

Tax guide 2011/2012



Individual rates / Medicare levy

Resident tax rates – 2011-12

Taxable income (\$)	Tax payable (\$)
0 – 6,000	Nil
6,001 – 37,000	Nil + 15% of excess over 6,000
37,001 – 80,000	4,650 + 30% of excess over 37,000
80,001 – 180,000	17,550 + 37% of excess over 80,000
180,001 and over	54,550 + 45% of excess over 180,000

Non-resident tax rates – 2011-12

Taxable income (\$)	Tax payable (\$)
0 – 37,000	29%
37,001 – 80,000	10,730 + 30% of excess over 37,000
80,001 – 180,000	23,630 + 37% of excess over 80,000
180,001 and over	60,630 + 45% of excess over 180,000

Flood Levy

A temporary flood levy will apply to both resident and non-resident individuals for the 2011-2012 income year only.

Taxable income (\$)	Flood Levy on this taxable income
0 – 50,000	Nil
50,001 – 100,000	Half a cent for each \$1 over \$50,000
100,00 and over	\$250 plus 1 cent for each \$1 over \$100,000

Note: Exemptions apply to certain individuals in receipt of an Australian Government Disaster Recovery Payment for a flood event or individuals who were affected by an event that occurred during 2010-11 and that was declared as a natural disaster under the Natural Disaster Relief and Recovery Arrangements.

Medicare levy – 2010-11 thresholds

The general rate of the Medicare levy is 1.5% of taxable income, subject to exclusions and reduced levy as per table below.

Taxpayer	No levy (\$)
Individual:	18,839
Taxpayer with spouse and:	(family income)
0 dependents	31,789
1 dependent	34,708
2 dependents	37,627
3 dependents	40,546
Each additional	2,919
Pensioner below age pension age¹	30,439
Senior Australian²	29,867
Senior Australian w/spouse and 0 dependents	43,500
Senior Australian w/spouse and 1 dependent	46,365
Each additional dependent	2,865

¹ Entitled to pensioner tax offset.

² Entitled to SATO. Eligible seniors will not pay Medicare levy until they begin to incur an income tax liability.

Medicare levy – 1% surcharge 2011-12

Status	Surcharge threshold – adjusted taxable income and reportable fringe benefits
Single (no children)	\$80,000
Couple (no children)	\$160,000
Single/couple (with children)	\$160,000 (+\$1,500 per child after 1st)

Surcharge is 1% of taxable income/reportable fringe benefits if taxpayer, spouse and all dependents are not covered by private hospital insurance and thresholds are exceeded. However, a taxpayer is exempt from the Medicare levy surcharge, even if they are a member of a couple and their combined taxable income/reportable fringe benefits are above the threshold, provided their own taxable income/reportable fringe benefits do not exceed \$18,839 for the 2010-11 year.

Proposed change

It is proposed that from 1 January 2012 new Medicare levy surcharge rates will apply to taxpayers who exceed the relevant thresholds (above), who are not covered by private health insurance and who fall within one of the following 3 tiers:

Tier	Taxpayer	Taxable income and reportable fringe benefits (\$)	Surcharge rate
1	Single Couple/Families	80,001 to 93,000 160,001 to 186,000	1%
2	Single Couple/Families	93,001 to 124,000 186,001 to 248,000	1.25%
3	Single Couple/Families	124,001 and over 248,001 and over	1.5%

Tax offsets/rebates

Low income taxpayer offset

The low income taxpayer offset for 2011-12 is provided on assessment.

Taxable income (TI) (\$)	Rebate (\$)
0 – 30,000	1,500
30,001 – 67,499	1,500 – [(TI – \$30,000) x 4%]
67,500 +	Nil

Proposed change

It is proposed that from 1 July 2011, minors (children under 18 years of age) will no longer be able to access the low income tax offset to reduce tax payable on their non-work income, such as dividends, interest, rent, royalties and other income from property.

Health insurance tax offset

If tax offset exceeds tax liability, excess is refundable to the taxpayer.

Taxable income (TI)	Rebate
No	30% x premium ¹
Yes	Greater of 30% x premium ¹ or incentive amount for policy (see table below)

¹ Premiums must generally be paid within the income year to qualify (even if coverage extends beyond the income year). Rate based on oldest insured being less than 65 (35% for 65 to less than 70, 40% for 70 and over.)

