

TAX READY RECKONER 2010/2011



SUPERANNUATION MINIMUM PENSION FACTORS 2010/2011

Item	Age of Beneficiary	Percentage factor 2009/2010 & 2010/2011*	Standard Percentage Factors
1	Under 65	2	4
2	65 – 74	2.5	5
3	75 – 79	3	6
4	80 – 84	3.5	7
5	85 – 89	4.5	9
6	90 – 94	5.5	11
7	95 or more	7	14

There is no maximum limit (except for transition to retirement pensions – 10% maximum).

Existing allocated pensions will be allowed to transfer to the new rules without commutation or cashing the pension.

*The Government proposed on 30 June 2010 that the pension drawdown relief be continued in the 2010/2011 financial year. At the time of printing, the proposal had not yet been legislated.

SUPER - GOVERNMENT CO-CONTRIBUTIONS 2010/2011*

Super co-contribution is reduced by 3.33 cents for each \$1 of your total income over \$31,920. The super co-contribution phases out completely where your total income is \$61,920 or more.

Provided you are entitled to receive the super co-contribution, the minimum amount payable is \$20.

The formula for calculating the maximum super co-contribution amount is:

$\$1,000 - [(total\ assessable\ income + reportable\ employer\ super\ contributions + reportable\ fringe\ benefits) - \$31,920] \times 0.03333$

*Subject to royal assent at the time of publication.

DEPRECIATION

Small Business Entity (SBE)

Depreciable plant with a cost of \$1,000* or less	100% write off
Plant with an effective life of less than 25yrs (excl buildings)	Pooled at 30% DV or 15% DV in year 1
Plant with an effective life of greater than 25yrs (excl buildings)	Pooled at 5% DV or 2.5% DV in year 1

Non SBE Taxpayers (Other than individual not carrying on a business)

Depreciable plant with a cost of \$100 or less	100% write off
Depreciable plant with a cost of more than \$100 and less than \$1,000	Optional low cost pool at 37.5% or 18.75% in year 1
Depreciable plant with a cost of \$1,000 or more	Effective life rates

Individuals Not Carrying on a Business

Depreciable plant with a cost of \$300 or less	100% write off
Depreciable plant with a cost of more than \$300 & less than \$1,000	Low Cost Pool
Depreciable plant with a cost of \$1,000 or more	Effective life rates

*The Government proposed an increase to \$5,000 in the 2010 Federal Budget. At the time of printing this had not been legislated.

BUILDING ALLOWANCE

Type	Construction Commenced	Rate %
Residential	18/7/1985 - 15/9/1987	4
	16/9/1987 - 26/2/1992	2.5
	27/2/1992 onwards	2.5 or 4 ¹
Non-Residential	20/7/1982 - 21/8/1984	2.5
	22/8/1984 - 15/9/1987	4
	16/9/1987 - 26/2/1992	2.5
	27/2/1992 onwards	2.5 or 4 ¹

¹ 4% rate applies to short term traveller accommodation and industrial buildings commenced to be constructed after 26/2/1992. Structural improvements commenced to be constructed after 26/2/1992 also eligible for building allowance.

FRINGE BENEFITS TAX 2010/2011

Loan Fringe Benefits 2010/2011

Statutory interest rate	6.65%
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Car Parking Benefits 2010/2011

Car parking threshold	\$7.46 per day
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In-House Fringe Benefits

Reduction in taxable value	\$1000
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Calculation Methods and Rates 2010/2011

Taxable Income	Benefit for which employer not entitled to a GST input tax credit = value x 1.8692
	Benefit for which employer entitled to a GST input tax credit = value x 2.0647
	Value includes GST if paid.
FBT Rate	46.5%

Motor Vehicle Fringe Benefit Statutory Formula

Total Kilometres for Year	Statutory %
Less than 15,000	26
15,000 - 24,999	20
25,000 - 40,000	11
More than 40,000	7

DIVISION 7A BENCHMARK INTEREST RATE

Year of Income Ended 30 June...	%
2011	7.40
2010	5.75
2009	9.45

INVESTMENT ALLOWANCE

Cost > \$10,000	Purchased By	
Installed By	30 June 2009	31 December 2009
30 June 2009	30%	-
30 June 2010	30%	10%
31 December 2010	10%	10%

*Note that for small business entities the bonus tax deduction is 50% where the asset cost is greater than \$1,000.

