# Tax Data 2025

## A valuable reference tool at your fingertips.

**Tax Data 2025** is current as at **31 March 2025** and contains a vast array of relevant and useful tax information, including:

- Allowances
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- Caps
- Charges and Penalties
- Dates
- Limits
- Rates
- Rules
- State Taxes
- Thresholds


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# Tax Data

## Income tax rates

### Individuals

**Note**

The tax rates in the tables below exclude the Medicare levy for resident taxpayers.

Non-residents are not liable for the Medicare levy and are not eligible for the CGT discount on their capital gains that accrue after 8 May 2012.

#### ▶ 2024–25 income year

**Australian residents**[1]

| Income thresholds | Rate | Tax payable in 2024–25 and later income years | |
|---|---|---|---|
| $0 – $18,200 | 0% | Nil | |
| $18,201 – $45,000 | 16% | Nil | + 16% for each $1 over $18,200 |
| 45,001 – $135,000 | 30% | $4,288 | + 30% for each $1 over $45,000 |
| $135,001 – $190,000 | 37% | $31,288 | + 37% for each $1 over $135,000 |
| $190,001 and over | 45% | $51,638 | + 45% for each $1 over $190,000 |

**Foreign residents**

| Income thresholds | Rate | Tax payable in 2024–25 and later income years | |
|---|---|---|---|
| $0 – $135,000 | 30% | Nil | + 30% for each dollar |
| $135,001 – $190,000 | 37% | $40,500 | + 37% of excess over $135,000 |
| $190,001 and over | 45% | $60,850 | + 45% of excess over $190,000 |

[1] The 'Stage three tax cuts' which were legislated by the previous government and which were to apply from 1 July 2024 were modified by the Albanese Government by the *Treasury Laws Amendment (Cost of Living Tax Cuts) Act 2024* which received Royal Assent as Act No. 3 of 2024 on 5 March 2024.

### Working holiday makers

| Income thresholds | Rate | Tax payable in 2024–25 and later income years | |
|---|---|---|---|
| $0 – $45,000 | 15% | Nil | + 15% for each dollar |
| 45,001 – $135,000 | 30% | $6,750 | + 30% of excess over $45,000 |
| $135,001 – $190,000 | 37% | $33,750 | + 37% of excess over $135,000 |
| $190,001 and over | 45% | $54,100 | + 45% of excess over $190,000 |

## ▶ 2020–21 to 2023–24 income years

### Australian residents

| Income thresholds | Rate | Tax payable in 2020–21 to 2023–24 income years | |
|---|---|---|---|
| $0 – $18,200 | 0% | Nil | |
| $18,201 – $45,000 | 19% | Nil | + 19% of excess over $18,200 |
| $45,001 – $120,000 | 32.5% | $5,092 | + 32.5% of excess over $45,000 |
| $120,001 – $180,000 | 37% | $29,467 | + 37% of excess over $120,000 |
| $180,001 + | 45% | $51,667 | + 45% of excess over $180,000 |

### Foreign residents

| Income thresholds | Rate | Tax payable in 2020–21 to 2023–24 income years | |
|---|---|---|---|
| $0 – $120,000 | 32.5% | Nil | + 32.5% for each dollar |
| $120,001 – $180,000 | 37% | $39,000 | + 37% of excess over $120,000 |
| $180,001 + | 45% | $61,200 | + 45% of excess over $180,000 |

### Working holiday makers

| Income thresholds | Rate | Tax payable in 2020–21 to 2023–24 income years | |
|---|---|---|---|
| $0 – $45,000 | 15% | Nil | + 15% for each dollar |
| $45,001 – $120,000 | 32.5% | $6,750 | + 32.5% of excess over $45,000 |
| $120,001 – $180,000 | 37% | $31,125 | + 37% of excess over $120,000 |
| $180,001 + | 45% | $53,325 | + 45% of excess over $180,000 |

## Minors

Unearned income of minors is subject to special rules contained in ss. 102AA to 102AGA in Div 6AA of Part III of the *ITAA 1936*. The tax rates that apply under Div 6AA are as follows:

### 2024–25

**Australian residents**

| Income thresholds | Rate | Tax payable in 2024–25 |
|---|---|---|
| $0 – $416 | 0% | Nil |
| $417—$1,307 | 66% | 66% for each dollar |
| $1,308 + | 45% | 45% of total amount of the income that is not excepted income |

**Foreign residents**

| Income thresholds | Rate | Tax payable in 2024–25 | |
|---|---|---|---|
| $0 – $416 | 32.5% | Nil | + 30% of excess over $0 |
| $417—$713 | 37.0% | $124.80 | + 66% of excess over $416 |
| $713 + | 45.0% | Nil | + 45% of the total amount |

### 2020–21 to 2023–24

**Australian residents**

| Income thresholds | Rate | Tax payable in 2020–21 to 2023–24 |
|---|---|---|
| $0 – $416 | 0% | Nil |
| $417—$1,307 | 66% | 66% for each dollar |
| $1,308 + | 45% | 45% of total amount of the income that is not excepted income |

**Foreign residents**

| Income thresholds | Rate | Tax payable in 2014–15 to 2016–17 income years | |
|---|---|---|---|
| $0 – $416 | 32.5% | Nil | + 32.5% of excess over $0 |
| $417—$663 | 37.0% | $135.20 | + 66% of excess over $416 |
| $664 + | 45.0% | Nil | + 45% of the total amount |

## Medicare levy

### Low-income thresholds and phase-in limits

The Medicare levy applies only to residents. The Medicare levy low-income thresholds (at or below which no Medicare levy is payable) and Medicare levy phase-in limits are shown in the table below. If the individual's income is above the Medicare levy phase-in limits, the full Medicare levy rate is 2%.[2]

Where the income is above the low-income threshold but no more than the phase-in limit, the levy payable is shaded in such that the levy is 10 per cent of the excess of taxable income over the low income threshold.

Shown below is the low-income threshold and phase-in limit for each category of taxpayer:

| Taxpayer | 2024–25 | 2023–24 | 2022–23 | 2021–22 |
|---|---|---|---|---|
| Individuals | $27,222<br>$34,027 | $26,000<br>$32,500 | $24,276<br>$30,345 | $23,365<br>$29,206 |
| Families[3] | $45,907<br>$57,383 | $43,846<br>$54,807 | $40,939<br>$51,173 | $39,402<br>$49,252 |
| Individuals — seniors and pensioners[4] | $43,020<br>$53,775 | $41,089<br>$51,361 | $38,365<br>$47,956 | $36,925<br>$46,156 |
| Family — seniors and pensioners | $59,886<br>$74,857 | $57,198<br>$71,497 | $53,406<br>$66,757 | $51,401<br>$64,251 |
| Family[5] — for each dependent child or student[6] | $4,216<br>$5,270 | $4,027<br>$5,034 | $3,760<br>$4,700 | $3,619<br>$4,523 |

## Medicare levy surcharge

An additional Medicare levy surcharge (MLS) is payable by taxpayers without adequate private patient hospital insurance. The MLS is calculated, depending on the individual's surcharge income, at 1 per cent, 1.25 per cent or 1.5 per cent of the sum of:

- taxable income
- total reportable fringe benefits
- any amount on which family trust distribution tax has been paid.

Surcharge income includes:

- taxable income
- reportable fringe benefits
- total net investment losses
- reportable superannuation contributions

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2 The Medicare Levy was increased from 1.5% to 2% by the *Medicare Levy Amendment (DisabilityCare Australia) Act 2013* which received Royal Assent on 28 May 2013 as Act No. 43 of 2013.

3 This represents family income with no dependants, the limit changes with the number of dependants.

4 That is, individuals eligible for the seniors and pensioners tax offset (SAPTO).

5 Whether eligible for the SAPTO or not.

6 For each dependent child or student, the family income threshold increases by the stated amount.

- a spouse's share of the net income of a trust on which the trustee must pay tax under s. 98 of the *ITAA 1936* and which has not been included in the spouse's taxable income
- exempt foreign employment income.

## Medicare levy surcharge income thresholds

**2024–25 income year**

| Tiers for 2024–25 | Income threshold for individuals | Income threshold for families | Rate of surcharge |
|---|---|---|---|
| Tier '0' | Up to $97,000 | Up to $194,000 | 0% |
| Tier 1 | $97,001 — $113,000 | $194,001 — $226,000 | 1% |
| Tier 2 | $113,001 — $151,000 | $226,001 — $302,000 | 1.25% |
| Tier 3 | $151,001 and above | $302,001 and above | 1.50% |

**2023–24 income year**

| Tiers for 2023–24 | Income threshold for individuals | Income threshold for families | Rate of surcharge |
|---|---|---|---|
| Tier '0' | Up to $93,000 | Up to $186,000 | 0% |
| Tier 1 | $93,001 — $108,000 | $186,001 — $216,000 | 1% |
| Tier 2 | $108,001 — $144,000 | $216,001 — $288,000 | 1.25% |
| Tier 3 | $141,001 and above | $288,001 and above | 1.50% |

**2014–15 to 2022–23 income years**

| Tiers for 2014–15 to 2022–23 | Income threshold for individuals | Income threshold for families | Rate of surcharge |
|---|---|---|---|
| Tier '0' | Up to $90,000 | Up to $180,000 | 0% |
| Tier 1 | $90,001 — $105,000 | $180,001 — $210,000 | 1% |
| Tier 2 | $105,001 — $140,000 | $210,001 — $280,000 | 1.25% |
| Tier 3 | $140,001 and above | $280,001 and above | 1.50% |

## Payments on termination of employment

### Employment termination payments

| Income year | Life benefit termination payments | Death benefit termination payments |
|---|---|---|
| 2025–26 | $260,000 | $260,000 |
| 2024–25 | $245,000 | $245,000 |
| 2023–24 | $235,000 | $235,000 |
| 2022–23 | $230,000 | $230,000 |
| 2021–22 | $225,000 | $225,000 |

**ETP caps**

**Tax rates applicable to ETPs**

The effective rates of tax[7] applicable from 1 July 2014 to the components of an ETP for the purposes of Div 82 of the *ITAA 1997* are set out in the following tables:

| Recipient's age | Tax free component | Taxable component[8] |
|---|---|---|
| Reached preservation age | 0% | |
| ■ up to the ETP cap amount | | 17% |
| ■ above the ETP cap amount | | 47% |
| Below preservation age | 0% | |
| ■ up to the ETP cap amount | | 32% |
| ■ above the ETP cap amount | | 47% |
| Payment received by death benefit dependant | 0% | |
| ■ up to the ETP cap amount | | 0% |
| ■ above the ETP cap amount | | 47% |
| Payment received by non-dependant | 0% | |
| ■ up to the ETP cap amount | | 32% |
| ■ above the ETP cap amount | | 47% |

7 Where a tax rate greater than zero per cent applies, the Medicare levy is also payable.

8 The rates for the taxable component include the Medicare levy.

### Genuine redundancy payments

The tax-free amounts of a genuine redundancy payment (formally referred to as a 'bona fide redundancy payment') or of an approved early retirement scheme payment are:

| Income year | Tax-free amount |
|---|---|
| 2025–26 | $13,100 + $6,552 for each complete year of service |
| 2024–25 | $12,524+ $$6,264 for each complete year of service |
| 2023–24 | $11,985+ $5,994 for each complete year of service |
| 2022–23 | $11,591 + $5,797 for each complete year of service |
| 2021–22 | $11,341 + $5,672 for each complete year of service |

### Note

Subdivision 83-C of the *ITAA 1997* has been amended to extend concessional taxation treatment for genuine redundancy payments and early retirement scheme payments to include payments made to individuals who are 65 years or older if they are dismissed or retire before they reach pension age.[9][10]

| Type of payment | % that is assessable | Tax treatment |
|---|---|---|
| For that part of an unused annual leave payment that is made in connection with, or consists of a payment in relation to:<br>▪ a genuine redundancy payment<br>▪ early retirement scheme payment<br>▪ the individual's invalidity, or<br>▪ pre-18 August 1993 employment … | 100% | … the person is entitled to an offset to ensure that the maximum rate of tax payable does not exceed **30%** (plus Medicare levy). |
| For the remainder of the payment … | 100% | … the amount is subject to tax at marginal tax rates. |

[9] The *Treasury Laws Amendment (2019 Measures No. 2) Act 2019* which received Royal Assent on 28 October 2019 amended, among other things, the definitions of 'genuine redundancy payment' and 'early retirement scheme payment' by replacing the references to 'turning 65' with 'pension age'.

[10] For payments made before 1 July 2007, refer to s. 26AC of the *ITAA 1936*.

**Long service leave**

Subdiv 83-B of the *ITAA 1997*[11]

| Accrual period | % that is assessable | Tax treatment |
|---|---|---|
| For that part of an unused long service leave payment that is attributable to pre-16 August 1978 employment … | 5%[12] | … the amount is subject to tax at marginal tax rates. |
| For that part of an unused long service leave payment that is made in connection with, or consists of a payment in relation to:<br>▪ a genuine redundancy payment<br>▪ early retirement scheme payment<br>▪ the individual's invalidity, or<br>▪ pre-18 August 1993 employment … | 100% | … the person is entitled to an offset to ensure that the maximum rate of tax payable does not exceed **30%** (plus Medicare levy). |
| For the remainder of the payment … | 100% | … the amount is subject to tax at marginal tax rates. |

11 For payments made before 1 July 2007, refer to s. 26AD of the *ITAA 1936.*

12 The remainder of this part is neither assessable income nor exempt income.

## Companies

There is a two tier system of company tax rates in Australia with a reduced tax rate applicable for entities which satisfy the definition of a base rate entity. The company tax rate for companies other than *base rate entities* is 30 per cent.

### Base rate entities

The definition of *base rate entity* was amended[13] to exclude the 'carrying on a business' requirement with effect from 1 July 2017 and also to increase the aggregated turnover threshold from $25 million to $50 million with effect from 1 July 2018.

The amended definition applying for the 2017–18 and later income years is as follows:

An entity is a ***base rate entity*** for a year of income if:

(a) no more than 80 per cent of its assessable income for the income year is **base rate entity passive income** (BRE passive income) — i.e. income of a passive nature[14]

(b) its aggregated turnover for the income year — worked out as at the end of the year — is less than:

- $25 million — applicable for the 2017–18 income year
- $50 million — applicable for the 2018–19 and later income years.

The rate of tax applicable to an eligible base rate entity (BRE tax rate) has been reduced since the 2017–18 income year as follows:[15]

| Income year | Company type | Applicable tax rate |
|---|---|---|
| 2021–22 and later income years | BRE | 25% |
| | Other | 30% |
| 2020–21 | BRE | 26% |
| | Other | 30% |
| 2017–18 to the 2019–20 income years | BRE | 27.5% |
| | Other | 30% |

13 The amendment was made by the *Treasury Laws Amendment (Enterprise Tax Plan Base Rate Entities) Act 2018* which received Royal Assent as Act No. 94 of 2018 on 31 August 2018.

14 The *Treasury Laws Amendment (Enterprise Tax Plan Base Rate Entities) Act 2018* — which received Royal Assent on 28 August 2018 — amended the previous definition of 'base rate entity' by removing the 'carrying on a business' requirement and replacing it with the BRE passive income requirement.

15 Prior to the 2017–18 income year, a reduced corporate tax rate of 27.5 per cent applied to companies that were *small business entities*. Entities were small business entities if they carried on a business in the income year and their aggregated turnover did not exceed the applicable threshold for the year, namely $10 million.

## Non-profit companies

The current rates and shade-in thresholds for non-profit companies are summarised in the table below.[16]

| | Applicable tax rates | | |
|---|---|---|---|
| **Entity** | **Nil** | **55%** | **Corporate rate[17]** |
| **Non-profit company that is an SBE / base rate entity** | | | |
| 2021–22 and later income years | 0 — $416 | $417 — $762 | 25% |
| 2020–21 income year | 0 — $416 | $417 — $788 | 26% |
| From the 2016–17 income year | 0 — $416 | $417 — $832 | 27.5% |
| **Non-profit company (generally)** | | | |
| 2015–16 to 2026–27 income year | 0 — $416 | $417 — $915 | 30% |

16 These rates and thresholds were amended by the *Tax Laws Amendment (Enterprise Tax Plan) Act 2017*, which was enacted on 19 May 2017 as Act No. 41 of 2017.

17 This table takes into account the changes enacted by the *Treasury Laws Amendment (Lower Taxes for Small and Medium Businesses) Act 2018*, which received Royal Assent on 25 October 2018 as Act No. 134 of 2018.

# Trusts and trust income

## General rules

| *ITAA 1936* | Status of present entitlement | Assessment and tax rates |
|---|---|---|
| s. 97 | A beneficiary who is not under a legal disability is made presently entitled to a share of the income of the trust estate | Beneficiary is assessed at the marginal tax rates applicable to that beneficiary |
| s. 98 | A beneficiary is made presently entitled to a share of the income of the trust estate but the trustee is assessed on that income on behalf of the beneficiary because the beneficiary is:<br>■ under a legal disability, or<br>■ a non-resident. | The trustee is assessed at the tax rates applicable to the beneficiary |
| s. 99A | No beneficiary is presently entitled to a share of the income of the trust estate | The trustee is assessed at the top marginal tax rate + Medicare levy:<br>■ 47% for the 2014–15 and later income years<br>■ 46.5% for the 2006–07 to 2013–14 income years<br>■ 48.5% for the 2005–06 and earlier income years |
| s. 99 | The Commissioner exercises his discretion to assess the trustee under s. 99 instead of s. 99A for:<br>■ deceased estates (see below)<br>■ certain bankrupt estates<br>■ certain trusts that consist of property of a kind referred to in s. 102AG(2)(c) (about certain excepted trust income relating to compensations amounts and benefits). | The trustee is assessed at marginal tax rates |

## Deceased estates

### Income year ends within three years of date of death

During the first three years where there is income of the deceased estate to which no beneficiary is presently entitled, this amount is taxed at the general individual income tax rates (exclusive of the Medicare levy).

| Applicable from … | | | | | |
|---|---|---|---|---|---|
| **1 July 2024 to 30 June 2025** | | **1 July 2020 to 30 June 2024** | | **1 July 2018 to 30 June 2020** | |
| **Taxable income** | **Tax rate** | **Taxable income** | **Tax rate** | **Taxable income** | **Tax rate** |
| 0 to $18,200 | Nil | 0 to $18,200 | Nil | 0 to $18,200 | Nil |
| $18,201 to **$45,000** | 16% for amounts > $18,200 | $18,201 to **$45,000** | 19% for amounts > $18,200 | $18,201 to $37,000 | 19% for amounts > $18,200 |
| $45,001 to $135,000 | $4,288 + 30% for amounts > **$45,000** | $45,001 to $120,000 | $5,092 + 32.5% for amounts > **$45,000** | $37,001 to **$90,000** | $3,572 + 32.5% for amounts > $37,000 |
| $135,000 to $190,000 | $31,288 + 37% for amounts > **$190,000** | **$120,001** to $180,000 | $29,467 + 37% for amounts > **$120,000** | **$90,001** to $180,000 | $20,797 + 37% for amounts > **$90,000** |
| **$190,001**, and over | $51,638 + 45% for amounts > **$190,000** | $180,001 and over | $51,667 + 45% for amounts > $180,000 | $180,001 and over | $54,097 + 45% for amounts > $180,000 |

### Income year ends after three years from date of death

Where the administration of the deceased estate takes longer than three years, the following special progressive tax rates apply — i.e. where there is no present entitlement.

**Tax rates 2024–25**

| Income thresholds | Tax payable | |
|---|---|---|
| $0 – $416 | Nil | |
| $417 – $611 | Nil | + 50% of excess over $416 |
| $612 – $45,000 | $97.76 | + 16% of excess over $611<br>[if taxable income > $611, entire amount over $0 is taxed at 16%] |
| $45,001 – $135,000 | $7,200 | + 30% of excess over $45,000 |
| $135,001 – $190,000 | $34,200 | + 37% of excess over $135,000 |
| $190,001 and over | $54,550 | + 45% of excess over $190,000 |

**Tax rates 2020–21 to 2022–24**

| Income thresholds | Tax payable | |
|---|---|---|
| $0 – $416 | Nil | |
| $417 – $670 | Nil | + 50% of excess over $416 |
| $671 – $45,000 | $127.30 | + 19% of excess over $670<br>[if taxable income > $670, entire amount over $0 is taxed at 19%] |
| $45,001 – $120,000 | $8,550 | + 32.5% of excess over $45,000 |
| $120,001 – $180,000 | $32,925 | + 37% of excess over $120,000 |
| $180,001 + | $55,125 | + 45% of excess over $180,000 |

# Deductions

## Capital Allowances

### ▶ Small business entities

#### Instant asset write-off

Small business entities (SBEs) are entitled, under s. 328-180 of the *ITAA 1997,* to claim an immediate deduction for the taxable purpose proportion of the cost of a depreciating asset in the year in which the asset is acquired or installed ready for use for a taxable purpose provided that the cost of the asset is less than the specified threshold (the 'instant asset write-off').

The threshold of $1,000 for the instant asset write-off has been temporarily increased, as outlined below.[18]

An immediate deduction applies to the second element of cost expenditure incurred in these periods (up to the relevant threshold).

| First used, or installed ready for use from … | Instant asset write-off threshold |
|---|---|
| 7.30 pm (AEST) on 12 May 2015 to 28 January 2019 | $20,000 |
| 29 January 2019 until 7.30 pm (AEST) on 2 April 2019[19] | $25,000 |
| 7.30 pm (AEST) on 2 April 2019 to 11 March 2020 | $30,000 |
| 12 March 2020 to 30 June 2021<br>[assets first acquired on or after 12 May 2015 and before 30 June 2021 and for second element of cost — incurred before 31 December 2020] | $150,000 |
| 1 July 2023 to 30 June 2025 | $20,000 |

#### Temporary full expensing

Under s. 328-181 of the *IT(TP) Act 1997*[20], an SBE is entitled to claim an immediate deduction for the cost of a depreciating asset (regardless of quantum) if the SBE first starts to hold the asset, and starts to use it or have it installed ready for use for a taxable purpose, between 7.30 pm AEDT on 6 October 2020 and 30 June 2023.[21] If a deduction is available under the temporary full expensing provision, then the instant asset write-off does not apply.

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18 Refer to s. 328-180 of the *IT(TP) Act 1997*.

19 Pursuant to the *Treasury Laws Amendment (Increasing and Extending the Instant Asset Write-Off) Act 2019*, which received Royal Assent on 6 April 2019 as Act No. 51 of 2019.

20 This section modifies the operation of the instant asset write-off in s. 328-180 of the *IT(TP) Act* which modifies the corresponding section in the *ITAA 1997*.

21 The temporary full expensing of depreciating assets regime to 30 June 2023 is contained in the *Treasury Laws Amendment (Enhancing Superannuation Outcomes for Australian and Helping Australian Businesses Invest) Act 2022* which received Royal Assent, as Act No. 10 of 2022, on 22 February 2022.

An immediate deduction applies to the second element of cost expenditure incurred in that period (also regardless of quantum).

