Did you know
The Grant Thornton tax data card is now available via our app for iPhone devices. See our website for further details.

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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-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 2% Medicare levy and 2% Budget Repair levy.

Depreciation/cars

Car depreciation cost limit 2014/15

The 2014/15 motor vehicle depreciation cost limit is $57,466.

Car expenses – per kilometre rates – 2013/14

Rotary engines	Conventional engines	Cents per km
0 – 800 cc	0 – 1,600 cc	65
801 – 1,300 cc	1,601 – 2,600 cc	76
1,301 cc +	2,601 cc +	77

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)

FBT rate and gross-up formula

Rate of FBT for the year commencing 1 April 2014 is 47%. The FBT rate will increase to 49% from 1 April 2015.

Fringe benefit type	FBT gross-up rate	
	From 1 April 2014	From 1 April 2015
Type 1 – input tax credit available	2.0802	2.1463
Type 2 – all other cases	1.8868	1.9608

FBT – benchmark interest rate

The statutory benchmark interest rate for the year commencing 1 April 2014 is 5.95%.

FBT – car statutory percentages

For new contracts entered into after 7:30pm (AEST) on 10 May 2011 – statutory rate is 20% (multiply by the cost of the car to determine an employee's car fringe benefit). For previously existing contracts:

Distance travelled during the FBT year (1 April – 31 March)	Statutory rate (multiply by the cost of the car to determine an employee's car fringe benefit)
0 – 15,000 km	0.26
15,001 – 25,000 km	0.20
25,001 – 40,000 km	0.11
More than 40,000 km	0.07

Research & Development (R&D) tax incentive

Aggregate turnover per annum ($)	Type of tax offset	Rate %	Proposed change (%)[3]
< 20 million[1]	Refundable	45	43.5
All other eligible entities	Non-refundable[2]	40	38.5

1 Provided they are not controlled by income tax exempt entities. Grouping rules also apply.
2 Entities may be able to carry forward unused offset amounts to future income years.
3 The proposed change (announced in the 2014/15 Federal Budget) is to apply from 1 July 2014.

In December 2013, legislation was introduced in the Senate which proposed that from 1 July 2013, companies with annual aggregate Australian turnover of $20 billion or more will not be eligible for the R&D tax incentive. The bill is currently in the Senate.

CGT calculation methods

Method	Acquisition date	Period of ownership	Description
CGT Discount[2]	Acquired after 19 September 1985	Asset held for 12 months before CGT event	Discount available for certain taxpayers[1]
Indexation	20 September 1985 – 21 September 1999		Increases cost base by applying an indexation factor[3]
Other	Acquired after 19 September 1985	Asset held for < 12 months before CGT event	Subtracting cost base from capital proceeds

1 50% discount for individuals, partners in partnerships and trusts; 33.3% discount for complying super funds. No discount is available for companies. From 8 May 2012, individuals, including beneficiaries of a trust and partners in a partnership, who are: foreign or temporary residents, or Australian residents with a period of foreign residency may no longer receive the full CGT discount on a capital gain.
2 Need a CGT event after 11:45am EST 21 September 1999.
3 Frozen at 30 September 1999. Can only use indexation if choose not to use discounting.

CGT small business concessions

Taxpayers must satisfy the basic conditions[1] that apply to all of the four concessions as well as the specific conditions (if any) that apply to each concession.

CGT Concession	Application	CGT Treatment
15 year exemption	Business has continuously owned an asset for 15 years and the taxpayer is 55 years or over and is retiring or is permanently incapacitated[2]	No assessable capital gain upon sale of the active asset
50% active asset reduction	Asset has been owned for 12 months or more	The capital gain on the active asset is reduced by 50%[5]
Retirement exemption	Lifetime retirement exemption limit of $500,000	Exempts all or part of a capital gain on a business asset[1].
Rollover	Disposed of active asset	Capital gain on disposal can be rolled over or deferred for a maximum of 2 years[2].