Private health insurance – incentive amount 2010-11

Persons covered Cover	Incentive amount \$		
	Ancillary	Hospital	Comb. Hosp/Anc
Individual	25	100	125
Couple	50	200	250
Family (with children)	100	350	450

Proposed change

From 1 January 2012 the 30% health insurance rebate will reduce for certain taxpayers where they fall within the following 3 tiers:

Tier	Taxpayer	Taxable income and reportable fringe benefits (\$)	Rebate
1	Single Couple/Families	80,001 to 93,000 160,001 to 186,000	20%
2	Single Couple/Families	93,001 to 124,000 186,001 to 248,000	10%
3	Single Couple/Families	124,001 and over 248,001 and over	0%

Medical expenses offset

Where medical expenses paid during the tax year exceed \$2,000, net of reimbursements, offset is 20c for each \$1 in excess of \$2,000 (2010-11), and indexed annually to CPI thereafter (the threshold was previously \$1,500).

Adelaide
Level 1, 67 Greenhill Rd
Wayville SA 5034
T 08 8372 6666
F 08 8372 6677
E info.sa@au.gt.com

Perth
Level 1, 10 Kings Park Rd
West Perth WA 6005
T 08 9480 2000
F 08 9322 7787
E info.wa@au.gt.com

Brisbane
Grant Thornton House
102 Adelaide St
Brisbane QLD 4000
T 07 3222 0200
F 07 3222 0444
E info.qld@au.gt.com

Sydney
Level 17, 383 Kent St
Sydney NSW 2000
T 02 8297 2400
F 02 9299 4445
E info.nsw@au.gt.com

Melbourne
Level 2, 215 Spring St
Melbourne VIC 3000
T 03 8663 6000
F 03 8663 6333
E info.vic@au.gt.com

Superannuation / termination

Super guarantee – quarterly regime 2011-12+

Quarter ending	Employer contribution due	SGC statement and payment due ¹
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 from 1 January 2006.

Superannuation guarantee – support levels

Year	Prescribed support ¹
2003+	9%

¹ Maximum contribution base for an individual employee for each quarterly contribution period is \$43,820 for 2011-12.

Proposed changes to SGC

- Increase in SGC from 9% to 12% by 2019/20. The charge will increase in increments (0.25% to 0.50% p.a.) from the 2012/13 year.
- The maximum age limit for compulsory SGC will increase from 70 to 75 years of age from 2013/14.

Super contributions – 2011-12

Contribution cap	Age of member	
Concessional contribution cap	Under age 50 on 30 June 2012: \$25,000	Age 50 or over on 30 June 2012: \$50,000
Non-concessional contribution cap	Under age 65 at any time during 2011-12: \$150,000 or Up to \$450,000 over a three-year period under bring forward provisions.	Age 65 or over for all of 2011-12: \$150,000

Contributions above the annual contributions caps will be subject to excess contributions tax levied at the following rates:

Contribution type	Within cap	Exceeding cap
Concessional	15%	Additional 31.5%
Non-concessional	0%	Additional 46.5%

Note:

- Concessional contribution amounts exceeding both the concessional and non-concessional caps are effectively taxed at 93%.
- 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 46.5% 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.
- For those aged 50-74, a transitional contribution cap of \$50,000 p.a. applies. Excess concessional contributions also count towards the non-concessional contributions cap.

Proposed changes

- From 1 July 2012, individuals aged 50 and over with total superannuation balances below \$500,000 will be able to continue making up to \$50,000 per year in concessional contributions (indexed).
- From 1 July 2011, eligible individuals who breach the concessional contribution cap by up to \$10,000 will have a one-off option to request that these excess contributions be refunded to them.

Superannuation lump sums – 2011-12

Age of recipient	Lump sum paid from taxed fund ¹	
	Tax-free component ²	Taxable component ³
60+	Tax-free ⁵	Tax-free ^{5,6}
55 ⁴ -59	Tax-free ⁵	0% – \$0 - \$165,000 <p>15% – \$165,001+</p>
0-54 ⁴	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 56 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.

