

2016–2017

DESKTOP TAX RATES AND TABLES

Updated as at 1 July 2016

AUSTRALIAN INDIVIDUAL RATES/MEDICARE LEVY

RESIDENT TAX RATES – 2016-17

Taxable income \$	Tax payable \$
0–18,200	Nil + 19% of excess over 18,200
18,201–37,000	3,572 + 32.5% of excess over 37,000
37,001–87,000 ¹	19,822 + 37% of excess over 87,000
87,001–180,000	54,547 + 47% ² of excess over 180,000
180,001+	

- Income in 32.5% upper tax bracket to \$87,000 is part of 2016 Budget and is not yet legislated.
- Includes the 2% Temporary Budget Deficit tax which applies to taxpayers with taxable incomes of over \$180,000.

RESIDENT TAX RATES – 2015-16

Taxable income \$	Tax payable \$
0–18,200	Nil
18,201–37,000	Nil + 19% of excess over 18,200
37,001–80,000	3,572 + 32.5% of excess over 37,000
80,001–180,000	17,547 + 37% of excess over 80,000
180,001+	54,547 + 47% ¹ of excess over 180,000

- Includes the 2% Temporary Budget Deficit tax which applies to taxpayers with taxable incomes of over \$180,000.

NON-RESIDENT TAX RATES – 2015-16 AND 2016-17

Taxable income \$	Tax payable \$
0–80,000	32.5%
80,001–180,000	26,000 plus 37% of excess over 80,000
180,001 and over	63,000 plus 47% ¹ excess over 180,000

- Includes the 2% Temporary Budget Deficit tax which applies to taxpayers with taxable incomes of over \$180,000.

MEDICARE LEVY SURCHARGE

2015-16 and 2016-17	\$	Tier 1 \$	Tier 1 \$	Tier 1 \$
Singles	0–90,000	90,001–105,000	105,001 – 140,000	140,001+
Families ¹	0–180,000	180,001–210,000	210,001 – 280,000	280,001+

Medicare levy surcharge

Rates	0.0%	1.0%	1.25%	1.5%

- For families with 2 dependants who are children, the surcharge thresholds to tiers 1, 2 and 3 are increased by \$1,500. The thresholds then increase by \$1,500 for each additional child after the second.

Surcharge amount depends on the taxable income, reportable fringe benefits of the taxpayer, reportable superannuation contributions, and net investment losses (ie "income for surcharge purposes").

MEDICARE LEVY – 2015-16 THRESHOLDS

The general rate of the Medicare levy is 2% of taxable income, subject to exclusions and reduced levy as per table below.

Taxpayer	No levy if income does not exceed \$
Individual	21,335
Members of a family with:	(family income)
0 dependants	36,001
1 dependent	39,307
Each additional dependent	+3,306
Senior and pensioner Australians ¹	33,738
Senior Australian w/spouse and 0 dependants	46,966
Each additional dependent	+3,306

- Entitled to Senior and Pensioner Tax Offset (SAPTO). Eligible seniors will not pay Medicare levy until they begin to incur an income tax liability.

Note: the thresholds for 2016-17 are unlikely to be known until May 2017 (usually announced in the Budget).

TAX OFFSETS/REBATES

LOW INCOME TAXPAYERS OFFSET 2015-16

Taxable income (TI) \$	Rebate \$
0–37,000	445
37,001–66,666	445 – [(TI – \$37,000) x 1.5%]
66,667+	Nil

Note: the thresholds for 2016-17 are unlikely to be known until May 2017 (usually announced in the Budget).

HEALTH INSURANCE TAX OFFSET

2015-16 and 2016-17 ³	\$	Tier 1 \$	Tier 1 \$	Tier 1 \$
Singles	0–90,000	90,001–105,000	105,001–140,000	140,001+
Families ¹	0–180,000	180,001–210,000	210,001–280,000	280,001+
Health insurance tax rebate				
Aged under 65 ²	26.791%	17.861%	8.930%	0%
Aged 65–69 ²	31.256%	22.326%	13.395%	0%
Aged 70 or over ²	35.722%	26.791%	17.861%	0%

- For families with 2 dependants who are children, the surcharge/tax rebate threshold to tiers 1, 2, and 3 are increased by \$1,500. The thresholds then increase by \$1,500 for each additional child.
- The rebate percentage figures apply from 1 July 2016 to 31 March 2017.
- The thresholds apply for the 2016-17 income year, but, the rebate percentages may change.