1 If taxpayer is under 55 years old the exempt amount must be contributed to a complying superannuation fund or retirement savings account.
2 If a replacement asset is acquired or a capital improvement is made to an existing asset, the capital gain can be deferred until a change in circumstances causes the gain to crystallise.
3 The basic conditions are that the taxpayer must satisfy either the maximum net asset value test or the small business entity test and the CGT asset giving rise to the gain must be an active asset and the CGT event would have resulted in a capital gain.
4 The asset must have been an active asset for at least 7 ½ years during the period it was owned by the taxpayer.
5 Active asset reduction is in addition to 50% CGT discount.

Thin capitalisation rules

Changes to the thin capitalisation regime, with effect from 1 July 2014, are awaiting Royal Assent.

Current thin capitalisation rules	Proposed thin capitalisation measures
De minimis threshold of $250,000 of debt deductions	Proposed de minimis threshold of $2 million of debt deductions
Debt to equity ratio of 3:1 for general entities	New debt to equity ratio of 1.5:1 for general entities
Worldwide gearing ratio at 120% for outward investors	New worldwide gearing ratio of 100% for outward investors
Capital limit at 4% RWA[1] for ADIs	New capital limit at 6% RWA[1] for ADIs
Worldwide gearing test not applicable to inward investors	Worldwide gearing test now applicable to inward investors

1 Risk-Weighted Assets

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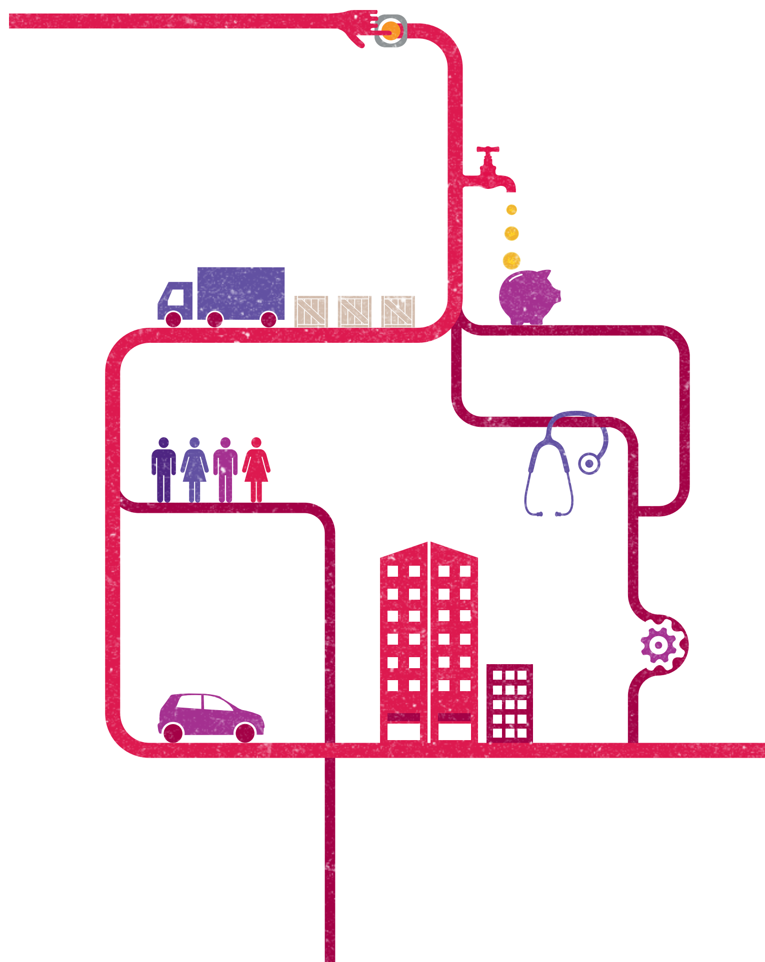
Tax guide 2014/2015

Released September 2014



Individual rates

Resident individual tax rates - 2014/15

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	17,547 + 37% of excess over 80,000
180,001 and over	54,547 + 45% of excess over 180,000

Non-resident individual tax rates - 2014/15

Taxable income ($)	Tax payable ($)
0 – 80,000	32.5%
80,001 – 180,000	26,000 + 37% of excess over 80,000
180,001 and over	63,000 + 45% of excess over 180,000

Temporary Budget Repair Levy

The Government has introduced a Temporary Budget Repair Levy of 2% on individuals' taxable income exceeding $180,000, effective 1 July 2014 through to 30 June 2017.