Redundancy / early retirement – 2011-12

Tax-free	\$8,435 + (\$4,218 x years of service)
Excess	Taxed as Employment Termination Payment

Employment termination payments – 2011-12¹

Age of recipient	Employment termination payment ²	
	Tax-free component ³	Taxable component ³
55+	Tax-free	15% – \$0 - \$165,000 <p>45% – \$165,001+</p>
0-54	Tax-free	30% – \$0 - \$165,000 <p>45% – \$165,001+</p>

- Table excludes Medicare levy.
- 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.
- Includes the pre-July 1983 segment and invalidity segment.

Accrued leave

Payment type	Assess-able 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-17.8.93	100%	Marginal rate	30%

Annual leave

– Pre-18.8.93	100%	30%	30%
– Post-17.8.93	100%	Marginal rate	30%

¹ Only applies to payments on termination. Table excludes Medicare levy.

Depreciation/cars

Car depreciation cost limit 2011-12

The 2011-12 motor vehicle depreciation cost limit is \$57,466.

Car expenses – per kilometre rates – 2011-12

Rotary engines	Conventional engines	Cents per km
0 – 800 cc	0 – 1,600 cc	63
801 – 1,300 cc	1,601 – 2,600 cc	74
1,301 cc +	2,601 cc +	75

Building write-off

Type	Construction commenced	Rate %
Residential	18.7.85 – 15.9.87	4
	16.9.87 – 26.2.92	2.5
	27.2.92 onwards	2.5 or 4 ¹
Non-residential	20.7.82 – 21.8.84	2.5
	22.8.84 – 15.9.87	4
	16.9.87 – 26.2.92	2.5
	27.2.92 onwards	2.5 or 4 ¹

¹ A 4% rate applies to short-term traveller accommodation and industrial buildings where construction commenced after 26 February 1992. Structural improvements where construction commenced after 26 February 1992 also eligible for write-off.

Fringe benefits tax

FBT rate and gross-up formula

Rate of fringe benefits tax for the year commencing

1 April 2011 is 46.5%.

Fringe benefit type	FBT gross-up rate
Type 1 – input tax credit available	2.0647
Type 2 – all other cases	1.8692

FBT – benchmark interest rate

The statutory benchmark interest rate for the 2011-12

FBT year is 7.80%.

FBT – car statutory percentages

Kilometres travelled	Statutory rate (x cost of car to determine FBT)				
	Existing contracts	New contracts from 10.5.11	New contracts from 1.4.12	New contracts from 1.4.13	New contracts from 1.4.14
0 – 14,999	26%	20%	20%	20%	20%
15,000 – 24,999	20%	20%	20%	20%	20%
25,000 – 40,000	11%	14%	17%	20%	20%
Over 40,000	7%	10%	13%	17%	20%

Shortfall interest charge

Period	SIC rate ¹ %	Period	SIC rate ¹ %
Oct-Dec 2010	7.74	Apr-Jun 2011	7.92
Jan-Mar 2011	8.02	Jul-Sep 2011	8.00

¹ GIC rate = SIC rate plus four percentage points.

Companies

Tax rate 30% – 2001-02+¹

¹ Proposed reduction in company tax rate to 29% from the 2013-14 year. Proposed reduction to 29% for eligible small business companies from 2012-13 year. No legislation introduced at time of going to press.

Private company loans – benchmark interest

Income year	Interest rate %
2011-12	7.80 ¹
2010-11	7.40
2009-10	5.75

¹ 2011-2012 benchmark interest rate not released by the ATO at time of going to press (rate advised by Thomson Reuters).

PAYG quarterly instalments¹

Instalment	Deferred BAS payers ²	Other quarterly payers ²
1st instalment	28.10.11	21.10.11
2nd instalment	28.02.12	21.01.12
3rd instalment	28.04.12	21.04.12
4th instalment	28.07.12	21.07.12

- Applicable to 30 June balancers.
- If due date falls on a Saturday, Sunday or public holiday, due date is next business day.

PAYG annual instalments – 2011-12 due dates

30 June balancers – 21 October 2012. SAPs – 21st day of fourth month after end of year.