



YOUR BUSINESS NAVIGATOR

TAX READY RECKONER 2015 / 2016



Chartered Accountants

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MOTOR VEHICLE DEDUCTIONS

Cents per Kilometre Rates for 2014-2015

Rates per business km for 2014-2015			
Type of Car	Engine Capacity - Non-rotary Engine (cc)	Engine Capacity - Rotary Engine (cc)	Kilometre Rate (cents)
Small car	0 - 1,600	0 - 800	65
Medium car	1,601 - 2,600	801 - 1,300	76
Large car	2,601 and over	1,301 and over	77

These rates are used to claim motor vehicle expenses on a cents per kilometre basis where business kilometres are less than 5,000 km, or for travel over 5,000 km where the claim is limited to 5,000 km.

*It is proposed that a standard rate of 66cents will apply from 1 July 2015. This measure is subject to legislation being passed at the time of printing.

Luxury Cars

Financial Year	Depreciation limit
2014/2015	\$57,466
2015/2016	\$57,466

Leases of cars costing more than the depreciation limit will be regarded as loans where by depreciation and interest will be tax deductible rather than lease payments. The Luxury Car Tax threshold and fuel-efficient car limit for 2015/2016 are \$63,184 and \$75,375 respectively.

QUEENSLAND TRANSFER DUTY

Dutiable Value \$	Tax Thereon \$	Duty Rates 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
1,000,000	38,025	\$5.75 for each \$100 or part thereof

QUEENSLAND PAYROLL TAX

Exemption Threshold - \$1,100,000

Rate - 4.75%



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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*
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*

*4% rate applies to short term traveler accommodation and industrial buildings where construction commenced after 26/2/1992. Structural improvements that commenced after 26/2/1992 are also eligible.

FRINGE BENEFITS TAX

	1 April 2015 - 31 March 2016
Benchmark Interest Rate - Loan fringe benefits Deemed interest for operating cost method for car benefits	5.65%
Car Parking Benefits - Car parking threshold	\$8.37 per day
In-House Fringe Benefits - Reduction in taxable value	\$1,000

Calculation rates	1 April 2014 - 31 March 2015	1 April 2015 - 31 March 2016
Gross up rates	Benefit for which employer not entitled to a GST input tax credit - 1.8868 Benefit for which employer entitled to a GST input tax credit - 2.0802 Value includes GST if paid.	Benefit for which employer not entitled to a GST input tax credit - 1.9608 Benefit for which employer entitled to a GST input tax credit - 2.1463 Value includes GST if paid.
FBT rate	47%	49%

Car Fringe Benefit Statutory Formula Rates 2015/2016

	Existing contracts at 10 May 2011	Contracts entered into or altered after 10 May 2011
Annualised Kilometres	Statutory %	Statutory %
Less than 15,000	26	20
15,000 - 24,999	20	20
25,000 - 40,000	11	20
More than 40,000	7	20

DIVISION 7A BENCHMARK INTEREST RATE

Year of Income Ended 30 June...	%
2016	5.45
2015	5.95
2014	6.20

SUPERANNUATION MINIMUM PENSION FACTORS

Age of Beneficiary	Standard Percentage Factors %
Under 65	4
65-74	5
75-79	6
80-84	7
85-89	9
90-94	11
95 or more	14

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

SUPERANNUATION - GOVERNMENT CO-CONTRIBUTIONS

Year of Entitlement	Maximum Entitlement \$	Matching Rate %	Lower Threshold \$	Higher Threshold \$	Reduction Threshold %
2014/2015	500	50	34,488	49,488	3.333
2015/2016	500	50	35,454	50,454	3.333

SUPERANNUATION - LOW-INCOME EARNERS REBATE

Maximum Entitlement \$	Adjustable Taxable Income Threshold \$	Rebate Amount
500	37,000	15% of concessional contributions

DEPRECIATION

Small Business Entities	
Depreciable plant with a cost of \$20,000 or less acquired between 13 May 2015 and 30 June 2017	100% write off
Depreciable plant with a cost of \$1,000 or less acquired between 1 January 2014 and 12 May 2015	100% write off
All other depreciable plant	Optional general small business pool at 30% (15% in year 1)
Non Small Business Entities	
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% (18.75% in year 1)
Depreciable plant with a cost of more than \$1,000	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 and less than \$1,000	Optional low cost pool at 37.5% or 18.75% in year 1
Depreciable plant with a cost of more than \$1,000	Effective life rates

TAX RATES - INDIVIDUALS

RESIDENT TAX RATES 2014/2015 & 2015/2016		
Taxable Income \$	Tax Thereon \$	Tax on Excess %
18,200	0	19
37,000	3,572	32.5
80,000	17,547	37
180,000	54,547	47

* The above rates do not include the Medicare levy.