Medicare rates

From 1 July 2014, the Medicare levy increased from 1.5% to 2% of taxable income, subject to exclusions and reduced levies (not currently available).

For illustrative purposes the Medicare exclusions and reduced levies for 2013/14 were:

Taxpayer	No levy ($)
Individual:	20,542
Taxpayer with spouse and:	(family income)
0 dependants	34,367
1 dependant	37,523
2 dependants	40,679
3 dependants	43,835
Each additional	3,156
Pensioner below age pension age and Senior Australians	32,279

Medicare levy surcharge 2014/15

An additional surcharge will apply if the taxpayer, spouse and all dependants are not covered by private hospital insurance and the below thresholds are exceeded.

Tier	Taxpayer	Taxable income and reportable fringe benefits ($)[1]	Surcharge rate
0	Single Couple/Families	$90,000 or less $180,000 or less	0%
1	Single Couple/Families	$90,001 to $105,000 $180,001 to $210,000	1%
2	Single Couple/Families	$105,001 to $140,000 $210,001 to $280,000	1.25%
3	Single Couple/Families	$140,001 and over $280,001 and over	1.5%

1 For families with children, the family thresholds are increased by $1,500 for each child after the first.

Other individual tax rates

Private health insurance rebate 2014/15

Tier	Taxpayer	Taxable income and reportable fringe benefits ($)[1]	Age bracket	Rebate (%)
0	Single Couple/Families	$90,000 or less $180,000 or less	< 65 years 65 - 69 years ≥ 70 years	29.04 33.88 38.72
1	Single Couple/Families	$90,001 to $105,000 $180,001 to $210,000	< 65 years 65 - 69 years ≥ 70 years	19.36 24.20 29.04
2	Single Couple/Families	$105,001 to $140,000 $210,001 to $280,000	< 65 years 65 - 69 years ≥ 70 years	9.68 14.52 19.36
3	Single Couple/Families	$140,001 and over $280,001 and over	< 65 years 65 - 69 years ≥ 70 years	0 0 0

1 For families with children, the thresholds are increased by $1,500 for each child after the first.

Medical expenses offset

From 1 July 2013, the medical expenses tax offset is being transitionally phased out. Only taxpayers who claimed the offset in 2013/14 will be eligible to claim the offset in 2014/15. The 2014/15 year will be the final year to claim the offset[1].

Family status	Adjusted taxable income threshold	What you can claim
Single	$90,000 or less Above $90,000	20% of net medical expenses over $2,162[2] 10% of net medical expenses over $5,100[2]
Family	$180,000 or less[3] Above $180,000[3]	20% of net medical expenses over $2,162[2] 10% of net medical expenses over $5,100[2]

1 Taxpayers will still be able to claim the offset for out-of-pocket medical expenses relating to disability aids, attendant care or aged care expenses until the 2018/19 income tax year.
2 Thresholds are still to be indexed for 2014/15.
3 Plus $1,500 for each dependent child after the first.

Tax offsets/rebates

Low income tax offset

The low income taxpayer offset for 2014/15 is provided on assessment.

Taxable income (TI) ($)	Offset ($)
0 – 37,000	445
37,001 – 66,667	445 – [(TI – $37,000) x 1.0%]
66,667 +	Nil

Shortfall interest charge

Period	SIC rate[1] %	Period	SIC rate[1] %
Oct-Dec 2013	5.6	Apr-Jun 2014	5.63
Jan-Mar 2014	5.59	Jul-Sep 2014	5.69
		Oct-Dec 2014	5.63

1 SIC rate = GIC rate less four percentage points

Companies

Company loss carry-back

Companies were able to receive a refundable tax offset for losses carried back and offset against previous tax paid. However, this tax measure has been repealed.

Taxpayers who lodged a company tax return for the 2013/14 income year and claimed a loss carry-back in that year will have their assessments amended by the ATO to disallow the claim.

