

# 2011-12 DESKTOP TAX RATES & TABLES

Updated as at 1 July 2011

## INDIVIDUAL RATES/MEDICARE LEVY

### RESIDENT TAX RATES – 2009-10

Taxable income \$	Tax payable \$
0 – 6,000	Nil
6,001 – 35,000	Nil + 15% of excess over 6,000
35,001 – 80,000	4,350 + 30% of excess over 35,000
80,001 – 180,000	17,850 + 38% of excess over 80,000
180,001 +	55,850 + 45% of excess over 180,000

### RESIDENT TAX RATES – 2010-11

Taxable income \$	Tax payable \$
0 – 6,000	Nil
6,001 – 37,000	Nil + 15% of excess over 6,000
37,001 – 80,000	4,650 + 30% of excess over 37,000
80,001 – 180,000	17,550 + 37% of excess over 80,000
180,001 +	54,550 + 45% of excess over 180,000

### MEDICARE LEVY – 1% SURCHARGE

Status (dependent children)	Surcharge threshold – adjusted taxable income and reportable fringe benefits
Single (no children)	\$73,000
Couple (no children)	\$146,000
Single/couple (with children)	\$146,000 (+ \$1,500 per child after 1st)

Surcharge is 1% of taxable income/reportable fringe benefits if taxpayer, spouse and all dependants are not covered by private hospital insurance and thresholds are exceeded. However, a member of a couple does not pay surcharge if his/her taxable income/reportable fringe benefits total does not exceed \$18,488 for 2009-10.

### MEDICARE LEVY – 2010-11 THRESHOLDS

The general rate of the Medicare levy is 1.5% of taxable income, subject to exclusions and reduced levy as per table below.

Taxpayer	No levy \$
<b>Individual:</b>	<b>18,488</b>
<b>Taxpayer with spouse and:</b>	<b>(family income)</b>
0 dependants	31,196
1 dependant	34,061
2 dependants	36,926
3 dependants	39,791
Each additional	2,865
<b>Pensioner below age pension age<sup>1</sup></b>	<b>27,697</b>
<b>Senior Australian<sup>2</sup></b>	<b>29,867</b>
Senior Australian w/spouse and 0 dependants	43,500
Senior Australian w/spouse and 1 dependant	46,365
Each additional dependant	2,865

<sup>1</sup> Entitled to pensioner tax offset.

<sup>2</sup> Entitled to SATO. Eligible seniors will not pay Medicare levy until they begin to incur an income tax liability.

## TAX OFFSETS/REBATES

### DEPENDANT/CONCESSIONAL REBATES – 2010-11

Taxpayer	Maximum rebate <sup>6</sup> \$	Maximum ATI <sup>5</sup> \$
Dependent spouse <sup>1,2</sup>	2,286 <sup>3</sup>	9,425
Child-housekeeper (no dep chd/stud) <sup>1</sup>	1,863 <sup>3</sup>	7,733
Child-housekeeper (with dep chd/stud) <sup>1</sup>	2,232 <sup>3</sup>	9,209
Invalid relative	839 <sup>3</sup>	3,637
Parent (of taxpayer or spouse)	1,676 <sup>3</sup>	6,985
Student (notional only) <sup>4</sup>	376 <sup>3</sup>	1,785
Child under 21 years (non-student)		
– first child (notional only) <sup>4</sup>	376 <sup>3</sup>	1,785
– each additional child (notional only) <sup>4</sup>	282 <sup>3</sup>	1,409
Sole parent (notional only) <sup>4</sup>	1,607	N/A
Housekeeper		
– no dependent child/student <sup>1</sup>	1,863	N/A
– with dependent child/student <sup>1</sup>	2,232	N/A

<sup>1</sup> Dependent spouse and housekeeper rebates generally not available for any part of the year during which taxpayer (or spouse) is eligible for Family Tax Benefit Part B, although they are notionally retained for calculating zone rebates/Medicare levy.

<sup>2</sup> Dependent spouse rebate is the same irrespective of whether the taxpayer has dependent children under 21 or students under 25. For calculating zone rebates/Medicare levy, the higher spouse (with dep) rebate (\$2,656) is notionally retained.

