The government's company tax cut for big business has received a further blow, with key crossbencher Tim Storer in a statement to the Senate questioning whether a reduction for all companies is fiscally prudent.

On Tuesday, the government was forced to defer its legislation when it failed to secure deals with Storer, an independent from South Australia, and Victorian senator Derryn Hinch – the final two votes it needed to pass the upper house.

It seems Hinch, who was negotiating on a range of trade-offs and issues, could have reached a deal that allowed a vote this week, the last sitting before the budget. But negotiations stalled when the government realised it could not win Storer in time. He is expressing fundamental doubts about the legislation, and it is unclear how future discussions with him will go.

Storer was elected to the Senate as a replacement for the Nick Xenophon Team's (NXT) Skye Kakoschke-Moore, who quit in the citizenship crisis. But by then he had resigned from the party after a falling out, and sits in the Senate as an independent.

The two NXT senators are opposing the cuts. The government has been making some overtures to them but their position seems solid.

Storer has an education in economics, including an MBA from the Australian National University. He speaks Mandarin, worked in Asia, and has run a business helping companies with trade and investment there.

He will be subjected to intense lobbying between now and budget week, when the government hopes to put the legislation to a vote.

The A$35 billion cut, the second tranche in the government's ten-year tax plan, covers companies with annual turnovers of more than $50 million. Legislation has already been passed to reduce tax for small- and medium-sized companies.

In his Wednesday statement, Storer said: “I have doubts that the decision to reduce company tax for all companies is prudent to undertake in the face of Australia’s budget deficit and debt. Even without this tax cut, I doubt our present tax system is sufficiently robust to support a medium-term fiscal strategy of budget surpluses, on average, over the course of the economic cycle.

"Importantly, I see the strength and timing of the effect of this proposed tax cut to be modest relative to its cost. With one of the highest rates of population growth in the developed world, I am mindful of other uses of government revenue that can generate prosperity and enhance fairness for the Australian people,” he said.

These included “well-targeted social and economic programs aimed at supporting businesses with R&D, innovation and industrial transformation; funding of world-class education and health systems; harnessing the contribution potential of our youth and ageing populations; reducing inequality, and investing in public infrastructure”.

Storer said he remained “to be convinced that I should support this bill in its current form, in isolation from a broader discussion and initiatives on enhancing the overall sustainability of our taxation system, and with alternative uses of government revenue that can generate prosperity and enhance fairness for the Australian people”.

Finance Minister Mathias Cormann, speaking on Sky, emphasised that the company tax cuts were paid for – “they are reflected in our budget bottom line”. He again warned that without the cut, Australian’s economy would be harmed, especially given the reduction in US company tax.

He said the government had made a lot of progress in the last fortnight, moving from 33 locked-in Senate votes to 37. But it would have liked to have passed the legislation this week and had “worked pretty hard at it”, he said.

Both he and Prime Minister Malcolm Turnbull reaffirmed the government would take the company tax cuts to the election if it can’t get the legislation through.

Michelle Grattan does not work for, consult, own shares in or receive funding from any company or organisation that would benefit from this article, and has disclosed no relevant affiliations beyond their academic appointment.

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