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Analyst

Terri Bradford

terri.bradford@morgans.com.au

# Tax Rates & Thresholds

For 2019 / 2020 Financial Year

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## Tax Rates & Rebates - Australian Residents

### Marginal Tax Rates - 2019/20 FY :

Income Range	Tax Rates
Up to \$18,200	0%
\$18,201 - \$37,000	\$0 + 19% over \$18,200
\$37,001 - \$90,000	\$3,572 + 32.5% over \$37,000
\$90,001 - \$180,000	\$20,797 + 37% over \$90,000
\$180,001**	\$54,097 + 45% over \$180,000

The Medicare Levy rate will remain at 2%.

### Medicare Levy Thresholds

Nil levy payable if income is less than \$22,398 (single) &amp; \$37,794 (couple).

Taxable income shade-in rate thresholds	Minimum	Phase-in Limit
Single taxpayer	\$22,398	\$27,997
Couple (Family) taxpayer - from	\$37,794	\$47,242##
Single Senior Australians (eligible for SAPTO)	\$35,418	\$44,272
Couple Senior Australians (eligible for SAPTO)	\$49,304	\$61,630
Each dependent child	\$3,471	
Shade in rate		10.0%

## depends on number of dependants

### Rebates

Tax Offset	Maximum Offset	Shade Out Taxable Income	Rate of Reduction
Low Income Tax Offset	\$445	\$37,000 - \$66,667	\$0.015 per \$1.00
Low/Middle Income Tax Offset #	\$1,080	\$48,000 - \$90,000#	\$0.015 per \$1.00
<b>Senior &amp; Pensioner Tax Offset (SAPTO)*</b>			
Single	\$2,230	\$32,279 - \$50,119 ea	\$0.125 per \$1.00
Couple (each)**	\$1,602	\$28,974 - \$41,790 ea	\$0.125 per \$1.00
Couple separated due to illness **	\$2,040	\$31,279 - \$47,599 ea	\$0.125 per \$1.00

\* From 1 July 2012 the Senior Australians Tax Offset (SATO) and the Pensioners Tax Offset (PTO) combined to form one single tax offset - the Senior &amp; Pensioner Tax Offset (SAPTO).

\*\* If you have a spouse, married or de facto, the SAPTO eligibility test is based on the combined income of you and your spouse. If your combined taxable income equals or exceeds your eligible combined taxable income threshold then neither you nor your partner is eligible for SAPTO. If your combined taxable income is less than your eligible combined taxable income threshold your SAPTO entitlement depends upon a) your own taxable income, and b) your eligibility for a transfer of any unused portion of your spouse's senior Australian or pensioner tax offset.

# LMITO as currently legislated. Income under \$37,000 taxpayer will receive \$255 LMITO, increasing by 3 cents per \$1 up to \$48,000. Where income is over \$90,000, rebate will reduce by 1.5 cents per \$1 up to \$126,000.

### Private Health Insurance Rebate

Important disclosures can be found in the Disclosure Appendix

## Percentages and Income Thresholds

(applies from 1 April 2019 – 31 March 2020\* when the rebate percentages will be index-adjusted\*\*).

Income Levels*		Rebate < 65 yrs	Rebate 65 - 70 yrs	Rebate 70+ yrs	Medicare Levy Surcharge Rate
Single	Couple/Families#				
\$0 - \$90,000	\$0 - \$180,000	25.059%	29.236%	33.413%	0%
\$90,001 - \$105,000	\$180,001 - \$210,000	16.706%	20.883%	25.059%	1%
\$105,001 - \$140,000	\$210,001 - \$280,000	8.352%	12.529%	16.706%	1.25%
\$140,001 +	\$280,001 +	0%	0%	0%	1.50%

\* Indexation of income thresholds will be frozen for a further 3 years, from 1 July 2018 until 30 June 2021  
 \*\* The rebate percentages are adjusted annually each 1 April.  
 # If there is more than one dependent child, these thresholds are increased by \$1500 for each child after the first. The age criterion is taken as the age of the oldest person on the policy.

## Small Business Instant Asset Write-off

Asset first used or installed ready for use between:	Small business (turnover less than \$10m)	Small business (turnover less than \$50m)
1 July 2018 to 28 January 2019	< \$20,000	n/a
29 January 2019 to Budget night	< \$25,000	n/a
Budget night to 30 June 2020	< \$30,000	< \$30,000

Source: Budget Paper No 2, p 14 – 15.

## Family Tax Benefit Part A

Family Tax Benefit Part A is payable to parents or guardians with one or more dependent children under the age of 19 and income of less than \$98,988. FTB Part A payments are not affected by the income test if the family's adjusted taxable income is less than \$54,677 for the financial year.

The Part A Supplement is no longer payable to families with income over \$80,000 from 1 July 2016.

The annual rates of Family Tax Benefit Part A are as follows:

Age of Child	Base Rate	Maximum Rate
Under 13 years	\$1,558.55	\$4,854.50
13 - 19 years, secondary student, each	\$1,558.55	\$6,314.50
0 - 19 years in an approved care organisation		\$1,558.55

\* The above rates excludes the FTB Annual supplement of up to \$766.90 per child. To qualify for the supplement, the child or children need to be fully immunised, be on a recognised immunisation catch up schedule or have an approved exemption.

From 1 July 2018 parents need to ensure each child they are receiving FTB for meets the immunisation requirements, otherwise FTB Part A payments may be reduced by up to \$28.28 per fortnight, per child.

## Family Tax Benefit Part B

FTB Part B is only payable if you are a member of a couple and your youngest child is under age 13. The primary earner's adjusted taxable income must have an income of no more than \$100,000 (this limit also applies to single parent families). The secondary earner can earn up to \$5,694 pa before it affects the rate of payment.

If you are a single parent, grandparent or great grandparent carer, the FTB Part B payment is not affected by the changes. If you are a grandparent or great grandparent carer you must be registered as a grandparent carer before 1 July 2016 to ensure your FTB Part B continues to be paid.

The maximum rate of Family Tax Benefit Part B is as follows:

Age of Youngest Child	Per Fortnight	PA without Supplement *
Under 5 years	\$158.78	\$4,128.15
5 – 13 years (or 5 - 18 years if single parent or grandparent carers)	\$110.90	\$2,883.50

\* Family Tax Benefit Part B annual payment excludes a supplement of up to \$372.30. The supplement is only available after the end of the financial year when payments are balanced. This will happen after both partners have lodged tax returns with the Tax Office. If either partner is not required to lodge a tax return the Family Assistance Office should be advised. The rates exclude the Clean Energy Supplement payable.

There are no expected increases to the FTB Part B primary earner income limit until 1 July 2021.

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