

2017-2018 DESKTOP TAX RATES & TABLES

INDIVIDUAL RATES/MEDICARE LEVY

RESIDENT TAX RATES – 2017-18

Taxable income \$	Tax payable \$
0-18,200	Nil
18,201-37,000	Nil + 19% of excess over 18,200
37,001-87,000	3,572 + 32.5% of excess over 37,000
87,001-180,000	19,822 + 37% of excess over 87,000
180,001+	54,232 + 45% ¹ of excess over 180,000

1. **The 2% temporary budget repair levy ceased to apply from 1 July 2017.**

RESIDENT TAX RATES – 2016-17

Taxable income \$	Tax payable \$
0-18,200	Nil
18,201-37,000	Nil + 19% of excess over 18,200
37,001-87,000	3,572 + 32.5% of excess over 37,000
87,001-180,000	19,822 + 37% of excess over 87,000
180,001+	54,232 + 47% ¹ of excess over 180,000

1. **Includes the 2% temporary budget repair levy which applies to taxpayers with taxable incomes of over \$180,000.**

MEDICARE LEVY SURCHARGE

2017-18 and 2016-17	\$	Tier 1 \$	Tier 2 \$	Tier 3 \$
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%
1. 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 – 2016-17 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	21,655
Members of a family with:	(family income)
0 dependants	36,541
1 dependant	39,897
2 dependants	43,253
3 dependants	46,609
4 dependants	49,965
5 dependants	53,321
Each additional	+3,356
Senior and pensioner Australians ¹	34,244
Senior Australian w/spouse and 0 dependants	47,670
Each additional dependant	+3,356

1. **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 2017-18 are unlikely to be known until May 2018 (usually announced in the Budget).

TAX OFFSETS/REBATES

LOW INCOME TAXPAYERS OFFSET 2016-17 AND 2017-18

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

DEPENDANT/CONCESSIONAL REBATES

Rebate description	2016-17		2017-18	
	Maximum offset	Maximum ATI ⁴	Maximum offset	Maximum ATI ⁴
DICTO ¹	2,627	10,790 ²	2,666	10,946 ²
Sole parent (notional only) ³	1,607	N/A	1,607	N/A
Student (notional only)	376	1,786	376	1,786
Child under 21 years (non-student)				
- First child (notional only)	376	1,786	376	1,786
- Each additional child (notional only)	282	1,410	282	1,410

- DICTO may be available if taxpayer contributes to maintenance of eligible dependant (eg spouse, parent, child or sibling 16 or over) who receives one of certain pensions or allowances (eg disability support pension or carer allowance). 2017-18 amounts calculated for the purpose of this tool and not official.**
- Reduced by \$1 for every \$4 by which adjusted taxable income (ATI) of dependant exceeds \$282 (this does not apply to the notional child, student and sole parent offsets). Maximum ATI is the amount of the dependant's ATI above which the offset cuts out altogether. See note 4 for the meaning of ATI.**
- The sole parent offset (not indexed) is notional retained for the purposes of calculating the zone and overseas forces offsets and also for Medicare levy purposes.**
- ATI is effectively the sum of the dependant's:**
 - taxable income for the year;
 - adjusted fringe benefits total for the year; ie the sum of their reportable fringe benefits total x 51% (note that for 2017-18 the gross rather than the net value of reportable fringe benefits will be used);
 - tax-free pensions and benefits for the year;
 - foreign income for the year that is not subject to Australian tax (and which is not received as a fringe benefit);
 - total net investment loss for the year; and
 - reportable superannuation contributions for the year; ie the sum of any reportable employer superannuation contributions and all deductible personal superannuation contributions made by the dependant, less any child maintenance paid to support a child from a previous relationship.

HEALTH INSURANCE TAX OFFSET

2017-18 and 2016-2017	\$	Tier 1 \$	Tier 2 \$	Tier 3 \$
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% (25.934%)	17.861% (17.289%)	8.930% (8.644%)	0%
Aged 65-69 ²	31.256% (30.256%)	22.326% (21.612%)	13.395% (12.966%)	0%
Aged 70 or over ²	35.722% (34.579%)	26.791% (25.934%)	17.861% (17.289%)	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 in the brackets apply to premiums paid between 1 April 2017 and 31 March 2018, while the other percentages apply to premiums paid between 1 April 2016 and 31 March 2017. Rebate percentages for premiums paid on or after 1 April 2018 will not be known until February or March 2018.**

