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6 May 2015

IPA WELCOMES BACKDOWN ON 'GOOGLE TAX'

"The Abbott government's so-called 'Google Tax' would have been an unnecessary and damaging restraint on corporate investment in Australia," says Chris Berg, Senior Fellow with the free market think tank the Institute of Public Affairs.

"The decision not to go ahead with this new impost, reported in the *Australian Financial Review* today, is very welcome," says Mr Berg.

Mr Berg co-authored the Institute of Public Affairs' submission to the Senate Inquiry into Corporate Tax Avoidance with Professor Sinclair Davidson, a Senior Research Fellow with the Institute of Public Affairs.

"We have warned that the Google Tax resembled nothing more than the Rudd government's mining tax. It would have been extremely complicated, politically controversial, economically unjustifiable, and likely to raise little revenue," says Mr Berg.

"IPA research has demonstrated that multinational profit shifting is a vastly overstated problem. Policies which attempt to tackle profit shifting would only lower the Australian corporate investment climate."

"Rather than trying to extract more money from multinational firms, the Australian government should be looking at ways to make Australia a more attractive place to invest," says Mr Berg.

Mr Berg and Professor Davidson's submission to the Senate Inquiry into Corporate Tax Avoidance is available at: <http://ipa.org.au/publications/2328/submission-to-the-senate-inquiry-into-corporate-tax-avoidance>

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