### Return to the normal rules for SBEs for calculating deductions for depreciating assets

Once the temporary expensing measures cease, the instant asset write-off threshold for SBEs reverts to $1,000.

| First used, or installed ready for use from… | Instant asset write-off threshold |
|---|---|
| 7.30 pm (AEDT) on 6 October 2020 to 30 June 2023[22]<br>[assets first held, or second element of cost incurred, between these times] | No threshold |
| 1 July 2023 to 30 June 2025[23] | $20,000 |

A small business entity can also deduct the entire balance of its general small business pool if the balance at the end of the income year is less than the applicable threshold.

## Entities other than small business entities

### Immediate deduction subject to thresholds

From **2 April 2019, medium-sized businesses** — entities that are not SBEs and that have an aggregated turnover of less than $50 million — are entitled, under s. 40-82 of the *ITAA 1997,* to claim an immediate deduction for the cost of a depreciating asset that is less than $30,000.[24]

The immediate deduction was to cease to be available after 30 June 2020[25] but the end date was extended to 31 December 2020. At the same time, access to the concession was expanded by increasing the aggregated turnover threshold from 'less than $50 million' to 'less than $500 million' and the cost threshold was increased from $30,000 to $150,000.[26]

The end date has since been further extended so that an immediate deduction is available for assets costing up to $150,000 that are acquired by 31 December 2020 and are first used or installed ready for use by 30 June 2021.[27]

22 The *Treasury Laws Amendment (Enhancing Superannuation Outcomes for Australians and Helping Australian Businesses Invest) Act 2022* which received Royal Assent on 22 February 2022 as Act No. 10 of 2022 extended this date to 30 June 2023.

23 The *Treasury Laws Amendment (Support for Small Business and Charities and Other Measures) Bill 2023* which received Royal Assent on 28 June 2024 as Act. No 52 of 2024.

24 The entity must be an eligible medium sized business for the current year and for the year in which it started to hold the asset.

25 Pursuant to the *Treasury Laws Amendment (Increasing and Extending the Instant Asset Write-Off) Bill 2019*, which received Royal Assent on 6 April 2019 as Act No. 51 of 2019.

26 Pursuant to the *Coronavirus Economic Response Package Omnibus Act 2020* which received Royal Assent on 24 March 2020 as Act No. 22 of 2020, as extended by the *Treasury Laws Amendment (2020 Measures No. 3) Act 2020* which received Royal Assent on 19 June 2020 as Act No. 61 of 2020. Businesses with an aggregated turnover of $500 million or more are not eligible to use instant asset write-off.

27 Pursuant to the *Treasury Laws Amendment (A Tax Plan for the COVID-19 Economic Recovery) Act 2020* which received Royal Assent on 14 October 2020 as Act No. 92 of 2020.

### Instant asset write-off

An immediate deduction applies to the second element of cost expenditure incurred in these periods (up to the relevant threshold).

| Eligible taxpayers | Asset first used, or installed ready for use | Threshold |
|---|---|---|
| All business entities, other than SBEs, with an aggregated turnover less than $50 million[28] | 7.30 pm (AEDT) on 2 April 2019 to 11 March 2020 | $30,000 |
| All businesses, other than SBEs, with an aggregated turnover less than $500 million | 12 March 2020 to 30 June 2021 providing the asset was purchased on or after 7.30 pm (AEST) on 2 April 2019 and by 31 December 2020 | $150,000 |

### Temporary full expensing of first and second element of cost (no threshold)

Entities with an aggregated turnover of less than $5 billion can deduct the full cost (regardless of quantum) of:

- depreciating assets that are first held, and first used or installed ready for use for a taxable purpose, at or after 7.30 pm AEDT on 6 October 2020 and on or before 30 June 2022
- improvements to these assets and to existing eligible depreciating assets made during this period.

Temporary full expensing is not available to entities with an aggregated turnover of $50 million or more if a commitment was made in relation to an asset before 7.30 pm AEDT on 6 October 2020 or the asset is a second-hand asset.[29]

### Temporary accelerated depreciation

Qualifying entities are entitled to a deduction for **50 per cent**[30] of the cost of a qualifying depreciating asset first held and started to be used in the period **12 March 2020 to 30 June 2021**.[31]

#### Qualifying entities

An entity is eligible for accelerated depreciation if the following three core requirements are met:

(a) the income year is the year in which the entity **starts to use the asset,** or has it **installed ready for use**, for a taxable purpose

(b) the entity's aggregated turnover is **less than $500 million** for the income year and for the income year in which it started to hold the asset (if that was an earlier year)

(c) the asset is a **qualifying asset**[32]

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28 Medium sized businesses must have first acquired the asset in the period beginning at 7.30 pm, by legal time in the Australian Capital Territory, on 2 April 2019 and ending on 30 June 2020.

29 Pursuant to Subdiv 40-BB of *the Income Tax (Transitional Provisions) Act 1997*, enacted by the *Treasury Laws Amendment (A Tax Plan for the COVID-19 Economic Recovery) Act 2020* which received Royal Assent on 14 October 2020 as Act No. 92 of 2020.

30 Refer to s. 40-130 of the *IT(TP) Act 1997* for the applicable method statements.

31 Pursuant to the *Coronavirus Economic Response Package Omnibus Act 2020* which received Royal Assent on 24 March 2020 as Act No. 22 of 2020.

32 Section 40-120(1) of the *IT(TP) Act 1997*.

**Qualifying assets**

Subject to certain exclusions[33], a depreciating asset qualifies for accelerated depreciation if, **between 12 March 2020 and 30 June 2021**:

(a) the entity *starts to hold* the asset; and

(b) the asset was first used, or installed ready for use, for a taxable purpose. [34]

## Home office expenses

Individual taxpayers may claim a deduction for additional running expenses incurred when working from home. The deduction can be claimed on the basis of **actual expenses** incurred which relate to the income earning activity. Alternatively, a fixed rate method can be used to work out the deduction. The fixed rate method which has been available since the 2017–18 income year has been revised for the 2022–23 and later years.

### ▶ Fixed rate for home office expenses from 1 July 2022

PCG 2023/1 outlines the methods for calculating the work-related additional running expenses incurred as a result of working from home from 1 July 2022. A taxpayer can use this method if they meet the eligibility criteria outlined in the guideline and satisfy the increased substantiation obligations.

The fixed rate of **67 cents per hour** for each hour a taxpayer worked from home during the income year is intended to cover the following expenses:

- energy expenses (electricity and gas) for lighting, heating, cooling and electronic items used while working from home
- internet expenses
- mobile and home phone expenses
- stationery and computer consumables.

The fixed-rate method in PCG 2023/1 does not cover the decline in value of depreciating assets.

[33] There are four exclusions: (1) a commitment to the asset was entered into before 12 March 2020; (2) the asset is a second hand asset; (3) the asset is an asset to which Div 40 does not apply (e.g. Div 43 capital works); and (4) the asset is not in Australia.

[34] Section 40-125(1) of the *IT(TP) Act 1997*.

## Fixed rate for home office expenses prior to 1 July 2022

### Fixed rate method

The fixed rate[35] covers the additional running expenses incurred for:

- the decline in value of home office furniture and furnishings
- electricity and gas for heating, cooling and lighting
- the cost of repairs to home office equipment, furniture and furnishings.

| Year | Rate |
| --- | --- |
| 2018–19 to 2021–22 | 52 cents per hour |
| 2017–18 | 45 cents per hour |

### Temporary shortcut method from 1 March 2020 to 30 June 2022

A shortcut method for working out the home deduction is available for the period from 1 March 2020 until 30 June 2022. The shortcut method covers all working from home expenses incurred by an individual taxpayer[36], such as:

- phone expenses
- internet expenses
- the decline in value of equipment and furniture
- electricity and gas for heating, cooling and lighting.

| Year | Rate |
| --- | --- |
| 2021–22 | 80 cents per hour |
| 2020–21 | 80 cents per hour |
| Between 1 March 2020 to 30 June 2020 | 80 cents per hour |

35 See PS LA 2001/6. Note that taxpayers may claim actual expenses incurred, provided the expenses can be substantiated.

36 Note that this measure applies to employees who are working from home to fulfill their employment duties and have incurred additional expenses as a result of working from home. If a work from home arrangement was in place before 1 March 2020, then the shortcut method cannot be used.

# Motor vehicles expenses

## Motor vehicle expenses - set rate per km

| Income year | Rate |
|---|---|
| 2024–25 | 88 cents |
| 2023–24 | 85 cents |
| 2022–23 | 78 cents |
| 2020–21 and 2021–22 | 72 cents |

## Balancing adjustments

For the purposes of calculating a balancing adjustment under s. 40-370(1) on the disposal of a car, the assessable or deductible amount must be reduced to the extent that the car was not used for a taxable purpose. The reduction is required under step 2 of the method statement in s. 40-370(2).

A taxpayer who has claimed motor vehicle expenses using the 'cents per kilometre method' is required — for the purposes of the reduction in step 2 of the method statement — to assume the extent of their use of the car for taxable purpose was 20%.

## Car cost limit

| Income year | Cost limit for Div 40 purposes | Maximum input tax credit |
|---|---|---|
| 2024–25 | $69,674 | $6,334 |
| 2023–24 | $68,108 | $6,192 |
| 2022–23 | $64,741 | $5,885 |
| 2021–22 | $60,733 | $5,521 |
| 2020–21 | $59,136 | $5,376 |

## Effective life of cars

| Date of acquisition | Effective life | Prime cost | Diminishing value |
|---|---|---|---|
| On or after 10 May 2006 | 8 years | 12.5% | 25% |

## Luxury car tax

| Income year | Rate of LCT | LCT threshold (non-fuel efficient) | LCT threshold (fuel efficient[37]) |
|---|---|---|---|
| 2024–25 | 33% | $80,567 | $91,387 |
| 2023–24 | 33% | $76,950 | $89,332 |
| 2022–23 | 33% | $71,849 | $84,916 |
| 2021–22 | 33% | $69,152 | $79,659 |
| 2020–21 | 33% | $68,740 | $77,565 |

### LCT refunds for eligible primary producers and tourism operators

Taxpayers who purchase a four-wheel drive or all-wheel-drive may be eligible for a refund of LCT equal to the lesser of $^{8}/_{33}$rds of the LCT borne up to a maximum refund limit of $3,000 if they carry on a primary production or tourism business. For eligible vehicles supplied or imported on or after 1 July 2019, the refund has been increased to a maximum of $10,000.[38]

## Taxi cents per kilometre earnings rate

The per kilometre rate measures taxi takings per kilometre of distance travelled. The rate includes GST but does not take expenses into account.

The latest rate developed is $1.30 per kilometre.[39] This has been the rate since the 2012–13 income year.

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[37] The *Treasury Laws Amendment (Tax Incentives and Integrity) Bill 2025,* which received Royal Assent on 27 March 2025 as Act No. 29 of 2025, amended the definition of fuel-efficient car for the LCT, from 1 July 2025, as a car that has the maximum fuel consumption of 3.5 litres per 100 kilometres. Prior to 1 July 2025 a fuel-efficient car was defined for LCT as a car that had the maximum fuel consumption of seven litres per 100 kilometres.

[38] Per the *Treasury Laws Amendment (2019 Measures No. 2) Act 2019* (Act No. 94 of 2019).

[39] ATO Taxi cents per kilometre earnings rate(QC 17588) last modified 11 September 2019.

# Trading stock

## Value of goods taken from stock for private use

Each year the ATO publishes a Tax Determination that provides an update of amounts that they accept as estimates of the value of goods taken from trading stock for private use by taxpayers in named industries.

| | 2024–25 income year[40] | | 2023–24 income year[41] | |
|---|---|---|---|---|
| | Amount (excluding GST) for… | | Amount (excluding GST) for… | |
| **Type of business** | **adult/child over 16 years ($)** | **child 4 to 16 years ($)** | **adult/child over 16 years ($)** | **child 4 to 16 years ($)** |
| Bakery | 1,580 | 790 | 1,520 | 760 |
| Butcher | 1,040 | 520 | 1,030 | 515 |
| Restaurant/café (licensed) | 5,310 | 2,150 | 5,160 | 2,090 |
| Restaurant/café (unlicensed) | 4,300 | 2,150 | 4,180 | 2,090 |
| Caterer | 4,530 | 2,265 | 4,410 | 2,205 |
| Delicatessen | 4,300 | 2,150 | 4,180 | 2,090 |
| Fruiterer/greengrocer | 1,080 | 540 | 1,040 | 520 |
| Takeaway food shop | 4,480 | 2,240 | 4,290 | 2,145 |
| Mixed business (includes milk bar, general store and convenience store) | 5,420 | 2,710 | 5,200 | 2,600 |

### Reference

2022–23 income year — see TD 2022/15

2021–22 income year — see TD 2021/8

2020–21 income year — see TD 2021/1

[40] TD 2024/8.

[41] TD 2023/7.

# Income test thresholds

| Income test | When applicable | Income threshold | | | | |
|---|---|---|---|---|---|---|
| | | 2020–21 $ | 2021–22 $ | 2022–23 $ | 2023–24 $ | 2024–25 $ |
| Adjusted taxable income (ATI) | Offset for maintaining an invalid or invalid carer | 100,000 | 100,900 | 104,432 | 112,578 | TBA |
| | Paid parental leave[42] | 151,350 | 156,647 | 168,865 | 175,788 | TBA |
| | Family Tax Benefit (Part A)[43] | 55,626–183,778 | 56,137–185,433 | 58,108–191,930 | 62,634–206,858 | 65,189 215,314 |
| | Family Tax Benefit (Part B) | 100,000 | 100,900 | 104,432 | 112,578 | 117,194 |
| | Employee share schemes — $1,000 exemption[44] | 180,000 | | | | |
| | Non-commercial losses[45] | 250,000 | | | | |
| Family income | Child care subsidy (CCS) | 68,390–353,680 | 69,390–353,680 | 72,466-356,756 | 80,000–530,000[46] | 83,280–533,280 |
| Rebate income | Seniors and pensioners tax offset (refer to page 34) | 50,119–95,198 | | | | |
| Income for surcharge purposes | Medicare levy surcharges (refer to page 5 for applicable rates) | 90,000 (singles) 180,000 (families) | | | 93,000–186,000 | 97,000-194,000 |
| High income threshold | Div 293 tax | 250,000 | | | | |

42 This amount is measured as the primary carer's ATI for the financial year prior to the date of birth, date of adoption of the child or the date of claim, whichever is earlier.

43 The applicable thresholds depend on adjustable taxable income, income test, ages and number of children in care.

44 On 30 June 2015, the *Tax and Superannuation Laws Amendment (Employee Share Schemes) Bill 2015* received Royal Assent as Act No. 105 of 2015. The Government retained the $1,000 up-front tax concession for employees earning less than $180,000 per year — see s. 83A-35 of the *ITAA 1997*.

45 Section 35-10(2E) of the *ITAA 1997*.

46 From 10 July 2023, the maximum amount of CCS increased from 85% to 90% for families earning up to $80,000.

# Higher Education Loan Program (HELP)

## Repayment thresholds and rates

### HELP debt indexation factor

Training and study loans from the Commonwealth are accumulated with the balance worked out annually on 1 June every year to which an indexation factor is applied. The indexation factors applicable to loans under the High Education Loan Program (HELP debts) on 1 June 2023 and 2024 were both reduced.

Further, legislative changes[47] now mean that – with effect from 1 June 2023 – HELP indexation will be based on the lower of the Consumer Price Index (CPI) or the Wage Price Index (WPI).

### HELP repayment income thresholds and repayment rates

The repayment income thresholds and the corresponding percentages of income that must be paid in reduction of the accumulated HELP debts are set out below.

| Income year | % of repayment income | HELP repayment income[48] |
|---|---|---|
| 2025–26 | Nil | Below $56,156 |
| | 1.0% | $56,156— $64,837 |
| | 2.0% | $64,838 — $68,727 |
| | 2.5% | $68,727 — $72,851 |
| | 3.0% | $72,852 — $77,222 |
| | 3.5% | $77,223— $81,855 |
| | 4.0% | $81,856 — $86,766 |
| | 4.5% | $86,767 — $91,973 |
| | 5.0% | $91,974 — $97,491 |
| | 5.5% | $97,492 — $103,341 |
| | 6.0% | $103,342— $109,542 |
| | 6.5% | $109,543 — $116,115 |
| | 7.0% | $116,116 — $123,081 |
| | 7.5% | $123,082 — $130,466 |

47 *Universities Accord (Student Support and Other Measures) Act 2024.*

48 HELP repayment income = taxable income + reportable fringe benefits + net investment losses + reportable superannuation contributions + exempt foreign employment income.

| Income year | % of repayment income | HELP repayment income[48] |
|---|---|---|
| | 8.0% | $130,467 — $138,294 |
| | 8.5% | $138,295 — $146,593 |
| | 9.0% | $146,594 — $155,388 |
| | 9.5% | $155,389 — $164,711 |
| | 10.0% | $164,712 and above |
| 2024–25 | Nil | Below $54,435 |
| | 1.0% | $54,435— $62,850 |
| | 2.0% | $62,851 — $66,620 |
| | 2.5% | $66,621 — $70,618 |
| | 3.0% | $70,619 — $74,855 |
| | 3.5% | $74,856— $79,346 |
| | 4.0% | $79,347 — $84,107 |
| | 4.5% | $84,108 — $89,154 |
| | 5.0% | $89,155 — $94,503 |
| | 5.5% | $94,504 — $100,174 |
| | 6.0% | $100,175— $106,185 |
| | 6.5% | $106,186 — $112,556 |
| | 7.0% | $112,557 — $119,309 |
| | 7.5% | $119,310 — $126,467 |
| | 8.0% | $126,468 — $134,056 |
| | 8.5% | $134,057 — $142,100 |
| | 9.0% | $142,101 — $150,626 |
| | 9.5% | $150,627 — $159,663 |
| | 10.0% | $159,664 and above |

| Income year | % of repayment income | HELP repayment income[48] |
|---|---|---|
| 2023–24 | Nil | Below $51,550 |
| | 1.0% | $51,550 — $59,518 |
| | 2.0% | $59,519 — $63,089 |
| | 2.5% | $63,090 — $66,875 |
| | 3.0% | $66,876 — $70,888 |
| | 3.5% | $70,889 — $75,140 |
| | 4.0% | $75,141 — $79,649 |
| | 4.5% | $79,650 — $84,429 |
| | 5.0% | $84,430 — $89,494 |
| | 5.5% | $89,495 — $94,865 |
| | 6.0% | $94,866 — $100,557 |
| | 6.5% | $100,558 — $106,590 |
| | 7.0% | $106,591 — $112,985 |
| | 7.5% | $112,986 — $119,764 |
| | 8.0% | $119,765 — $126,950 |
| | 8.5% | $126,951 — $134,568 |
| | 9.0% | $134,569 — $142,642 |
| | 9.5% | $142,643 — $151,200 |
| | 10.0% | $151,201 and above |

| Income year | % of repayment income | HELP repayment income[48] |
|---|---|---|
| 2022–23 | Nil | Below $48,361 |
| | 1.0% | $48,361 — $55,836 |
| | 2.0% | $55,837 — $59,186 |
| | 2.5% | $59,187 — $62,738 |
| | 3.0% | $62,739 — $66,502 |
| | 3.5% | $66,503 — $70,492 |
| | 4.0% | $70,493 — $74,722 |
| | 4.5% | $74,723 — $79,206 |
| | 5.0% | $79,207 — $83,958 |
| | 5.5% | $83,959 — $88,996 |
| | 6.0% | $88,997 — $94,336 |
| | 6.5% | $94,337 — $99,996 |
| | 7.0% | $99,997 — $105,996 |
| | 7.5% | $105,997 — $112,355 |
| | 8.0% | $112,356 — $119,097 |
| | 8.5% | $119,098 — $126,243 |
| | 9.0% | $126,244 — $133,818 |
| | 9.5% | $133,819 — $141,847 |
| | 10.0% | $141,848 and above |

| Income year | % of repayment income | HELP repayment income[48] |
|---|---|---|
| 2021–22 | Nil | Below $47,014 |
| | 1.0% | $47,014 — $54,282 |
| | 2.0% | $54,283 — $57,538 |
| | 2.5% | $57,539 — $60,991 |
| | 3.0% | $60,992 — $64,651 |
| | 3.5% | $64,652 — $68,529 |
| | 4.0% | $68,530 — $72,641 |
| | 4.5% | $72,642 — $77,001 |
| | 5.0% | $77,002 — $81,620 |
| | 5.5% | $81,621 — $86,518 |
| | 6.0% | $86,519 — $91,709 |
| | 6.5% | $91,710 — $97,212 |
| | 7.0% | $97,213 — $103,045 |
| | 7.5% | $103,046 — $109,227 |
| | 8.0% | $109,228 — $115,780 |
| | 8.5% | $115,781 — $122,728 |
| | 9.0% | $122,729 — $130,092 |
| | 9.5% | $130,093 — $137,897 |
| | 10.0% | $137,898 and above |

### Website

Rates and income thresholds for previous income years are available at:

www.ato.gov.au/Rates/HELP,-TSL-and-SFSS-repayment-thresholds-and-rates/

# Offsets

## Critical minerals production tax incentive

This incentive provides a refundable tax offset of 10 per cent of the eligible costs of processing certain critical minerals in Australia. [49]

The offset will be available to eligible companies for a maximum of 10 years between 1 July 2027 and 30 June 2040.

## Hydrogen production tax incentive

This incentive provides a refundable tax offset of $2 per kilogram of eligible hydrogen[50] produced by eligible companies. The offset applies to hydrogen produced in income years commencing on or after 1 July 2027 and ending before 1 July 2040. [51]

There is no cap on the amount of offset that a company can receive under this incentive. Both the company and the hydrogen must satisfy the eligibility criteria.

## Digital games tax offset

A refundable income tax offset of 30 per cent of a company's total qualifying Australian development expenditure incurred on developing new or existing digital games[52, 53] is available to eligible companies that are:

- Australian residents with an ABN; or
- foreign resident with a permanent establishment in Australia.

The tax refundable offset applies to eligible expenditure incurred on or after 1 July 2022 and which is certified by the Minister for the Arts.

Total Australian qualifying development expenditure incurred on the games in the income year must be at least $500,000.

The amount of the offset is capped at $20 million per company or group of companies, per income year.

## Early stage investor tax offset

A tax offset of 20 per cent of the amount paid for qualifying shares is available for a qualifying investor in early stage innovation companies (ESIC). The innovation tax offset is available for shares issued on or after 1 July 2016, and is capped at $200,000.

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[49] The *Future Made in Australia (Production Tax Credits and Other Measures) Bill 2024* received Royal Assent as Act No. 9 of 2025.

[50] A reduction may occur if an entity does not comply with the rules implementing the community benefit rules for the hydrogen production tax incentive.

[51] *Future Made in Australia (Production Tax Credits and Other Measures) Bill 2024* received Royal Assent as Act No. 9 of 2025.

[52] As defined in s. 378-20 of the *ITAA 1997.*

[53] Introduced by the *Treasury Laws Amendment (2022 Measures No. 4) Bill 2023* which received Royal Assent on 23 June 2023 as Act No. 29 of 2023.