PAYG WITHHOLDING

Classification	Total PAYG Obligation	Remittance Period	Remittance Day After Period
Small	< \$25,000	Quarterly	21st (if monthly GST) 28th (if quarterly GST)
Medium	\$25,000 to \$1,000,000	Monthly	21st (if monthly GST) 28th (if quarterly GST)
Large	> \$1,000,000	Weekly	Monday or Thursday

MEDICAL EXPENSES REBATE

Where medical expenses incurred during the tax year exceed \$1,500, net of reimbursements, rebate is 20c for each \$1 in excess of \$1,500. At the time of publication it was proposed that this limit be increased to \$2,000 from 1 July 2010.

QUEENSLAND STAMP DUTY 2010/2011

Transfer Duty Rates

Dutiable Value	Tax Thereon	Duty Rate on Excess
5,000	0	\$1.50 for each \$100 or part thereof
75,000	1,050	\$3.50 for each \$100 or part thereof
540,000	17,325	\$4.50 for each \$100 or part thereof
980,000	37,125	\$5.25 for each \$100 or part thereof

Mortgage Duty Rates - Abolished in full from 1 July 2008.

Duty on Queensland Marketable Securities - has been abolished from 1 January 2007 in Queensland.

QUEENSLAND PAYROLL TAX 2010/2011

Exemption Threshold - \$1,000,000 **Rate** - 4.75%



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Level Five, 175 Eagle Street Brisbane 4000
PO Box 7095 Brisbane 4001 Queensland Australia

P +61 7 3023 1300 | F +61 7 3229 1227
info@pilotpartners.com.au | www.pilotpartners.com.au

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Figures correct as at 30 June 2010

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TAX RATES - INDIVIDUALS

Years ended 30 June 2010 and 30 June 2011

RESIDENT TAX RATES 2009 - 2010			NON-RESIDENT TAX RATES 2009 - 2010		
Taxable Income \$	Tax Thereon \$	% Tax on Excess	Taxable Income \$	Tax Thereon \$	% Tax on Excess
6,000	0	15	0	0	29
35,000	4,350	30	35,000	10,150	30
80,000	17,850	38	80,000	23,650	38
180,000	55,850	45	180,000	61,650	45

RESIDENT TAX RATES 2010 - 2011			NON-RESIDENT TAX RATES 2010 - 2011		
Taxable Income \$	Tax Thereon \$	% Tax on Excess	Taxable Income \$	Tax Thereon \$	% Tax on Excess
6,000	0	15	0	0	29
37,000	4,650	30	37,000	10,730	30
80,000	17,550	37	80,000	23,630	37
180,000	54,550	45	180,000	60,630	45

Medicare Levy – 1.5% of taxable income. Not applicable for Non-residents.

Medicare Levy Surcharge – Medicare levy increases by 1% for individuals with taxable income, reportable employer superannuation contributions and reportable fringe benefits of more than \$77,000, (\$154,000 for couples and families) who do **not** have private patient hospital insurance. The family income threshold is increased by \$1,500 for each dependent child after the first. This threshold applies from 1 July 2010.

TAX RATES - CHILDREN (RESIDENTS)

Except for certain personal exertion income (e.g. wages), the unearned income of most children (under 18) will be taxed at the following rates (ignoring any low income rebates):

Taxable Income	Tax Payable
0 - \$416	Nil
\$417 - \$1,307	Nil + 66% of excess over \$417
\$1,308 and over	45% of entire amount

Where a child under 18 years of age earns income from personal exertion (e.g. a part-time job), that income will be subject to the normal individual tax rates.

Trust distributions of up to the following amounts may be paid to a beneficiary under 18 years of age with no tax being payable on the trust distribution provided the child has no other income.

