

Individual rates/Medicare levy

Resident tax rates – 2012-13

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 tax rates – 2012-13

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

Medicare levy – 2012-13 thresholds

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

Taxpayer	No levy (\$)
Individual:	20,542
Taxpayer with spouse and:	(family income)
0 dependents	32,743
1 dependent	35,750
2 dependents	38,757
3 dependents	41,764
Each additional	3,007
Pensioner below age pension age and Senior Australians^{1,2}	32,279
Senior Australians and Pensioners w/spouse²	46,000

¹ Entitled to the senior and pensioner tax offset.

² From 1 July 2012 the pensioner tax offset will be merged with the senior Australian tax offset, creating a new senior and pensioner tax offset.

Medicare levy – surcharge 2012-13

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

Tier	Taxpayer	Taxable income and reportable fringe benefits (\$)	Surcharge rate
0	Single Couple/Families	84,000 or less 168,000 or less	0%
1	Single Couple/Families	84,001 to 97,000 168,001 to 194,000	1%
2	Single Couple/Families	97,001 to 130,000 194,001 to 260,000	1.25%
3	Single Couple/Families	130,001 and over 260,001 and over	1.5%

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

Private Health Insurance rebate – 2012-13

From 1 July 2012 the private health insurance offset will become income tested against three income tier thresholds. For singles and couples/families who earn less than the Tier 1 thresholds the rebate amount will be unchanged from the 2011-12 year¹.

Tier	Taxpayer	Taxable income and reportable fringe benefits (\$)	Rebate
1	Single Couple/Families	84,001 to 97,000 168,001 to 194,000	< 65 yrs = 20% 65 - 69 yrs = 25% ≥ 70 yrs = 30%
2	Single Couple/Families	97,001 to 130,000 194,001 to 260,000	< 65 yrs = 10% 65 - 69 yrs = 15% ≥ 70 yrs = 20%
3	Single Couple/Families	130,001 and over 260,001 and over	< 65 yrs = 0% 65 - 69 yrs = 0% ≥ 70 yrs = 0%

¹ Rebate rate for singles and couples/families under the Tier 1 threshold is 30% for under 65 years, 35% for 65-69 years and 40% for 70 years and over.

² For families with children, the thresholds are increased by \$1,500 for each child after the first.

Medical expenses offset

For people with adjusted taxable income above the Medicare levy surcharge thresholds (\$84,000 for singles and \$168,000 for couples or families in 2012-13), medical expenses paid during the year exceeding \$5,000, net of reimbursements, offset is 10c for each \$1 in excess of \$5,000 (2012-13), indexed annually thereafter.

For people with adjusted taxable income below the Medicare levy surcharge, medical expenses paid during the tax year exceeding \$2,120, net of reimbursements, offset is 20c for each \$1 in excess of \$2,120.

Tax offsets/rebates

Low income taxpayer offset

The low income taxpayer offset for 2012-13 is provided on assessment.

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

Shortfall interest charge

Period	SIC rate ¹ %	Period	SIC rate ¹ %
Oct-Dec 2011	7.86	Apr-Jun 2012	7.37
Jan-Mar 2012	7.62	Jul-Sep 2012	6.66

¹ GIC rate = SIC rate plus four percentage points.

Companies

Tax rate 30% – 2012-13

The proposed reduction in the company tax rate to 29% will no longer proceed.

Private company loans – benchmark interest

Income year	Interest rate %
2012-13	7.05
2011-12	7.80
2010-11	7.40
2009-10	5.75

Company loss carry back

Year	Earliest year for offset	Maximum offset amount	Application
2012-13	2011-12	\$1,000,000	Limited to companies and entities taxed like companies
2013-14	2011-12		
2014-15	2012-13		

¹ Limited to an entity's revenue losses.

² Integrity rules will still apply.

³ Limited to the entity's franking account balance.

PAYG quarterly instalments¹

Instalment	Deferred BAS payers ²	Other quarterly payers ²
1st instalment	28.10.12	21.10.12
2nd instalment	28.02.13	21.01.13
3rd instalment	28.04.13	21.04.13
4th instalment	28.07.13	21.07.13

¹ Applicable to 30 June balancers.