Investors who do not meet the *sophisticated investor* test under the *Corporations Act 2001* will not be eligible for any tax incentives if their total investment in qualifying ESICs in an income year is more than $50,000.

## Early stage venture capital limited partnerships (ESVCLP) tax offset

Limited partners in an ESVCLP may be eligible for a non-refundable carry-forward tax offset of up to 10 per cent of the lesser of:

- the partner's contributions to the ESVCLP for the income year; and
- the partner's investment related amount (broadly the proportionate share of the investments made by the ESVCLP).[54]

For a limited partner to be eligible for the tax offset in relation to a contribution into a ESVCLP, the ESVCLP must be unconditionally registered on or after 7 December 2015.[55]

## Low income tax offset

The LITO[56] is available to Australian resident individuals (or certain trustees)[57] if their taxable income for the relevant income year does not exceed $66,667.[58]

The amount of the LITO which is available to a taxpayer depends on the taxpayer's relevant income level, as set out in the following table:

| **Relevant income[59] for the 2020–21 and later income years** | **LITO amount** |
|---|---|
| $37,500 or less | $700 |
| $37,501 to $45,000 | $700, less 5 per cent of the relevant income that exceeds $37,500 |
| $45,001 to $66,667 | $325, less an amount equal to 1.5 per cent of the relevant income that exceeds $45,000 |

54 Section 61-765 of the *ITAA 1997*.

55 See s. 61-760 of the *ITAA 1997* for other eligibility requirements.

56 Enacted by the *Treasury Laws Amendment (Personal Income Tax Plan) Act 2018* which received Royal Assent as Act No. 47 of 2018, as modified by the *Treasury Laws Amendment (A Tax Plan for the COVID-19 Economic Recovery) Act 2020* which received Royal Assent on 14 October 2020 as Act No. 92 of 2020.

57 The offset is available to trustees if the trustee is taxed on a share of the net income of a trust on behalf of an Australian resident beneficiary who is under a legal disability for that income year, provided the amount of that share does not exceed $66,667. If the trustee is taxed on the shares of multiple beneficiaries of the trust, the trustee is separately entitled to the new offset — see s. 61- 110(3) of the *ITAA* 1997. A beneficiary that receives the benefit of the offset from multiple sources may have to pay additional tax to undo the benefit of having received offsets greater than the amount they would have received if they had been personally assessed — see paras. 1.20 and 1.36 of the Explanatory Memorandum.

58 Section 61-110 of the *ITAA 1997*.

59 Relevant income of the entity is the taxable income of an individual or the share of the net income of the trust on which a trustee is taxed on behalf of a beneficiary — s. 61-115(1) of the *ITAA 1997*.

The LITO is:

- capped[60]
- non-refundable and cannot be carried forward or transferred
- not given a specific priority.[61]

**Note**

Historically, the following low income tax offsets were available:

| Income year | Offset available |
|---|---|
| From 1 July 2022 | Low income tax offset |
| 2018-19 to 2021-22 | Low income tax offset and/or<br>Low and middle income tax offset[62] |

## Private health insurance offset

Government may contribute to an individual's private health insurance in the form of reduced premiums or a refundable offset.

### Lifetime Health Cover loading

A person who does not have private health (hospital cover) insurance on their Lifetime Health Cover base day (usually 1 July following the 31st birthday) but who later in life decides to take out private hospital cover will pay a two per cent Lifetime Health Cover (LHC) loading on top of their premium for every year they are aged over 30.

The LHC loading also applies if a person ceases to have private health insurance and then later decides to take out private health insurance again. There is an exception, known as 'Days of Absence' which permits someone to be without hospital cover for periods totalling 1,094 days (i.e. three years less one day) during their lifetime, without affecting their loading. This covers small gaps, such as switching from one fund to another.

However, if the total gap period exceeds 1,094 days, the person will pay a two per cent loading on re-joining private hospital cover. The loading increases by two per cent for every year without cover after that. The LHC is removed after 10 continuous years of private health insurance cover.

### 2024–25 income year

The amount of the private health insurance offset depends on the age of the oldest person the policy covers and single or family income thresholds and rates for Medicare levy surcharge.

The income thresholds and the rates of the Medicare levy surcharge and the private health insurance rebate for 2024–25 income year are as follows.

[60] Section 61-115(2) and (4) of the *ITAA 1997*.

[61] Item 20 of the table in s. 63-10(1) of the *ITAA 1997*.

[62] Available to Australian resident individuals (and certain trustees) that have taxable income not exceeding $126,000 for an income year during the 2018–19 to 2021–22 income years.

| | Rebate entitlement by income threshold | | | |
|---|---|---|---|---|
| | Tier '0' | Tier 1 | Tier 2 | Tier 3 |
| Singles[63] | Up to $97,000 | $97,001–$113,000 | $113,001–$151,000 | $151,001 or more |
| Couples/families[64] | Up to $194,000 | $194,001–$226,000 | $226,001–$302,000 | $302,001 or more |
| **Rate of Medicare levy surcharge** | | | | |
| All ages | 0% | 1.0% | 1.25% | 1.5% |
| **Rate of Private Health Insurance Rebate: From 1 July 2023 to 30 June 2024** | | | | |
| Under 65 years | 24.608% | 16.405% | 8.202% | 0% |
| 65–69 years | 28.710% | 20.507% | 12.303% | 0% |
| 70 years and over[65] | 32.812% | 24.608% | 16.405% | 0% |

## 2023–24 income year

The income thresholds and the rates of the Medicare levy surcharge and the private health insurance rebate for 2023–24 income year are as follows.

| | Rebate entitlement by income threshold | | | |
|---|---|---|---|---|
| | Tier '0' | Tier 1 | Tier 2 | Tier 3 |
| Singles[66] | Up to $93,000 | $93,001–$108,000 | $108,001–$144,000 | $144,001 or more |
| Couples/families[67] | Up to $186,000 | $186,001–$216,000 | $216,001–$288,000 | $288,001 or more |
| **Rate of Medicare levy surcharge** | | | | |
| All ages | 0% | 1.0% | 1.25% | 1.5% |
| **Rate of Private Health Insurance Rebate: From 1 July 2022 to 30 June 2023** | | | | |
| Under 65 years | 24.608% | 16.405% | 8.202% | 0% |
| 65–69 years | 28.710% | 20.507% | 12.303% | 0% |
| 70 years and over[68] | 32.812% | 24.608% | 16.405% | 0% |

63 A single person is a person who does not have dependants and is not married on the last day of the income year.

64 These thresholds are for families with no more than one child. For families with more than one child, the thresholds are **increased by $1,500** for each child after the first child.

65 This rate applies to a single, couple or family with no more than one child and where the oldest person on the policy is aged 70 years and over.

66 A single person is a person who does not have dependants and is not married on the last day of the income year.

67 These thresholds are for families with no more than one child. For families with more than one child, the thresholds are **increased by $1,500** for each child after the first child.

68 This rate applies to a single, couple or family with no more than one child and where the oldest person on the policy is aged 70 years and over.

## 2018–19 to 2022–23 income years

### Important — Private health insurance thresholds paused

The Medicare levy surcharge and private health insurance rebate income thresholds were paused at the 2014–15 amounts from 1 July 2015 and remain unchanged to 2022–23. The private health insurance income thresholds for rebate purposes are normally adjusted annually on 1 April. The rebate percentage was not changed on 1 April 2023.

The rates of the Medicare levy surcharge and the private health insurance rebate which applied for the 2018–19 to 2022–23 income years are as follows.

| | Rebate entitlement by income threshold | | | |
|---|---|---|---|---|
| | **Tier '0'** | **Tier 1** | **Tier 2** | **Tier 3** |
| Singles[69] | Up to $90,000 | $90,001–$105,000 | $105,001–$140,000 | $140,001 or more |
| Couples/families[70] | Up to $180,000 | $180,001–$210,000 | $210,001–$280,000 | $280,001 or more |
| **Rate of Medicare levy surcharge** | | | | |
| All ages | 0% | 1.0% | 1.25% | 1.5% |
| **Rate of Private Health Insurance Rebate: 1 April 2021 – 31 March 2023** | | | | |
| Under 65 years | 24.608% | 16.405% | 8.202% | 0% |
| 65–69 years | 28.710% | 20.507% | 12.303% | 0% |
| 70 years and over[71] | 32.812% | 24.608% | 16.405% | 0% |
| **Rate of Private Health Insurance Rebate: 1 April 2019 – 31 March 2021** | | | | |
| Under 65 years | 25.059% | 16.706% | 8.352% | 0% |
| 65–69 years | 29.236% | 20.883% | 12.529% | 0% |
| 70 years and over | 33.413% | 25.059% | 16.706% | 0% |
| **Rate of Private Health Insurance Rebate: 1 April 2018 – 31 March 2019** | | | | |
| Under 65 years | 25.415% | 16.943% | 8.471% | 0% |
| 65–69 years | 29.651% | 21.180% | 12.707% | 0% |
| 70 years and over | 33.887% | 25.415% | 16.943% | 0% |

69 A single person is a person who does not have dependants and is not married on the last day of the income year.

70 These thresholds are for families with no more than one child. For families with more than one child, the thresholds are **increased by $1,500** for each child after the first child.

71 This rate applies to a single, couple or family with no more than one child and where the oldest person on the policy is aged 70 years and over.

### Warning— Medicare levy surcharge

If a person decides to cancel their PHI policy (private hospital cover) and their *surcharge income* exceeds $90,000 (as a single) or $180,000 (as a couple/family), they will be subject to the Medicare levy surcharge at the rate set out in the table above.

## Research and development (R&D) tax offset

For income years commencing on or after 1 July 2021[72], the expenditure threshold is increased from $100 million to **$150 million**, and the rates of R&D incentive are as follows:

<table>
<tr><th>Eligible entity type</th><th>Rate of R&D tax offset</th><th>Tax offset</th></tr>
<tr><td>Eligible entities, not controlled by tax exempt entity, with aggregated turnover <$20 million</td><td>Entity’s corporate tax rate plus 18.5 percentage points premium</td><td>Refundable</td></tr>
<tr><td>Eligible entities, controlled by a tax exempt entity, where aggregated turnover is <$20 million</td><td rowspan="2">The company’s corporate tax rate + ‘marginal intensity premium’*(as applicable — see below)</td><td rowspan="2">Non-refundable</td></tr>
<tr><td>Eligible entities with aggregated turnover ≥$20 million</td></tr>
</table>

*‘marginal intensity premium’ is the sum of the tier 1 and tier 2 amounts outlined in the following table:

| Tier | R&D intensity range | Intensity premium |
|---|---|---|
| 1 | Notional deductions representing up to and including 2 per cent of total expenses | 8.5% |
| 2 | Notional deductions representing greater than 2 per cent of total expenses | 16.5% |

72 Pursuant to amendments enacted by the *Treasury Laws Amendment (A Tax Plan for the COVID-19 Economic Recovery) Act 2020* which received Royal Assent on 14 October 2020 as Act No. 92 of 2020.

## Seniors and Pensioners Tax Offset (SAPTO)

| Income year | Family status (pensioner) | Maximum offset per person | Income range for phasing out of SAPTO[73] |
|---|---|---|---|
| 2018–19 to 2023–24 | Single | $2,230 | $32,279 – $50,119 |
| | Married / de facto | $1,602 each | $28,974 (each) – $83,580 (combined income) |
| | Couple separated due to illness (each) | $2,040 each | $31,279 (each) – $95,198 (combined income) |

## Small Business Income Tax Offset

Sole traders carrying on a business or those who have a share of net small business income from a partnership or trust may be entitled to a small business tax offset. The offset is calculated based on the proportion of tax payable relating to the individual's total net small business income.[74] The aggregated turnover threshold and the rate of the offset depends on the income year of the return. The maximum offset is $1,000.

| Income year | Aggregated turnover threshold | Rate of offset | Maximum offset |
|---|---|---|---|
| 2021–22 and onwards | $5 million | 16% | $1,000 |
| 2020–21 | $5 million | 13% | $1,000 |
| 2016–17 to 2019–20 | $5 million | 8.0% | $1,000 |

## Superannuation related tax offsets

### ▶ Offset for spouse contribution

| Spouse's income[75] (A) | Maximum rebatable contributions (B) | Maximum rebate |
|---|---|---|
| $0 – $37,000 | $3,000 | 18% × $3,000 = $540 |
| $37,000 – $39,999 | $3,000 – (**A** – $37,000) | 18% of **B** |
| $40,000 + | Nil | Nil |

[73] The SAPTO is reduced by 12.5 cents per dollar of income above the bottom of the income range, and cuts out completely once the top of the threshold is reached.

[74] Net small business income is the sum of your assessable income from carrying on your business, minus any deductions.

[75] This includes the spouse's assessable income, reportable fringe benefits and reportable employer superannuation contributions. Any assessable First home super saver released amount or COVID-19 early release of superannuation payment is excluded.

## Low-income superannuation tax offset

| Income Threshold | Offset |
|---|---|
| Less than $37,000 | 15% of the concessional super contributions paid into an individual's superannuation fund up to a maximum of $500 |

## Superannuation income stream tax offset

Tax offsets available on superannuation income stream, see **page 81**.

# Other tax offsets

Other tax offsets that are available:

- Beneficiary tax offset — reduces the amount of tax which recipients of certain Centrelink allowances and payments and Commonwealth education allowances may have to pay.
- Invalid and invalid carer tax offset —is available to individuals who maintain an invalid or invalid carer who is 16 years old or older and a recipient of certain government payments.
- Foreign income tax offset — for foreign income tax paid on foreign income which is included in Australian assessable income
- Lump sum payment in arrears tax offset — for an individual who receive a lump sum payment in arrears
- Zone and overseas forces tax offset — zone tax offset for individuals who are residents of either specified remote areas or isolated areas of Australia; overseas forces tax offset for members of either the Australian Defence Force or United Nations armed force, who serve in a specified overseas location and income relates to services that are not specifically exempt from tax.

# Incentives

## Build to rent development tax incentive

Owners and investors in eligible build to rent (BTR) developments may access the following tax incentives:

| | |
|---|---|
| The capital works deduction[76] | Accelerated rate of **4 per cent** for active BTR developments[77] |
| Reduced final withholding tax rate on eligible fund payments | **15 per cent**[78] – on rental income paid on or after 1 July 2024, or an amount which is attributable to a capital gain from a CGT event that happens on or after 1 July 2024 |

To access the incentive, the owner must notify the Commissioner of their choice for the development to be an active BTR development.

A BTR development will cease to be an active BTR development if it fails to meet the eligibility criteria during the 15-year BTR compliance period, after making the choice, the misuse tax may apply.

## Small business energy incentive

Small and medium businesses[79] can access a bonus deduction equal to 20 per cent of the cost of eligible assets or improvements to existing assets that support electrification or more efficient energy use. The bonus deduction applies to:

- the cost of eligible assets and improvements up to a maximum amount of $100,000, with the maximum bonus deduction being $20,000;
- eligible assets first used or first installed ready for use, and eligible improvement costs incurred, from 1 July 2023 until 30 June 2024.

## Other tax incentives

Junior Minerals Exploration Incentive allows eligible companies to generate tax credits by choosing to give up a portion of their losses from greenfields mineral exploration expenditure. These tax credits can then be distributed to investors who purchase newly issued shares in that eligible entity during a certain period.

76 Schedule 1 of the *Treasury Laws Amendment (Responsible Buy Now Pay Later and Other Measures) Act 2024*, which received Royal Assent on 10 December 2024 as Act No. 138 of 2024. The *Capital Works (Build to Rent Misuse Tax) Act 2024*, which received Royal Assent on the same day, imposes a misuse tax if one or both tax concessions are claimed when the BTR development is ineligible.

77 Section 43-145(2) of the *ITAA 1997.*

78 Section 12-450(5), (6) and (7) in Schedule 1 to the *TAA*.

79 As defined in s. 328-110 of the *ITAA 1997* — aggregated annual turnover of less than $50 million.

# Boosts

## Skills and training boost

Small businesses[80] can claim an additional deduction equal to 20% of eligible expenditure incurred on external training provided to their employees[81]. The external training must be provided by a registered training provider.

Training expenses can include incidental costs related to the provision of training – e.g. the cost of books or equipment needed for the course – provided they are charged by the registered training provide. Notional deduction applies to eligible expenditure incurred between 7.30 pm (AEDT) on 29 March 2022[82] and 30 June 2024.

## Technology investment boost

Small businesses[83] can access a bonus deduction equal to 20 per cent of their eligible expenditure incurred on expenses and depreciating assets for the purposes of their digital operations or digitising their operations[81] It applies to the total of eligible expenditure of up to $100,000 per income year, up to a maximum bonus deduction of $20,000 per income year.

The bonus deduction is available for eligible expenditure incurred between 7.30 pm (AEDT) on 29 March 2022 and 30 June 2023. The asset must be first used or installed ready for use by 30 June 2023.

# Reasonable allowances

## Overtime meal allowance

| Income year | Reasonable amount |
|---|---|
| 2024–25 income year | $37.65 |
| 2023–24 income year | $35.65 |
| 2022–23 income year | $33.25 |
| 2021–22 income year | $32.50 |
| 2020–21 income year | $31.95 |

[80] As defined under s. 328-110 of the *ITAA 1997* — aggregated annual turnover of less than $50 million.

[81] *Treasury Laws Amendment (2022 Measures No. 4) Bill 2023* which received Royal Assent on 23 June 2023 as Act no 29 of 2023.

[82] The ATO website explains that for eligible expenditure incurred in the period between 7.30 pm (AEDT) on 29 March 2022 and 30 June 2022, businesses with a normal balance date may claim the 100% deduction in their 2021–22 tax returns and the additional 20% deduction in their 2022–23 tax returns.

[83] As defined in s. 328-110 of the *ITAA 1997* — aggregated annual turnover of less than $50 million.

## Employee truck drivers

Employee truck drivers who have received a travel allowance and who are required to sleep away from home may claim amounts up to the food and drink component only of the reasonable domestic daily travel allowance. The reasonable amounts are:

| Income year | Salary range | Breakfast | Lunch | Dinner | Per day |
|---|---|---|---|---|---|
| 202425 | All | $30.35 | $34.65 | $59.75 | These amounts are separate and cannot be aggregated into a single daily amount |
| 2023–24 | All | $28.75 | $32.80 | $56.60 | |
| 2022–23 | All | $26.80 | $30.60 | $52.75 | |
| 2021–22 | All | $26.15 | $29.85 | $51.50 | |
| 2020–21 | All | $25.75 | $29.35 | $50.65 | |

## Domestic travel allowance

The Commissioner issues an annual determination setting out the reasonable amounts for travel allowance expenses in relation to daily accommodation rates; meals (breakfast, lunch and dinner); and deductible expenses incidental to the travel.

**Reference**

2024–25 income year — see TD 2024/3

2023–24 income year — see TD 2023/3

2022–23 income year — see TD 2022/10

2021–22 income year — see TD 2021/6

2020–21 income year — see TD 2020/5

### 2024–25 income year

The 2024–25 reasonable amounts are set out below, according to the following annual salary levels:

- up to $143,650
- from $143,651 to $255,670.
- $255,671 and above.

**TABLE 1 — Salary up to $143,650**

| Place | Accommodation | Food & drink | Incidentals | Daily Total |
|---|---|---|---|---|
| | | Breakfast 33.90<br>Lunch 38.10<br>Dinner 64.95<br>(total $136.95) | | |
| Adelaide | 158 | as above | 23.95 | 318.90 |
| Brisbane | 181 | as above | 23.95 | 341.90 |
| Canberra | 178 | as above | 23.95 | 338.90 |
| Darwin | 220 | as above | 23.95 | 380.90 |
| Hobart | 176 | as above | 23.95 | 336.90 |
| Melbourne | 173 | as above | 23.95 | 333.90 |
| Perth | 180 | as above | 23.95 | 340.90 |
| Sydney | 198 | as above | 23.95 | 358.90 |
| High cost country centres | see Table 4 | as above | 23.95 | Variable |
| Tier 2 country centres (see **Table 5**) | 155 | Breakfast 23.95<br>Lunch 23.95<br>Dinner 23.95 | 23.95 | 303.70 |
| Other country centres | 141 | Breakfast 23.95<br>Lunch 34.65<br>Dinner 59.75 | 23.95 | 289.70 |

**TABLE 2 — Salary from $143,651 to $255,670**

| Place | Accommodation | Food & drink | Incidentals | Daily Total |
|---|---|---|---|---|
| | | Breakfast 36.90<br>Lunch 52.10<br>Dinner 73.10<br>(total 162.10) | | |
| Adelaide | 211 | as above | 34.25 | 407.35 |

| Place | Accommodation | Food & drink | Incidentals | Daily Total |
|---|---|---|---|---|
| Brisbane | 257 | as above | 34.25 | 453.35 |
| Canberra | 246 | as above | 34.25 | 442.35 |
| Darwin | 293 | as above | 34.25 | 489.35 |
| Hobart | 235 | as above | 34.25 | 431.35 |
| Melbourne | 231 | as above | 34.25 | 427.35 |
| Perth | 245 | as above | 34.25 | 441.35 |
| Sydney | 264 | as above | 34.25 | 460.35 |
| High cost country centres | See Table 4 | as above | 34.25 | Variable |
| Tier 2 country centres (see **Table 5**) | 207 | Breakfast 33.90<br>Lunch 34.65<br>Dinner 67.50 | 34.25 | 377.30 |
| Other country centres | 188 | Breakfast 33.90<br>Lunch 34.65<br>Dinner 67.50 | 34.25 | 358.30 |

**TABLE 3 — Salary $255,671and above**

| Place | Accommodation | Food & drink | Incidentals | Total |
|---|---|---|---|---|
| | | Breakfast 41.10<br>Lunch 58.10<br>Dinner 81.30<br>(total 180.50) | | |
| Adelaide | 211 | as above | 34.25 | 425.75 |
| Brisbane | 257 | as above | 34.25 | 471.75 |
| Canberra | 246 | as above | 34.25 | 460.75 |
| Darwin | 293 | as above | 34.25 | 507.75 |
| Hobart | 235 | as above | 34.25 | 449.75 |
| Melbourne | 265 | as above | 34.25 | 479.75 |
| Perth | 265 | as above | 34.25 | 479.75 |
| Sydney | 265 | as above | 34.25 | 479.75 |
| All country centres | $207, or the relevant amount in Table 4 if higher | as above | 34.25 | Variable |

