

2017–2018

## DESKTOP TAX RATES AND TABLES

Updated as at 1 July 2017

### AUSTRALIAN 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% <sup>1</sup> of excess over 180,000

1. The temporary budget repair levy ceased applying 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
37,001–80,000	3,572 + 32.5% of excess over 37,000
80,001–180,000	19,822 + 37% of excess over 87,000
180,001+	54,232 + 47% <sup>1</sup> of excess over 180,000

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

#### NON-RESIDENT TAX RATES –2017-18

Taxable income \$	Tax payable \$
0–80,000	32.5%
80,001–180,000	28,275 plus 37% of excess over 80,000
180,001 and over	62,865 plus 45% <sup>1</sup> excess over 180,000

1. The temporary budget repair levy ceased applying from 1 July 2017.

### MEDICARE LEVY SURCHARGE

2016-17 and 2017-18	\$	Tier 1 \$	Tier 2 \$	Tier 3 \$
Singles	0–90,000	90,001–105,000	105,001 – 140,000	140,001+
Families <sup>1</sup>	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%
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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 (i.e. "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
<b>Members of a family with:</b>	<b>(family income)</b>
0 dependents	36,541
1 dependent	39,897
Each additional dependent	+3,356
<b>Senior and pensioner Australians<sup>1</sup></b>	<b>34,244</b>
Senior Australian w/spouse and 0 dependents	47,670
Each additional dependent	+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

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

Note: the thresholds for 2017-18 are unlikely to be known until May 2018 (usually announced in the Budget).

#### HEALTH INSURANCE TAX OFFSET

2016-17 and 2017-18 <sup>3</sup>	\$	Tier 1 \$	Tier 2 \$	Tier 3 \$
Singles	0–90,000	90,001–105,000	105,001–140,000	140,001+
Families <sup>1</sup>	0–180,000	180,001–210,000	210,001–280,000	280,001+
<b>Health insurance tax rebate</b>				
Aged under 65 <sup>2</sup>	25.934%	17.289%	8.644%	0%
Aged 65–69 <sup>2</sup>	30.256%	21.612%	12.966%	0%
Aged 70 or over <sup>2</sup>	34.579%	25.934%	17.289%	0%

1. For families with 2 dependents 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.

2. The rebate percentage figures apply from 1 July 2017 to 31 March 2018.

3. The thresholds apply for the 2017-18 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 \$52,760 for 2017-18 (\$51,620 for 2016-17).

### 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

### SUPER CONTRIBUTIONS – 2017-2018

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

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 <sup>1</sup>	N/A <sup>2</sup>	25,000 <sup>7</sup>	N/A <sup>2</sup>
Non-concessional	180,000 <sup>5</sup>	49% <sup>3,6</sup>	100,000 <sup>5</sup>	47% <sup>3,6</sup>
TFN not quoted <sup>4</sup>	N/A	49% <sup>3</sup>	N/A	47% <sup>3</sup>

- For 2016-17, a \$35,000 cap applies to those who were 49 years or over on 1 July 2016.
- 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 (ceased applying from 1<sup>st</sup> July 2017 onwards) 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 2016-17 and \$300,000 for 2017-18).
- From 1 July 2013, taxpayers have a release option in relation to non-concessional super contributions.
- From the 2017-18 Financial Year, a concessional contribution cap of \$25,000 applies regardless of age.

### TAX OF SUPERANNUATION BENEFITS 2017-18

Age of recipient	Payments from taxed fund <sup>1</sup>		Payments from untaxed fund <sup>1</sup>	
	Lump sum	Income Stream	Lump sum	Income Stream
60+	Tax-free <sup>2,3</sup>	Tax-free <sup>2,3</sup>	15% – \$0–\$1.445m <sup>3</sup> 45% – \$1.445m+	Tax at marginal rate but eligible for a 10% tax offset
55 <sup>5</sup> –59	0% – \$0–\$200,000 15% – \$200,001+	Taxed at marginal rates but eligible for 15% tax offset	15% – \$0–\$200,000 30% – \$200,000–\$1.445m 45% – \$1.445m+	Taxed at marginal rates with no tax offset
0–54 <sup>5</sup>	20%	Taxed at marginal rates with no 15% tax offset	30% – \$0–\$1.445m 45% – \$1.445m+	Taxed at marginal rates with no tax offset

- Separate tax treatment applies for lump sums paid from an untaxed source (i.e. an element untaxed in fund) depending on the lump sum amount and recipient's age.
- Non-assessable, non-exempt income (i.e. not counted in working out tax payable on taxpayer's other assessable income).
- Untaxed plan cap amount (2016/17 - \$1.415m)
- Table excludes Medicare levy.
- Preservation age of 55 phasing to age 60 for those born after 1 July 1960.