SUPERANNUATION/TERMINATION

SUPERANNUATION GUARANTEE – SUPPORT LEVELS

Year	Prescribed support	Year	Prescribed
2003–13	9%	2014–15 to 2020-21	9.5%
2013–14	9.25%	2021–22	10%

Maximum contribution base for an individual employee for each quarterly contribution period is \$51,620 for 2016-17 (\$50,810 for 2015-16).

GENUINE REDUNDANCY/EARLY RETIREMENT

	2015-16 income year	2016-17 income year
Tax-free	\$9,780 + (\$4,891 x completed years of service)	\$9,936 + (\$4,969 x years of service)
Excess	Taxed as Employment Termination Payment	Taxed as Employment Termination Payment

SUPER CONTRIBUTIONS – 2016-2017

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

	2015-16 income year		2016-17 income year	
Type of contribution	Annual contributions cap – per person (\$)	Excess contributions tax	Annual contributions cap – per person (\$)	Excess contributions tax
Concessional	30,000 ¹	N/A ²	30,000 ¹	N/A ²
Non-concessional	180,000 ⁵	49% ^{3,6}	180,000 ⁵	49% ^{3,6}
TFN not quoted ⁴	N/A	49% ³	N/A	49% ³

- For 2015-16 and 2016-17, a \$35,000 cap applies to those who were 49 years or over on 30 June 2015.
- Excess concessional contributions tax no longer applies to excess super contributions made on or after 1 July 2013. From that date, excess concessional contributions are taxed at the taxpayer's marginal tax rates.
- Includes the 2% Temporary Budget Deficit Tax and 2% Medicare levy.
- 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 the outlined rate 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.
- Individuals under 65 may bring forward the non-concessional cap for the next 2 years (i.e. \$540,000 for 2015-16 and 2017-18). Note that the new \$500,000 lifetime cap will be applied to non-concessional contributions, the excess contributions made to the superfund must be taken out.
- From 1 July 2013, taxpayers have a release option in relation to non-concessional super contributions.

TAX OF SUPERANNUATION BENEFITS 2016-17

Age of recipient	Payments from taxed fund ¹		Payments from untaxed fund ¹	
	Lump sum	Income Stream	Lump sum	Income Stream
60+	Tax-free ^{2,3}	Tax-free ^{2,3}	15% – \$0–\$1.415m ³ 45% – \$1.415m+	Tax at marginal rate but eligible for a 10% tax offset
55 ⁵ –59	0% – \$0–\$195,000 15% – \$195,001+	Taxed at marginal rates but eligible for 15% tax offset	15% – \$0–\$195,000 30% – \$195,000–\$1.415m 45% – \$1.415m+	Taxed at marginal rates with no tax offset
0–54 ⁵	20%	Taxed at marginal rates with no 15% tax offset	30% – \$0–\$1.415m 45% – \$1.415m+	Taxed at marginal rates with no tax offset

- 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.
- Non-assessable, non-exempt income (ie not counted in working out tax payable on taxpayer's other assessable income).
- Untaxed plan cap amount (2015/16 - \$1.395m)
- Table excludes Medicare levy.

5. Preservation age of 55 phasing to age 60 for those born after 1 July 1960.

EMPLOYMENT TERMINATION PAYMENTS 2016-17

Component	Tax payable (including Medicare)
Tax free ¹	Nil
Taxable ² :	First \$195,000 taxed at 32% ³ and excess taxed at 49% ^{4,5}
• If under preservation age ³	
• If preservation age and over	First \$195,000 taxed at 17% ³ and excess taxed at 49% ^{4,5}

- Includes the pre-July 1983 segment and invalidity segment
- 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.
- Preservation age of 55 phasing to age 60 for those born after 1 July 1960.
- Table includes Medicare levy.
- From 1 July 2014 until 30 June 2017, the taxable component of a termination payment will also be subject to the Temporary Budget Deficit Tax of 2% on taxable incomes that exceed \$180,000.

SUPER CONTRIBUTIONS – SPOUSE REBATES

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

- The rebate is not available if an employer deduction is allowed.
- The actual amount of the contribution x 18% will be the maximum rebate where it is less than these figures.
- Assessable income, reportable fringe benefits and reportable employer super contributions.

PENSIONS AND ANNUITIES – % FACTORS 2015-16+

Age of beneficiary	0–64	65–74	75–79	80–84	85–89	90–94	95+
Standard percentage factor ¹	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

2015-16 Income year		2016-17 Income year	
Adjusted taxable income (AI) ¹	Maximum Govt co-contribution ² \$	Adjusted taxable income (AI) ¹	Maximum Govt co-contribution ² \$
0–35,454	500	0–36,021	500
35,455–50,453	500 – [(AI–35,454) x 0.03333]	36,021–51,021	500 – [(AI–36,021) x 0.03333]
50,454+	Nil	51,021+	Nil

- Assessable income, reportable fringe benefits and reportable employer super contributions.
- If amount payable < \$20, minimum payment = \$20.