**TABLE 4 — High cost country centres — accommodation component**

| Country centre | $ | Country centre | $ |
|---|---|---|---|
| Albany (WA) | 193 | Horsham (VIC) | 165 |
| Alice Springs (NT) | 206 | Jabiru (NT) | 216 |
| Ararat (VIC) | 159 | Kalgoorlie (WA) | 181 |
| Armidale (NSW) | 166 | Karratha (WA) | 223 |
| Bairnsdale (VIC) | 173 | Katherine (NT) | 228 |
| Ballarat (VIC) | 187 | Kingaroy (QLD) | 180 |
| Benalla (VIC) | 168 | Kununurra (WA) | 204 |
| Bendigo (VIC) | 164 | Launceston (TAS) | 174 |
| Bordertown (SA) | 164 | Lismore (NSW) | 163 |
| Bourke (NSW) | 184 | Mackay (QLD) | 166 |
| Bright (VIC) | 180 | Maitland (NSW) | 187 |
| Broken Hill (NSW) | 161 | Mildura (VIC) | 158 |
| Broome (WA) | 220 | Mount Gambier (SA) | 164 |
| Bunbury (WA) | 178 | Mount Isa (QLD) | 185 |
| Bundaberg (QLD) | 184 | Mudgee (NSW) | 188 |
| Burnie (TAS) | 178 | Muswellbrook (NSW) | 157 |
| Cairns (QLD) | 175 | Nambour (QLD | 163 |
| Carnarvon (WA) | 170 | Newcastle (NSW) | 195 |
| Castlemaine (VIC) | 162 | Newman (WA) | 271 |
| Ceduna (SA) | 156 | Nhulunbuy (NT) | 230 |
| Charters Towers (QLD) | 168 | Norfolk Island (NSW) | 203 |
| Christmas Island (WA) | 218 | Northam (WA) | 214 |
| Cocos (Keeling) Islands (WA) | 331 | Nowra (NSW) | 168 |
| Dalby (QLD) | 201 | Orange (NSW) | 202 |
| Dampier (WA) | 175 | Port Hedland (WA) | 175 |
| Derby (WA) | 192 | Port Lincoln (SA) | 170 |
| Devonport (TAS) | 161 | Port Macquarie (NSW) | 190 |
| Dubbo (NSW) | 170 | Portland (VIC) | 159 |
| Emerald (QLD) | 179 | Rockhampton (QLD) | 174 |
| Esperance (WA) | 180 | Roma (QLD) | 182 |
| Exmouth (WA) | 214 | Seymour (VIC) | 161 |
| Geelong (VIC) | 175 | Shepparton (VIC) | 167 |
| Geraldton (WA) | 165 | Swan Hill (VIC) | 181 |
| Gladstone (QLD) | 171 | Thursday Island (QLD) | 323 |

| Country centre | $ | Country centre | $ |
|---|---|---|---|
| Gold Coast (QLD) | 209 | Toowoomba (QLD) | 161 |
| Goulburn (NSW) | 165 | Townsville (QLD) | 174 |
| Gosford (NSW) | 161 | Wagga Wagga (NSW) | 177 |
| Grafton (NSW) | 169 | Wangaratta (VIC) | 186 |
| Griffith (NSW) | 159 | Warrnambool (VIC) | 159 |
| Gunnedah (NSW) | 167 | Weipa (QLD) | 238 |
| Halls Creek (WA) | 170 | Whyalla (SA) | 167 |
| Hamilton (VIC) | 161 | Wilpena-Pound (SA) | 223 |
| Hervey Bay (QLD) | 175 | Wollongong (NSW) | 181 |
| Horn Island (QLD) | 345 | Wonthaggi (VIC) | 188 |
| | | Yulara (NT) | 570 |

**TABLE 5 — Tier 2 country centres**

| Country centre | Country centre |
|---|---|
| Albury (NSW) | Maryborough (QLD) |
| Ayr (QLD) | Naracoorte (SA) |
| Bathurst (NSW) | Narrabri (NSW) |
| Bega (NSW) | Port Augusta (SA) |
| Chinchilla (QLD) | Port Pirie (SA) |
| Cobar (NSW) | Queanbeyan (NSW) |
| Coffs Harbour (NSW) | Queenstown (TAS) |
| Colac (VIC) | Renmark (SA) |
| Cooma (NSW) | Sale (VIC) |
| Cowra (NSW) | Tamworth (NSW) |
| Echuca (VIC) | Taree (NSW) |
| Innisfail (QLD) | Tennant Creek (NT) |
| Inverell (NSW) | Tumut (NSW) |
| Kadina (SA) | Wodonga (VIC) |

### 2023–24 income year

The 2023–24 reasonable amounts are set out below, according to the following annual salary levels:

- up to $138,790
- from $138,791 to $247,020.
- $247,021 and above.

**TABLE 1 — Salary up to $138,790**

| Place | Accommodation | Food & drink | Incidentals | Daily Total |
|---|---|---|---|---|
| | | Breakfast 32.10<br>Lunch 36.10<br>Dinner 61.50<br>(total $129.70) | | |
| Adelaide | 158 | as above | 23.00 | 310.70 |
| Brisbane | 181 | as above | 23.00 | 333.70 |
| Canberra | 178 | as above | 23.00 | 330.70 |
| Darwin | 220 | as above | 23.00 | 372.70 |
| Hobart | 176 | as above | 23.00 | 328.70 |
| Melbourne | 173 | as above | 23.00 | 325.70 |
| Perth | 180 | as above | 23.00 | 332.70 |
| Sydney | 198 | as above | 23.00 | 350.70 |
| High cost country centres | see Table 4 | as above | 23.00 | Variable |
| Tier 2 country centres (see **Table 5**) | 155 | Breakfast 28.75<br>Lunch 32.80<br>Dinner 56.60 | 23.00 | 296.15 |
| Other country centres | 141 | Breakfast 28.75<br>Lunch 32.80<br>Dinner 56.60 | 23.00 | 282.15 |

**TABLE 2 — Salary from $138,791 to $247,020**

| Place | Accommodation | Food & drink | Incidentals | Daily Total |
|---|---|---|---|---|
| | | Breakfast 34.95<br>Lunch 49.35<br>Dinner 69.20<br>(total 143.05) | | |
| Adelaide | 211 | as above | 32.90 | 397.40 |
| Brisbane | 257 | as above | 32.90 | 443.40 |
| Canberra | 246 | as above | 32.90 | 432.40 |
| Darwin | 293 | as above | 32.90 | 479.40 |
| Hobart | 235 | as above | 32.90 | 421.40 |
| Melbourne | 231 | as above | 32.90 | 417.40 |
| Perth | 245 | as above | 32.90 | 431.40 |
| Sydney | 264 | as above | 32.90 | 450.40 |
| High cost country centres | See Table 4 | as above | 32.90 | Variable |
| Tier 2 country centres (see **Table 5**) | 207 | Breakfast 32.10<br>Lunch 32.80<br>Dinner 63.95 | 32.90 | 368.75 |
| Other country centres | 188 | Breakfast 32.10<br>Lunch 32.80<br>Dinner 63.95 | 32.90 | 349.75 |

**TABLE 3 — Salary $247,021and above**

| Place | Accommodation | Food & drink | Incidentals | Total |
|---|---|---|---|---|
| | | Breakfast 38.90<br>Lunch 55.00<br>Dinner 77.00<br>(total 170.90) | | |
| Adelaide | 211 | as above | 32.90 | 414.80 |
| Brisbane | 257 | as above | 32.90 | 460.80 |
| Canberra | 246 | as above | 32.90 | 449.80 |
| Darwin | 293 | as above | 32.90 | 496.80 |
| Hobart | 235 | as above | 32.90 | 438.80 |
| Melbourne | 265 | as above | 32.90 | 468.80 |
| Perth | 265 | as above | 32.90 | 468.80 |

| Place | Accommodation | Food & drink | Incidentals | Total |
|---|---|---|---|---|
| Sydney | 265 | as above | 32.90 | 468.80 |
| All country centres | $195, or the relevant amount in Table 4 if higher | as above | 32.90 | Variable |

**TABLE 4 — High cost country centres — accommodation component**

| Country centre | $ | Country centre | $ |
|---|---|---|---|
| Albany (WA) | 193 | Jabiru (NT) | 216 |
| Alice Springs (NT) | 206 | Kalgoorlie (WA) | 181 |
| Armidale (NSW) | 166 | Karratha (WA) | 223 |
| Ararat (VIC) | 159 | Katherine (NT) | 228 |
| Ballarat (VIC) | 187 | Kununurra (WA) | 204 |
| Benalla (VIC) | 168 | Launceston (TAS) | 174 |
| Bendigo (VIC) | 164 | Lismore (NSW) | 163 |
| Bordertown (SA) | 164 | Mackay (QLD) | 166 |
| Bourke (NSW) | 184 | Maitland (NSW) | 187 |
| Bright (VIC) | 180 | Mount Gambier (SA) | 164 |
| Broken Hill (NSW) | 161 | Mount Isa (QLD) | 185 |
| Broome (WA) | 220 | Mudgee (NSW) | 188 |
| Bunbury (WA) | 178 | Muswellbrook (NSW) | 157 |
| Bundaberg (QLD) | 184 | Nambour (QLD | 163 |
| Burnie (TAS) | 178 | Newcastle (NSW) | 195 |
| Cairns (QLD) | 175 | Newman (WA) | 271 |
| Carnarvon (WA) | 170 | Nhulunbuy (NT) | 230 |
| Castlemaine (VIC) | 162 | Norfolk Island (NSW) | 203 |
| Christmas Island (WA) | 218 | Northam (WA) | 214 |
| Cobar (NSW) | 144 | Nowra (NSW) | 168 |
| Cocos (Keeling) Islands (WA) | 331 | Orange (NSW) | 202 |
| Dalby (QLD) | 201 | Port Hedland (WA) | 175 |
| Dampier (WA) | 175 | Port Lincoln (SA) | 170 |
| Derby (WA) | 192 | Port Macquarie (NSW) | 190 |
| Devonport (TAS) | 161 | Rockhampton (QLD) | 174 |
| Dubbo (NSW) | 170 | Roma (QLD) | 182 |
| Emerald (QLD) | 179 | Shepparton (VIC) | 167 |
| Esperance (WA) | 180 | Swan Hill (VIC) | 181 |

| Country centre | $ | Country centre | $ |
|---|---|---|---|
| Exmouth (WA) | 214 | Thursday Island (QLD) | 323 |
| Geelong (VIC) | 175 | Toowoomba (QLD) | 161 |
| Geraldton (WA) | 165 | Townsville (QLD) | 174 |
| Gladstone (QLD) | 171 | Wagga Wagga (NSW) | 177 |
| Gold Coast (QLD) | 209 | Wangaratta (VIC) | 186 |
| Gosford (NSW) | 161 | Weipa (QLD) | 238 |
| Griffith (NSW) | 159 | Whyalla (SA) | 167 |
| Halls Creek (WA) | 170 | Wilpena-Pound (SA) | 223 |
| Hervey Bay (QLD) | 175 | Wollongong (NSW) | 181 |
| Horn Island (QLD) | 345 | Wonthaggi (VIC) | 188 |
| Horsham (VIC) | 165 | Yulara (NT) | 570 |

**TABLE 5 — Tier 2 country centres**

| Country centre | Country centre |
|---|---|
| Albury (NSW) | Kingaroy (QLD) |
| Ayr (QLD) | Maryborough (QLD) |
| Bairnsdale (VIC) | Mildura (VIC) |
| Bathurst (NSW) | Naracoorte (SA) |
| Bega (NSW) | Narrabri (NSW) |
| Ceduna (SA) | Port Augusta (SA) |
| Charters Towers (QLD) | Portland (VIC) |
| Chinchilla (QLD) | Port Pirie (SA) |
| Coffs Harbour (NSW) | Queanbeyan (NSW) |
| Colac (VIC) | Queenstown (TAS) |
| Cooma (NSW) | Renmark (SA) |
| Cowra (NSW) | Sale (VIC) |
| Echuca (VIC) | Seymour (VIC) |
| Goulburn (NSW) | Tamworth (NSW) |
| Grafton (NSW) | Taree (NSW) |
| Gunnedah (NSW) | Tennant Creek (NT) |
| Hamilton (VIC) | Tumut (NSW) |
| Innisfail (QLD) | Warrnambool (VIC) |
| Inverell (NSW) | Wodonga (VIC) |
| Kadina (SA) | |

# Capital gains tax

## CGT discount

A capital gain may be reduced by the CGT discount, provided:

- the asset was owned by an individual, complying superannuation fund or trust[84], companies are not eligible to make a discounted gain
- the owner is an Australian tax resident who held the asset for 12 months before the CGT event happened
- the cost base is not indexed and the CGT event was made after 21 September 1999
- the CGT event is not excluded from being a discountable gain, this includes CGT event D1, D2, D3, E9, F1, F2, F5, H2, J2, J5, J6, K10.[85]

| Entity that owns the asset | Applicable discount rate |
|---|---|
| Individual | 50.00% |
| Trust | 50.00% |
| Complying superannuation Fund | 33.33% |

From 8 May 2012, foreign or temporary residents are not eligible for the full CGT discount. However, they may be entitled to an apportioned discount on the capital gain if they had a period of Australian residency during ownership of the asset[86].

[84] A life insurance company in relation to a discount capital gain from a CGT event in respect of a CGT asset that is a *complying superannuation asset.

[85] Section 115-25(3) of the *ITAA 1997.*

[86] Sections 115-105 to 115-120.

## CGT improvement threshold

The CGT improvement threshold is relevant for the purposes of Subdiv 108-D of the *ITAA 1997*.

| Income year | Threshold | Income year | Threshold |
|---|---|---|---|
| 2024–25 | $182,665 | 2004–05 | $106,882 |
| 2023–24 | $174,465 | 2003–04 | $104,377 |
| 2022–23 | $162,899 | 2002–03 | $101,239 |
| 2021–22 | $156,784 | 2001–02 | $97,721 |
| 2020–21 | $155,849 | 2000–01 | $92,802 |
| 2019–20 | $153,093 | 1999–2000 | $91,072 |
| 2018–19 | $150,386 | 1998–99 | $89,992 |
| 2017–18 | $147,582 | 1997–98 | $89,992 |
| 2016–17 | $145,401 | 1996–97 | $88,227 |
| 2015–16 | $143,392 | 1995–96 | $84,347 |
| 2014–15 | $140,443 | 1994–95 | $82,290 |
| 2013–14 | $136,884 | 1993–94 | $80,756 |
| 2012–13 | $134,200 | 1992–93 | $80,036 |
| 2011–12 | $130,418 | 1991–92 | $78,160 |
| 2010–11 | $126,619 | 1990–91 | $73,459 |
| 2009–10 | $124,258 | 1989–90 | $68,018 |
| 2008–09 | $119,594 | 1988–89 | $63,450 |
| 2007–08 | $116,337 | 1987–88 | $58,859 |
| 2006–07 | $112,512 | 1986–87 | $53,950 |
| 2005–06 | $109,447 | 1985–86 | $50,000 |

## Foreign resident capital gains withholding

The foreign resident capital gains withholding (FRCGW) provisions[87] impose a non-final withholding obligation on the purchaser of certain Australian real property and related interests where the property is acquired from a foreign resident vendor.[88]

There are exclusions from this obligation for, among other things, CGT assets whose market value is less than the relevant threshold, and the CGT asset is:

- taxable Australian real property, or
- an indirect taxable Australian real property interest, the holding of which causes a company title interest to arise.[89]

| Year | Rate[90] | Threshold |
|---|---|---|
| From 1 January 2025 | 15.0% | $0 |
| 1 July 2017 to 31 December 2024 | 12.5% | $750,000 |
| 1 July 2016 to 30 June 2017 | 10.0% | $2,000,000 |

87 Contained in Subdiv 14-D of Schedule 1 to the *TAA*.

88 Under s. 14-200(1) of Schedule 1 to the *TAA*, the CGT asset must be taxable Australian real property; an indirect Australian real property interest; or an option or right to acquire these types of property or interests.

89 Section 14-215(1)(a) of Schedule 1 to the *TAA*.

90 The amount that the purchaser is required to withhold is calculated by multiplying the rate by the first element of the cost base of the CGT asset (generally the asset's purchase price) — s. 14-200(3) of Schedule 1 to the *TAA*.

# Private companies and Division 7A

## Key Division 7A dates

| Issue | Legislative reference<br>(*ITAA 1936* unless otherwise specified) | Commencement date |
|---|---|---|
| Division 7A — loans and payments made by private companies<br>Amendments relating to timing of making of loan agreements and repayments of loans | Div 7A (ss. 109B to 109ZE) of Part III of the *ITAA 1936*<br>Sections 109D and 109N | 4 December 1997<br>Loans made in the 2004–05 and later income years |
| Division 7A and trust distributions | Section 109UB and Subdiv EA of Div 7A of Part III of the *ITAA 1936* | 27 March 1998 and 12 December 2002 |
| Legislative amendments to ensure no loss of franking credits, improvements to interaction with FBT provisions, Commissioner's discretion | Includes s. 109RB | 1 July 2006 |
| Division 7A and trust distributions, CLPs, amendments to the term 'payment' for the use of company assets | Insertions in and amendments to Subdivs EA and EB, and ss. 109BB, 109BC, 109C, 109R, 109Y, and 109ZCA | 1 July 2009 |
| TR 2010/3<br>(Withdrawn with effect from 1 July 2022) | Ruling on when an unpaid present entitlement becomes a loan for Div 7A purposes | 16 December 2009<br>Note: An entity may continue to rely on TR 2010/3 for trust entitlements conferred on or before 30 June 2022. |
| PS LA 2010/4<br>(Withdrawn with effect from 1 July 2022)<br>**Note**: An entity may continue to rely on this PS LA for trust entitlements conferred on or before 30 June 2022. | Practice statement that provides practical guidance for taxpayers and ATO officers on the administrative aspects of TR 2010/3 | Section 2 loans — self-corrective action to be taken by 31 December 2011<br><br>Section 3 loans:<br>**2010 income year** — funds representing 2010 UPE must be put on sub-trust by 30 June 2011<br>**2011 and later income years** — UPEs must be put on sub-trust before the following lodgment day of the main trust's tax return |

| Issue | Legislative reference<br>(*ITAA 1936* unless otherwise specified) | Commencement date |
|---|---|---|
| TR 2014/5 | Considers the taxation implications, including under Div 7A, of private companies paying money or transferring property in compliance with orders in matrimonial proceedings under s. 79 of the *Family Law Act 1975*. | 30 July 2014 |
| TR 2015/4 | Explains the treatment of an unpaid present entitlement of a beneficiary connected with a trust for the purposes of the maximum net asset value test in s. 152-15 of the *ITAA 1997*. | Before and after the date of the Ruling. |
| TD 2015/20 | States that a private company that releases its unpaid present entitlement makes a payment for the purposes of Div 7A. | Before and after the date of the Determination. |
| PCG 2017/13 | Provides guidance where:<br>▪ a trust has adopted investment Option 1, in accordance with PS LA 2010/4, on or before 30 June 2012 by placing funds representing a UPE under a sub-trust arrangement on a 7-year interest-only loan with the main trust<br>▪ the loan principal must be repaid in the 2017, 2018, 2019 or 2020 income year. | Where the principal of the loan must be repaid at the end of the loan term which is either in the 2017, 2018, 2019 or 2020 income year. |
| TD 2022/11 — Income tax: Div 7A: when will an unpaid present entitlement or amount held on sub-trust become the provision of financial accommodation? | This TD contains the ATO view (and compliance approach) on when trust entitlements created on or after 1 July 2022 constitute the provision of 'financial accommodation'. | Applies to trust entitlements created on or after 1 July 2022 |
| | **NOTE**: the Full Federal Court in *FCT v Bendel* [2025] FCAFC 15 held that a private company beneficiary which is owed a UPE and which does not call for its payment does not thereby provide financial accommodation to the trust – a UPE is not a loan for the purposes of s. 109D(3) of the *ITAA 1936*.[91] | |

[91] The Commissioner of Taxation has lodged an application for special leave to appeal to the High Court.

# Division 7A interest rates

## Benchmark interest rates

| Income year | Division 7A (to 30 June)[92] | FBT (to 31 March) |
|---|---|---|
| 202425 | 8.77% | 8.77% |
| 2023–24 | 8.27% | 7.77% |
| 2022–23 | 4.77% | 4.52% |
| 2021–22 | 4.52% | 4.52% |
| 2020–21 | 4.52% | 4.80% |

## Prescribed interest rates – PS LA 2010/4 (Withdrawn): Option 2[93]

PS LA 2010/4 was withdrawn with effect from 1 July 2022. It may be relied on in respect of trust entitlements conferred on or before 30 June 2022. This includes circumstances where Option 1 and Option 2 have been put in place after 30 June 2022 for such entitlements.

| Income year | Interest rate[94] |
|---|---|
| 2024–25 | 10.79% |
| 2023–24 | 10.26% |
| 2022–23 | 6.82% |
| 2021–22 | 6.51% |
| 2020–21 | 6.57% |

92 The applicable interest rate is that which applies to the year of the repayment.

93 TD 2022/11 Income tax: Division 7A: when will an unpaid present entitlement or amount held on sub-trust become the provision of 'financial accommodation'? was published on 13 July 2022. TD 2022/11 contains the ATO view (and compliance approach) on this issue that applies to trust entitlements created on or after 1 July 2022.

94 The prescribed interest rate for a particular income year is the Reserve Bank of Australia's *indicator lending rate for small business variable (other) overdraft* for the month of May immediately before the start of that income year. These rates can be found at Table F5 on www.rba.gov.au/statistics/tables/xls/f05hist.xlsx

# International

## Diverted profits tax

Tax is payable at a rate of **40 per cent** on profits diverted offshore by significant global entities through contrived arrangements between related parties.[95]

The amount of diverted profit on which the diverted profits tax (DPT) is payable is the sum of the DPT base amounts for the DPT tax benefits in respect of the taxpayer for the relevant income year.

The DPT base amount[96] is:

| Bases for identifying DPT tax benefit | DPT base amount |
|---|---|
| A tax benefit that relates to an amount that is:<br>■ assessable income<br>■ an allowable deduction<br>■ a capital loss, or<br>■ subject to withholding tax. | The amount of the DPT tax benefit |
| A tax benefit that relates to an amount that is:<br>■ a foreign income tax offset<br>■ an innovation tax offset, or<br>■ an exploration credit. | The amount of the DPT tax benefit divided by the standard Australian corporate tax rate. |

95 As defined in the *Treasury Laws Amendment Combating Multinational Tax Avoidance) Act 2017* which received Royal Assent on 4 April 2017. The 40 per cent rate is set by the *Diverted Profits Tax Act 2017* which received Royal Assent on the same day. The diverted profits tax (DPT) applies to DPT tax benefits for income years commencing on or after 1 July 2017, whether or not the DPT tax benefit arises in connection with a scheme that was entered into or commenced to be carried out before that time.