Financial Year	\$
2008/2009	2,667
2009/2010	3,000
2010/2011	3,333

MOTOR VEHICLE DEDUCTIONS

Cents per kilometre rates for 2009/2010

Conventional Engine	Rotary Engine	Rate/km
0 - 1,600cc	0 - 800cc	63
1,601 - 2,600cc	801 - 1,300cc	74
2,601cc and over	1,301cc and over	75

These rates are used to claim motor vehicle expenses on a cents per kilometer basis where business kilometers are less than 5,000km, or for travel over 5,000km where the claim is limited to 5,000km. The rates for 2010/2011 were not available at the time of printing.

Luxury Cars for 2010/2011

Depreciation limit is \$57,466 (\$57,180 for 2009/2010).

Leases of cars costing more than \$57,466 will be regarded as loans whereby depreciation and interest will be tax deductible rather than lease payments. The fuel-efficient car limit for 2010/2011 is \$75,375.

HELP/HECS REPAYMENT THRESHOLDS FOR 2010 AND 2011

HELP repayment income 2009-2010	Percentage rate to be applied to HELP repayment income	HELP repayment income 2010-2011	Percentage rate to be applied to HELP repayment income
Below \$43,151	Nil	Below \$44,912	Nil
\$43,151 - \$48,066	4.0%	\$44,912 - \$50,028	4.0%
\$48,067 - \$52,980	4.5%	\$50,029 - \$55,143	4.5%
\$52,981 - \$55,764	5.0%	\$55,144 - \$58,041	5.0%
\$55,765 - \$59,943	5.5%	\$58,042 - \$62,390	5.5%
\$59,944 - \$64,919	6.0%	\$62,391 - \$67,570	6.0%
\$64,920 - \$68,336	6.5%	\$67,571 - \$71,126	6.5%
\$68,337 - \$75,203	7.0%	\$71,127 - \$78,273	7.0%
\$75,204 - \$80,136	7.5%	\$78,274 - \$83,407	7.5%
\$80,137 and above	8.0%	\$83,408 and above	8.0%

* HELP repayment income includes total net investment losses, reportable fringe benefits, reportable superannuation contributions and exempt foreign employment income.

COMPANIES & SUPERANNUATION FUNDS 2010/2011 RATES

Company Tax Rate -	30%
Superannuation Fund Tax Rate -	15%
Superannuation Guarantee Rate -	9%

EMPLOYMENT TERMINATION PAYMENTS (Life Benefit Termination Payment)

Age at last day of the income year in which the payment was made	Amount	Taxable Component Maximum Rate %*
Under preservation age	Up to \$160,000	30
	Over \$160,000	TMR**
Preservation age and over	Up to \$160,000	15
	Over \$160,000	TMR**

*Table excludes Medicare levy. ** TMR = Top marginal rate

Note – the payment must be received within 12 months of the termination to be eligible as an ETP.

The taxable component is the ETP less the tax free component.

The tax free component consists of the invalidity component and the pre-July 1983 component of the payment.

REDUNDANCY PAYMENTS 2010/2011

Maximum tax free is \$8,126 plus \$4,064 for each year of service.

ANNUAL SUPERANNUATION CONTRIBUTIONS LIMITS 2010/2011

Excess contributions tax (at the top marginal rate) will be levied on the individual member where either concessional contributions (contributions from a taxed source) or non concessional contributions (previously undeducted contributions) **from all sources** exceed the contributions limits shown below:

Contribution Type	Annual Limit
Concessional	\$25,000 or *\$50,000 (to 1 July 2012) for those aged 50 or older
Non concessional	\$150,000 or \$450,000 over a three year period (brought forward)**

* Government announced changes in the 2010 Federal Budget to allow those over age 50 with less than \$500,000 in super to make up to \$50,000 of concessional contributions after 1 July 2012. These changes have not been legislated at the time of printing.

