.5	3.1
Income	B11	Exemption from interest withholding tax on certain securities	2,930	11.5	0.3
Income	A20	Medicare levy exemption for residents with taxable income below the low-income thresholds	2,750	1.9	0.5
Income	A24	Concessional taxation of non-superannuation termination benefits	2,700	-5.5	N/A
Super	C6	Deductibility of life and total and permanent disability insurance premiums provided inside of superannuation	2,340	4.6	4.0
GST	H5	Child care services	2,330	11.2	5.0
Income	B1	Local government bodies income tax exemption	2,060	5.9	1.3
Super	C1	Concessional taxation of capital gains for superannuation funds	2,000	-15.5	11.0
Super	C3	Concessional taxation of personal superannuation contributions	1,800	20.0	3.1
Income	A39	Exemption of Family Tax Benefit payments	1,780	1.6	0.7

* For deductions, 'Revenue forgone' refers to the reduction in tax in relation to the specified income year due to the utilisation of deductions.

**Table A.4.1: Estimates of large measured tax expenditures and deductions
(continued)**

Tax type affected	Code	Title	Revenue forgone 2024-25 (\$m)*	Average growth 2020-21 to 2023-24 (%)	Average projected growth over FEs (%)
FBT	D11	Exemption for public and not-for-profit hospitals and public ambulance services	1,750	7.2	2.0
Income	A38	Exemption of certain income support benefits, pensions or allowances	1,700	2.6	-0.6
Other	F6	Concessional rate of excise levied on aviation gasoline and aviation turbine fuel	1,700	27.9	6.0
Income	A18	Exemption of the Private Health Insurance Rebate	1,600	0.0	2.3
GST	H18	Health – residential care, community care and other care services	1,600	4.1	6.6
Deductions		Cost of managing tax affairs and other deductions	1,600	7.2	4.4
Income	A57	Philanthropy – deduction for gifts to deductible gift recipients	1,515	35.6	-21.6
Income	B83	Capital works expenditure deduction	1,430	3.4	3.6
Income	A40	Exemptions of certain veterans' pensions, allowances or benefits, compensation, and particular World War II-related payments for persecution	1,380	20.2	-0.9
GST	H6	Water, sewerage and drainage	1,320	5.2	3.5
CGT	E32	Small business 50 per cent reduction	1,310	16.4	-4.2
Income	B12	Exemption of inbound non-portfolio distributions from income tax	1,120	5.1	-0.7
Income	B5	Reduced withholding tax under international tax treaties	1,080	15.4	8.6
Income	A32	Seniors and pensioners tax offset	1,050	25.7	-5.4
FBT	D21	Application of statutory formula to value car benefits	1,050	28.0	-2.0
Super	C12	Exemption for small business assets held for more than 15 years	1,020	33.1	-6.2
Negative tax expenditures and deductions					
Income	B82	Accelerated depreciation for business entities	-3,900	168.0	N/A
Income	B88	Simplified depreciation rules	-3,700	9.8	N/A
Other	F21	Customs duty	-2,130	5.4	-13.1
Other	F5	Luxury car tax	-1,170	11.0	2.0
Income	A21	Medicare levy surcharge	-1,100	24.8	4.5

* For deductions, 'Revenue forgone' refers to the reduction in tax in relation to the specified income year due to the utilisation of deductions.