<sup>3</sup> Reduced by \$1 for every \$4 by which adjusted taxable income (ATI) of dependant exceeds \$282.

<sup>4</sup> Notionally retained for calculating zone rebates/Medicare levy.

<sup>5</sup> ATI of dependant at which rebate is reduced to zero.

<sup>6</sup> Spouse rebate not available if taxpayer's ATI exceeds \$150,000; child housekeeper, parent, parent-in-law and housekeeper rebates not available if combined ATI of taxpayer and spouse exceeds \$150,000.

### LOW INCOME TAXPAYERS – OFFSET

The low income taxpayer offset for 2010-11 is provided on assessment.

Taxable income (TI) \$	Rebate \$
0–30,000	1,500
30,001–67,499	1,500 – [(TI – \$30,000) x 4%]
67,500+	Nil

### HEALTH INSURANCE TAX OFFSET

Eligible before 1.1.99 under Private Health Insurance Incentives Act 1997?	Maximum tax offset <sup>1</sup> \$
No	30% x premium <sup>2</sup>
Yes	Greater of 30% x premium <sup>2</sup> or incentive amount for policy (see table below)

<sup>1</sup> If tax offset exceeds tax liability, excess is refundable to the taxpayer.

<sup>2</sup> Premiums must generally be paid within the income year to qualify (even if coverage extends beyond the income year). Rate based on oldest insured being less than 65 (35% for 65 to less than 70, 40% for 70 and over.)

### PRIVATE HEALTH INSURANCE – INCENTIVE AMOUNT

Persons covered	Incentive amount \$		
Cover	Ancillary	Hospital	Comb. Hosp/Anc.
Individual	25	100	125
Couple	50	200	250
Family (with children)	100	350	450

### MEDICAL EXPENSES OFFSET<sup>1</sup>

Where medical expenses paid during the tax year exceed \$1,500, net of reimbursements, offset is 20¢ for each \$1 in excess of \$1,500.

<sup>1</sup> This threshold is proposed to be increased to \$2,000 for 2010-11, and indexed thereafter.

### PENSIONERS TAX OFFSET

Status 2009-10 (2010-11 figures not avail. at time of going to press)	Maximum offset <sup>1</sup> \$	Shade-out threshold \$	Cuts out at \$
Below age pension age			
Single	2,518	22,787	42,931
Couple (each)	1,781	17,874	32,122
Couple (sep. due to illness)	2,364	21,760	40,672

<sup>1</sup> Offset entitlement reduces by 12.5% for each dollar of income above the threshold.

### SENIOR AUSTRALIAN TAX OFFSET

Status 2009-10	Maximum offset <sup>2</sup> \$	Shade-out threshold \$
Senior Australians <sup>1</sup>		
– Single	2,230	29,867
– Couple (each)	1,602	25,680

<sup>1</sup> Reached pension age and entitled to SATO or a veteran's pension.

<sup>2</sup> Offset entitlement reduces by 12.5% for each dollar of income above the threshold.

## SUPERANNUATION/TERMINATION

### SUPER GUARANTEE – QUARTERLY REGIME 2009-10+

Quarter ending	Employer contribution due	SGC statement and payment due <sup>1</sup>
30 September	28 October	28 November
31 December	28 January	28 February
31 March	28 April	28 May
30 June	28 July	28 August

<sup>1</sup> An employer can offset SGC against a "late" contribution made by the 28th day after the second month after the end of the quarter from 1 January 2006.

### SUPERANNUATION GUARANTEE – SUPPORT LEVELS

Year	Prescribed support	Year	Prescribed support
1997-98	6%	2000-02	8%
1998-00	7%	2003+	9%

Maximum contribution base for an individual employee for each quarterly contribution period is \$40,170 for 2009-10 (\$42,220 for 2010-11).

