

2018–2019

## DESKTOP TAX RATES AND TABLES

Updated as at 1 July 2018

### AUSTRALIAN INDIVIDUAL RATES/MEDICARE LEVY

#### RESIDENT TAX RATES – 2018-19

| Taxable income \$ | Tax payable \$ (excludes Medicare)  |
|-------------------|-------------------------------------|
| 0–18,200          | Nil                                 |
| 18,201–37,000     | Nil + 19% of excess over 18,200     |
| 37,001–90,000     | 3,572 + 32.5% of excess over 37,000 |
| 90,001–180,000    | 20,797 + 37% of excess over 90,000  |
| 180,001+          | 54,097 + 45% of excess over 180,000 |

#### RESIDENT TAX RATES – 2017-18

| Taxable income \$ | Tax payable \$ (excludes Medicare)               |
|-------------------|--|
| 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.

#### NON-RESIDENT TAX RATES –2018-19

| Taxable income \$ | Tax payable \$                        |
|-------------------|---------------------------------------|
| 0–90,000          | 32.5%                                 |
| 90,001–180,000    | 29,250 plus 37% of excess over 80,000 |
| 180,001 and over  | 62,550 plus 45% excess over 180,000   |

#### MEDICARE LEVY SURCHARGE

| 2017-18 and 2018-19   | \$        | 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% |
|-------|------|------|-------|------|
|       |      |      |       |      |

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 – 2017-18 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  | 21,980                               |
| <b>Members of a family with:</b>                    | <b>(family income)</b>               |
| 0 dependents  | 37,089                               |
| 1 dependent   | 40,495                               |
| Each additional dependent                           | +3,406                               |
| <b>Senior and pensioner Australians<sup>1</sup></b> | <b>34,758</b>                        |
| Senior Australian w/spouse and 0 dependents         | 48,385                               |
| Each additional dependent                           | +3,406                               |

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 2018-19 are unlikely to be known until May 2019 (usually announced in the Budget).

#### TAX OFFSETS/REBATES

#### LOW INCOME TAXPAYERS OFFSET 2017-18 and 2018-19

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

#### LOW MIDDLE INCOME TAX OFFSET 2018-19

| Taxable income (TI) \$ | Rebate \$                                  |
|------------------------|--|
| 0–37,000               | 200  |
| 37,001–48,000          | 200 + [(TI – \$37,000) x 3%]               |
| 48,001–90,000          | 530  |
| 90,000 – 125,333       | \$530 less 1.5c for each \$1 over \$90,000 |

1. Includes changes announced in the 2018-19 Federal Budget.

#### HEALTH INSURANCE TAX OFFSET

| 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+  |
| Health insurance tax rebate  |           |                 |                 |           |
| Aged under 65 <sup>2</sup>   | 25.415%   | 16.943%         | 8.471%          | 0%        |
| Aged 65–69 <sup>2</sup>      | 29.651%   | 21.180%         | 12.707%         | 0%        |
| Aged 70 or over <sup>2</sup> | 33.887%   | 25.415%         | 16.943%         | 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 April 2018 to 31 March 2019.

3. The thresholds apply for the 2018-19 income year, but, the rebate percentages may change.

#### SUPERANNUATION/TERMINATION

#### SUPERANNUATION GUARANTEE – SUPPORT LEVELS

| Year               | Prescribed |
|--------------------|------------|
| 2014–15 to 2020-21 | 9.5%       |
| 2021–22            | 10%        |

Maximum contribution base for an individual employee for each quarterly contribution period is \$54,030 for 2018-19 (\$52,760 for 2017-18).

#### GENUINE REDUNDANCY/EARLY RETIREMENT

|          | 2017-18 income year                     | 2018-19 income year                     |
|----------|---|---|
| Tax-free | \$10,155 + (\$5,078 x years of service) | \$10,399 + (\$5,200 x 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.

|                             | 2017- 2018, and 2018-2019 income year      |                          |
|-----------------------------|--|--------------------------|
| Type of contribution        | Annual contributions cap – per person (\$) | Excess contributions tax |
| Concessional                | 25,000 <sup>1</sup>                        | N/A <sup>2</sup>         |
| Non-concessional            | 100,000 <sup>5</sup>                       | 47% <sup>3,6</sup>       |
| TFN not quoted <sup>4</sup> | N/A  | 47% <sup>3</sup>         |

1. From the 2017-18 Financial Year, a concessional contribution cap of \$25,000 applies regardless of age.

2. 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.

3. Includes the 2% Medicare levy.

4. 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.

5. Individuals under 65 may bring forward the non-concessional cap for the next 2 years (\$300,000 for 2018-19).

6. From 1 July 2013, taxpayers have a release option in relation to non-concessional super contributions.

#### TAX OF SUPERANNUATION BENEFITS 2018-19

| 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–\$1.480m <sup>3</sup><br>45% - \$1.480m+                 | Tax at marginal rate but eligible for a 10% tax offset |
| 55 <sup>5</sup> –59 | 0% – \$0–\$205,000<br>15% – \$205,001+ | Taxed at marginal rates but eligible for 15% tax offset | 15% – \$0–\$205,000<br>30% – \$205,000–\$1.480m<br>45% - \$1.480m+ | 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–\$1.480m<br>45% - \$1.480m+                              | 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 (2017/18 - \$1.445m)
- Table excludes Medicare levy.
- Preservation age of 55 phasing to age 60 for those born after 1 July 1960.

