

# Tax directions 2009/2010



## Resident individuals

Taxable income (\$)	Tax payable (\$)
0 – 6,000	0
6,001 – 35,000	15% of amount over 6,000
35,001 – 80,000	4,350 + 30% of amount over 35,000
80,001 – 180,000	17,850 + 38% of amount over 80,000
180,001 and over	55,850 + 45% of amount over 180,000

Add 1.5% Medicare levy (except for low income earners).  
Add 1% Medicare levy surcharge for high-income earners without private patient hospital cover.

## Non-resident individuals

Taxable income (\$)	Tax payable (\$)
0 – 35,000	29%
35,001 – 80,000	10,150 + 30% of amount over 35,000
80,001 – 180,000	23,650 + 38% of amount over 80,000
180,001 and over	61,650 + 45% of amount over 180,000

## Maternity payment - the baby bonus scheme

From 1 January 2009 the bonus will be indexed annually and paid in 13 fortnightly instalments. It is means tested and available only to families with a taxable income of no more than \$75,000 in the six months following birth.

## PAYG quarterly instalments

Due dates: 28 October 2009, 28 February 2010, 28 April 2010, 28 July 2010.

Instalments only payable if individual taxpayer has received instalment rate notice from the Commissioner.

## Capital gains tax

Exemption/Discounts	
Discount on capital gains for individuals and trusts*	50%
Discount on capital gains for superannuation funds*	33.3%
Net asset threshold for small business exemptions**	\$6,000,000
Turnover test for small business exemptions**	\$2,000,000
Retirement exemption on capital gains	\$500,000
Indexation frozen from 30/9/1999 at indexation number	123.4
CGT improvement threshold	\$124,258

\*Assets must have been held for at least 12 months – other limitations apply.  
Other small business concessions may also apply.

\*\*Either the net asset threshold test or the turnover test must be satisfied to access small business concessions. Other conditions apply.

## Company tax

Tax rate 30%

Division 7A benchmark interest rate is 5.75%.

Pay As You Go (PAYG) instalments	1st	2nd	3rd	4th
Due dates for 30 June balance date	28/10/09	28/2/10	28/4/10	28/7/10

## Lodgement & payment dates

	Individuals & trusts	Companies & superannuation funds	
	Lodgement	Payment	Lodgement
Entities with one or more outstanding tax returns as at 30 June 2009	31/10/09	1/12/09	31/10/09
Medium/large business and taxable in prior year	15/1/10	1/12/09	15/1/10
Medium/large business and not taxable in prior year	28/2/10	28/2/10	28/2/10
Balance of tax payable in prior year exceeded \$20,000 and not medium/large business	31/3/10	N/A	N/A
Turnover exceeded \$2m in prior year and not medium/large business	N/A	31/3/10	31/3/10
Other taxable entities	15/5/10	15/5/10	15/5/10
Other non-taxable entities	5/6/10	15/5/10	15/5/10
Entities with a Substituted Accounting Period (SAP)	Within 4 months after year end	1st day of 6th month after year end	15th day of 7th month after year end

Payments for individuals and trusts are generally due after lodgement unless return is late. Returns and payments for newly registered medium/large businesses and super funds due 28/2/10, all other new registrants due 15/5/10.

## Simplified dividend imputation

Shareholders rebate	Franking credit attached
Franking account credit/debit	Tax paid basis
Franking account deficit tax (FDT)	Deficit amount

## Superannuation funds

Tax rate – non-arms length income and private company dividends	45%
Tax rate – all other income*	15%

\* Funds paying pensions can be taxed at 0%.