### ACCRUED LEAVE

Payment type	Assess-able portion	Maximum rate of tax <sup>1</sup>	
		Resignation, retirement payments	Redundancy, invalidity and early retirement scheme
<b>Long service leave</b>			
– Pre-16.8.78	5%	Marginal rate	Marginal rate
– 16.8.78 to 17.8.93	100%	30%	30%
– Post-17.8.93	100%	Marginal rate	30%
<b>Annual leave</b>			
– Pre-18.8.93	100%	30%	30%
– Post-17.8.93	100%	Marginal rate	30%

<sup>1</sup> Only applies to payments on termination. Table excludes Medicare levy.

### REDUNDANCY/EARLY RETIREMENT – 2010-11

Tax-free	\$8,126 + (\$4,064 x years of service)
Excess	Taxed as Employment Termination Payment

### SUPER CONTRIBUTIONS – 2010-11

Contributions above the annual contributions caps will be subject to excess contributions tax levied on the individual.

Type of contribution	Annual contribution cap – per person (\$)	Excess contributions tax (%)
Concessional	25,000 <sup>2,5</sup>	31.5 <sup>4</sup>
Non-concessional	150,000 <sup>3</sup>	46.5
TFN not quoted <sup>1</sup>	N/A	46.5

<sup>1</sup> Where a member's TFN has not been quoted to a super fund by 30 June each year, this "no-TFN contributions income" is taxed at 46.5% in the hands of the receiving fund. A super fund must return non-concessional contributions within 30 days where the member has not quoted a TFN.

<sup>2</sup> For those aged 50-74, a transitional contribution cap of \$50,000 p.a. applies. Excess concessional contributions also count towards the non-concessional contributions cap.

<sup>3</sup> Individuals under 65 may bring forward the non-concessional cap for the next two years (ie \$450,000 over three years).

<sup>4</sup> Excess concessional contributions tax of 31.5% is levied on the individual (on top of the original 15% contributions tax paid by the fund).

<sup>5</sup> Transitional concessional contributions cap cut to \$50,000 from 01.07.09 to 30.06.12 (not indexed).

### SUPERANNUATION LUMP SUMS – 2010-11

Age of recipient	Lump sum paid from taxed fund <sup>1</sup>	
	Tax-free component <sup>2</sup>	Taxable component <sup>3</sup>
60+	Tax-free <sup>5</sup>	Tax-free <sup>5,6</sup>
55 <sup>4</sup> -59	Tax-free <sup>5</sup>	0% - \$0-\$160,000 15% - \$160,001+
0-54 <sup>4</sup>	Tax-free <sup>5</sup>	20%

<sup>1</sup> Separate tax treatment applies for lump sums paid from an untaxed source (ie an element untaxed in fund) depending on the lump sum amount and recipient's age.

<sup>2</sup> Includes the crystallised pre-July 1983 segment, undeducted contributions, CGT-exempt component and contributions not included in fund's assessable income.

<sup>3</sup> Determined by subtracting tax-free component from total value of lump sum.

<sup>4</sup> Preservation age of 55 phasing to age 60 for those born after 1 July 1960.

<sup>5</sup> Non-assessable, non-exempt income (ie not counted in working out tax payable on taxpayer's other assessable income).

<sup>6</sup> Table excludes Medicare levy.

## EMPLOYMENT TERMINATION PAYMENTS – 2010-11

Age of recipient	Employment termination payment <sup>1</sup>	
	Tax-free component <sup>2</sup>	Taxable component <sup>3</sup>
55+	Tax-free	15% – \$0-\$160,000 45% – \$160,001+
0-54	Tax-free	30% – \$0-\$160,000 45% – \$160,001+

<sup>1</sup> Payment must be received within 12 months of taxpayer's termination of employment. Cannot be rolled over to a superannuation fund. Separate transitional rules apply where entitlement to termination payment established as at 9 May 2006 and payment made before 30 June 2012.

<sup>2</sup> Includes the pre-July 1983 segment and invalidity segment.

<sup>3</sup> Table excludes Medicare levy.

## SUPER CONTRIBUTIONS – SPOUSE REBATES

Spouse assessable income and reportable fringe benefits (SAI) <sup>3</sup> \$	Maximum rebateable contributions (MRC) \$	Maximum rebate \$ <sup>1</sup>
0 – 10,800	3,000	540 <sup>2</sup>
10,801 – 13,799	3,000 – [SAI – 10,800]	MRC x 18% <sup>1,2</sup>
13,800 +	Nil	Nil

<sup>1</sup> The rebate is not available if an employer deduction is allowed.