** The \$450,000 bring forward can only be used by members under the age of 65.

SPOUSE CONTRIBUTIONS

Spouse's Assessable Income*	Maximum Rebateable Contributions (MRC)	Maximum Rate
0 - \$10,800	\$3,000	Lesser of actual or \$3,000 x 18%
\$10,801 - \$13,799	\$3,000 - (Spouse income* - \$10,800)	Lesser of actual or MRC x 18%
\$13,800 and over	0	0

*Spouse income includes reportable fringe benefits and reportable superannuation contributions.

SUPER GUARANTEE - QUARTERLY REGIME 2010/2011

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

Maximum quarterly contribution base (above which compulsory 9% employer contributions are not required) - \$42,220.

Compulsory superannuation guarantee contributions cease at age 70*.

*Government announced in the 2010 Federal Budget, changes to increase the age to 75. These changes have not been legislated at the time of printing.

PERSONAL SUPERANNUATION CONTRIBUTIONS 2010/2011

Age	Personal Contributions	Employment condition
<18	Permitted	Must have worked 10 hours per week
19-65	Permitted	
66-74	Permitted	Part-time basis ¹
75+	Not Permitted	

¹At least 40 hours in period of not more than 30 consecutive days of the year.

SUPERANNUATION WITHDRAWALS 2010/2011

Age	Cashing of Benefits	Exemptions
<55	Not Permitted	<ul style="list-style-type: none"> Death Permanent Incapacity Severe Financial Hardship Compassionate grounds
56 - 59	Not Permitted	<p>Permitted to cash benefits where:</p> <ul style="list-style-type: none"> Their preservation age is less than 60; An arrangement under which they are "gainfully employed" has ended; and The trustee is satisfied that the member intends never again to become gainfully employed, either part time or full time; OR Any exemptions listed above are satisfied; OR Under a transition to retirement pension.
60 - 64	Not Permitted	<p>Permitted to cash benefits where:</p> <ul style="list-style-type: none"> An arrangement under which the member was gainfully employed is terminated (even if the person subsequently enters gainful employment again). OR Any exemptions listed above are satisfied; OR Under a transition to retirement pension.
65+	Permitted	

Age	Taxation of Benefits
<55	Withdrawal not generally permitted
56 - 59	Taxed element
	<p>Lump sum:</p> <ul style="list-style-type: none"> 0% up to \$160,000 15% > \$160,000 <p>Pension:</p> <ul style="list-style-type: none"> MTR* with 15% tax offset
	<p>Untaxed element</p> <p>(Generally only relevant for people who have been a member of certain public sector funds or schemes)</p> <p>Lump sum:</p> <ul style="list-style-type: none"> 15% up to \$160,000 30% \$160,000 to \$1,155,000 TMR** > \$1,155,000 <p>Pension:</p> <ul style="list-style-type: none"> Marginal tax rate
60+	Taxed element
	<p>No tax on lump sum or pension payments.</p> <p>Untaxed element</p> <p>(Generally only relevant for people who have been a member of certain public sector funds or schemes)</p> <p>Lump sum:</p> <ul style="list-style-type: none"> 15% up to \$1,155,000 TMR > \$1,155,000 <p>Pension:</p> <ul style="list-style-type: none"> MTR – 10% offset available

* MTR – Marginal tax rate

** TMR – Top marginal rate of tax

*** Table excludes Medicare levy

DEATH BENEFITS PAID FROM SUPERANNUATION - TAXATION OF BENEFITS

Age of deceased	Age of Recipient	Taxable component paid to a dependant	Taxable component paid to a non-dependant
Any Age	Lump Sum	Any Age	Tax Free
<60	Income Stream	<60	Taxed in fund - 15% tax offset
		>60	Taxed in fund - tax free
			Untaxed in fund - MTR with 15% tax offset
			Untaxed in fund - MTR
			N/A - income streams are not able to be commenced by non-dependants from 1 July 2007. Existing income streams to non-dependants will be taxed as if to a dependant.
			As above
60+	Income Stream	Any Age	Taxed in fund - tax free
			Untaxed in fund - MTR with 10% tax offset
			Untaxed in fund - MTR with 10% tax offset

* MTR – Marginal tax rate

** Tax free component is always tax free

*** Table excludes Medicare levy