96 Section 177P(2) of the *ITAA 1936*.

## Foreign exchange rates

| Country | 2023–24 financial year | | 2022–23 financial year | | 2021–22 financial year | |
|---|---|---|---|---|---|---|
| | Average | Year end | Average | Year end | Average | Year end |
| Canada | N/A | N/A | N/A | N/A | 0.9184 | 0.8885 |
| China | 4.7374 | 4.8143 | 4.6826 | 4.8079 | 4.6849 | 4.6122 |
| Europe | 0.6061 | 0.6196 | 0.6439 | 0.6099 | 0.6440 | 0.6589 |
| Hong Kong | 5.1259 | 5.1711 | 5.2775 | 5.1951 | 5.6645 | 5.4058 |
| India | 54.4744 | 55.29 | 54.9312 | 54.4000 | 54.6773 | 54.3700 |
| Indonesia | 10267.808 | 10863 | 10201.7240 | 9,940.0000 | 10,442.5020 | 10,253.00 |
| Japan | 97.7584 | 106.61 | 92.4880 | 95.9200 | 85.1057 | 93.9500 |
| Malaysia | 3.0783 | 3.1272 | 3.0252 | 3.1022 | 3.0698 | 3.0353 |
| New Zealand | 1.081 | 1.0927 | 1.0928 | 1.0883 | 1.0666 | 1.1088 |
| PNG | N/A | N/A | N/A | N/A | 2.5499 | 2.4257 |
| Philippines | 37.0152 | 38.87 | N/A | 36.6700 | N/A | N/A |
| Singapore | 0.8839 | 0.8997 | 0.9187 | 0.8986 | 0.9869 | 0.9584 |
| South Korea | 874.1556 | 913.44 | 890.2842 | 874.2100 | 871.8155 | 895.1200 |
| Switzerland | N/A | N/A | 0.6322 | 0.5957 | 0.6764 | 0.6573 |
| Taiwan | 20.8653 | 21.5 | 20.6747 | 20.6300 | 20.5205 | 20.4900 |
| Thailand | 23.4596 | 24.42 | 23.7675 | 23.6200 | 24.2649 | 24.3200 |
| UK | 0.5206 | 0.5244 | 0.5597 | 0.5250 | 0.5455 | 0.5671 |
| USA | 0.6556 | 0.6624 | 0.6734 | 0.6630 | 0.7258 | 0.6889 |
| Vietnam | 16093.692 | 16855 | 15,961.9320 | 15,636.0000 | 16,603.8127 | 16,041.0000 |

# Foreign investment in Australia

The foreign invetment framework[97] imposes obligations on foreign persons investing in Australia.

## Vacancy fee for foreign owners

Foreign owners of residential real estate that is not occupied or genuinely available on the rental market for at least 183 days in a 12-month period (the vacancy year[98]) are liable to pay an annual vacancy fee.[99]

The vacancy fee applies to a 'foreign person' who lodges a notice or application with the FIRB to acquire a residential dwelling or residential land from 7.30 pm AEST on 9 May 2017.[100]

### Assessment and amount

Liability for vacancy fee is reassessed annually, based on the use of the property over the vacancy year. The first assessable vacancy year starts on the first day that the person acquires the right to occupy the property. The foreign person must lodge a vacancy fee return with the Commissioner of Taxation within 30 days after the end of each vacancy year during.

The amount of the vacancy fee is usually:

- for vacancy year starting on or after 9 April 2024 — double the amount of the original application fee that you paid before the dwelling was acquired[101]
- for vacancy years starting before 9 April 2024 — the amount of the original application fee paid before the dwelling was acquired.

#### Reference

The Treasury issues Guidance Note 10: Fees Overview, which outlines the fees for foreign investment in Australia

[97] Set by the *Foreign Acquisitions and Takeovers Act 1975* (FAT Act) and the *Foreign Acquisitions and Takeovers Fees Impositions Act 2015*

[98] The vacancy year is unique to each dwelling and commences on the owner's initial right to occupy the dwelling.

[99] Part 6A of the *FAT Act.*

[100] Section 115B(1) of the *FAT Act*.

[101] On 8 April 2024 the *Foreign Acquisitions and Takeovers Fees Imposition Amendment Bill 2024* and the *Treasury Laws Amendment (Foreign Investment) Bill 2024* and received Royal Asset as Act No. 17 and 18 of 2024.

## Foreign investment application fees

Foreign investors must pay foreign investment application fees when applying for Foreign Investment Review Board (FIRB) approval.[102] The fees are indexed each financial year on 1 July.

### 2024–25 income year

The table below summarises the fees for a single action.[103]

<table>
<tr><th colspan="2">Kind of action</th><th>Applicable fee for a single action[104]</th></tr>
<tr><td rowspan="4">Land</td><td>Residential land (established dwelling)</td><td>Fee tiers increase every $1 million of consideration.<br>Fees start at $44,100 for acquisitions of $1 million or less,[105] rising to a maximum of $3,514,800 for acquisitions of more than $40 million.</td></tr>
<tr><td>Residential land (no established dwellings)</td><td>Fee tiers increase every $1 million of consideration.<br>Fees start at $14,700 for acquisitions of $1 million or less,[106] rising to a maximum of $1,171,600 for acquisitions of more than $40 million.</td></tr>
<tr><td>Agricultural land</td><td>Fee tiers increase every $2 million of consideration<br>Fees start at $14,700 for acquisitions of $2 million or less,[106] rising to a maximum of $1,171,600 for acquisitions of more than $80 million</td></tr>
<tr><td>Commercial land and tenements</td><td rowspan="2">Fee tiers increase every $50 million of consideration<br>Fees start at $14,700 for acquisitions of $50 million or less,[106] rising to a maximum of $1,171,600 for acquisitions of more than $2 billion</td></tr>
<tr><td colspan="2">Businesses and entities (excl. land entities</td></tr>
<tr><td colspan="2">Starting an Australian business (including starting a national security business)</td><td>$4,300 flat fee</td></tr>
<tr><td colspan="2">Entering agreements and altering documents</td><td>$29,500 flat fee</td></tr>
<tr><td colspan="2">Internal reorganisations</td><td>$29,500 flat fee</td></tr>
</table>

[102] Part 6 of the *FAT Act.*

[103] Australian Government, The Treasury, Guidance Note 10, version 6, 14 March 2025.

[104] If the action is a reviewable national security action, fees are calculated at 25 per cent of the fee for an equivalent notifiable action.

[105] The fee is $12,900 if the consideration for the action is less than $75,000.

[106] The fee is $4,300 if the consideration for the action is less than $75,000.

### 2023–24 income year

Summary of fees for a single action[107]

<table>
<tr><th colspan="2">Kind of action</th><th>Applicable fee for a single action[108]</th></tr>
<tr><td rowspan="3">Land</td><td>Residential land – see table below</td><td>Fee tiers increase every $1 million of consideration<br>Fees start at $14,100 for acquisitions of $1 million or less,[109] rising to a maximum of $1,119,100 for acquisitions of more than $40 million</td></tr>
<tr><td>Agricultural land</td><td>Fee tiers increase every $2 million of consideration<br>Fees start at $14,100 for acquisitions of $2 million or less,[109] rising to a maximum of $1,119,100 for acquisitions of more than $80 million</td></tr>
<tr><td>Commercial land and tenements</td><td rowspan="2">Fee tiers increase every $50 million of consideration<br>Fees start at $14,100 for acquisitions of $50 million or less,[109] rising to a maximum of $1,119,100 for acquisitions of more than $2 billion</td></tr>
<tr><td colspan="2">Business and entities (excl. land entities)</td></tr>
<tr><td colspan="2">Starting an Australian business (including starting a national security business)</td><td>$4,200 flat fee</td></tr>
<tr><td colspan="2">Entering agreements and altering documents</td><td>$28,200 flat fee</td></tr>
<tr><td colspan="2">Internal reorganisations</td><td>$28,200 flat fee</td></tr>
</table>

From 9 April 2024, the foreign investment application fee for the purchase of established dwellings tripled.[110]

<table>
<tr><th>Value of Property</th><th>1 July 2023 to 8 April 2024</th><th>9 April 2024 to 30 June 2024</th></tr>
<tr><td>Less than $75,000</td><td>$4,200</td><td>$12,600</td></tr>
<tr><td>$1 million or less</td><td>$14,100</td><td>$42,300</td></tr>
<tr><td>$2 million or less</td><td>$28,200</td><td>$84,600</td></tr>
<tr><td>$3 million or less</td><td>$56,400</td><td>$169,200</td></tr>
<tr><td>$4 million or less</td><td>$84,600</td><td>$253,800</td></tr>
<tr><td>$5 million or less</td><td>$112,800</td><td>$338,400</td></tr>
<tr><td>More than $5 million</td><td colspan="2">Refer to: foreign Investment.gov.au/guidance/general</td></tr>
</table>

[107] Australian Government, The Treasury, Guidance Note 10,`Version 3, 10 August 2023.

[108] Where an action is a reviewable national security action, fees are calculated at 25 per cent of the fee for an equivalent notifiable action.

[109] Under s. 53 of the *Foreign Acquisitions and Takeovers Fees Imposition Regulations 2020*, a lower fee of $4,200 will apply where the consideration value of an action is less than $75,000.

[110] *Foreign Acquisition and Takeovers Fees Imposition Amendment Bill 2024*, received Royal Assent on 8 April 2024 as Act No. 17 of 2024.

## 2022–23 income year

Summary of fees for a single action[111]

<table>
<tr><th colspan="2">Kind of action</th><th>Applicable fee[112]</th></tr>
<tr><td rowspan="3">Land</td><td>Residential land</td><td>Fee tiers increase every $1 million of consideration.<br>Fees start at $13,200 for acquisitions of $1 million or less,[113] rising to a maximum of $1,045,000 for acquisitions of more than $40 million</td></tr>
<tr><td>Agricultural land</td><td>Fee tiers increase every $2 million of consideration.<br>Fees start at $13,200 for acquisitions of $2 million or less,[113]rising to a maximum of $1,045,000 for acquisitions of more than $80 million</td></tr>
<tr><td>Commercial land and tenements</td><td rowspan="2">Fee tiers increase every $50 million of consideration.<br>Fees start at $13,200 for acquisitions of $50 million or less,[113] rising to a maximum of $1,045,000 for acquisitions of more than $2 billion</td></tr>
<tr><td colspan="2">Businesses and entities (excl. land entities)</td></tr>
<tr><td colspan="2">Starting an Australian business (including starting a national security business)</td><td>$4,000 flat fee</td></tr>
<tr><td colspan="2">Entering agreements and altering documents</td><td>$26,400 flat fee</td></tr>
<tr><td colspan="2">Internal reorganisations</td><td>$26,400 flat fee</td></tr>
</table>

[111] Australian Government, Foreign Investment Review Board, Guidance 10, Fees on Foreign Investment Application, last updated 3 January 2023.

[112] Where an action is a reviewable national security action, fees are calculated at 25 per cent of the fee for an equivalent notifiable action.

[113] Under s. 53 of the *Foreign Acquisitions and Takeovers Fees Imposition Regulations 2020*, a lower fee of $4,000 will apply where the consideration value of an action is less than $75,000.

## 2021–22 income year

Summary of fees for a single action.[114]

<table>
<tr><th colspan="2">Kind of action</th><th>Applicable fee[115]</th></tr>
<tr><td rowspan="3">Land</td><td>Residential land</td><td>Fee tiers increase every $1 million of consideration.<br><br>Fees start at $6,350 for acquisitions of $1 million or less,[116] rising to a maximum of $503,000 for acquisitions of more than $40 million.</td></tr>
<tr><td>Agricultural land</td><td>Fee tiers increase every $2 million of consideration<br><br>Fees start at $6,350 for acquisitions of $2 million or less,[116] rising to a maximum of $503,000 for acquisitions of more than $80 million</td></tr>
<tr><td>Commercial land and tenements</td><td rowspan="2">Fee tiers increase every $50 million of consideration<br><br>Fees start at $6,350 for acquisitions of $50 million or less,[116]rising to a maximum of $503,000 for acquisitions of more than $2 billion</td></tr>
<tr><td colspan="2">Businesses and entities (excl. land entities)</td></tr>
<tr><td colspan="2">Starting an Australian business (including starting a national security business)</td><td>$2,000 flat fee</td></tr>
<tr><td colspan="2">Entering agreements and altering documents</td><td>$12,700 flat fee</td></tr>
<tr><td colspan="2">Internal reorganisations</td><td>$12,700 flat fee</td></tr>
</table>

[114] Australian Government, Foreign Investment Review Board, Guidance Note 10, Fees on Foreign investment Applications, 1 July 2021. From 1 January 2021, amendments to the *Foreign Acquisitions and Takeovers Fees Imposition Act 2015* and the introduction of the F*oreign Acquisitions and Takeovers Fees Imposition Regulations 2020* changed the way that fees are calculated for applications and notices.

[115] Where an action is a reviewable national security action, fees are calculated at 25 per cent of the fee for an equivalent notifiable action.

[116] Under s. 53 of the *Foreign Acquisitions and Takeovers Fees Imposition Regulations 2020*, a lower fee of $2,000 will apply where the consideration value of an action is less than $75,000.

## Global minimum tax and domestic minimum tax

Global Anti-Base Erosion (GloBE) rules[117] operate to ensure that multinational enterprise groups (MNE groups) with annual global revenue of at least EUR 750 million are subject to a global minimum effective tax rate (ETR) of at least 15 per cent in each of the jurisdictions where they operate.[118]

The Assessment Act ensures MNEs within scope of the GloBE Rules have an effective tax rate of at least 15 per cent in respect of the GloBE income arising in each jurisdiction in which they operate.

The rules which ensure that all in-scope MNE Groups are subject to the minimum of 15 per cent ETR in the jurisdictions in which they operate comprise the following which are applied to an entity's Top up Tax Amount:

| | |
|---|---|
| The **Income Inclusion Rule** (IIR) – applies for fiscal years beginning on or after 1 January 2024 | imposed on certain parent entities of MNE Groups that are within scope of the Minimum Tax law in respect of undertaxed profits of Constituent Entities within the MNE Group that operate in low-tax jurisdictions. |
| The **Undertaxed Profits Rules** (UTPR) – applies for fiscal years beginning on or after 1 January 2025 | permits other jurisdictions to impose top-up tax (by denying deductions or an equivalent adjustment) on certain Constituent Entities to the extent that a low-taxed constituent entity in the MNE Group is not subject to tax under an IIR. |
| The **Domestic Minimum Tax** (DMT) – applies for fiscal years beginning on or after 1 January 2024 | allows Australia to collect additional tax on excess profits of Constituent Entities of MNE Groups located in Australia in order to bring the ETR up to the 15 per cent minimum rate. |

### Reference

Legislative Instrument titled *Taxation (Multinational — Global and Domestic Minimum Tax) Rules 2024*[119]includes the detailed calculations required to arrive at a liability to top-up.

[117] The *Taxation (Multinational — Global and Domestic Minimum Tax) Act 2024* and the *Taxation (Multinational—Global and Domestic Minimum Tax) Imposition Act 2024* received Royal Assent as Act No. 132 of 2024 and Act No. 133 of 2024, respectively, on 10 December 2024.

[118] Australia and 135 other members of the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (the Inclusive Framework) agreed to the 'Statement on the Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy' (the Two-Pillar Solution).

[119] Registered on 23 December 2024.

## Double Tax Agreements

| Countries that have Double Tax Agreements with Australia | | | |
|---|---|---|---|
| 1. Argentina | 14. Hungary | 26. Mexico | 38. Spain |
| 2. Austria | 15. Iceland[121] | 27. Netherlands | 39. Sri Lanka |
| 3. Belgium | 16. India | 28. New Zealand | 40. Sweden |
| 4. Canada | 17. Indonesia | 29. Norway | 41. Switzerland |
| 5. Chile | 18. Ireland | 30. Papua New Guinea | 42. Taiwan |
| 6. China | 19. Israel | 31. Philippines | 43. Thailand |
| 7. Czech Republic | 20. Italy | 32. Poland | 44. Turkey |
| 8. Denmark | 21. Japan | 33. Romania | 45. United Kingdom |
| 9. Fiji | 22. Kiribati | 34. Russia | 46. United States |
| 10. Finland | 23. Korea (Republic of) | 35. Singapore | 47. Vietnam |
| 11. France | 24. Malaysia | 36. Slovakia | |
| 12. Germany | 25. Malta | 37. South Africa | |
| 13. Greece[120] | | | |

[120] Australia has not signed a comprehensive agreement with Greece; however it has concluded a separate airline profits agreement which provides for each country to exempt from tax income derived by an enterprise of the other country from its international air transport operations.

[121] Australia's treaty with Iceland was signed on 12 October 2022. *Treasury Laws Amendment (Refining and Improving Our Tax System) Bill 2023* received Royal Assent on 28 June 2023 as Act No. 40 of 2023, which gives force of law to the Convention. The Treaty was entered into force on 8 November 2023. The treaty's tax rates will apply from 2024 to withholding rates on the relevant Australian income earned from 1 January, fringe benefits provided from 1 April and to any other Australian taxes on income earned from 1 July. In Iceland it will take effect from 1 January 2024.

## Tax Information Exchange Agreements

The following countries currently have a TIEA with Australia or were specifically listed in the *Taxation Administration Amendment Regulations 2008 (No. 2)*:

| Countries that have Tax Information Exchange Agreements with Australia | | | |
|---|---|---|---|
| Andorra | Brunei | Isle of Man* | Netherlands Antilles |
| Anguilla | The Cayman Islands | Jersey* | Samoa* |
| Antigua and Barbuda | Cook Islands* | Liberia | San Marino |
| Aruba* | Costa Rica | Liechtenstein | St Kitts and Nevis |
| The Bahamas | Dominica | Macao | St Lucia |
| Bahrain | Gibraltar | Marshall Islands* | St Vincent/ Grenadines |
| Belize | Grenada | Mauritius* | Turks/ Caicos Islands |
| Bermuda | Guatemala | Monaco | Uruguay |
| British Virgin Islands*[122] | Guernsey* | Montserrat | Vanuatu |

* Australia has concluded a separate agreement with these countries to allocate taxing rights with respect to certain income of individuals and to establish a mutual agreement procedure in respect of transfer pricing

[122] Australia has not signed a comprehensive agreement with the British Virgin Islands; however it has concluded a separate agreement to allocate taxing rights with respect to certain income of individuals.

## Information exchange countries - reduced MIT withholding

Under the managed investment trust (MIT) withholding regime, non-resident investors are generally subject to a final withholding tax at a **reduced rate of 15 per cent** — instead of the default rate of 30 per cent — on payments from the MIT, if the address or place of payment of the recipient is in an 'information exchange country'.[123]

Each of the following jurisdictions is an 'information exchange country' for the purposes of the reduced MIT withholding rate, with effect from the date specified in the table:

| Country or Territory | Applicable to MIT payments made on or after … |
|---|---|
| Argentina, Bermuda, Canada, China, Czech Republic, Denmark, Fiji, Finland, France, Germany, Hungary, India, Indonesia, Ireland, Italy, Japan, Kiribati, Malta, Mexico, Netherlands, Netherlands Antilles, New Zealand, Norway, Papua New Guinea, Poland, Romania, Russia, Slovakia, South Africa, Spain, Sri Lanka, Sweden, Taipei, Thailand, UK, USA, Vietnam | 1 July 2008 |
| Antigua and Barbuda, British Virgin Islands, Isle of Man, Jersey | 1 July 2010 |
| Gibraltar, Guernsey | 1 January 2011 |
| Belize, Cayman Islands, The Bahamas, Principality of Monaco, San Marino, Singapore, Saint Kitts and Nevis, Saint Vincent and the Grenadines | 1 July 2011 |
| Anguilla, Aruba, Belgium, Malaysia, Turks and Caicos Islands | 1 January 2012 |
| Cook Islands, Macau, Mauritius, Republic of Korea | 1 July 2012 |
| Albania, Andorra, Austria, Azerbaijan, Bahrain, Barbados, Brazil, Brunei, Bulgaria, Cameroon, Chile, Colombia, Costa Rica, Croatia, Cyprus, Dominica, Estonia, Faroe Islands, Georgia, Ghana, Greece, Greenland, Grenada, Guatemala, Iceland, Israel, Kazakhstan, Kenya, Latvia, Liberia, Liechtenstein, Lithuania, Luxembourg, Marshall Islands, Moldova, Montserrat, Nigeria, Niue, Philippines, Portugal, Samoa, Saint Lucia, Saudi Arabia, Senegal, Seychelles, Sint Maarten, Slovenia, Switzerland, Tunisia, Turkey, Uganda, Ukraine, Uruguay, Vanuatu | 1 January 2019 |
| Curaçao, Lebanon, Nauru, Pakistan, Panama, Peru, Qatar, United Arab Emirates | 1 January 2020 |
| Dominican Republic, Ecuador, El Salvador, Hong Kong, Jamaica, Kuwait, Morocco, Republic of North Macedonia, Serbia | 1 July 2021 |
| Armenia, Cabo Verde, Kenya, Mongolia, Montenegro, and Oman | 1 January 2022 |

[123] Per s. 12-385(4) of Schedule 1 to the *TAA* and reg. 34 of the *Taxation Administration Regulations 2017*.

## Low-level outbound loans - minimum interest rate

From 1 July 2015[124], taxpayers with a combined cross-border loan balance of $50 million or less for their Australian economic group at all times throughout a particular financial year may choose a simplified transfer pricing record keeping option for their outbound loans (Option 7 in PCG 2017/2[125]), provided that the taxpayer has assessed its compliance with the transfer pricing rules.

Subject to certain other conditions being met[126], the interest rate payable to the taxpayer on each of its outbound loans must be no less than that set out in the table below, for each of the income years in which the loan is in effect:

| Income year | Minimum interest rate on outbound loans |
|---|---|
| 2024–25 | 5.61% |
| 2023–24 | 5.81% |
| 2022–23 | 5.65% |
| 2021–22 | 1.83% |
| 2020–21 | 1.79% |

[124] Or 1 January 2015 for taxpayers with a 31 December substituted accounting period.

[125] PCG 2017/2: *Simplified Transfer Pricing Record Keeping Options.* Note that Option 7 does not reduce the documentation requirements for: inbound related-party interest-bearing loans (and associated charges), other international related-party financial transactions (e.g. guarantees), nor other international related-party dealings.

[126] To qualify for Option 7, the following additional conditions must also be met: the funds actually provided by the taxpayer under the loan must be AUD funds, associated expenses must be paid in AUD, and the taxpayer must not have made sustained losses, nor undergone a restructure within the year.

## Low-level inbound loans - maximum interest rate

From 1 July 2013, taxpayers with a combined cross-border loan balance of $50 million or less for their Australian economic group at all times throughout a particular financial year may choose a simplified transfer pricing record keeping option for their inbound loans (Option 4 in PCG 2017/2), provided that the taxpayer has assessed its compliance with the transfer pricing rules.

Prior to income years commencing on or after 1 July 2018 (or equivalent SAP), the maximum interest rate was the RBA indicator lending rate for 'small business; variable; residential-secured term'.

For income years commencing on or after 1 July 2018 (or equivalent SAP), the maximum interest rate is as follows:

| Income year | Maximum interest rate on outbound loans |
|---|---|
| 2024–25 | 5.61% |
| 2023–24 | 5.81% |
| 2022–23 | 5.65% |
| 2021–22 | 1.83% |
| 2020–21 | 1.79% |

# Fringe benefits tax

## Gross-up factors

| GST classification | for 2022–26 FBT years |
|---|---|
| Type 1 — entitlement to input tax credits | 2.0802 |
| Type 2 — no entitlement to input tax credits | 1.8868 |

## Car fringe benefits

### ▶ FBT statutory rates for valuing car fringe benefits

A single statutory rate of 20 per cent applies to all cars acquired under a contract entered into after 7:30 pm (AEST) on 10 May 2011, except where the employee, employer or associate had committed to the acquisition of the car prior to 7:30 pm (AEST) on 10 May 2011.[127]

## Annual FBT data

### ▶ FBT interest rate; car parking threshold; record-keeping threshold

| FBT year | Benchmark interest rate for loan benefits | Car parking benefit threshold | Record keeping exemption threshold |
|---|---|---|---|
| 2025–26 | 8.62% | TBA | $10,664 |
| 2024–25 | 8.77% | $10.77 | $10,334 |
| 2023–24 | 7.77% | $10.40 | $9,786 |
| 2022–23 | 4.52% | $9.72 | $9,181 |
| 2021–22 | 4.52% | $9.25 | $8,923 |

[127] This single rate was phased-in between 10 May 2011 and 1 April 2014.