Private company loans – benchmark interest

Income year	Interest rate %
2014/15	5.95
2013/14	6.20
2012/13	7.05
2011/12	7.80

PAYG quarterly instalments

Instalment	Deferred BAS payers[1]	Other quarterly payers[1]
1st instalment	28.10.14	21.10.14
2nd instalment	28.02.15	21.01.15
3rd instalment	28.04.15	21.04.15
4th instalment	28.07.15	21.07.15

1 If due date falls on a Saturday, Sunday or public holiday, due date is next business day.

Note:
2 Applicable to 30 June balancers.

PAYG monthly instalments

From 1 January 2014 large corporate tax entities are required to make monthly PAYG income tax instalments. These new rules are being phased in between 1 January 2014 and 1 January 2017 as follows:

Date	Type of entity	Turnover
1 January 2014	Corporate Tax Entity	≥$1 billion
1 January 2015	Corporate Tax Entity	≥$100 million
1 January 2016	Corporate Tax Entity Other PAYG entities	≥$20 million ≥$1 billion
1 January 2017	Other PAYG entities	≥$20 million

Note:
1 Other PAYG entities are all large entities in the PAYG instalment system including trusts, superannuation funds, sole traders and large investors.

Superannuation/termination

Super guarantee – quarterly regime 2014/15

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.

Superannuation guarantee – support levels

Year	Prescribed support[1]
1 July 2014	9.50%

1 Maximum contribution base for an individual employee for each quarterly contribution period is $49,430 for 2014/15.

Superannuation contributions

Contribution cap	Age of member	
Concessional contribution cap	Under age 49: $30,000	
Temporary concessional contribution cap	49 years or over at 30 June 2014: $35,000[1]	
Non-concessional contribution cap	Under age 65 at any time during 2014/15: **$180,000** or up to **$540,000** over a three-year period	Age 65 or over for all of 2014/15: **$180,000 (subject to work test)**

1 The temporary higher cap is not indexed and will cease when the general concessional contributions cap is indexed to $35,000.

Contributions tax for high-income earners

From 1 July 2012, individuals with income in excess of $300,000 (not indexed) are subject to an additional 15% tax on part or all of their non-excessive concessional contributions

Contribution type	Tax Within Cap
Annual income above $300,000	30%

Note:
Income is defined as including taxable income, reportable fringe benefits total, reportable superannuation contributions, total net investment losses less any superannuation lump sum amounts entitled to a tax offset for the income year.

Excess contributions tax

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

Contribution type	Tax within cap	Tax on amounts exceeding the cap[2]
Concessional	15%	Marginal tax rate
Non-concessional	0%	47%[1]

1 Excludes 2% temporary Budget Repair levy.
2 This amount is added to the tax on amounts which fall within the cap.

Superannuation lump sums – 2014/15[6]

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 - $185,000 15% – $185,001+
0-54[4]	Tax-free[5]	20%

1 Separate tax treatment applies for lump sums paid from an untaxed source (i.e. an element untaxed in a fund) depending on the lump sum amount and recipient's age.
2 Includes the crystallised pre-July 1983 segment, un-deducted contributions, CGT exempt component and contributions not included in fund's assessable income.
3 Determined by subtracting tax-free component from total value of lump sum.
4 Preservation age of 56 phasing to age 60 for those born after 1 July 1960.
5 Non-assessable, non-exempt income (i.e. not counted in working out tax payable on taxpayer's other assesable income).
6 Table excludes Medicare levy.

Redundancy/early retirement - rates for 2014/15

Tax-free	$9,514 + ($4,758 x years of service)
Excess	Taxed as Employment Termination Payment

Employment termination payments - 2014/15[1]

Age of recipient	Lump employment termination payment[2]	
	Tax-free component[3]	Taxable component[3]
55+	Tax-free	15% – $0 - $185,000 45% – $185,001+
0-54	Tax-free	30% – $0 - $185,000 45% – $185,001+

1 Table excludes 2% Medicare levy and 2% Temporary Budget Repair Levy.
2 Payment must be received within 12 months of taxpayer's termination of employment. Cannot be rolled over to a superannuation fund.
3 Includes the pre-July 1983 segment and invalidity segment.

Note:
4 Existing arrangements will be retained for certain ETPs relating to genuine redundancy (including 65+ recipients), invalidity, compensation due to an employment related dispute or death.