MEDICAL EXPENSES OFFSET¹

	2016-17 income year	2017-18 income year
Individuals with incomes below the Medicare levy surcharge threshold	20% of excess over \$2,299	20% of excess over \$2,333
Individuals with incomes above the Medicare levy surcharge threshold	10% of excess over \$5,423	10% of excess over \$5,504

1. **The 2017-18 figures have been calculated according to indexation, the official figure has not been released by the ATO.**

SENIOR AND PENSIONER TAX OFFSET (SAPTO)¹

Status 2016-17 ¹	Maximum offset ² \$	Offset cuts out at \$
Single	2,230	50,119
Couple (each)	1,602	41,790
Couple (illness separated)	2,040	47,599

- 2017-18 amounts not known before going to press.**
- Offset entitlement reduces by 12.5% for each dollar of income until it reaches the cut out point.**

SMALL BUSINESS INCOME TAX OFFSET – 2016-17 AND 2017-18

	Discount %
Unincorporated small businesses ^{1, 2}	8

- This offset generally applies to individuals who are small business entities, ie sole traders.**
- Turnover threshold for unincorporated small business discount is \$5m and the maximum amount of the discount is \$1,000.**

SHORTFALL INTEREST CHARGE

Period	SIC rate %	Period	SIC rate %
Oct-Dec 2016	4.76	Apr-Jun 2017	4.78
Jan-Mar 2017	4.76	Jul-Sep 2017	4.73

GENERAL INTEREST CHARGE

Period	GIC rate%	Period	GIC rate%
Oct-Dec 2016	8.76	Apr-Jun 2017	8.78
Jan-Mar 2017	8.76	Jul-Sep 2017	8.73

SUPERANNUATION/TERMINATION

SUPERANNUATION GUARANTEE – CHARGE PERCENTAGE

Year	Prescribed support
2014-15 to 2020-21	9.5%

Maximum contribution base for an individual employee for each quarterly contribution period is \$52,760 for 2017-18 (\$51,620 for 2016-17).

SUPER GUARANTEE – QUARTERLY REGIME

Quarter ending	Employer contribution due ¹	SGC statement and payment due
30 September	28 October	28 November
31 December	28 January	28 February
31 March	28 April	28 May
30 June	28 July	28 August

1. **An employer can offset SGC against a "late" contribution made by the 28th day after the second month after the end of the quarter.**

SUPER CONTRIBUTIONS

Type of contribution	2016-17 income year		2017-18 income year	
	Annual contributions cap – per person (\$)	Excess contributions tax (%)	Annual contributions cap – per person (\$)	Excess contributions tax (%)
Concessional	30,000 ¹	N/A ²	25,000 ²	N/A ³
Non-concessional	180,000	49 ^{4,6}	100,000 ⁵	47 ⁴

- A \$35,000 cap applies to those who were 49 years or over on 30 June of the prior year.**
- Note that the \$25,000 cap applies to all taxpayers regardless of age.**
- Excess concessional contributions are taxed at the taxpayer's marginal tax rates.**
- Includes the 2% temporary budget repair levy and 2% Medicare levy. Note that the 2% temporary budget repair levy ceased to apply for 2017-18 but the 2% Medicare levy still applies for that period.**
- Note that the \$100,000 non-concessional cap applies for those with total superannuation balances below \$1.6m, ie non-concessional cap is "nil" if total super balance is \$1.6m or more.**
- Taxpayers can elect to release excess non-concessional contributions and instead include associated earnings in assessable income.**

SUPER – GOVERNMENT CO-CONTRIBUTION

2016-17 Income year		2017-18 Income year	
Adjusted taxable income (AI) ¹ \$	Maximum Govt co-contribution ² \$	Adjusted taxable income (AI) ¹ \$	Maximum Govt co-contribution ² \$
0-36,021	500	0-36,813	500
36,022-51,020	500 - [(36,021) x 0.03333]	36,814-51,812	500 - [(36,813) x 0.03333]
51,021+	NIL	51,813+	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.

SUPER CONTRIBUTIONS – SPOUSE REBATES

Spouse assessable income and reportable fringe benefits (SAI) ³ \$	Maximum rebatable contributions (MRC) \$	Maximum rebate ¹ \$
0-37,000 ⁴	3,000	540 ²
37,001-39,999	3,000 - [SAI - 37,000]	MRC x 18% ^{1,2}
40,000 +	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.**
- \$10,800 for 2016-17 income year.**