## Zero emission vehicle — EV home charging rate per km

The Commissioner has developed an optional method for working out the cost of electricity when an electric vehicle (EV)[128] is charged at residential premises. As an alternative to working out the actual cost of electricity when an EV is charged at an employee's home, the Commissioner's rate is multiplied by the total number of relevant kms travelled by the EV in the relevant income or FBT year. The rate applies for FBT years commencing 1 April 2022 and income years commencing 1 July 2022[129] and may be applied when working out the taxable value of:

- a residual fringe benefit
- a car expense payment fringe benefit
- a reimbursement of car expenses
- reportable fringe benefit amount

| FBT year starting | Rate per km travelled |
|---|---|
| On or after 1 April 2022 | 4.20 cents |

This rate can also be used for the purposes of working out:

- car expenses claimed using the logbook method under Div 28 of the *ITAA 1997*
- motor vehicle expenses claimed under s. 8-1 of the *ITAA 1997*.

## Cents per kilometre rates for vehicles other than cars

| FBT year | Engine capacity | | |
|---|---|---|---|
| | 0–2,500 cc | Over 2,500 cc | Motor cycles |
| 2025–26 | 69 cents | 80 cents | 20 cents |
| 2024–25 | 66 cents | 77 cents | 19 cents |
| 2023–24 | 62 cents | 73 cents | 18 cents |
| 2022–23 | 58 cents | 69 cents | 17 cents |
| 2021–22 | 56 cents | 67 cents | 17 cents |

128 Vehicles that are fuelled solely by electricity power. It excludes plug-in hybrid vehicles, electric bikes and electric scooters.

129 PCG 2024/2.

## Reasonable food component of LAFHA

The table below sets out the weekly reasonable food component of a living-away-from-home allowance for all employees from the 2021–22 FBT year.

| Number of persons | 2025–26 | 2024–25 | 2023–24 | 2022–23 | 2021–22 |
|---|---|---|---|---|---|
| One adult[130] | $341 | $331 | $316 | $289 | $283 |
| Two adults | $512 | $497 | $474 | $434 | $425 |
| Three adults | $683 | $663 | $632 | $579 | $567 |
| One adult and one child | $427 | $414 | $395 | $362 | $354 |
| Two adults and one or two children | $598<br>$684 | $580<br>$663 | $553<br>$632 | $507<br>$580 | $496<br>$567 |
| Two adults and three children | $770 | $746 | $711 | $653 | $638 |
| Three adults and one child | $769 | $746 | $711 | $652 | $638 |
| Three adults and two children | $855 | $829 | $790 | $725 | $709 |
| Four adults | $854 | $829 | $790 | $724 | $709 |
| | For larger family groupings, the ATO will accept a food component based on the above figures plus: | | | | |
| For each additional adult…<br>for each additional child… | $171<br>$86 | $166<br>$83 | $158<br>$79 | $145<br>$73 | $142<br>$71 |

## Indexation factors for valuing non-remote housing

| FBT year | NSW | VIC | QLD | SA | WA | TAS | NT | ACT |
|---|---|---|---|---|---|---|---|---|
| 2025–26 | 1.076 | 1.066 | 1.076 | 1.060 | 1.100 | 0.988 | 1.031 | 1.010 |
| 2024–25 | 1.073 | 1.050 | 1.085 | 1.063 | 1.084 | 1.022 | 1.055 | 1.038 |
| 2023–24 | 1.009 | 1.006 | 1.046 | 1.039 | 1.087 | 1.055 | 1.100 | 1.053 |
| 2022–23 | 0.980 | 0.990 | 1.019 | 1.020 | 1.044 | 1.037 | 1.030 | 1.024 |
| 2021–22 | 0.975 | 1.000 | 0.998 | 1.011 | 0.991 | 1.043 | 0.947 | 1.018 |

[130] 'Adults' for this purpose are persons aged 12 years or more.

# Superannuation

## Superannuation guarantee

### ▶ Rate of superannuation guarantee charge (SG Charge)

The *Superannuation Guarantee (Administration) Amendment Act 2012*[131] amended the *Superannuation Guarantee (Administration) Act 1992* (***SGA Act***) to increase the SGC percentage as follows[132]:

| Income year | Legislated charge percentage (%) |
|---|---|
| 2025–26 | 12.0 |
| 2024–25 | 11.5 |
| 2023–24 | 11.0 |
| 2022–23 | 10.5 |
| 2021–22 | 10.0 |
| 2020–21 | 9.5 |
| 2019–20 | 9.5 |

### ▶ Maximum contributions base

| Income year | Max. contribution base per quarter (per year) | Max. amount of contribution for year |
|---|---|---|
| 2025–26 | **$62,500** ($250,000 p.a.) | $30,000[133] |
| 2024–25 | **$65,070** ($260,280 p.a.) | $29,932[134] |
| 2023–24 | **$62,270** ($249,080 p.a.) | $27,399[135] |
| 2022–23 | **$60,220** ($240,880 p.a.) | $25,292[136] |
| 2021–22 | **$58,920** ($235,680 p.a.) | $23,568[137] |

131 This Act received Royal Assent on 29 March 2012 as Act No. 22 of 2012.

132 See s. 19(2) of the *SGA Act.*

133 Based on an SG rate of 12% applicable from 1 July 2025

134 Based on an SG rate of 11.5% applicable from 1 July 2024.

135 Based on an SG rate of 11.0% applicable from 1 July 2023.

136 Based on an SG rate of 10.5% applicable from 1 July 2022.

137 Based on an SG rate of 10.0% applicable from 1 July 2021.

## Employees with multiple employers

Individuals may unintentionally breach their concessional contributions cap when they receive superannuation contributions from multiple employers.

For quarters starting on or after 1 July 2018, high-income employees with multiple employers can opt-out of receiving some superannuation guarantee (SG) contributions from some of their employers and negotiate with the employer to receive additional cash or non-cash remuneration.[138]

Eligible employees who satisfy the eligibility requirement in s. 19AB of the *SGA Act* can apply to the Commissioner for an 'employer shortfall exemption certificate'.

The effect of the 'employer shortfall exemption certificate' is to release one or more of the employers from their SG obligations for up to four quarters in one financial year

# Contributions

## Acceptance of contributions

The *SIS Regs* contain the rules about when a superannuation fund may accept contributions.

### Contributions made on or after 1 January 2023

A fund may accept contributions in accordance with the following table:[139]

| Age | The fund may accept contributions made in respect of the member which are ... |
|---|---|
| Under 55 years | (a) employer contributions[140]<br>(b) member contributions[141].. |
| 55—74 years | (a) employer contributions<br>(b) member contributions (includes downsizer contributions[142]) |
| 75 years or older | (a) mandated employer contributions<br>(b) downsizer contributions. |

[138] This amendment was introduced by the *Treasury Laws Amendment (2018 Superannuation Measures No 1) Act 2019* which received Royal Assent on 2 October 2019 as Act No. 78 of 2019.

[139] Reg 7.04(1) Table of the *SIS Regs*.

[140] Employer contributions defined in Reg 1.03 of the *SIS Regs* in relation to a regulated superannuation fund, a contribution by, or on behalf of an employer – sponsor of the fund

[141] Member contributions is defined in Reg. 5.01(1) of the *SIS Regs* as contributions by, or on behalf of, the member to the fund, but does not include employer contributions made in respect of the member.

[142] The *Treasury Laws Amendment (2022 Measures No 2) Bill 2022* received Royal Assent as *Act No. 84 of 2022* on 12 December 2022, together with the *Superannuation Legislation Amendment (Broadening Contribution Rules) Regulations 2022*, further reduced the eligibility age for downsizer contributions for individuals to 55 years.

### Note

- The work test was removed from the acceptance rules for SMSFs in respect of contributions made on or after 1 July 2022[143]
- The eligibility age for downsizer contributions was reduced from 65 to 60 years and then further reduced to 55 years. Contributions made on or after 1 January 2023

## Contributions made on or after 1 July 2022 to 31 December 2022

From 1 July 2022, the work test that applied to non-concessional and salary sacrifice contributions no longer applies.[144]

| Age | The fund may accept contributions made in respect of the member which are...[145] |
|---|---|
| Under 60 years | (a) Mandated employer contributions<br>(b) Voluntary contributions.[146] |
| 60 — 74 years | (a) Mandated employer contributions<br>(b) Voluntary contributions<br>(c) Downsizer contributions.[147] |
| 75 years or older | (a) Mandated employer contributions<br>(b) Downsizer contributions. |

143 To meet the work test, an individual must be gainfully employed for at least 40 hours during any consecutive 30-day period in the financial year in which the contributions are made. This is an annual test.

144 The work test was repealed by the *Treasury Laws Amendment (Enhancing Superannuation Outcomes) Regulations 2022* which was registered on 3 March 2022. The work test has been removed from reg. 7.04 in the *Superannuation Industry (Supervision) Regulations 1994* (about acceptance of contributions — regulated funds) and the *Treasury Laws Amendment (Enhancing Superannuation Outcomes For Australians and Helping Australian Businesses Invest) Act* 2022 inserted s. 290-165(1A) (about the work test condition for ages 67 to 75) into the *ITAA 1997.* The effect of these changes is to is to make the work test a condition applicable to individuals aged between 67 and 75 for claiming a deduction for personal concessional contributions.

145 Adapted from the table contained in Regulation 7.04(1) *Superannuation Industry (Supervision) Regulations 1994*.

146 Excluding downsizer contributions.

147 The *Treasury Laws Amendment (Enhancing Superannuation Outcomes and Helping Australian Businesses Invest) Act 2022* reduced the eligibility age for downsizer contributions for individuals from 65 to 60 years. The *Treasury Laws Amendment (Enhancing Superannuation Outcomes) Regulations 2022* amended the *SIS Regs* to allow superannuation trustees to accept such contributions.

## Contributions caps

The general contributions caps are summarised in the following table:

| Income year | Concessional cap | Non-concessional cap[148] |
|---|---|---|
| 2025–26 | $30,000 | $120,000 / $360,000 |
| 2024–25 | $30,000 | $120,000 / $360,000 |
| 2023–24 | $27,500 | $110,000 / $330,000 |
| 2022–23 | $27,500 | $110,000 / $330,000 |
| 2021–22 | $27,500 | $110,000 / $330,000 |

### Important — non-concessional contribution cap

An individuals non-concessional contribution cap will be nil if immediately before the start of the year, the individual's total superannuation balance equals or exceeds the general transfer balance cap for the year.

### Contribution limits - 2025–26 income year

| Item | Threshold | Application |
|---|---|---|
| Concessional contributions cap | $30,000 | Maximum amount of concessional contributions that receive concessional treatment (taxed at 15%). |
| Non-concessional contributions cap | **$120,000** per person / **$240,000** or **$360,000** per person under the 'bring forward'[149] rule | Maximum amount of non-concessional contributions that may be made without being subject to tax — provided individual has a total superannuation balance of less than $1.9 million |
| CGT cap amount | Lifetime limit of **$1,865,000**per person | Maximum amount of contributions derived from the disposal of certain small business assets that are excluded from the non-concessional contributions cap |
| Transfer balance cap | **$2,000,000** | Maximum amount of capital that can be transferred to the retirement phase of superannuation. |

148 The bring-forward rules allow you (if eligible) to make non-concessional contributions of up to three times the annual contributions cap in a single year (3 x $120,000 = $360,000 in 2024–25).

149 Eligibility for the bring-forward arrangement depends on a members age and total super balance on 30 June of the previous year.

#### Contribution limits - 2021–22 to 2024–25 income year

| Item | 2024–25 | 2023–4 | 2022–23 | 2021–22 |
|---|---|---|---|---|
| Concessional contributions cap | $30,000 | $27,500 | $27,500 | $27,500 |
| Non-concessional contributions cap | | | | |
| Annual | $120,000 | $110,000 | $110,000 | $110,000 |
| Bring forward rule[150] | $360,000 | $330,000 | $330,000 | $330,000 |
| CGT cap amount[151] | $1,780,000 | $1,705,000 | $1,650,000 | $1,615,000 |
| General transfer balance cap | $1,900,000 | $1,900,000 | $1,700,000 | $1,700,000 |

## Unused concessional contributions cap

From the 2019–20 income year additional concessional superannuation contributions can be made by utilising unused concessional contribution cap amounts from the previous year. The unused concessional contribution cap can be carried forward for five years.

This option is available provided that the individual’s:

- total superannuation balance is below $500,000 just before the start of the year in which the additional contribution is made.
- previously unapplied unused concessional contributions cap for one or more of the previous five financial years

[150] Eligibility for the bring-forward arrangement depends on a members age and total super balance on 30 June of the previous year.

[151] Lifetime cap amount, which is indexed.

## Downsizer contributions

Individuals may contribute up to **$300,000** (**$600,000** for a couple) of the sale proceeds from the sale of their main residence into superannuation, where the sale contract is entered into **on or after 1 July 2018** and certain age requirements have been met.[152] [153] The dwelling must have been held by one or more of the individuals, their spouse, or their former spouse during the 10-year period preceding the disposal. The downsizer contribution will not be treated as a non-concessional contribution, [154] Provided a choice is made in accordance with s. 292-102(8) of the *ITAA 1997*.

| Contracts for the sale of a main residence entered into… | Eligibility age |
|---|---|
| From 1 July 2018 | 65 years |
| From 1 July 2022 | 60 years |
| From 1 January 2023 | 55 years |

## First Home Super Saver Scheme

Under the First Home Super Saver Scheme (FHSSS), individuals saving for their first home who make voluntary contributions into the superannuation system can withdraw those contributions and an amount of associated earnings for use in purchasing or constructing their first home. Concessional tax treatment within the superannuation system applies to amounts withdrawn.[155]

The FHSSS applies to voluntary contributions made on or after 1 July 2017. Such contributions can be withdrawn from 1 July 2018.

The maximum amount of contributions made in any one financial year that may be eligible to be released is **$15,000**.

The total limit on the maximum amount of voluntary contributions made from 1 July 2017 which may be eligible to be released is **$30,000**. This total limit on the maximum amount of contributions that may be released has been increased to **$50,000** for requests made **on or after 1 July 2022**.[156]

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[152] The *Treasury Laws Amendment (Reducing Pressure on Housing Affordability Measures No.1) Act 2017* received Royal Assent on 13 December 2017 as Act No. 132 of 2017.

[153] The eligibility age for individuals making downsizer contributions was decreased from 65 to 60 years of age. Amendments to give effect to this reduction, which takes effect from 1 July 2022, were enacted by the *Treasury Laws Amendment (Enhancing Superannuation Outcomes For Australians and Helping Australian Businesses Invest) Act 2022* (which received Royal Assent as Act No. 10 of 2022 and the *Treasury Laws Amendment (Enhancing Superannuation Outcomes) Regulations 2022* which was registered on 3 March 2022. The *Treasury Laws Amendment (2022 Measures No 2) Bill 2022* received Royal Assent as Act No. 84 of 2022 on 12 December 2022, and the *Superannuation Legislation Amendment (Broadening Contribution Rules) Regulations 2022*,further reduced the eligibility age for downsizer contributions for individuals to 55 years for contracts for the sale of a main residence entered into on or after 1 January 2023.

[154] Section 292-90(2)(c)(iiia) of the *ITAA 1997*.

[155] The *Treasury Laws Amendment (Reducing Pressure on Housing Affordability Measures No.1) Act 2017* received Royal Assent on 13 December 2017 as Act No. 132 of 2017.

[156] On 11 May 2021, as part of the 2021–22 Federal Budget, the Government announced it will improve the operation of the FHSSS and increase the maximum releasable amount up to $50,000. Amendments to give effect to this measure, which take effect from 1 July 2022, were enacted by the *Treasury Laws Amendment (Enhancing Superannuation Outcomes For Australians and Helping Australian Businesses Invest) Act 2022* which received Royal Assent, as Act No. 10 of 2022, on 22 February 2022.

The FHSSS released amount will be income in the hands of the individual, and released amounts sourced from an individual's FHSSS eligible concessional contributions will be taxed at their marginal rates, with a tax offset of **30 per cent**.

The Commissioner must withhold an amount from the taxable FHSSS released amounts, at the following rates:

- the amount of tax that the Commissioner estimates will be payable by the individual in relation to the individual's assessable FHSS released amount, or
- if the Commissioner is unable to make an estimate, **17 per cent** of the individual's assessable FHSS released amount.

If an individual does not enter into a contract for the purchase or construction of residential premises within the requisite period (generally 12 months) — or recontribute the required amount into superannuation within the same period — they will be liable to **FHSS tax** at the rate of **20 per cent** on the assessable component of the amounts released.[157] The Commissioner may extend the period for entering into a contract by up to 12 months, resulting in the taxpayer having up to 24 months from the day after a valid request for release to enter a contract to purchase a residential premises.[158]

## Government co-contribution

| Income year | Maximum entitlement[159] | Lower income threshold[160] | Higher income threshold[161] |
|---|---|---|---|
| 2025–26 | $500 | $47,488 | $62,488 |
| 2024–25 | $500 | $45,400 | $60,400 |
| 2023–24 | $500 | $43,445 | $58,445 |
| 2022–23 | $500 | $42,016 | $57,016 |
| 2021–22 | $500 | $41,112 | $56,112 |

[157] The *First Home Super Saver Tax Bill 2017* received Royal Assent on 13 December 2017 as Act No. 133 of 2017.

[158] TR 2024/4 was issued on 16 September 2024 to provide guidance on the operation of the FHSS scheme, it replaces LCR 2018/5.

[159] Calculated as 50% ($0.50 for $1).

[160] Entitled to maximum threshold provided income is below this amount.

[161] Phasing out 3.333 cents per dollar; Assessable income + reportable fringe benefits + reportable employer superannuation contributions.

## Superannuation contributions splitting

Superannuation contributions measures[162] commenced on 1 January 2006 and allow members of a superannuation fund to split their contributions with their spouse. The exact details of how the contributions-splitting regime operates are contained in regulations.

| Type of contributions | Maximum proportion of contribution which may be split with spouse[163] |
|---|---|
| Taxed splittable contributions | The lesser of<br>▪ **85%** of the concessional contributions<br>▪ the concessional cap for that year |
| Untaxed splittable employer contributions | **100%** of the concessional contributions cap for that income year |

## Transfer balance cap indexation

The transfer balance cap applies from 1 July 2017, it imposes a cap on the amount a member can transfer into a pension account. The earnings on these accounts are exempt from taxation.[164]

A member's transfer balance cap for the income year in which they start to have a transfer balance account is equal to the general transfer balance cap for that income year. For each subsequent income year, the transfer balance cap is subject to proportional indexation.[165]

### Important

Every taxpayer will have their own transfer balance cap, depending on when they commenced the retirement phase income stream and their respective balances.

| Income years | Transfer balance cap for the income year first start to have a transfer balance account |
|---|---|
| 2025–26 | $2,000,000 |
| 2023-24 to 2024–25 | $1,900,000 |
| 2021-22 to 2022-23 | $1,700,000 |
| 2017-18 to 2020-21 | $1,600,000 |

162 The *Tax Laws Amendment (Superannuation Contributions Splitting) Act 2005* received Royal Assent on 14 December 2005 as Act No. 148 of 2005.

163 Contributions made on or after 1 July 2007.

164 Section 294-1 of the *ITAA 1997.*

165 Section 294-40 of the *ITAA 1997.*

### Proportionally indexed transfer balance cap

The transfer balance cap is increased using the following formula:[166]

Unused cap percentage × Indexation increase

where:

| | |
|---|---|
| *indexation increase* | the amount by which the general transfer balance cap for the financial year increased as a result of indexation. |
| *unused cap percentage* | 1. Identifying the highest transfer balance in the individual's transfer balance account at the end of any day up to the end of previous financial year and<br>2. Express that transfer balance as a percentage of the individual's personal transfer balance cap that applied on the earliest day that the individual had that highest transfer balance.<br>3. That percentage is then subtracted from indexation increase and rounded to the nearest whole number to yield the unused cap percentage; |

## Division 293 tax

Div 293 tax reduces the concessional tax treatment of superannuation contributions for high income earners.

An individual's income is added to certain superannuation contributions and compared to the high-income threshold. The Div 293 tax, at the rate of 15 per cent, is payable on the excess, or on the superannuation contributions (whichever is less).

| Income year | High income threshold | Rate of Div 293 tax[167] |
|---|---|---|
| 2017–18 onwards | $250,000 | 15% |
| 2012–13 to 2016–17 | $300,000 | 15% |

The tax is not payable in respect of excess concessional contributions.

## Exceeding contribution caps

### Excess concessional contributions — On or after 1 July 2021

The excess concessional contributions (ECC) are included in the individuals assessable income.

The ECC is included in the individual's assessable income and they are entitled to a tax offset for that income year equal to 15 per cent of the excess concessional contribution.[168] The tax offset reflects the contribution tax paid in the superannuation fund.

166

167 Calculated on the excess over the threshold or the t individual's taxable contributions.

168 Section 291-15 of the *ITAA 1997.*

Individuals can elect to release up to 85 per cent of excess concessional contributions from superannuation.[169]

### Excess concessional contributions charge — Prior to 1 July 2021

The ECC charge is applied to the additional income tax liability arising as a result of ECCs being included in the individual's income tax return. The ECC charge is imposed by way of compensating the revenue for the tax being collected later than normal income tax. The charge is payable for the year a person makes ECCs and applies from the 2013–14 income year to the 2020–21 income year.[170]

The ECC charge is calculated by applying the applicable rate to the additional tax liability for the ECC charge period which starts from the start of the income year in which the ECCs were made and ends on the day before the tax is due to be paid under the individual's first tax assessment for that year. The ECC charge rates are as follows:

| Quarter[171] | Annual rate | Daily rate |
|---|---|---|
| April – June 2025 | 7.17% | 0.019643835616438% |
| January – March 2025 | 7.42% | 0.020328767123288% |
| October – December 2024 | 7.38% | 0.020163934426230% |
| July – September 2024 | 7.36% | 0.020109289617486% |
| April – June 2024 | 7.34% | 0.020054644808743% |
| January – March 2024 | 7.38% | 0.020163934426230% |
| October – December 2023 | 7.15% | 0.019589041095890% |
| July – September 2023 | 6.90% | 0.018904109589041% |

### Excess non-concessional contributions

Excess non-concessional contributions result in the individual being liable to pay excess non-concessional contribution tax[172], however the individual can elect

- Release the excess non-concessional contributions from their superannuation fund plus 85 per cent of the associated earnings. The associated earnings will be included in the individual's assessable income, subject to a tax offset of 15%.
- Not to release the excess, subject to excess non-concessional contributions tax. The excess amount is taxed at the highest marginal tax rate plus Medicare levy.