<sup>2</sup> The actual amount of the contribution x 18% will be the maximum rebate where it is less than these figures.

<sup>3</sup> Assessable income, reportable fringe benefits and reportable employer super contributions.

## PENSIONS AND ANNUITIES – % FACTORS 2010-11

Age of beneficiary	0-64	65-74	75-79	80-84	85-89	90-94	95+
Minimum annual drawdown <sup>1</sup>	4%	5%	6%	7%	9%	11%	14%

Pensions commenced under a transition to retirement income stream (age 55+) cannot withdraw more than 10% of the account balance in any one year. The tax-free segment is tax-free regardless of age of pensioner. Taxable component is tax-free from age 60, if paid from a taxed source (a 15% rebate applies for those aged 55-59).

## SUPER – GOVERNMENT CO-CONTRIBUTION – 2010-11

Adjusted taxable income (AI) <sup>3</sup> \$	Maximum govt co-contribution <sup>1,2</sup> \$
0 – 31,920	1,000
31,921 – 61,920	1,000 – [(AI – 31,920) x 0.0333]
61,921 +	Nil

<sup>1</sup> If amount payable < \$20, minimum payment = \$20.

<sup>2</sup> Permanent 100% matching rate announced in 2010 Federal Budget – no increase to 150% by 2014. Legislation not passed at time of going to press.

<sup>3</sup> Assessable income, reportable fringe benefits and reportable employer super contributions.

Government co-contribution (up to max \$1,000) is 100% of eligible personal superannuation contribution made to a complying super fund or RSA during income year. Reduced by 3.333¢ for each \$1 of income above \$31,920. Must be under age 71 and lodge a tax return.

## DEPRECIATION/CARS

### SMALL BUSINESS ENTITIES

Immediate deduction for depreciating assets costing less than \$1,000. Other depreciating assets pooled: general pool where effective life below 25 years; long life pool where effective life 25 years or more. Deduction (on diminishing value basis) is generally opening pool balance x pool rate (30% for general pool and 5% for long life pool). Half pool rate (ie 15% or 2.5%) for new acquisitions. Outright deduction where pool value is less than \$1,000 but more than \$0. Certain depreciating assets are excluded, eg buildings.

### SMALL BUSINESS TAX BREAK

A 50% temporary investment allowance equal to 50% of the cost of qualifying assets is available to small businesses that acquire new tangible depreciating assets which cost more than \$1,000. The eligible assets must have been acquired between 13 December 2008 and 31 December 2009 and the asset installed or ready for use by 31 December 2010. The temporary investment allowance is in addition to the normal depreciation deduction available to the taxpayer in respect of the assets.

Small business entities	
Installed by:	New investment by 31.12.09
30 June 2009	50% can be claimed in 2008-09
30 June 2010	50% can be claimed in 2009-10
31 December 2010	50% can be claimed in 2010-11

### UNIFORM CAPITAL ALLOWANCE SYSTEM

Amount equal to the decline in value of a post-30 June 2001 depreciating asset deductible. Decline in value calculated by reference to effective life of assets using DV or PC method. PC = 100% ÷ effective life. DV = 200% (150% for pre-10 May 2006 assets) ÷ effective life. Apportionment required in year of acquisition or disposal and where asset also used for non-taxable purpose. Pooling for low cost/low value (ie cost/value less than \$1,000) depreciating assets (18.75% in year of allocation, 37.5% p.a. thereafter). Pooling for "in-house software". Immediate deduction for non-business depreciating assets costing \$300 or less. Certain assets excluded from UCA system, eg buildings, certain primary production assets and some vehicles.

### GENERAL BUSINESS TAX BREAK

A temporary investment allowance is available to general businesses (who are not small business entities) of either 10% or 30% depending on the date the new asset is installed and ready for use. The temporary investment allowance available for new assets acquired, held under a contract or constructed between 13 December 2008 and 30 June 2009. These assets need to be installed and ready for use by 30 June 2010.

