



TAX READY RECKONER 2019/2020



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TAX RATES - ADULTS		
Resident Tax Rates 2018/2019		
Taxable Income \$	Tax Thereon \$	Tax on excess %
18,200	0	19
37,000	3,572	32.5
90,000	20,797	37
180,000	54,097	45
Resident Tax Rates 2019/2020		
Taxable Income \$	Tax Thereon \$	Tax on excess %
18,200	0	19
37,000	3,572	32.5
90,000	20,797	37
180,000	54,097	45
Non-Resident Tax Rates 2018/2019		
Taxable Income \$	Tax Thereon \$	Tax on excess %
0	0	32.5
90,000	29,250	37
180,000	62,550	45
Non-Resident Tax Rates 2019/2020		
Taxable Income \$	Tax Thereon \$	Tax on excess %
0	0	32.5
90,000	29,250	37
180,000	62,550	45

* The above rates do not include the Medicare levy (2% of taxable income. Not applicable for non-residents or those not entitled to Medicare benefits).

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 offsets):

Resident Tax Rates 2018/2019	
Taxable Income \$	Tax on excess %
0 - 416	Nil
417 - 1,307	66% of excess over \$416
1,308 and over	45% of entire amount

Income from personal exertion (e.g. a part-time job) will be subject to the normal individual tax rates.

MEDICARE LEVY

Medicare Levy - 2% of taxable income. Not applicable for non-residents or those not eligible for Medicare benefits.

Medicare Levy Surcharge - for individuals who do not have private patient hospital insurance and earn above a certain income (for Medicare Levy Surcharge purposes), per the following table.

MEDICARE LEVY				
Income Bracket	2018/2019 & 2019/2020			
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%	31.5%

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

HELP/HECS REPAYMENT THRESHOLDS

Non-Resident Tax Rates 2018/2019		
HELP Repayment income 2018/2019 \$	HELP Repayment income 2019/2020 \$	Rate to be Applied to HELP Repayment Income %
Below 51,957	Below 45,880	Nil
	45,881 - 52,973	1
51,957 - 57,729	52,974 - 56,151	2
	56,152 - 59,521	2.5
	59,522 - 63,092	3
	63,093 - 66,877	3.5
57,730 - 64,306	66,878 - 70,890	4
64,307 - 70,881	70,891 - 75,144	4.5
70,882 - 74,607	75,145 - 79,652	5
74,608 - 80,197	79,653 - 84,432	5.5
80,198 - 86,855	84,433 - 89,498	6
86,856 - 91,425	89,499 - 94,868	6.5
91,426 - 100,613	94,869 - 100,560	7
100,614 - 107,213	100,561 - 106,593	7.5
107,214 and above	106,594 - 112,989	8
	112,990 - 119,769	8.5
	119,770 - 126,955	9
	126,956 - 134,572	9.5
	134,573 and above	10

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.

Those leaving Australia to live overseas for more than 6 months are required to register with the ATO. Repayments will be calculated against overseas income for non-residents.

MOTOR VEHICLES

Cents per Kilometre Rate

A standard rate of 68 cents/km applies for the 2020 tax year. This rate is 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.

Luxury Cars

Financial Year	Car (depreciation) limit \$	Luxury Car Tax threshold	
		Fuel-efficient vehicles \$	Other vehicles \$
2018/2019	57,581	75,526	66,331
2019/2020	57,581	75,526	67,525

Leases of cars costing more than the depreciation limit will be regarded as loans whereby depreciation and interest will be tax deductible rather than lease payments.

GST input tax credit claims for cars are generally capped at 1/11th of the car limit (\$5,235 in 2020).

COMPANY TAX RATES		
	2018/2019 %	2019/2020 %
Company passes the base rate entity passive income test and aggregated turnover less than \$50 million	27.5	27.5
Fails one of the above	30	30

The carrying on a business test has been replaced with an 80% passive income test effective from 1 July 2017.

EMPLOYMENT TERMINATION PAYMENTS (LIFE BENEFITS TERMINATION PAYMENT)

Age at last day of the income year in which the payment was made	Amount 2018/2019 \$	Amount 2019/2020 \$	Taxable Component Maximum Rate # ^ %
Under preservation age	Up to \$205,000	Up to \$210,000	30
	Over \$205,000	Over \$210,000	TMR*
Preservation age and over	Up to \$205,000	Up to \$210,000	15
	Over \$205,000	Over \$210,000	TMR*

* TMR = Top Marginal Rate

Table excludes Medicare levy

^ For certain ETPs (non-excluded), only the part of the 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 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.

TAX FREE EARLY RETIREMENT & GENUINE REDUNDANCY PAYMENTS

Tax free amount	2018/2019 \$	2019/2020 \$
Base limit	10,399	10,638
For each complete year of service	5,200	5,320

DEPRECIATION

Small Business Entities *	
Depreciable plant with a cost of: • \$20,000 or less acquired between 13 May 2015 and 30 June 2020 • \$25,000 or less acquired between 29 January 2019 and 30 June 2020 • \$30,000 or less acquired between 2 April 2019 to 30 June 2020	100% write off
All other depreciable plant	Optional general small business pool at 30% (15% in year 1)
Other Business Entities	
Depreciable plant with a cost of \$30,000 or less acquired between 2 April 2019 to 30 June 2020	100% write off (for businesses with under \$50m aggregated turnover)
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 value pool at 37.5% (18.75% in year 1) , otherwise effective life rates
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 value pool at 37.5% (18.75% in year 1) , otherwise effective life rates
Depreciable plant with a cost of more than \$1,000	Effective life rates

* < \$10m aggregated turnover

DIVISION 7A BENCHMARK INTEREST RATE

Year of Income Ended 30 June	%
2020	5.37
2019	5.20
2018	5.30

FRINGE BENEFITS TAX		
	1 April 2018 – 31 March 2019	1 April 2019 – 31 March 2020
Benchmark Interest Rate – Loan fringe benefits, Deemed interest for operating cost method for car benefits	5.20%	5.37%
Car Parking Benefits – Car parking threshold	\$8.83 per day	\$8.95 per day
In-House Fringe Benefits – Reduction in taxable value	\$1,000	\$1,000

Calculation rates (31 March 2019 & 2020)

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

FBT rate 47%

Car Fringe Benefit Statutory Formula

For contracts entered into or altered after 10 May 2011, the statutory rate of 20% is applied to the base value of the car.