[169] Division 131 of Schedule 1 of the *TAA.*

[170] The excess concessional contributions charge ceased from 1 July 2021. The *Superannuation (Excess Concessional Contributions Charge) Act 2013* was repealed by the *Treasury Laws Amendment (More Flexible Superannuation) Act 2020* which received Royal Assent on the 22 June 2021 as Act No. 45 of 2021.

[171] Historical excess concessional contribution charge rates are available ATO*, Contribution caps,* last updated 13 November 2024 (QC 18123).

[172] Section 292-80 of the *ITAA 1997*.

**Associated earnings rates – excess non-concessional contributions**

Individuals who choose to release non-concessional superannuation contributions made from 1 July 2013 which are in excess of the non-concessional contributions (NCC) cap for 2013–14 and later income years must also include an associated earnings amount in their assessable income.

The associated earnings amount is calculated to approximate the amount earned from the excess NCCs while they were held in the superannuation fund. The applicable rates are as follows:

| Income year | Annual rate | Associated earnings rate / daily rate |
|---|---|---|
| 2024–25 | 11.33% | 0.03104110% |
| 2023–24 | 11.19% | 0.03057377% |
| 2022–23 | 9.46% | 0.02591781% |
| 2021–22 | 7.04% | 0.01928767% |
| 2020–21 | 7.06% | 0.01934247% |

# Payments

## Low rate cap and untaxed plan cap amounts

| Income year | Low rate cap amount[173] | Untaxed plan cap amount[174] |
|---|---|---|
| 2025–26 | $260,000 | $1,865,000 |
| 2024–25 | $245,000 | $1,780,000 |
| 2023–24 | $235,000 | $1,705,000 |
| 2022–23 | $230,000 | $1,650,000 |
| 2021–22 | $225,000 | $1,615,000 |

## Minimum annual payments for superannuation income streams

A minimum amount is required to be paid each year for pensions or annuities started on or after 1 July 2007 (there is no maximum amount).

[173] Lifetime limit, reduced by amounts previously applied to the cap

[174] Applies to each superannuation plan from which a person receives super lump sum member benefit.

| Age | 2023–24 income years onwards | 2019–20 to 2022–23 income years (50% reduction)[175] |
|---|---|---|
| Under 65 years | 4.0% | 2.0% |
| 65–74 years | 5.0% | 2.5% |
| 75–79 years | 6.0% | 3.0% |
| 80–84 years | 7.0% | 3.5% |
| 85–89 years | 9.0% | 4.5% |
| 90–94 years | 11.0% | 5.5% |
| 95 years or more | 14.0% | 7.0% |

## Preservation age

| Date of birth | Preservation age |
|---|---|
| Before 1 July 1960 | 55 |
| 1 July 1960 – 30 June 1961 | 56 |
| 1 July 1961 – 30 June 1962 | 57 |
| 1 July 1962 – 30 June 1963 | 58 |
| 1 July 1963 – 30 June 1964 | 59 |
| On or after 1 July 1964 | 60 |

## Departing Australia superannuation payment (DASP) rates

Temporary residents, including working holiday makers (WHMs), who work in Australia and have superannuation contributions paid by their employer, are entitled to claim their superannuation benefits once they leave Australia and their visa expires or is cancelled.

This payment is called a departing Australia superannuation payment (DASP). The rates of tax applied to the DASP depend upon the make-up of the payment. The DASP tax rate for WHMs increased from 1 July 2017.[176]

[175] The temporary 50% reduction for the 2019–20 income years was enacted pursuant to the *Coronavirus Economic Response Package Omnibus Bill 2020* which received Royal Assent on 24 March 2020 as Act No. 22 of 2020. This was subsequently extended to the 2022–23 income year by the *Superannuation Legislation Amendment (Superannuation Drawdown) Regulations 2022* which were registered on 1 April 2022.

[176] The *Superannuation (Departing Australia Superannuation Payments Tax) Amendment Act (No. 2) 2016* — which formed part of the Government's package of amendments concerning WHMs — received Royal Assent on 2 December 2016 as Act No. 94 of 2016. The Act superseded the *Superannuation (Departing Australia Superannuation Payments Tax) Amendment Act 2016* — which received Royal Assent on the same day — and reflected the Government's original intent to increase the DASP rate for WHMs to 95 per cent.

| Component of DASP | ordinary tax rate | WHM tax rate |
|---|---|---|
| **Ordinary element** | | |
| Taxed element | 35% | 65% |
| Untaxed element | 45% | 65% |
| **Payment that is a roll-over superannuation benefit** | | |
| The amount of the element that is not an excess untaxed roll-over amount | 45% | 65% |

## Taxation of superannuation income stream

| Age of recipient | Element taxed | Element untaxed |
|---|---|---|
| 60 years or more | Not assessable, not exempt income | Taxed at marginal rates, with a 10% tax offset |
| At or above preservation age and under 60 years | Taxed at marginal tax rates<br>Tax offset of 15% is available | Taxed at marginal rates<br>No tax offset |
| Under preservation age | Taxed at marginal tax rates, with no tax offset<br>Tax offset of 15% is available if a disability super benefit | Taxed at marginal rates<br>No tax offset |

## Taxation of superannuation lump sum payments

### Member benefit – taxable component – taxed element

| Age when payment is received | Amount subject to tax | Maximum rate of tax[177] |
|---|---|---|
| Under preservation age | Whole amount | 20% |
| At or above preservation age and under 60 years | Up to the low rate cap amount<br>Above the low rate cap amount | Nil<br>15% |
| 60 years or more | Nil – amount is non-assessable, non-exempt income | n/a |

[177] Excluding Medicare levy

### Member benefit – taxable component – untaxed element

| Age when payment is received | Amount subject to tax | Maximum rate of tax[178] |
|---|---|---|
| Under preservation age | Up to untaxed plan cap amount<br>Above untaxed plan cap amount | 30%<br>45% |
| At or above preservation age and under 60 years | Up to the low rate cap amount<br>Above the low rate cap amount and up to the untaxed plan cap amount<br>Above the untaxed plan cap amount | 15%<br>30%<br>45% |
| 60 years or more | Up to the untaxed plan cap amount<br>Above the untaxed plan cap amount | 15%<br>45% |

### Death benefit lump sum benefit

| Taxbale component paid to | Element | Maximum rate of tax[179] |
|---|---|---|
| Non-dependants | taxed element<br>untaxed element | 15%<br>30% |
| Dependant | taxed element and untaxed element | 0% |

### Rollover super benefits

| Income component | Element | Maximum rate of tax[180] |
|---|---|---|
| taxable component – taxed element | Nil – amount is non-assessable, non-exempt income | N/A |
| taxable component – untaxed element | Up to the untaxed plan cap amount is non-assessable, non-exempt income<br>Above the untaxed plan cap amount | N/A<br>45% |

[178] Excluding Medicare levy.

[179] Excluding Medicare levy.

[180] Excluding Medicare levy.

## Safe harbour interest rates for LRBAs

Safe harbour interest rates in respect of limited recourse borrowing arrangements (LRBAs) are as follows:[181]

| | Safe harbour interest rate | |
|---|---|---|
| **Income year** | **Real property** | **Listed shares or units** |
| 2024–25 | 9.35% | 11.35% |
| 2023–24 | 8.85% | 10.85% |
| 2022–23 | 5.35% | 7.35% |
| 2021–22 | 5.10% | 7.10% |
| 2020–21 | 5.10% | 7.10% |

# Tax administration

## GIC, SIC and penalties

**Important**

Taxpayers cannot deduct amounts of GIC and SIC in relation to assessments for income years starting on or after 1 July 2025. [182]

### General interest charge

| Quarter | GIC annual rate | GIC daily rate |
|---|---|---|
| June 2025 | 11.17% | 0.03060274% |
| March 2025 | 11.42% | 0.03128767% |
| December 2024 | 11.38% | 0.03109290% |
| September 2024 | 11.36% | 0.03103825% |
| June 2024 | 11.34% | 0.03098361% |
| March 2024 | 11.38% | 0.03109290% |

181 The interest rate is the Reserve Bank's Indicator Lending Rate for banks providing standard variable housing loans for investors. For the 2016–17 and later years, it is the rate for the month of May immediately prior to the start of the relevant financial year — see PCG 2016/5.

182 *Treasury Laws Amendment (Tax Incentives and Integrity) Bill 2025*, received Royal Assent on 27 March 2025 as Act No. 29 of 2025.

| Quarter | GIC annual rate | GIC daily rate |
|---|---|---|
| December 2023 | 11.15% | 0.03054794% |
| September 2023 | 10.90% | 0.02986301% |
| June 2023 | 10.46% | 0.02865753% |
| March 2023 | 10.06% | 0.02756164% |
| December 2022 | 9.31% | 0.02550685% |
| September 2022 | 8.00% | 0.02191781% |
| June 2022 | 7.07% | 0.01936986% |
| March 2022 | 7.04% | 0.01928767% |
| December 2021 | 7.01% | 0.01920548% |
| September 2021 | 7.04% | 0.01928767% |

## Shortfall interest charge

The shortfall interest charge (SIC) was introduced on 29 June 2005 for amendments of income tax assessments for the 2004–05 and later income years. The SIC replaces the general interest charge (GIC) and applies to income tax shortfalls for the period before assessments are amended.

The SIC is imposed at a rate four percentage points lower than the GIC, i.e. at the base interest rate plus an uplift factor of three per cent.

### Note

The GIC:

- continues to apply to tax shortfalls in amended assessments for the 2003–04 and earlier income years regardless of when those amendments are made
- applies from the due date of the original assessment
- also applies to the original assessment and to any tax shortfalls (amended assessments) and associated SIC from their due date if they are not paid by that date.

| Quarter | SIC annual rate | SIC daily rate |
|---|---|---|
| June 2025 | 7.17% | 0.01964383% |
| March 2025 | 7.42% | 0.02032877% |
| December 2024 | 7.38% | 0.02016393% |
| September 2024 | 7.36% | 0.02010929% |
| June 2024 | 7.34% | 0.02005464% |

| Quarter | SIC annual rate | SIC daily rate |
|---|---|---|
| March 2024 | 7.38% | 0.02016393% |
| December 2023 | 7.15% | 0.01958904% |
| September 2023 | 6.90% | 0.01890411% |
| June 2023 | 6.46% | 0.01769863% |
| March 2023 | 6.06% | 0.01660274 |
| December 2022 | 5.31% | 0.01454794% |
| September 2022 | 4.00% | 0.01095890% |
| June 2022 | 3.07% | 0.00841096% |
| March 2022 | 3.04% | 0.00832877% |
| December 2021 | 3.01% | 0.00824657% |
| September 2021 | 3.04% | 0.00832877% |

## Penalty unit amount

The value of a penalty unit for the purposes of a Commonwealth law or a Territory Ordinance is, unless the contrary intention appears, as set out in s. 4AA of the *Crimes Act 1914* (Cth).

The penalty unit will be indexed on 1 July 2026 and each third 1 July after 1 July 2026 using the formula in s. 4AA(4) of the *Crimes Act* and published by the Minister in a notifiable instrument.

The dollar amount that is increased as a result of indexation applies only to offences committed on or after the indexation day.

| For offences committed on or after | Value of a penalty unit |
|---|---|
| On or after 7 November 2024 | $330[183] |
| 1 July 2023 to 6 November 2024 | $313[184] |
| 1 January 2023 to 30 June 2023 | $275[185] |
| 1 July 2020 to 31 December 2022 | $222[186] |
| 1 July 2017 to 30 June 2020 | $210 |

[183] The penalty unit was increased from $275 to $330, with effect from 7 November 2024 by the *Crimes and Other Legislation Amendment (Omnibus No. 1) Bill 2024* which received Royal Assent on 24 October 2024 as Act No. 93 of 2024..

[184] This is the indexed amount on 1 July 2023 calculated in accordance with s. 4AA(3) of the *Crimes Act 1914*

[185] On 12 December 2022, the *Crimes Amendment (Penalty Unit) Bill 2022* which received Royal Assent as Act No. 82 of 2022, increased the penalty unit from $222 to $275, indexed every three years to the CPI. The increase to the penalty unit value applies to offences committed on or after 1 January 2023.

[186] Applies to offences committed on or after 1 July 2020: s. 4AA(8) of the *Crimes Act 1914* (Cth).

## Late lodgment penalties

Penalties are imposed for failure to lodge or report by a particular date.

This includes income tax returns, activity statements, FBT returns, PAYG withholding annual reports, annual GST returns, annual GST information reports.

| Size of entity | Maximum penalty |
|---|---|
| **Small**<br><br>Neither medium nor large | **1 penalty unit** per 28-day period or part thereof for which a document is overdue up to a maximum of 5 penalty units: |
| **Medium**<br>▪ Medium withholder (annual withholding more than $25,000 but not more than $1 m)<br>▪ Assessable income or current annual turnover of more than $1 m and less than $20 m | **2 × base penalty** per 28-day period or part thereof which a document is overdue up to a maximum of 5 penalty units |
| **Large**<br>▪ Large withholder (annual withholding more than $1million)<br>▪ Assessable income or current annual turnover of $20 million or more | **5 × base penalty** per 28-day period or part thereof which a document is overdue up to a maximum of 5 penalty units |
| **Significant global entity**<br><br>A global parent entity with global annual income of $1 billion or more<br><br>A member of a consolidated group whose global parent entity has an annual global income of $1 billion or more | **500 × base penalty**[187] per 28-day period or part thereof which a document is overdue up to a maximum of 5 penalty units |

[187] The *Treasury Laws Amendment (Combating Multinational Tax Avoidance) Bill 2017* — which received Royal Assent as Act No. 27 of 2017 on 4 April 2017 — increased the late lodgment penalty for an entity that is a significant global entity' to 500 times the base penalty amount, with effect from 1 July 2017. A 'significant global entity' is broadly, a global parent entity, or a member of the global parent's consolidated group for accounting purposes, where the global parent entity has annual global income of AU$1 billion or more.

## Tax shortfall penalties

All sections referred to in the table below are in the *Taxation Administration Act 1953*.

| Culpable behaviour | Base penalty % | Base penalty increased/decreased if … | | |
|---|---|---|---|---|
| | | Disclosure made | | Hindrance |
| | | Before audit (80% reduction) | During audit (20% reduction) | |
| Intentional disregard (s. 284-90 Item 1) | 75[188] | 15 | 60 | 90 |
| Recklessness (s. 284-90 Item 2) | 50 | 10 | 40 | 60 |
| Lack of reasonable care (s. 284-90 Item 3) | 25 | 5 | 20 | 30 |
| Not reasonably arguable (s. 284-90 Item 4) | 25 | 5 | 20 | 30 |
| General tax avoidance (s. 284-160) | 50 (25)* | 10 (5)* | 40 (20)* | 60 (30)* |
| Tax avoidance by significant global entities[189] | 100 (25)* | 20 (5)* | 80 (20)* | 120 (30)* |
| Profit shifting — no dominant tax avoidance purpose (s. 284-160) | 25 (10)* | 5 (2)* | 20 (8)* | 30 (12)* |
| Profit shifting by significant global entities[189] | 50 (10)* | 10 (2)* | 40 (8)* | 60 (12)* |

* The rates of penalty in brackets apply if the taxpayer has a reasonably arguable position.

# Fuel tax credits

Fuel tax credits are paid to reduce or remove the incidence of fuel tax levied on taxable fuels. The amount to which an eligible claimant is entitled depends on the rate of excise or excise-equivalent customs duty, when the fuel is acquired and the activity in which the fuel is used. Fuel tax credits are usually claimed through a BAS. Fuel tax credit rates are indexed twice yearly in February and August.

A entity that claims less than $10,000 in fuel tax credits in one year can choose simpler ways to keep records and calculate claims.

[188] This percentage is doubled for an entity that is a 'significant global entity' from 1 July 2017: *Treasury Laws Amendment (Combating Multinational Tax Avoidance) Act 2017.*

[189] On 11 December 2015, the *Tax Laws Amendment (Combating Multinational Tax Avoidance) Act 2015* received Royal Assent as Act No. 170 of 2015. The Act doubled the previous administrative penalties for schemes if the entity is a 'significant global entity'.

## Fuel tax credit rates for liquid fuels — business

### ▶ From 1 July 2024 to 30 June 2025

| Business use | Eligible liquid fuel | Rate for fuel acquired from… | | |
|---|---|---|---|---|
| | | 1 Jul 2024 | 5 Aug 2024 | 3 Feb 2025 |
| In a heavy vehicle[190] for **travelling** on public roads[191] | Liquid fuels e.g. diesel or petrol[192] | 19.1 | 20.1 | 20.3 |
| | Blended fuels: B5, B20, E10 | 19.1 | 20.1 | 20.3 |
| | Blended fuel: E85 | 0.0 | 0.0 | 0.0 |
| | Liquefied petroleum gas (LPG) (duty paid) | 0.0 | 0.0 | 0.0 |
| | Liquefied natural gas (LNG) or compressed natural gas (CNG) (duty paid) [193] | 0.0 | 0.0 | 0.0 |
| | B100 | 0.0 | 0.0 | 0.0 |
| All other business uses (including to power auxiliary equipment of a heavy vehicle)[194] | Liquid fuels e.g. diesel or petrol | 49.6 | 50.6 | 50.8 |
| | Blended fuels: B5, B20, E10 | 49.6 | 50.6 | 50.8 |
| | Blended fuel: E85 | 21.295 | 21.7 | 21.73 |
| | LPG (duty paid) | 16.2 | 16.5 | 16.6 |
| | LNG or CNG (duty paid) | 34.0 | 34.7 | 34.8 |
| | B100 | 14.9 | 15.2 | 15.2 |

[190] A heavy vehicle is a vehicle with a gross vehicle mass greater than 4.5 tonnes. Diesel vehicles acquired before 1 July 2006 can be equal to 4.5 tonnes.

[191] From 1 November 2019, this rate includes fuel used to power passenger air-conditioning of buses and coaches.

[192] Fuel tax credit rates change for liquid fuels used in a heavy vehicle for travelling on a public road due to changes in the road user charge, which increases by 6% each year over 3 years, from: 28.8 cents per litre in 2023–24, to 30.5 cents per litre in 2024–25, and to 32.4 cents per litre in 2025–26. Fuel tax credits are reduced to nil where the road user charge exceeds the fuel tax credit rate.

[193] Fuel tax credit rates change for gaseous fuels due to changes in the road user charge, which increases by 6% each year over 3 years, from: 38.5 cents per kilogram in 2023–24, to 40.8 cents per kilogram in 2024–25, and to 43.2 cents per kilogram in 2025–26. Currently, the road user charge reduces fuel tax credits for gaseous fuels to nil.

[194] Claims for packaging or supplying fuel can use the 'all other business uses' rate for the appropriate eligible fuel type.

## From 1 July 2023 to 30 June 2024

| Business use | Eligible liquid fuel | Rate for fuel acquired from… | | |
|---|---|---|---|---|
| | | 1 Jul 2023 | 1 Aug 2023 | 5 Feb 2024 |
| In a heavy vehicle for **travelling** on public roads[195] | Liquid fuels e.g. diesel or petrol[196] | 18.9 | 20.0 | 20.8 |
| | Blended fuels: B5, B20, E10 | 18.9 | 20.0 | 20.8 |
| | Blended fuel: E85 | 0.0 | 0.0 | 0.0 |
| | LPG (duty paid) | 0.0 | 0.0 | 0.0 |
| | LNG or CNG (duty paid) | 0.0 | 0.0 | 0.0 |
| | B100 | 0.0 | 0.0 | 0.0 |
| All other business uses (including to power auxiliary equipment of a heavy vehicle)[197] | Liquid fuels e.g. diesel or petrol | 47.7 | 48.8 | 49.6 |
| | Blended fuels: B5, B20, E10 | 47.7 | 48.8 | 49.6 |
| | Blended fuel: E85 | 20.415 | 20.92 | 21.295 |
| | LPG (duty paid) | 15.6 | 15.9 | 16.2 |
| | LNG or CNG (duty paid)[198] | 32.7 | 33.4 | 34.0 |
| | B100 | 12.7 | 13.0 | 13.2 |

195 From 1 November 2019, this rate includes fuel used to power passenger air-conditioning of buses and coaches.

196 Fuel tax credit rates change for fuel used in a heavy vehicle for travelling on a public road due to changes in the road user charge. The heavy vehicle road user charge will increase by 6% each year over 3 years from 28.8 cents per litre for petrol and diesel in 2023–24, to 30.5 cents per litre in 2024–25 and to 32.4 cents per litre in 2025–26.

197 Claims for packaging or supplying fuel can use the 'all other business uses' rate for the appropriate eligible fuel type.

198 The road user charge rate for gaseous fuels per kilo gram rate will increase from 38.5 cents per kilogram in 2023–24, to 40.8 cents per kilogram in 2024–25, and to 43.2 cents per kilogram in 2025–26. Currently, the road user charge reduces fuel tax credits for gaseous fuels to nil.

## From 1 July 2022 to 30 June 2023

| Business use | Eligible liquid fuel | Rate for fuel acquired from… | | | |
|---|---|---|---|---|---|
| | | 1 Jul 2022 | 1 Aug 2022 | 29 Sep 2022 | 1 Feb 2023 |
| In a heavy vehicle for **travelling** on public roads[199] [200] | Liquid fuels e.g. diesel or petrol | 0.0 | 0.0 | 18.8 | 20.5 |
| | Blended fuels: B5, B20, E10 | 0.0 | 0.0 | 18.8 | 20.5 |
| | Blended fuel: E85 | 0.0 | 0.0 | 0.0 | 0.0 |
| | LPG (duty paid) | 0.0 | 0.0 | 0.0 | 0.0 |
| | LNG or CNG (duty paid) | 0.0 | 0.0 | 0.0 | 0.0 |
| | B100 | 0.0 | 0.0 | 0.0 | 0.0 |
| All other business uses (including to power auxiliary equipment of a heavy vehicle)[201] | Liquid fuels e.g. diesel or petrol | 22.1 | 23.0 | 46.0 | 47.7 |
| | Blended fuels: B5, B20, E10 | 22.1 | 23.0 | 46.0 | 47.7 |
| | Blended fuel: E85 | 9.435 | 9.825 | 19.735 | 20.415 |
| | LPG (duty paid) | 7.2 | 7.5 | 15.0 | 15.6 |
| | LNG or CNG (duty paid) | 15.2 | 15.8 | 31.5 | 32.7 |
| | B100 | 5.2 | 5.4 | 10.7 | 11.1 |

[199] From 1 November 2019, this rate includes fuel used to power passenger air-conditioning of buses and coaches.

[200] From 30 March 2022 until 28 September 2022, businesses using fuel in heavy vehicles for travelling on public roads will not be able to claim fuel tax credits as the road user charge (RUC) exceeds the excise duty paid. This is due to the halving of excise and excise equivalent customs duty rates for petrol, diesel, and all other petroleum-based products except aviation fuels. This temporary reduction is in place for 6 months, and applies from 30 March until 28 September 2022.

[201] Claims for packaging or supplying fuel can use the 'all other business uses' rate for the appropriate eligible fuel type.