## Important due dates

Quarterly IAS & BAS	Super contributions	Monthly BAS
28/07/09	28/07/09	21/07/09
28/10/09	28/10/09	21/08/09
28/02/10	28/01/10	21/09/09
28/04/10	28/04/10	21/10/09

## Payment summaries

14/07/09	21/12/09
	21/01/10
	21/02/10
	21/03/10
	21/04/10
	21/05/10
	21/06/10

## Super guarantee shortfall

28/08/09	
28/11/09	
28/02/10	
28/05/10	

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## Superannuation guarantee

Minimum level of support	9%
Maximum contribution base for each quarterly period	\$40,170

- Due date for contributions: 28 October 2009, 28 January 2010, 28 April 2010, and 28 July 2010.

## Superannuation contributions

Contribution type	Contribution cap	Tax on excess
<b>Concessional*##</b>		
– aged less than 50	\$25,000	31.5%
– aged 50 or over	\$50,000	31.5%
<b>Non-concessional**</b>		
– per year	\$150,000	46.5%
– over 3 years***	\$450,000	46.5%
<b>Small business CGT^</b>	\$1,100,000	46.5%

\*Taxed at 15% in the fund, deductible by the contributor.

\*\*Not taxed in the fund, not deductible by the contributor.

\*\*\*Bring forward rule only applies to person aged under 65.

#Excess concessional contributions also count against non-concessional cap.

^Lifetime limit.

## Superannuation benefits

Lump sum amount	Taxed element*	Untaxed element*
<b>Less than 55 years</b>		
– up to \$1.1m**	20%	30%
– over \$1.1m**	20%	45%
<b>Between 55 and 60</b>		
– up to \$150,000**	0%	15%
– \$150,001** to \$1.1m**	15%	30%
– over \$1.1m**	15%	45%
<b>60 or over</b>		
– up to \$1.1m**	0%	15%
– over \$1.1m**	0%	45%

\*Excluding Medicare levy.

\*\*Lifetime limit.

## Employment Termination Payments

Lump sum amount	Transitional*	Non-transitional*
<b>Less than 55 years</b>		
– up to \$150,000**	30%	30%
– \$150,000 to \$1m***	30%	45%
– over \$1m***	45%	45%
<b>55 or over</b>		
– up to \$150,000**	15%	15%
– \$150,001** to \$1m***	30%	45%
– over \$1m***	45%	45%

\*Excluding Medicare levy.

\*\*Lifetime limit.

\*\*\*Lifetime limit (non-indexed).

Transitional rules apply for payments made pre 1/7/12 that were contracted pre 10/5/06.

## Pensions (taxable component)

Less than 55	Marginal rate
Between 55 and 60	Marginal rate less 15% rebate
60 or over	Tax free

## Redundancy or early retirement

Tax free amount = \$7,732 + \$3,867 x years of service.

The balance of a redundancy or early retirement payment is taxed as an ETP.

## Fringe Benefits Tax

Rate 2009/10	46.5%
Fringe benefits gross-up factor 2009/10*	2.0647
Return and payment due**	21 May 2010
Benchmark interest rate 2009/10	5.85%
Instalment threshold	\$3,000
Reportable fringe benefits threshold (per employee)	\$2,000
Car parking threshold	\$7.25

\*If an employer was entitled to an input tax credit for the benefits provided – otherwise the rate of 1.8692 will apply.

\*\*Instalment payments are due with quarterly Business Activity Statements.

## Motor vehicle statutory formula

kms per annum	FBT value %
less than 15,000	26
15,000 to 24,999	20
25,000 to 40,000	11
more than 40,000	7

## Goods and Services Tax

Tax rate^	10%
Annual turnover* threshold for registration (\$150,000 for non-profit organisations)	\$75,000
Annual turnover* threshold for accrual accounting	\$2,000,000
Annual turnover* threshold for monthly payments	\$20,000,000

^Calculated as 1/11th of the GST inclusive value.

\*Annual turnover includes taxable and GST free supplies connected with Australia.

## Business Activity Statements (BAS)

Quarterly activity statements generally due 28th day after end of September, January, March and June.

Monthly activity statements due 21st day after end of each month.