## EMPLOYMENT TERMINATION PAYMENTS 2017-18

Component	Tax payable (including Medicare)
Tax free <sup>1</sup>	Nil
Taxable <sup>2</sup> :	First \$200,000 taxed at 32% <sup>3</sup> and excess taxed at 47% <sup>4,5</sup>
• If under preservation age <sup>3</sup>	
• If preservation age and over	First \$200,000 taxed at 17% <sup>3</sup> and excess taxed at 47% <sup>4,5</sup>

- 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 2017-18

Spouse assessable income and reportable fringe benefits (SAI) <sup>3</sup> \$	Maximum rebatable contributions (MRC) \$	Maximum rebate <sup>1</sup> \$
0–37,000	3,000	540 <sup>2</sup>
37,000–39,999	3,000 – [SAI – 37,000]	MRC x 18% <sup>2</sup>
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.

### PENSIONS AND ANNUITIES – % FACTORS 2016–17+

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

	2016-17 Income year	2017-18 Income year		
	Adjusted taxable income (AI) <sup>1</sup>	Maximum Govt co-contribution <sup>2</sup> \$	Adjusted taxable income (AI) <sup>1</sup>	Maximum Govt co-contribution <sup>2</sup> \$
0-36,021		500	0-36,813	500
36,021-51,021		500 – [(AI-36,021) x 0.03333]	36,813-51,813	500 – [(AI-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.

## DEPRECIATION/CARS

### SMALL BUSINESS ENTITIES – 2017-18

- Immediate deduction for depreciating assets costing less than \$20,000<sup>1</sup> (until 30 June 2018).
- 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 (i.e. 15%) for new acquisitions (in the first year).
- Certain depreciating assets are excluded, e.g. 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 2018. The immediate deduction threshold for assets acquired before that time may only be \$1,000.*

### UNIFORM CAPITAL ALLOWANCE SYSTEM— 2016-17 and 2017-18

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

PC method	DV method
Asset's cost <sup>1</sup> x (days held/365 <sup>2</sup> ) x (100%/Asset's effective life)	Base value <sup>1</sup> x (days held/365 <sup>2</sup> ) 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 (i.e. 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, e.g. buildings, certain primary production assets, and some vehicles.

### CAR DEPRECIATION COST LIMIT

The 2016–17 and 2017-18 motor vehicle depreciation cost limits are \$57,581.

### CAR EXPENSES – PER KILOMETRE RATES

Business Km travelled <sup>1</sup>	Cents per km/Business usage	Maximum deductions \$
< 5,000	66	3,300
Any	Business usage <sup>2</sup>	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 <sup>1</sup>
Industrial buildings	27/2/92+	4.0
Other income producing buildings <sup>2</sup> / 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 %
2017-18	5.30
2016-17	5.40

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 2017 is 47%<sup>1</sup> (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)
	<b>FBT gross-up rate</b>	<b>FBT gross-up rate</b>
Type 1 – input tax credit available	2.1463	2.0802
Type 2 – all other cases	1.9608	1.8868

1. *The FBT rate reverted to 47% from 1 April 2017.*

### FBT – BENCHMARK INTEREST RATE

The statutory benchmark interest rate for the 2017-18 FBT year is 5.25% per annum, down from 5.65% in the 2016-17 FBT year.

### 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 2014-15 (%)	FBT year 2015-16 (%)	FBT year 2016-17 (%)	FBT Year 2017-2018 (%)
0-2,500 cc	50 cents	51 cents	52 cents	53 cents
Over 2,500 cc	60 cents	61 cents	63 cents	63 cents
Motor cycles	15 cents	15 cents	16 cents	16 cents

## COMPANIES

### TAX RATE 2016–17

Income year	Interest rate %
Companies other than Small Business Entities	30
Companies that are Small Business Entities	27.5 <sup>1</sup>

1. *A Small Business Entity is the one which is carrying on a business and has aggregated turnover of less than \$10M. From 1 July 2016, tax has been reduced to 27.5% for companies that are Small Business Entities. Franking is also reduced to 27.5% for these companies.*
2. *Different time periods apply for companies with a substituted accounting period.*

## NEW ZEALAND TAX RATES

### NZ RESIDENT INDIVIDUAL TAX RATES 2017-18

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, but may tax some real property transactions.

### 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 2017 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.

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