Qualifying assets acquired between 30 June 2009 and 31 December 2009 and installed or ready for use before 31 December 2010 are also eligible for the temporary investment allowance. The temporary investment allowance is in addition to the normal depreciation deduction available to the taxpayer.

### GENERAL (NON-SMALL BUSINESS ENTITY) TAXPAYERS

Installed by:	New investment by 30.6.09	New investment by 31.12.09
30 June 2009	30% can be claimed in 2008-09	
30 June 2010	30% can be claimed in 2009-10	10% can be claimed in 2009-10
31 December 2010	10% can be claimed in 2010-11	10% can be claimed in 2010-11

### CAR DEPRECIATION COST LIMIT – 2010-11

The 2010-11 motor vehicle depreciation cost limit is \$57,466.

### CAR EXPENSES – PER KILOMETRE RATES – 2009-10

Rotary engines	Conventional engines	Cents per km
0 – 800 cc	0 – 1,600 cc	63
801 – 1,300 cc	1,601 – 2,600 cc	74
1,301 cc +	2,601 cc +	75

### BUILDING WRITE-OFF

Type	Construction commenced	Rate %
Residential	18.7.85 – 15.9.87	4
	16.9.87 – 26.2.92	2.5
	27.2.92 onwards	2.5 or 4 <sup>1</sup>
Non-residential	20.7.82 – 21.8.84	2.5
	22.8.84 – 15.9.87	4
	16.9.87 – 26.2.92	2.5
	27.2.92 onwards	2.5 or 4 <sup>1</sup>

<sup>1</sup> A 4% rate applies to short-term traveller accommodation and industrial buildings commenced to be constructed after 26 February 1992. Structural improvements commenced to be constructed after 26 February 1992 also eligible for write-off.

### ACCELERATED DEPRECIATION RATES

Effective life (years)	Prime cost %	Diminishing value %
Less than 3	100	
3 to less than 5	40	60
5 to less than 6 <sup>2/3</sup>	27	40
6 <sup>2/3</sup> to less than 10	20	30
10 to less than 13	17	25
13 to less than 30	13	20
30 and over	7	10

Rates apply to post-26 February 1992 plant acquired before 11.45am AEST on 21 September 1999 and to plant acquired by small business after 11.45am AEST on 21 September 1999 and before 1 July 2001, but not to depreciating assets in the former STS. Rates do not apply to certain plant, eg cars, motor cycles and software. Post-30 June 2001 plant costing less than \$1,000 pooled and depreciated over four years – see above. Special pooling rules apply for small business entities.

### CPI NUMBERS

Qtr	CPI	Qtr	CPI	Qtr	CPI	Qtr	CPI
1985 Sep	71.3	1991 Dec	107.6	1998 Mar	120.3	2004 Jun	144.8
1985 Dec	92.7	1992 Mar	107.6	1998 Jun	121	2004 Sep	145.4
1986 Mar	74.4	1992 Jun	107.3	1998 Sep	121.3	2004 Dec	146.5
1986 Jun	75.6	1992 Sep	107.4	1998 Dec	121.9	2005 Mar	147.5
1986 Sep	77.6	1992 Dec	107.9	1999 Mar	121.8	2005 Jun	148.4
1986 Dec	79.8	1993 Mar	108.9	1999 Jun	122.3	2005 Sep	149.8
1987 Mar	81.4	1993 Jun	109.3	<b>1999 Sep</b>	<b>123.4</b>	2005 Dec	150.6
1987 Jun	82.6	1993 Sep	109.8	1999 Dec	124.1	2006 Mar	151.9
1987 Sep	84	1993 Dec	110	2000 Mar	125.2	2006 Jun	154.3
1987 Dec	85.5	1994 Mar	110.4	2000 Jun	126.2	2006 Sep	155.7
1988 Mar	87	1994 Jun	111.2	2000 Sep	130.9	2006 Dec	155.5
1988 Jun	88.5	1994 Sep	111.9	2000 Dec	131.3	2007 Mar	155.6
1988 Sep	90.2	1994 Dec	112.8	2001 Mar	132.7	2007 Jun	157.5
1988 Dec	92	1995 Mar	114.7	2001 Jun	133.8	2007 Sep	158.6
1989 Mar	92.9	1995 Jun	116.2	2001 Sep	134.2	2007 Dec	160.1
1989 Jun	95.2	1995 Sep	117.6	2001 Dec	135.4	2008 Mar	162.2
1989 Sep	97.4	1995 Dec	118.5	2002 Mar	136.6	2008 Jun	164.6
1989 Dec	99.2	1996 Mar	119	2002 Jun	137.6	2008 Sept	166.5
1990 Mar	100.9	1996 Jun	119.8	2002 Sep	138.5	2008 Dec	166.0
1990 Jun	102.5	1996 Sep	120.1	2002 Dec	139.5	2009 Mar	162.2
1990 Sep	103.3	1996 Dec	120.3	2003 Mar	141.3	2009 Jun	167.0
1990 Dec	106	1997 Mar	120.5	2003 Jun	141.3	2009 Sep	168.6
1991 Mar	105.8	1997 Jun	120.2	2003 Sep	142.1	2009 Dec	169.5
1991 Jun	106	1997 Sep	119.7	2003 Dec	142.8	2010 Mar	171.0
1991 Sep	106.6	1997 Dec	120	2004 Mar	144.1		