## Withholding tax

Fully franked dividends	Nil
Unfranked dividends	30% (0%-25% if tax treaty)
Interest	10%
Royalties	30% (5%-25% if tax treaty)
Managed fund distributions	15%* or 30%
Remittance	via PAYG system

\*Is not a final tax and only applies to taxpayers resident in counties which have an "effective exchange of information agreement" with Australia.

## Capital allowances

Asset acquired	Rate
pre 21/9/1999	accelerated
post 21/9/1999	effective life
less than \$1,000	37.5% diminishing if pooled*

\*18.75% for first year in pool.

- Different depreciation rates apply to Small Business Entities
- Business establishment and many other business related costs are deductible over 5 years
- Building write-off 2.5% or 4% per annum if construction started between 22 August 1984 and 15 September 1987.
- ATO allows assets costing less than \$300 (GST inclusive) to be written-off immediately.

## Motor vehicle business deductions

Alternatives available for expense claims for individuals:

(i) Up to 5,000 kilometres business use

Non-rotary (cc)	Rotary (cc)	Per km rates
0-1600	0-800	63c
1601-2600	801-1300	74c
2601+	1301+	75c

(ii) Over 5,000 km 1/3 total expenses or 12% of cost of car or per km rate limited to 5,000 kms

(iii) Log book method can be used regardless of distance

Motor vehicle depreciation cost limit:

- \$57,009 for cars acquired during 2006/2007
- \$57,123 for cars acquired during 2007/2008
- \$57,180 for cars acquired during 2008/2009
- \$57,180 for cars acquired during 2009/2010

## Stamp duty

At the time of publishing this document various State Governments had committed to reducing stamp duty. Please consult your advisor prior to relying on these rates.

### Transfer of shares for ACT, NSW & SA\*\*

Securities	Duty payable
Quoted	Nil
Unquoted	\$0.60 for every \$100 in ACT*, SA*** & NSW***

\*Nil from 1 July 2010.

\*\*Nil in all other States, except for shares in land rich companies or landholders where transfer of property rates will apply.

\*\*\*Nil from 1 July 2012.

### Transfer of property – maximum stamp duty rates

State*	Consideration	Duty payable (\$)
ACT	Over \$1,000,000	\$49,250 + \$6.75 for every excess \$100
NSW**	Over \$1,000,000	\$40,490 + \$5.50 for every excess \$100
NT	Over \$525,000	4.95% of consideration
Qld	Over \$980,000	\$37,125 + \$5.25 for every excess \$100
SA	Over \$500,000	\$21,330 + \$5.50 for every excess \$100
Tas***	Over \$225,000	\$6,550 + \$4.00 for every excess \$100
Vic***	Over \$960,000	5.5% of consideration
WA	Over \$725,000#	\$28,453 + \$5.15 for every excess \$100
	Over \$500,000##	\$19,665 + \$5.15 for every excess \$100

\*Nil for transfer of business property from 1 July 2012.

\*\*Premium property duty of \$150,490 plus 7% is payable for every \$100 in excess of \$3m for residential properties.

\*\*\*Applies to transfer of real property.

#Residential property only.

##All other property.

### Mortgage duty – maximum stamp duty rates

State	Amount secured	Duty payable (\$)
NSW	Over \$16,000	\$5 + \$4.00 for each excess \$1,000

No mortgage duty in ACT, NT, Qld, Tas, Vic and WA as well as SA from 1/7/09

## Payroll tax

Annual threshold is shown, but registration is required at the end of the month when the monthly threshold (the annual threshold pro rated) is exceeded.

	ACT	NSW	NT	Qld	SA	Tas	Vic	WA
Threshold ('000)	1,500	638	1,250	1,000**	600	1,010	550	750
Rate on excess %	6.85	5.75*	5.90	4.75	4.95	6.10	4.95	5.50

\*Reduces to 5.65% from 1 January 2010.

\*\*Threshold reduces by \$1 for every \$4 above \$1m.