Government co-contribution (up to max \$500) is 50% of eligible personal superannuation contribution made to a complying super fund or RSA during income year. Must be under age 71 and lodge a tax return.

DEPRECIATION/CARS

SMALL BUSINESS ENTITIES – 2015-16

- Immediate deduction for depreciating assets costing less than \$20,000¹.
 - Other depreciating assets allocated to general small business pool.
 - Deduction (on diminishing value basis) is generally opening pool balance x 30% for general pool. Half pool rate (ie 15%) for new acquisitions.
 - Certain depreciating assets are excluded, eg buildings.
1. Assets must be first acquired at or after 7:30pm, legal time in the ACT on 12 May 2015 and first used or installed ready for use on or before 30 June 2017. The immediate deduction threshold for assets acquired before that time may only be \$1,000.

UNIFORM CAPITAL ALLOWANCE SYSTEM– 2015-16 and 2016-17

Decline in value of assets worked out using Prime Cost (PC) method or Diminishing Value (DV) method:

PC method	DV method
Asset's cost ¹ x (days held/365 ²) x (100%/Asset's effective life)	Base value ¹ x (days held/365 ²) x (200%/Assets effective life)

1. Base value is either the cost of the asset (in the first income year) or the opening adjustable value for that year (in later income years).
2. "365" does not become "366" for a leap year.

- Apportionment is required in the year of acquisition or disposal and where the asset is also used for non-taxable purposes.
- Pooling for low cost/low value depreciating assets (ie cost/value <\$1,000) is 18.75% in the year of allocation and 37.5% pa thereafter.
- Pooling is also allowed for "in-house software" expenditure but it is depreciated at a different rate to the low cost/low value pool.
- Immediate deduction for non-business taxpayer for assets costing \$300 or less.
- Certain assets are excluded from uniform capital allowance system, eg buildings, certain primary production assets, and some vehicles.

CAR DEPRECIATION COST LIMIT

The 2015–16 motor vehicle depreciation cost limit is \$57,466, while the 2016–17 motor vehicle depreciation cost limit is \$57,581.

CAR EXPENSES – PER KILOMETRE RATES

Business Km travelled ¹	Cents per km/Business usage	Maximum deductions \$
< 5,000	66	3,300
Any	Business usage ²	N/A

1. From 1 July 2015, a single rate of 66 cents per kilometre method will be used for calculating car tax deductions (regardless of engine size). The Commissioner will adjust the rate each year.
2. The Commissioner will also allow taxpayers to claim their car expenses for their business related usage. A logbook must be kept for a minimum 12 week period.

BUILDING WRITE-OFF

Type	Construction commenced	Rate %
Short-term traveller accommodation	16/9/87–26/2/92 22/8/84-27/2/92+	2.5
Non-residential income producing	20/7/82-21/8/84 22/8/84-17/7/85	4.0
All income producing	18/7/85-15/9/87 16/9/87-26/2/92	2.5 ¹
Industrial buildings	27/2/92+	4.0
Other income producing buildings ² / structural improvements	27/2/92+	4.0

1. 4% rate may be available if contractual arrangements were entered into before 16 September 1987.
2. May include buildings used for R&D activities.

PRIVATE COMPANY LOANS – BENCHMARK INTEREST

Income year	Interest rate %
2016-17	5.40
2015-16	5.45

Following the Federal Budget 2016-17, the changes regarding complying Division 7A loans are expected to commence from 1 July 2018, and will impact pre-existing and new loans.

FRINGE BENEFITS TAX

FBT RATE AND GROSS-UP FORMULA

The rate of fringe benefits tax for the year commencing 1 April 2016 is 49%¹ (49% for 2015–16).

Fringe benefit type	2015-16 FBT year (1 April 2015- 31 March 2016)	2016-17 FBT year (1 April 2016- 31 March 2017)
	FBT gross-up rate	FBT gross-up rate
Type 1 – input tax credit available	2.1463	2.1463
Type 2 – all other cases	1.9608	1.9608

1. The FBT rate will revert back to 47% from 1 April 2017.

FBT – BENCHMARK INTEREST RATE

The statutory benchmark interest rate for the 2016-17 FBT year unchanged at 5.65% per annum.