**The above rates include the Temporary Budget Repair Levy.

NON-RESIDENT TAX RATES 2014/2015 & 2015/2016		
Taxable Income \$	Tax Thereon \$	Tax on Excess %
0	0	32.5
80,000	26,000	37
180,000	63,000	47

*The above rates include the Temporary Budget Repair Levy.

MEDICAL EXPENSES

Medicare Levy - 2% of taxable income for 2015/2016. Not applicable for non-residents.
Medicare Levy Surcharge - Medicare levy surcharge for individuals who do not have private patient hospital insurance and have income for Medicare levy surcharge purposes of more than the following:

Income Bracket	2015 / 2016			
Singles	\$90,000 or less	\$90,001- \$105,000	\$105,001- \$140,000	\$140,001 or more
Families*	\$180,000 or less	\$180,001- \$210,000	\$210,001- \$280,000	\$280,001 or more
Medicare Levy Surcharge				
Rates	0%	1%	1.25%	1.5%

Medical Expenses Tax Offset - 2014/2015

Offset Rate	20%	10%	10%	10%
Expenses must exceed	\$2,218	\$5,233	\$5,233	\$5,233

*The family income threshold is increased by \$1,500 for each dependant child after the first.

** **Medical Expenses Tax Offset** - Only available for people who claimed the offset in 2012/2013 and 2013/2014. This will be the last year for claims other than for disability aids, attendant care or aged care expenses - these can be made until 30 June 2019.

LOW INCOME TAX OFFSET ("LITO")

Amount	\$445
LITO begins to be reduced at	\$37,000
You are no longer eligible for LITO at	\$66,667
Withdrawal rate	1.5%

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 - 1,445	66% of excess over \$416
1,446 and over	47% of entire amount

This means that the effective tax free-threshold for unearned income is \$416.

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.

HELP/HECS REPAYMENT THRESHOLDS

HELP Repayment income 2014/2015 \$	Rate to be Applied to HELP Repayment Income %	HELP Repayment income 2015/2016 \$	Rate to be Applied to HELP Repayment Income %
Below 53,345	Nil	Below 54,126	Nil
53,345 - 59,421	4	54,126 - 60,292	4
59,422 - 65,497	4.5	60,293 - 66,456	4.5
65,498 - 68,939	5	66,457 - 69,949	5
68,940 - 74,105	5.5	69,950 - 75,190	5.5
74,106 - 80,257	6	75,191 - 81,432	6
80,258 - 84,481	6.5	81,433 - 85,718	6.5
84,482 - 92,970	7	85,719 - 94,331	7
92,971 - 99,069	7.5	94,332 - 100,519	7.5
99,070 and above	8	100,520 and above	8

HELP repayment income includes taxable income plus any total net investment loss (which includes net rental losses), total reportable fringe benefits amounts, reportable employer superannuation contributions and exempt foreign employment income.

Legislation to remove the 5% discount for voluntary repayments to the Australian Taxation Office of a HELP debt made after 1 January 2014 has still not been passed at the time of printing.

COMPANIES & SUPERANNUATION FUNDS

	2014/15	2015/16
Company Tax Rate (aggregated turnover greater than \$2m)	30%	30%
Company Tax Rate (aggregated turnover less than \$2m)	30%	28.5%
Superannuation Fund Tax Rate	15%	15%

Superannuation Guarantee Rate: 9.5%

EMPLOYMENT TERMINATION PAYMENTS (LIFE BENEFIT TERMINATION PAYMENT)

2014/2015			2015/2016		
Age at last day of the income year in which the payment was made	Amount \$	Taxable Component Maximum Rate %**	Age at last day of the income year in which the payment was made	Amount \$	Taxable Component Maximum Rate %**
Under preservation age	Up to \$185,000	30	Under preservation age	Up to \$195,000	30
	Over \$185,000	TMR*		Over \$195,000	TMR*
Preservation age and over	Up to \$185,000	15	Preservation age and over	Up to \$195,000	15
	Over \$185,000	TMR*		Over \$195,000	TMR*

*TMR = Top marginal rate

** Table excludes Medicare levy

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.

Only the part of an ETP that takes a person's total annual taxable income (including the ETP) to no more than \$180,000 will receive the ETP tax offset. The tax free component consists of the invalidity component and the pre-July 1983 component of the payment.