Note: Indexation is not relevant for CGT assets acquired after 11.45am AEST on 21 September 1999. Where a CGT event happens to an asset acquired before that date the taxpayer has a choice of paying tax on the net gain worked out using indexation frozen at 30 September 1999 or paying tax on 50% of the net capital gain without indexation. Companies not eligible for 50% CGT discount.

### FRINGE BENEFITS TAX

#### FBT RATE AND GROSS-UP FORMULA

Rate of fringe benefits tax for the year commencing 1 April 2010 is 46.5%.

Fringe benefit type	FBT gross-up rate
Type 1 – input tax credit available	2.0647
Type 2 – all other cases	1.8692

#### FBT – BENCHMARK INTEREST RATE

The statutory benchmark interest rate for the 2010-11 FBT year is 6.65% (5.85% for 2009-10 FBT year).

#### FBT – CAR STATUTORY PERCENTAGES

Total kilometres	Taxable value as % of original cost
0 – 14,999	26
15,000 – 24,999	20
25,000 – 40,000	11
Over 40,000	7

#### SHORTFALL INTEREST CHARGE

Period	SIC rate <sup>1</sup> %	Period	SIC rate <sup>1</sup> %
Oct-Dec 2009	6.30	Apr-Jun 2010	7.16
Jan-Mar 2010	6.95	Jul-Sep 2010	7.80

<sup>1</sup> GIC rate=SIC rate plus four percentage points.

### COMPANIES

#### TAX RATE 30% – 2001-02+<sup>1</sup>

<sup>1</sup> Reduction in company tax rate to 29% from the 2013-14 year and 28% for 2014-15 onwards announced as part of the government's response to the Henry Report. Reduction to 28% for eligible small business companies from 2012-13. No legislation introduced at time of going to press

### PRIVATE COMPANY LOANS – BENCHMARK INTEREST

Income year	Interest rate %
2010-11	7.40
2009-10	5.75
2008-09	9.45

### PAYG QUARTERLY INSTALMENTS<sup>1</sup>

Instalment	Deferred BAS payers <sup>2,3,4</sup>	Other quarterly payers <sup>3,4</sup>
1st instalment	28.10.10	21.10.10
2nd instalment	28.02.11	21.01.11
3rd instalment	28.04.11	21.04.11
4th instalment	28.07.11	21.07.11

<sup>1</sup> Applicable to 30 June balancers.

<sup>2</sup> Entities that report and pay GST on a quarterly basis or who are not registered for GST but are required to report another BAS obligation quarterly.

<sup>3</sup> Certain individuals pay only two instalments (due at end of 3rd and 4th instalment quarters).

<sup>4</sup> If due date falls on a Saturday, Sunday or public holiday, due date is next business day.

### PAYG ANNUAL INSTALMENTS – 2010-11 DUE DATES

30 June balancers – 21 October 2010. SAPs – 21st day of fourth month after end of year.



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