SUPERANNUATION LUMP SUM

Age of recipient	2016-17 Lump sum paid from taxed fund ¹		2017-18 Lump sum paid from taxed fund ¹	
	Tax-free component ²	Taxable component ³	Tax-free component ²	Taxable component ³
60+	Tax-free ⁵	Tax-free ^{5,6}	Tax-free ⁵	Tax-free ^{5,6}
56 ⁴ -59	Tax-free ⁵	0% – \$0-\$195,000 15% – \$195,001+	Tax-free ⁵	0% – \$0-\$200,000 15% – 200,001+
0–55 ⁴	Tax-free ⁵	20%	Tax-free ⁵	20%

- 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.*
- Includes the crystallised pre-July 1983 segment, undeducted contributions, CGT-exempt component and contributions not included in fund's assessable income.*
- Determined by subtracting tax-free component from total value of lump sum.*
- Preservation age of 55 phasing to age 60 for those born after 1 July 1960.*
- Non-assessable, non-exempt income (ie not counted in working out tax payable on taxpayer's other assessable income).*
- Table excludes Medicare levy.*

PENSIONS AND ANNUITIES – % FACTORS 2016–17+

Age of beneficiary ¹	0–64	65–74	75–79	80–84	85–89	90–94	95+
Standard percentage factor ²	4%	5%	6%	7%	9%	11%	14%

- Age on 1 July of financial year in which payments made (or age on commencement day for first year).*
- Pensions commenced under a transition to retirement income stream (age 56+) 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 56–59).*

EMPLOYMENT TERMINATION PAYMENTS

Age of recipient	2016-17 Employment termination payment ¹		2017-18 Employment termination payment ¹	
	Tax-free component ²	Taxable component ³	Tax-free component ²	Taxable component ³
56+	Tax-free	15% – \$0-\$195,000 ³ 45% ⁴ – \$195,001+ ³	Tax-free	15% – \$0-\$200,000 ³ 45% ⁴ – \$200,001+ ³
0–55	Tax-free	30% – \$0-\$195,000 45% ⁴ – \$195,001+ ³	Tax-free	30% – \$0-\$200,000 45% ⁴ – \$200,001+ ³

- Payment must be received within 12 months of taxpayer's termination of employment. Cannot be rolled over to a superannuation fund.*
- Includes the pre-July 1983 segment and invalidity segment.*
- Table excludes Medicare levy. Certain life benefit ETPs above "whole of income cap" of \$180,000 are taxed at top marginal rate.*
- Preservation age of 55 phasing to age 60 for those born on or after 1 July 1960. Until 30 June 2017, the taxable component of a termination payment was subject to the temporary budget repair levy of 2% on taxable incomes that exceed \$180,000.*

GENUINE REDUNDANCY/EARLY RETIREMENT

	2016-17 income year	2017-18 income year
Tax-free	\$9,936 + (\$4,969 × years of service)	\$10,155 + (\$5,078 × years of service)
Excess	Taxed as Employment Termination Payment	Taxed as Employment Termination Payment

ACCRUED LEAVE

Payment type	Assessable portion	Maximum rate of tax ¹	
		Resignation retirement payments	Redundancy invalidity and early retirement scheme
Long service leave			
– Pre-16/8/78	5%	Marginal rate	Marginal rate
– 16/8/78 to 17/8/93	100%	30%	30%
– Post-18/8/93+	100%	Marginal rate	30%
Annual leave			
– Pre-17/8/93	100%	30%	30%
– Post-18/8/93+	100%	Marginal rate	30%

- Only applies to payments on termination. Table excludes Medicare levy.*

DEPRECIATION/CARS

SMALL BUSINESS ENTITIES – 2016-17 AND 2017-18

- Immediate deduction for depreciating assets costing less than \$20,000¹.
- Other depreciating assets allocated to general small business pool.
- Pool deduction (on diminishing value basis) is generally opening pool balance x 30% for general pool. Half pool rate (ie 15%) for new acquisitions. Pool may be written-off when less than \$20,000.
- Certain depreciating assets are excluded, eg buildings.

- 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 2018 (the threshold was due to become \$1,000 from 1 July 2017 but the \$20,000 threshold was extended by 12 months to 30 June 2018).*

UNIFORM CAPITAL ALLOWANCE SYSTEM

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) x (100%/Asset's effective life)	Base value ¹ x (days held/365) x (200%/Assets effective life)

- 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).*

- 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 taxpayers 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 2017-18 motor vehicle depreciation cost limit is \$57,581 (the same as for 2016-17).