TAX FREE EARLY RETIREMENT AND GENUINE REDUNDANCY PAYMENTS

Tax free amount	2014/2015	2015/2016
Base limit	\$9,514	\$9,780
For each complete year of service	\$4,758	\$4,891

ANNUAL SUPERANNUATION CONTRIBUTIONS LIMITS

Contribution Type	Annual Limit
	2014 & 2015/2016
Concessional (under 49 years)	\$30,000
Concessional (aged 49 years or over)	\$35,000
Non concessional	\$180,000 or \$540,000 over a three year period (brought forward)*
Tax rate on concessional contributions - income exceeds \$300,000	30%
Tax rate on concessional contributions - income under \$300,000	15%

* The \$540,000 bring forward option can only be used by members under the age of 65 on 1 July.

SPOUSE CONTRIBUTIONS

Total of 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%

* Includes reportable fringe benefits and reportable employer superannuation contributions.

PRESERVATION AGES

Date of Birth	Preservation Age	Earliest Period Withdrawals Allowed*
Before 1 July 1960	55	Withdrawals allowed now
1 July 1960 - 30 June 1961	56	1 July 2016 - 30 June 2017
1 July 1961 - 30 June 1962	57	1 July 2018 - 30 June 2019
1 July 1962 - 30 June 1963	58	1 July 2020 - 30 June 2021
1 July 1963 - 30 June 1964	59	1 July 2022 - 30 June 2023
From 1 July 1964	60	1 July 2024 - 30 June 2025

* Withdrawals only permitted where a condition of release is satisfied. See 'Superannuation Withdrawals'.

SUPERANNUATION GUARANTEE - QUARTERLY REGIME

Quarterly super contribution base above which compulsory employer contributions are not required in 2015/2016: **\$50,810**.

PERSONAL SUPERANNUATION CONTRIBUTIONS

Age	Personal Contributions	Employment Condition
<65	Permitted	
65 - 74	Permitted	Part-time basis*
75+	Not Permitted	

*At least 40 hours of paid work in a period of not more than 30 consecutive days of the financial year.

SUPERANNUATION WITHDRAWALS

Age	Cashing of Benefits	Exemptions
Under preservation age	Not Permitted	<ul style="list-style-type: none"> Death Temporary or permanent incapacity Severe financial hardship Compassionate grounds Terminal medical condition Temporary residents leaving Australia permanently
At or above preservation age and under 60	Not Permitted	<ul style="list-style-type: none"> An arrangement under which "gainful employment" has ended; AND Trustee is satisfied that the member intends never again to become "gainfully employed" for at least 10 hours a week in the future; OR Any exemptions listed above are satisfied; OR Under a transition to retirement pension.
60 - 64	Not Permitted	<ul style="list-style-type: none"> An arrangement under which "gainful employment" is terminated (even if the person subsequently enters "gainful employment" again); OR Any exemptions listed above are satisfied.
65+	Permitted	

Age	Type of Benefit	Taxation Implications
Under preservation age		Withdrawal generally not permitted
At or above preservation age and under 60	Taxed element	Lump sum: 0% up to \$195,000 Lower of MTR* or 15% > \$195,000 Pension: MTR* with 15% tax offset
	Untaxed element (Generally only relevant for people who have been a member of certain public sector funds or schemes)	Lump sum: Lower of MTR* or 15% up to \$195,000 Lower of MTR* or 30% \$195,000 - \$1,395,000 TMR** > \$1,395,000 Pension: MTR*
60+	Taxed element	No tax on lump sum or pension payments.
	Untaxed element (Generally only relevant for people who have been a member of certain public sector funds or schemes)	Lump sum: Lower of MTR* or 15% up to \$1,395,000 TMR *** > \$1,395,000 Pension: MTR* with 10% tax offset available

*MTR - Marginal Tax Rate **TMR - Top Marginal Rate *** Table excludes Medicare levy

TAXATION OF DEATH BENEFITS PAID FROM SUPERANNUATION

Age of Deceased	Type of Payment	Age of Recipient	Taxable Component Paid to a Dependant	Taxable Component Paid to a Non-Dependant
Any Age	Lump Sum	Any Age	Tax Free	Taxed in fund - 15% Untaxed in fund - 30%
<60	Income Stream	<60	Taxed in fund - MTR* with 15% tax offset Untaxed in fund - MTR*	N/A
Any Age	Income Stream	60+	Taxed in fund - tax free Untaxed in fund - MTR* with 10% tax offset	N/A
60+	Income Stream	Any Age	Taxed in fund - tax free Untaxed in fund - MTR with 10% tax offset	N/A

*MTR - Marginal Tax Rate ** Tax free component is always tax free *** Table excludes Medicare levy