

## Income Tax Rates – Individual Australian Residents

Taxable Income	Tax payable on income
\$0 to \$18,200	NIL
\$18,201 to \$37,000	19c for each dollar above \$18,200
\$37,001 to \$80,000	\$3,572 + 32.5cents for each \$1 over \$37,000
\$80,001 to \$180,000	\$17,547 + 37cents for each \$1 over \$80,000
Above \$180,000	\$54,547 + 45cents for each \$1 over \$180,000

*The above table does not include the Medicare Levy or the Temporary Budget Repair Levy.*

### Medicare levy

Australians pay the Medicare levy each year in their tax returns, which in return provides them access to Health Care. From 1 July, 2014, the Medicare Levy is 2% of taxable income, for most taxpayers. Low income individuals and families and seniors and pensioners can receive Medicare levy reductions provided they meet strict requirements.

A Medicare levy surcharge of up to 1.5% can apply to individuals and families if their incomes are above certain thresholds, and they do not have the appropriate level of private patient hospital cover. For more information, refer to the ATO website.

### Temporary Budget Repair Levy

Introduced as part of the 2014-15 Federal Budget, the Temporary Budget Repair Levy will result in individual taxpayers with taxable income in excess of \$180,000 per year having additional tax withheld by their employer, commencing 1 July 2014. The levy is payable as 2cents (or 2%) of each dollar over \$180,000.

The levy will apply to the 2014-15, 2015-16 and 2016-17 financial years. The levy will then cease to apply from 1 July 2017.

## HOW MUCH TAX WILL I PAY – (Examples)

**Scenario One:** Single male aged 45 with an income of \$74,000. Holds a private health insurance policy with private patient hospital cover.

Referring to the tax table, the male falls into the \$37,000-\$80,000 tax threshold.

Thus the amount payable is calculated as:

$\$3,572 + [(74,000 - 37,000) \times 0.325]$	\$15,597
<b>Plus:</b> Medicare Levy (0.02 x 74,000)	\$1,480
<b>Total Tax Payable</b>	<b>\$17,077<sup>†</sup></b>

<sup>†</sup> This is the amount payable assuming there is no other income, and before any offsets or income tax deductions have been claimed.

**Scenario Two:** Single woman aged 31 with an income of \$92,000. Does not hold a private health insurance policy.

The woman falls into the \$80,001 to \$180,000 tax threshold.

Thus the amount payable is calculated as:

$\$17,547 + [(92,000 - 80,000) \times 0.37]$	\$21,987
<b>Plus:</b> Medicare Levy (0.02 x 92,000)	\$1,840
<b>Plus:</b> Medicare levy surcharge (tier one: 1%)	\$920
<b>Total Tax Payable</b>	<b>\$24,747<sup>†</sup></b>

<sup>†</sup> This is the amount payable assuming there is no other income, and before any offsets or income tax deductions have been claimed.