FBT – CAR STATUTORY PERCENTAGES

Contracts entered into after 7.30pm (AEST) on 10 May 2011

Distance travelled (km)	From 10 May 2011 (%)	From 1 April 2012	From 1 April 2013	From 1 April 2014
0–14,999	20	20	20	20
15,000–24,999	20	20	20	20
25,000–40,000	14	17	20	20
40,001 +	10	13	17	20

Contracts existing at 7.30pm (AEST) on 10 May 2011 and unchanged since

Annual distance travelled (km)	Taxable value as % of original cost
0–14,999	26
15,000–24,999	20
25,000–40,000	11
40,001 +	7

Cents per kilometre rates for vehicles other than cars

Engine capacity	FBT year 2013-14	FBT year 2014-15 (%)	FBT year 2015-16 (%)	FBT year 2016-17 (%)
0-2,500 cc	49 cents	50 cents	51 cents	52 cents
Over 2,500 cc	59 cents	60 cents	61 cents	63 cents
Motor cycles	15 cents	15 cents	15 cents	16 cents

COMPANIES

TAX RATE 2016–17

Income year	Interest rate %
Companies other than Small Business Entities	30
Small Business Entities	28.5 ¹

1. A small business is the one which has aggregated turnover of less than \$2M. From 1 July 2016, a tax rate reduction to 27.5% for businesses with an aggregated turnover of less than \$10M is proposed.

NEW ZEALAND TAX RATES

NZ RESIDENT INDIVIDUAL TAX RATES 2016-17

Taxable income \$	Tax payable \$
\$0–\$14,000	10.5 cents
\$14,001–\$48,000	\$1,470 plus 17.5 cents for each \$1 over 14,000
\$48,001–\$70,000	\$7,420 plus 30 cents for each \$1 over 48,000
\$70,000+	\$14,020 plus 33 cents for each \$1 over 70,000

NON-RESIDENT

Taxable income \$	Tax payable \$
\$0–\$14,000	10.5 cents
\$14,001–\$48,000	\$1,470 plus 17.5 cents for each \$1 over 14,000
\$48,001–\$70,000	\$7,420 plus 30 cents for each \$1 over 48,000
\$70,000+	\$14,020 plus 33 cents for each \$1 over 70,000

CORPORATE TAX

New Zealand has a flat corporate tax rate of 28%.

GOODS AND SERVICES TAX

GST is levied at 15%. Entities have to register once turnover reaches NZD\$60,000.

STAMP DUTY

New Zealand does not have any stamp duty taxes.

PROPERTY TAX

New Zealand has no capital gains tax.

SUPERANNUATION: KIWISAVER SCHEME

Employers are required to contribute the equivalent of 3% of their employee's gross salary or wages as part of KiwiSaver contributions. KiwiSaver contributions are paid to Inland Revenue department along with monthly PAYE deductions for employees.

Employer Superannuation contribution tax (ESCT) Rates

ESCT Rate Threshold Amount \$	ESCT from 1 April
\$0–\$16,800	10.5%
\$16,801–\$57,600	17.5%
\$57,601–\$84,000	30%
\$84,001+	33%

FBT

Rate of fringe benefits tax for the year commencing 1 April 2015 is

49.25% for companies. FBT returns can be filed quarterly with payment due 20th of the month following or 31st March annual return payment due 31st May.

NEW SOUTH WALES

Sydney
Level 40
2 Park Street
Sydney NSW 2000
Tel: +61 2 9263 2600
sydney@hallchadwick.com.au

VICTORIA

Melbourne
Level 10
575 Bourke Street
Melbourne VIC 3000
Tel: +61 3 8678 1600
melbourne@hallchadwick.com.au

WESTERN AUSTRALIA

Perth
Maxim Hall Chadwick 255 Hay Street
Subiaco, Perth WA 6008
Tel: +61 8 9489 2555
info@maximgroup.com.au

Hall Chadwick – Business Recovery and Insolvency
Level 11
16 St Georges Terrace Perth WA 6000
Tel: +61 8 6557 6200
perth@hallchadwick.com.au

QUEENSLAND

Brisbane
Williams Hall Chadwick Level 19
144 Edward Street
Brisbane QLD 4000
Tel: +61 7 3221 2416
general@wpca.com.au

Hall Chadwick – Business Recovery and Insolvency
Level 19
144 Edward Street
Brisbane QLD 4000
Tel: +61 7 3211 1520
brisbane@hallchadwick.com.au

NORTHERN TERRITORY

Darwin
Paspalis Business Centre Level 1
48-50 Smith Street
Darwin NT 0800
Tel: +61 8 8943 0645
darwin@hallchadwick.com.au