CAPITAL GAINS TAX

Net capital gains in respect of CGT assets acquired after 19 September 1985 are included in assessable income and taxed at marginal rates.

CGT discount factor automatically applies to individuals, trusts and complying superannuation funds in respect of assets acquired after 11.45am AEST on 21 September 1999 and held for 12 months before the time of the CGT event.

Note, this discount is not available for foreign residents or temporary residents in respect of gains accrued after 7.30pm AEST on 8 May 2012.

Taxpayer	Discount factor %
Company	Not available
Individual	50
Trusts*	50
Superannuation fund	33.33

* Only on distributed capital gains

DIVIDEND FRANKING

Franking credit calculation: $\text{Dividend Amount} \times \frac{\text{Company Tax Rate}}{(1 - \text{Company Tax Rate})} \times \text{Franking Proportion}$

QUEENSLAND TRANSER DUTY

Dutiable Value \$	Duty 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

PAYROLL TAX RATES AND THRESHOLDS 2019/2020

State/Territory	Rate %	Annual Threshold \$ *
QLD	4.75 / 4.95 "	1,300,000
NSW	5.45	900,000
ACT	6.85	2,000,000
VIC	4.85 / 2.425#	650,000
TAS	4 / 6.1 >	1,250,000
SA	0 - 4.95 @	1,500,000
WA	5.5 / 6.5 &	850,000
NT	5.5	1,500,000

* The above thresholds may be reduced where the business is part of a group and/or pays interstate wages.

" Business with payroll above \$6.5m will have a flat rate of 4.95%. Note discounts apply for regional businesses.

The lower 2.425% rate applies to business where at least 85% of their Victorian payroll goes to regional employees.

> A reduced rate of 4% applies for taxable wages between \$1.25m and \$2m per annum.

@ effective 1 January 2019 a variable rate from 0% to 4.95% applies on wages between \$1.5m and \$1.7m. Wages above \$1.7m have a rate of 4.95%.

& 5.5% applies to taxable wages between \$850,000- \$7.5m. Above this a tiered scale applies up to a maximum rate of 6.5%.

SUPERANNUATION FUND – TAX RATES

Earnings on assets supporting:	2019/2020 %
Accumulation phase	15
Transition to retirement pension	15
Pension phase (for balances up to \$1.6 million per member from 1 July 2017)	0

SUPERANNUATION GUARANTEE CONTRIBUTIONS

Superannuation Guarantee Rate: 9.5%

Quarterly super contribution base above which compulsory employer contributions are not required are:

	2018/2019	2019/2020
Quarterly earnings	\$54,030	\$55,270

PERSONAL SUPERANNUATION CONTRIBUTIONS

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

*Deduction allowed where either apply:

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

• Work test exemption (applies from 1 July 2019): Voluntary contributions made are accepted for an additional 12-month period (once only) from the end of the financial year in which they last met the work test, subject to their total super balance being less than \$300,000.

ANNUAL SUPERANNUATION CONTRIBUTIONS LIMITS

Contribution Type	Annual Limit
	2019 & 2020
Concessional (any age)#	\$25,000
Non concessional (the work test must be met for those between 65 & 74):	
• Total superannuation balances of less than \$1.6 million *	\$100,000 or \$300,000 over a three year period (bring forward)**
• Total superannuation balances of \$1.6 million and above*	Nil
Tax rate on concessional contributions – member's income exceeds \$250,000 ^	30%
Tax rate on concessional contributions – member's income \$250,000 or less	15%

From 1 July 2018, members with superannuation account balances of less than \$500,000 as at 30 June of the prior financial year are able to carry forward any unused concessional contributions for 5 years. The carried forward contributions will be able to be used from 2019/2020 onwards.

* The total superannuation balance is based on the balances as at 30 June of the previous financial year.

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

^ Based on the same income as used for Medicare Levy Surcharge purposes, disregarding any reportable superannuation contributions reported on the income tax return.

2019/2020 bring-forward period

Superannuation balance at 30 June 2020 \$	Maximum non-concessional contribution for the first year \$	Bring-forward period
Less than 1.4 million	300,000	3 years
1.4 million to 1,499,999	200,000	2 years
1.5 million to 1,599,999	100,000	No bring-forward period, general non-concessional contributions cap applies
1.6 million and over	Nil	N/A

PRESERVATION AGES

Date of Birth	Preservation Age	Earliest Period Withdrawals Allowed*
Before 1 July 1960	55	Withdrawals allowed
1 July 1960 – 30 June 1961	56	Withdrawals allowed
1 July 1961 – 30 June 1962	57	Withdrawals allowed
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 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	

Lower Rate Cap: \$205,000 for 2018-19
\$210,000 for 2019-20 **Untaxed Plan Cap:** \$1,480,000 for 2018-19
\$1,515,000 for 2019-20

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 – lower of MTR* or 15% Untaxed in fund – lower of MTR* or 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

TAXATION OF DEATH BENEFITS PAID FROM SUPERANNUATION

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



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