² If due date falls on a Saturday, Sunday or public holiday, due date is next business day.

PAYG annual instalments – 2012-13 due dates

30 June balancers – 21 October 2012.

SAPs – 21st day of fourth month after end of year.

Living Away From Home Regime

Proposed changes

Changes to apply from 1 October 2012 propose to:

- Limit the tax concession to employees who maintain a home for their own use in Australia, that they are living away from for work
- Limit the tax concession to a maximum period of 12 months in respect of an individual employee for any particular work location
- Broadly shift the taxation of living away from home allowances into the income tax net, with qualifying employees able to claim deductions for accommodation costs and food costs above a statutory level

The proposed measures will not affect:

- The tax concession for “fly-in, fly-out” arrangements. These employees will not be subject to the 12 month time limit
- The tax treatment of travel and meal allowances, which are provided to employees who travel away from their usual place of work for short periods (generally up to 21 days)

Transitional rules will apply to arrangements entered into prior to 7:30pm (AEST) on 8 May 2012 and that remain unaltered such that:

- Australian permanent residents will not be required to maintain a home that they live away from and can qualify for the concession through to 30 June 2014
- Temporary residents and foreign residents can qualify for the concession through to 30 June 2014 but only if they maintain a home in Australia that the live away from

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Superannuation/termination

Super guarantee – quarterly regime 2012-13

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
2003+	9%

¹ Maximum contribution base for an individual employee for each quarterly contribution period is \$45,750 for 2012-13.

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.

Proposed changes to super contributions

From 1 July 2012 it is proposed that the concessional contribution cap for taxpayers aged 50 and over will reduce to \$25,000 for the 2012-13 and 2013-14 years.

Contribution cap	Age of member
Concessional contribution cap	All ages: \$25,000
Non-concessional contribution cap	Under age 65 at any time during 2012-13: \$150,000 or \$450,000 over a three-year period Age 65 or over for all of 2012-13: \$150,000

From 1 July 2012, individuals with income in excess of \$300,000 will face a reduction in their tax concession on their concessional contributions from 30% to 15% (excluding Medicare levy). Contributions above the annual contributions caps will be subject to excess contributions tax levied at the following rates:

Contribution type	Within cap tax rate	Exceeding cap
Concessional – annual income below \$300k	15%	Additional 31.5%
Concessional – annual income above \$300k	30%	Additional 16.5%
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. Excess concessional contributions also count towards the non-concessional contributions cap.
- Income is defined as including taxable income, concessional superannuation contributions, adjusted fringe benefits, total net investment loss, target foreign income and tax-free government pensions and benefits, less child support.

Superannuation lump sums – 2012-13

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 - \$175,000 15% – \$175,001+
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 – 2012-13

Tax-free	\$8,806 + (\$4,404 x years of service)
Excess	Taxed as Employment Termination Payment

Employment termination payments – 2012-13

Proposed changes

From 1 July 2012 it is proposed that certain Employment Termination Payments (ETP) such as “golden handshakes” that take a person's total annual taxable income (including the ETP) to no more than \$180,000 will receive the ETP tax offset⁴. Amounts above this \$180,000 whole of income cap will be taxed at marginal rates.

Age of recipient	Lump employment termination payment ²	
	Tax-free component ³	Taxable component ³
55+	Tax-free	15% – \$0 - \$175,000 45% – \$175,001+
0-54	Tax-free	30% – \$0 - \$175,000 45% – \$175,001+

- 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.
- 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.

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%

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

Depreciation/cars

Car depreciation cost limit 2012-13

The 2012-13 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

- 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 2012 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 2012-13 FBT year is 7.40%.

FBT – car statutory percentages

Distance travelled during the FBT year (1 April - 31 March)	Existing contracts	Statutory rate (multiplied by the cost of the car to determine an employee's car fringe benefit)		
		New contracts entered into after 7:30pm (AEST) on 10.5.11		
		From 1.4.12	From 1.4.13	From 1.4.14
0 - 15,000 km	26%	20%	20%	20%
15,001 - 25,000 km	20%	20%	20%	20%
25,001 - 40,000 km	11%	17%	20%	20%
More than 40,000 km	7%	13%	17%	20%

Tax guide 2012/2013