#### EMPLOYMENT TERMINATION PAYMENTS 2018-19

| Component                                | Tax payable (including Medicare)   |
|--|--|
| Tax free <sup>1</sup>                    | Nil  |
| Taxable <sup>2</sup> :                   | First \$205,000 taxed at 32% <sup>3</sup> and excess taxed at 47% <sup>4,5</sup> . Lifetime cap. |
| • If under preservation age <sup>3</sup> |  |
| • If preservation age and over           | First \$205,000 taxed at 17% <sup>3</sup> and excess taxed at 47% <sup>4,5</sup> . Lifetime cap. |

- 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.
- A whole of income cap of \$180,000 can also be applied to certain ETPs and reduce thresholds.

#### SUPER CONTRIBUTIONS – SPOUSE REBATES 2018-19

| 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, or you claimed a tax deduction for the contributions made for your spouse.
- 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

| 2017-18 Income year                       |  | 2018-19 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> \$ |
| 0-36,813                                  | 500  | 0-37,697                                  | 500  |
| 36,813-51,813                             | 500 – ((AI-36,813) x 0.03333)                | 37,697-52,697                             | 500 – ((AI-37,697) x 0.03333)                |
| 51,813+                                   | Nil  | 52,697+                                   | 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 – 2018-19

- Immediate deduction for depreciating assets costing less than \$20,000<sup>1</sup> (until 30 June 2019).
  - 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.
- 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 2019. The immediate deduction threshold for assets acquired before that time may only be \$1,000. The 2018 Federal Budget announced a 12 month extension to this concession to 30 June 2019. This was not yet enacted at time of publication.

### UNIFORM CAPITAL ALLOWANCE SYSTEM– 2017-18 and 2018-19

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) |

- 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).
- "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 2017–18 and 2018-19 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 <sup>3</sup>             | 3,300                 |
| Any                                | Business usage <sup>2</sup> | N/A                   |

- 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.
- 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.
- Rate increased to 68 cents per KM from 1 July 2018.

## BUILDING WRITE-OFF

| Type   | Construction commenced              | Rate %           |
|--|-------------------------------------|------------------|
| Short-term traveller accommodation   | 16/9/87–26/2/92<br>22/8/84-27/2/92+ | 2.5              |
| Non-residential income producing   | 20/7/82-21/8/84<br>22/8/84-17/7/85  | 4.0              |
| All income producing   | 18/7/85-15/9/87<br>16/9/87-26/2/92+ | 2.5 <sup>1</sup> |
| Industrial activities and certain buildings connected to industrial activities | 27/2/92+                            | 4.0              |

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

### PRIVATE COMPANY LOANS – BENCHMARK INTEREST

| Income year | Interest rate % |
|-------------|-----------------|
| 2017-18     | 5.30            |
| 2018-19     | 5.20            |

## FRINGE BENEFITS TAX

### FBT RATE AND GROSS-UP FORMULA

The rate of fringe benefits tax for the year commencing 1 April 2018 is 47%<sup>1</sup> (no change from 1 April 2017).

| Fringe benefit type                              | Type 1 Gross Up Rate – input tax credit available | Type 2 Gross Up Rate– all other cases |
|--|---|---------------------------------------|
| 2018 and 2019 FBT years (31 March 2018 and 2019) | 2.0802  | 1.8868                                |

### FBT – BENCHMARK INTEREST RATE

The statutory benchmark interest rate for the 2018-19 FBT year is 5.20% per annum, down from 5.25% in the 2017-18 FBT year.

### FBT – CAR STATUTORY PERCENTAGES

For contracts entered into after 7.30pm (AEST) on 10 May 2011, the statutory fraction for cars is 20%.

Cents per kilometre rates for vehicles other than cars.

| Engine capacity | FBT year 2015-16 (%) | FBT year 2016-17 (%) | FBT Year 2017-2018 (%) | FBT Year 2018-2019 (%) |
|-----------------|----------------------|----------------------|------------------------|------------------------|
| 0-2,500 cc      | 51 cents             | 52 cents             | 53 cents               | 54 cents               |
| Over 2,500 cc   | 61 cents             | 63 cents             | 63 cents               | 65 cents               |
| Motor cycles    | 15 cents             | 16 cents             | 16 cents               | 16 cents               |

## COMPANIES

### TAX RATE 2017–18

| Income year                             | Interest rate %   |
|---|-------------------|
| Companies other than Base Rate Entities | 30                |
| Companies that are Base Rate Entities   | 27.5 <sup>1</sup> |

- A Base Rate Entity is one which is carrying on a business and has aggregated turnover of less than \$25M for the year ended 30 June 2018 and \$50M for the year ended 30 June 2019. At the date of this publication, unenacted legislation proposes to change a Base Rate Entity to one that derives no more than 80% passive income.
- 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 2018 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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