CAR EXPENSES – PER KILOMETRE RATES

Income year	Cents per km
2016-17	66 ¹
2017-18	66 ¹

- The per kilometre rates are the same regardless of the engine capacity of the car.*

BUILDING WRITE-OFF

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

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

CPI NUMBERS

Year	Quarter ending			
	31 March	30 June	30 September	31 December
2017	110.5			
2016	108.2	108.6	109.4	110.0
2015	106.8	107.5	108.0	108.4
2014	105.4	105.9	106.4	106.6
2013	102.4	102.8	104.0	104.8
2012	99.9	100.4	101.8	102.0
2011	98.3	99.2	99.8	99.8
2010	95.2	95.8	96.5	96.9
2009	92.5	92.9	93.8	94.3
2008	90.3	91.6	92.7	92.4
2007	86.6	87.7	88.3	89.1
2006	84.5	85.9	86.7	86.6
2005	82.1	82.6	83.4	83.8
2004	80.2	80.6	80.9	81.5
2003	78.6	78.6	79.1	79.5
2002	76.1	76.6	77.1	77.6
2001	73.9	74.5	74.7	75.4
2000	69.7	70.2	72.9	73.1
1999	67.8	68.1	68.7	69.1
1998	67.0	67.4	67.5	67.8
1997	67.1	66.9	66.6	66.8
1996	66.2	66.7	66.9	67.0
1995	63.8	64.7	65.5	66.0
1994	61.5	61.9	62.3	62.8
1993	60.6	60.8	61.1	61.2
1992	59.9	59.7	59.8	60.1
1991	58.9	59.0	59.3	59.9
1990	56.2	57.1	57.5	59.0
1989	51.7	53.0	54.2	55.2
1988	48.4	49.3	50.2	51.2
1987	45.3	46.0	46.8	47.6
1986	41.4	42.1	43.2	44.4
1985	37.9	38.8	39.7	40.5

Note: *Indexation is not relevant for CCT assets acquired after 11.45am AEST on 21 September 1999. Where a CGT event happens to an asset acquired before that date the taxpayer has a choice of paying tax on the net gain worked out using indexation frozen at 30 September 1999 or paying tax on 50% of the net capital gain without indexation. Companies are not eligible for the 50% CGT discount.*

From the September 2012 quarter, the index numbers have been calculated on a new index reference period of 2011-12. This has resulted in the index numbers for each index series being reset to 100.0 for the 2011-12 financial year. According to the ABS, the differences do not constitute a revision. The figures shown in the above table are the reset index numbers.

FRINGE BENEFITS TAX

FBT RATE AND GROSS-UP FORMULA

The rate of fringe benefits tax for the year commencing 1 April 2017 is 47% (49% for 2016-17).

Fringe benefit type	2016-17 FBT year (1 April 2016–31 March 2017)	2017-18 FBT year (1 April 2017–31 March 2018)
	FBT gross-up rate	FBT gross-up rate
Type 1 – input tax credit available	2.1463	2.0802
Type 2 – all other cases	1.9608	1.8868

FBT – BENCHMARK INTEREST RATE

FBT year	Statutory benchmark interest rate %
2017-18	5.25
2016-17	5.65

FBT – CAR BENEFITS

Statutory percentage (statutory formula method) – 20%.

COMPANIES

TAX RATE 2016-17 AND 2017-18

Income year	Tax rate %
Companies other than Small Business Entities	30
Small Business Entities ^{1, 2}	27.5

- Aggregated turnover less than \$10m.*
- Note that for 2017-18, 27.5% rate applies to companies with aggregated turnover less than \$25m. From 1 July 2017, companies subject to the 27.5% rate are called base rate entities.*

PRIVATE COMPANY LOANS – BENCHMARK INTEREST

Income year	Interest rate %
2017-18	5.30
2016-17	5.40

PAYG QUARTERLY INSTALMENTS¹

Instalment	Due dates for payment ^{2,3,4}
1st instalment (1 July to 30 September)	28 October
2nd instalment (1 October to 31 December)	28 February
3rd instalment (1 January to 31 March)	28 April
4th instalment (1 April to 30 June)	28 July

- Applicable to 30 June balancers.*
- Different due dates apply to entities that pay GST monthly or have a substituted accounting period.*
- Certain individuals pay only 2 instalments (due at end of 3rd and 4th instalment quarters).*
- If due date falls on a Saturday, Sunday or public holiday, due date is next business day.*

A monthly PAYG instalment system applies to all entities with base assessment instalment income of at least \$20m.

PAYG ANNUAL INSTALMENTS – DUE DATES 2017-18

30 June balancers – 21 October 2018. SAPs – 21st day of fourth month after end of year.

The 2017-2018 Desktop Tax Rates & Tables is compiled from legislation and is intended as a guide only. Information given is current at time of going to press. These tables are not a substitute for professional advice and the Publisher expressly excludes, in so far as legislation permits, liability for any errors or omissions.