

Tuesday June 20, 2017

Cuts to insurance duties a win for NSW small businesses

The Insurance Council of Australia (ICA) has welcomed the axeing of stamp duties on several small business insurance products in the New South Wales Government's 2017-18 State Budget.

From January 1 next year, small businesses with turnovers under \$2 million will no longer pay stamp duties on commercial vehicle insurance, professional indemnity insurance, or product and public liability insurance products.

ICA CEO Rob Whelan said: "NSW small businesses will get welcome financial relief from the removal of these stamp duties, which add up to 9 per cent to premiums.

"For some small businesses, insurance stamp duties add thousands of dollars to their expenses each year. Though small businesses will still pay stamp duties on other insurance products, the Government is moving in the right direction.

"Taxes on insurance are not only regressive and inefficient, they contribute to underinsurance and non-insurance by discouraging business owners and households from buying sufficient cover for their needs."

The Budget also scrapped stamp duties on crop and livestock insurance, and confirmed an earlier announcement it would remove stamp duties from lenders mortgage insurance.

Mr Whelan said: "The ICA will keep arguing for economic reforms that remove taxes on insurance, and make it more affordable for households and businesses to financially protect their assets."

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