## From 1 July 2021 to 30 June 2022

| Business use | Eligible liquid fuel | Rate for fuel acquired from… | | | |
|---|---|---|---|---|---|
| | | 1 Jul 2021 | 2 Aug 2021 | 1 Feb 2022 | 30 Mar 2022 |
| In a heavy vehicle for **travelling** on public roads[202]I | Liquid fuels e.g. diesel or petrol[203] | 16.3 | 16.9 | 17.8 | 0.0 |
| | Blended fuels: B5, B20, E10 | 16.3 | 16.9 | 17.8 | 0.0 |
| | Blended fuel: E85 | 0.0 | 0.0 | 0.0 | 0.0 |
| | LPG (duty paid) | 0.0 | 0.0 | 0.0 | 0.0 |
| | LNG or CNG (duty paid) | 0.0 | 0.0 | 0.0 | 0.0 |
| | B100 | 0.0 | 0.0 | 0.0 | 0.0 |
| All other business uses (including to power auxiliary equipment of a heavy vehicle)[204] | Liquid fuels e.g. diesel or petrol | 42.7 | 43.3 | 44.2 | 22.1 |
| | Blended fuels: B5, B20, E10 | 42.7 | 43.3 | 44.2 | 22.1 |
| | Blended fuel: E85 | 18.305 | 18.565 | 18.955 | 9.435 |
| | LPG (duty paid) | 13.9 | 14.1 | 14.4 | 7.2 |
| | LNG or CNG (duty paid) | 29.3 | 29.7 | 30.3 | 15.2 |
| | B100 | 8.5 | 8.7 | 8.8 | 4.4 |

[202] From 1 November 2019, this rate includes fuel used to power passenger air-conditioning of buses and coaches.

[203] From 30 March 2022 until 28 September 2022, businesses using fuel in heavy vehicles for travelling on public roads will not be able to claim fuel tax credits as the road user charge (RUC) exceeds the excise duty paid.

[204] Claims for packaging or supplying fuel can use the 'all other business uses' rate for the appropriate eligible fuel type.

## From 1 July 2020 to 30 June 2021

| Business use | Eligible liquid fuel | Rate for fuel acquired from… | |
|---|---|---|---|
| | | 1 Jul 2020 | 1 Feb 2021 |
| In a heavy vehicle for travelling on public roads[205] | Liquid fuels e.g. diesel or petrol | 16.5 | 16.9 |
| | Blended fuels: B5, B20, E10 | 16.5 | 16.9 |
| | Blended fuel: E85 | 0.0 | 0.0 |
| | LPG (duty paid) | 0.0 | 0.0 |
| | LNG or CNG (duty paid) | 0.0 | 0.0 |
| | B100 | 0.0 | 0.0 |
| All other business uses (including to power auxiliary equipment of a heavy vehicle)[206] | Liquid fuels e.g. diesel or petrol | 42.3 | 42.7 |
| | Blended fuels: B5, B20, E10 | 42.3 | 42.7 |
| | Blended fuel: E85 | 18.16 | 18.305 |
| | LPG (duty paid) | 13.8 | 13.9 |
| | LNG or CNG (duty paid) | 29.0 | 29.3 |
| | B100 | 7.1 | 7.1 |

[205] From 1 November 2019, this rate includes fuel used to power passenger air-conditioning of buses and coaches

[206] Claims for packaging or supplying fuel can use the 'all other business uses' rate for the appropriate eligible fuel type.

# State taxes

## Payroll tax

Payroll tax is a state or territory tax. Generally, payable if an employer's total Australian wages exceeds the relevant threshold. The payroll tax rates and thresholds vary between states and territories.[207]

The payroll tax year is from 1 July to 30 June.

### Important

States and territories have harmonised a number of key areas of payroll tax administration. However, there are still variances and nuances to payroll tax in each state and territory, therefore it is essential to consult the relevant revenue office to understand an entity's payroll tax obligations in each state or territory.

### Reference

Payroll Tax Australia

| State and Territory | Revenue authority |
|---|---|
| ACT | ACT Revenue Office |
| Northern Territory | Northern Territory Revenue |
| NSW | NSW Revenue |
| Queensland | Business Queensland payroll tax |
| South Australia | Revenue SA |
| Tasmania | State Revenue Office of Tasmania |
| Victoria | State Revenue Office Victoria |
| Western Australia | WA Office of State Revenue |

[207] Maximum annual deduction entitlements also vary between the states and territories.

# Payroll tax rates and thresholds

## Australian Capital Territory

| Payroll tax year | Annual Australia-wide wages | Annual general rate | Annual surcharge rate |
|---|---|---|---|
| From 1 July 2024 | >$2m but not more than $50m | 6.85% | Nil |
| | >$50m but not more than $10m | 6.85% | 0.25% |
| | $100,000,001 and above | 6.85% | 0.5% |
| 1 July 2016 to 30 June 2024 | $2,000,000 | 6.85% | Nil |

## New South Wales

| Tax year | Tax-free threshold | Tax rate |
|---|---|---|
| 1 July 2022 - 30 June 2025 | $1,200,000 | 5.45% |
| 1 July 2020 – 30 June 2022 | $1,200,000 | 4.85% |

## Northern Territory

| Period | Annual wage threshold | Rate |
|---|---|---|
| From 1 January 2025 | $2,500,000 | 5.50% |
| 1 July 2020 to 31 December 2024 | $1,500,000 | 5.50% |

## Queensland

### Payroll tax rates

| Payroll tax year | Annual wage threshold | Tax rate |
|---|---|---|
| 1 July 2020 to 30 June 2025 | $1,300,000–$6,500,000 | 4.75% |
| | $6,500,001 and above | 4.95% |

From 1 July 2019 to 30 June 2030, regional employers may be entitled to a 1% discount on the rate.

### Mental health levy

Queensland implemented a mental health levy on 1 January 2023. [208]

A mental health levy applies to employers and groups of employers who pay more than $10 million in annual Australian taxable wages.

| Tax period | Australian taxable wages (Annual threshold) | Levy rate (applied to Qld taxable wages exceeding the thresholds) |
|---|---|---|
| From 1 July 2023 | > $10 million (primary threshold)<br>> $100 million (additional threshold) | 0.25% (primary rate)<br>0.25% (primary rate) + 0.5% (additional rate) |
| 1 January 2023 to 30 June 2023 [209] | > $5 million (primary threshold) | 0.25% (primary rate) |
| | > $50 million (additional threshold) | 0.25% (primary rate) +<br>0.5% (additional rate) |

## South Australia

| Effective Date | Annual wage threshold | Rate of tax |
|---|---|---|
| From 1 January 2019 | Exceeds $1,500,000 but not $1,700,000<br>Exceeds $1,700,000 | 0%–4.95%<br>4.95% |

## Tasmania

| Payroll tax year | Annual threshold | Rate of tax |
|---|---|---|
| From 1 July 2020[210] | $1,250,001–$2,000,000<br>$2,000,001 or more | 4.0%<br>6.10% |

[208] *Revenue Legislation Amendment Bill 2022* received Royal Assent on 30 June 2022 as Act No. 14 of 2022, amended the *Payroll Tax Act 1971* to insert the mental health levy to commence from 1 January 2023.

[209] For the 2022–23 financial year the thresholds were adjusted to accommodate the levy commencing during the financial year.

[210] A three-year payroll tax exemption is available for wages paid by a business to its employees in regional Tasmania, where an interstate business relocates to Tasmania and establishes its operations in a regional area between 1 July 2018 and 30 June 2021, and certain conditions are met.

## ▶ Victoria

### Payroll tax rates

| Period | Annual wage threshold | Rate of tax |
|---|---|---|
| From 1 July 2024 onwards[211] | $900,000 | 4.85%<br>1.2125% for regional Vic. employers |
| 1 July 2021 to 30 June 2024 | $700,000 | 4.85%<br>1.2125% (regional) |
| 1 July 2020 to 30 June 2021 | $650,000 | 4.85%<br>2.02% (regional)<br>1.2125% (regional - bushfire affected areas) |

### Payroll tax surcharges

Applicable if Victorian taxable wages and Australian wages exceed the first annual threshold of $10 million.

Mental health and wellbeing surcharge commenced from 1 January 2022.[212] [213]

COVID-19 debt temporary payroll tax surcharge commenced from 1 July 2023 and applies until 30 June 2033.[214]

Both surcharges are calculated on the same basis:[215]

- Businesses with a national payroll above $10 million will pay a combined 1%.
- Businesses with a national payroll above $100 million will pay a combined 2%[216].

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[211] The *State Taxation Acts Amendment Bill 2023* which received Assent on 27 June 2023 as Act No. 18 of 2023 amended the *Payroll Tax Act 2007* to increase the payroll threshold amount to $900,000 from 1 July 2024 and to $1,000,000 from 1 July 2025.

[212] The *State Taxation and Mental Health Acts Amendment Act 2021 No. 22 of 2021* which received Assent on 16 June 2021 as Act No. 22 of 2021 amended the *Payroll Tax Act 2007* to insert the Mental health and wellbeing surcharge from 1 January 2022.

[213] For the 2021–22 financial year the thresholds were adjusted to accommodate the surcharge commencing during the financial year.

[214] The *State Taxation Acts Amendment Bill 2023* which received Assent on 27 June 2023 as Act No. 18 of 2023, amended the *Payroll Tax Act 2007* to introduce the COVID-19 debt temporary payroll tax surcharge, which will apply from 1 July 2023 to 30 June 2033.

[215] The surcharges only apply to businesses' Victorian share of wages over these thresholds.

[216] The *State Taxation Acts Amendment Bill 2023* which received Assent on 27 June 2023 as Act No. 18 of 2023 amended the *Payroll Tax Act 2007* to introduce the COVID-19 debt temporary payroll tax surcharge, which will apply from 1 July 2023 to 30 June 2033.

## Western Australia

| Payroll tax year | Annual Australian taxable wages | Rate of tax |
|---|---|---|
| From 1 July 2023[217] | $1,000,000 but < $7,500,000 | 5.5% |
| | $7.5 million or more | 5.5% |
| 1 July 2020 – 30 June 2023[218] | $1,000,000 but < $7.5 million | 5.5% |
| | $7.5 million < $100 million | 5.5% |
| | $100 million < $1.5 billion | 5.5% for wages up to $100m +<br>6% for wages from $100m to $1.5bn |
| | More than $1.5 billion | 5.5% for wages up to $100m +<br>6% for wages from $100m to $1.5bn +<br>6.5% for wages above $1.5bn |

# Land tax

Land tax is an annual tax that is payable by land owners to state and territory governments.

### Important

Exemptions and/or surcharges may apply depending on the owner of the land and type of property. The laws vary between states and territories, therefore it is essential to consult the revenue authority for each state to determine land tax obligations.

## Australian Capital Territory

Land tax is assessed quarterly, based on the status of the property on 1 July, 1 October, 1 January and 1 April.

The land tax payable is made up of a fixed charge and a valuation charge. The total valuation charge for the year is calculated by applying a rating factor to the AUV. The AUV is the average of the property's unimproved value over up to 5 years.[219]

Commercial property has not been subject to land tax in ACT since 1 July 2012.

Marginal rates that apply to property AUV

[217] The progressive payroll tax scale that was implemented in the 2017–2018 Budget from 1 July 2018 to 30 June 2023 ceases. A diminishing threshold will apply for employers or groups of employers with annual taxable wages in Australia between $1 million and $7.5 million

[218] The *Payroll Tax Relief (COVID-19 Response) Act 2020* (WA) exempts from WA payroll tax: (a) payments made to employees under the Federal Government's Jobkeeper scheme — for wages paid in the period 30 March 2020 to 27 September 2020; (b) wages paid in the period 1 March 2020 to 30 June 2020 by employers or groups with Australian taxable wages of less than $7.5 million in the 2019–20 financial year; and (c) wages prescribed as exempt for the purposes of alleviating the economic effects of COVID-19 — for such period as is prescribed.

[219] ACT Government, [Land Tax]

| Land tax year | AUV | Percentage |
|---|---|---|
| **From 1 July 2024**<br>Fixed charge $1,612 | 0 – $150,000<br>$150,001 – $275,000<br>$275,001 – $1,000,000<br>$1,000,000 $2,000,000<br>≥ $2,000,001 | 0.54% of AUV of property<br>$810 + 0.64% of AUV in excess of$150,000<br>$1,610 + 1.24% of AUV in excess of $275,000<br>$10,600 + 1.25% of AUV in excess of $1,000,000<br>$23,100 +1.26% of AUV in excess of $2,000,000 |
| **From 1 July 2023**<br>Fixed charge $1,535 | 0 – $150,000<br>$150,001 – $275,000<br>$275,001 – $2,000,000<br>≥ $2,000,001 | 0.54% of AUV of property<br>$810 + 0.64% of AUV in excess of$150,000<br>$1,610 + 1.12% of AUV in excess of $275,000<br>$20,930 +1.14% of AUV in excess of $2,000,000 |
| **From 1 July 2022**<br>Fixed charge $1,392 | 0 – $150,000<br>$150,001 – $275,000<br>$275,001 – $2,000,000<br>≥ $2,000,001 | 0.54%<br>$810 + 0.64% of AUV in excess of$150,000<br>$1,610 + 1.12% of AUV in excess of $275,000<br>$20,930 +1.14% of AUV in excess of $2,000,000 |
| **From 1 July 2021**<br>Fixed charge $1,392 | 0 – $150,000<br>$150,001 – $275,000<br>$275,001 – $2,000,000<br>≥ $2,000,001 | 0.54%<br>$810 + 0.64% of excess over $150,000<br>$1,610 + 1.12% of excess over $275,000<br>$20,930 +1.14% of excess over $2,000,000 |

## New South Wales

Land tax is assessed annually based on the value of land owned on 31 December in the previous year.

Land tax is calculated on the total value of all taxable land above the land tax threshold, not on each individual property.[220]

### Thresholds and rates

| Tax year | General threshold | Premium threshold | Rates |
|---|---|---|---|
| 2024 onwards[221] | $1,075,000 | $6,571,000 | $100 + 1.6% of excess over $1,075,000<br>$88,036 plus 2% on excess over $6,571,000 |
| 2023 | $969,000 | $5,925,000 | $100 + 1.6% of excess over $969,000<br>$79,396 plus 2% on excess over $5,925,000 |
| 2022 | $822,000 | $5,026,000 | $100 + 1.6% of excess over $822,000<br>$67,364 plus 2% on excess over $5,026,000 |

[220] NSW Government, Land Tax

[221] There was a freeze on the general and premium rate thresholds for land tax for years after 2024.

Where land is owned by a foreign person, a 5 per cent land tax surcharge (4 per cent from the 2023 land tax year[222]), applies in addition to land tax payable.

### Special trusts and non-concessional companies

| Tax year | Premium threshold | Rates |
|---|---|---|
| 2024 onwards | $6,571,000 | 1.6% up to the premium land tax threshold<br>2% on excess over premium threshold |
| 2023 | $5,925,000 | 1.6% up to the premium land tax threshold<br>2% on excess over premium threshold |
| 2022 | $5,026,000 | 1.6% up to the premium land tax threshold<br>2% on excess over premium threshold |

## Norther Territory

The Northern Territory does not impose land tax.

## Queensland

Land tax is assessed based on the land owned at midnight 30 June each year.[223]

The taxable value of your land is based on the annual land valuation issued by the Valuer-General.

Land tax rates and threshold from 1 July 2020:[224]

### Individuals

| Total Taxable value | Rate of tax |
|---|---|
| 0 – $599,999 | Nil |
| $600,000 – $999,999 | $500 + 1 cent for each $1 more than $600,000 |
| $1,000,000 – $2,999,999 | $4,500 + 1.65 cents for each $1 more than $1,000,000 |
| $3,000,000 – $4,999,999 | $37,500 + 1.25 cents for each $1 more than $3,000,000 |
| $5,000,000 – $9,999,999 | $62,500 + 1.75 cents for each $1 more than $5,000,000 |
| ≥$10,000,000 | $150,000 + 2.25 cents for each $1 more than $10,000,000 |

[222] 2 per cent from the 2018 land tax year.

[223] Queensland Government, Calculating land tax.

[224] Queensland Revenue Office, Previous land tax rates

### Companies and trustees

| Total Taxable value | Rate of tax |
|---|---|
| 0 – $349,999 | Nil |
| $350,000 – $2,249,999 | $1,450 + 1.7 cents for each $1 more than $350,000 |
| $2,250,000 – $4,999,999 | $33,750 + 1.5 cents for each $1 more than $2,250,000 |
| $5,000,000 – $9,999,999 | $75,000 + 2.25 cents for each $1 more than $5,000,000 |
| ≥$10,000,000 | $187,500 + 2.75 cents for each $1 more than $10,000,000 |

### Absentees

| Total Taxable value | Rate of tax |
|---|---|
| 0 – $349,999 | Nil |
| $350,000 – $2,249,999 | $1,450 + 1.7 cents for each $1 more than $350,000 |
| $2,250,000 – $4,999,999 | $33,750 + 1.5 cents for each $1 more than $2,250,000 |
| $5,000,000 – $9,999,999 | $75,000 + 2 cents for each $1 more than $5,000,000 |
| ≥$10,000,000 | $187,500 + 2.5 cents for each $1 more than $10,000,000 |

### Foreign surcharge

A foreign surcharge of 3 per cent on taxable land valued at $350,000 or more applies in addition to the land tax rates. The foreign companies and trusts surcharge rate was 2 per cent from 2019 to 2024.

## South Australia

Land tax is assessed based on land ownership, site value and land use as at midnight 30 June each year.[225]

### General Rates

| Land tax year | Total Taxable Site Value | Amount of Tax |
|---|---|---|
| 2024-25 | 0 – $732,000 | Nil |
| | $732,001 – $1,176,000 | 0.5% of excess over $732,000 |
| | $1,176,001 – $1,711,000 | $2,220 + 1% of excess over $1,176,000 |
| | $1,711,001 – $2,738,000 | $7,570 + 2.0% of excess over $1,711,000 |
| | > $2,738,000 | $28,110 + 2.4% of excess over $2,738,000 |
| 2023-24 | 0 – $668,000 | Nil |
| | $ 668,001 – $1,073,000 | 0.5% of excess over $668,000 |
| | $1,073,001 – $1,561,000 | $2,025 + 1% of excess over $1,073,000 |
| | $1,561,001 – $2,500,000 | $6,905 + 2.0% of excess over $1,561,000 |
| | > $2,500,000 | $25,685 + 2.4% of excess over $2,500,000 |
| 2022-23 | 0 – $534,000 | Nil |
| | $534,001 – $858,000 | 0.5% of excess over $534,000 |
| | $858,001 – $1,249,000 | $1,620 + 1% of excess over $858,000 |
| | $1,249,001 – $2,000,000 | $5,530 + 2.0% of excess over $1,249,000 |
| | > $2,000,000 | $20,550 + 2.4% of excess over $2,000,000 |
| 2021-22 | 0 – $482,000 | Nil |
| | $482,001 – $774,000 | 0.5% of excess over $482,000 |
| | $774,001 – $1,126,000 | $1,460 + 1.25% of excess over $774,000 |
| | $1,126,001 – $1,350,000 | $5,860 + 2.0% of excess over $1,126,000 |
| | > $1,350,000 | $10,340 + 2.4% of excess over $1,350,000 |

[225] Government of South Australia, RevenueSA, Land Tax

## Trust Rates

| Land tax year | Total Taxable Site Value | Amount of Tax |
|---|---|---|
| 2024-25 | 0 – $25,000 | Nil |
| | $25,001 — $732,000 | $125 + 0.5% of excess over $25,000 |
| | $732,001 — $1,176,000 | $3,660 + 1.0% of excess over $732,000 |
| | $1,176,001 — $1,711,000 | $8,100 + 1.50% of excess over $1,176,000 |
| | $1,711,001 — $2,738,000 | $16,125 + 2.40% of excess over $1,711,000 |
| | >$2,738,001 | $40,773 + 2.40% of excess over $2,738, 000 |
| 2023-24 | 0 – $25,000 | Nil |
| | $25,001 — $668,000 | $125 + 0.5% of excess over $25,000 |
| | $668,001 — $1,073,000 | $3,340 + 1.0% of excess over $668,000 |
| | $1,073,001 — $1,561,000 | $7,390 + 1.50% of excess over $1,073,000 |
| | $1,561,001 — $2,500,000 | $14,710 + 2.40% of excess over $1,56,000 |
| | >$2,500,001 | $37,246 + 2.40% of excess over $2,500, 000 |
| 2022-23 | 0 – $25,000 | Nil |
| | $25,001 — $534,000 | $125 + 0.5% of excess over $25,000 |
| | $534,001 — $858,000 | $2,670 + 1.0% of excess over $534,000 |
| | $858,001 — $1,249,000 | $5,910 + 1.50% of excess over $858,000 |
| | $1,249,001 — $2,000,000 | $11,775 + 2.40% of excess over $1,249,000 |
| | >$2,000,001 | $29,799 + 2.40% of excess over $2,000, 000 |
| 2021-22 | 0 – $25,000 | Nil |
| | $25,001 — $482,000 | $125 + 0.5% of excess over $25,000 |
| | $482,001 — $774,000 | $2,410 + 1.0% of excess over $482,000 |
| | $774,001 — $1,126,000 | $5,330 + 1.75% of excess over $774,000 |
| | $1,126,001 — $1,350,000 | $11,490 + 2.40% of excess over $1,126,000 |
| | >$1,350,001 | $16,866 + 2.40% of excess over $1, 350, 000 |

## Tasmania

Land tax is assessed annually based on land that has been classified as General Land as at 1 July each year.[226]

| Land tax year | Total land value | Tax scale |
|---|---|---|
| 1 July 2024 | < $125,000 | Nil |
| | $125,000 – $499,999 | $50 + 0.45% excess over $125,000 |
| | ≥ $500,000 | $1,737.50 + 1.5% excess over $500,000 |
| 1 July 2022 to 30 June 2024 | < $100,000 | Nil |
| | $100,000 – $499,999 | $50 + 0.45% excess over $100,000 |
| | ≥ $500,000 | $1,850 + 1.5% excess over $500,000 |
| 1 July 2021 to 30 June 2022 | < $50,000 | Nil |
| | $50,000 – $399,999 | $50 + 0.55% excess over $50,000 |
| | ≥ $400,000 | $1,975 + 1.5% excess over $400,000 |
| 1 July 2010 to 30 June 2021 | < $25,000 | Nil |
| | $25,000 – $349,999 | $50 + 0.55% excess over $25,000 |
| | ≥ $350,000 | $1,837.50 + 1.5% excess over $350,000 |

Foreign investors who purchase land on or after 1 July 2022 may be subject to a surcharge on general land.

[226] Tasmanian Government, State Revenue Office of Tasmania, Land Tax.

## Victoria

Land tax is assessed annually based on all taxable land owned as at midnight on 31 December of the year preceding the year of assessment.[227]

### Land tax general rates

| Land tax year | Total taxable value of land holdings | Land tax payable |
|---|---|---|
| **From 2024**[228] | 0 – <$50,000 | Nil |
| | $50,000 – $99,999 | $500 |
| | $100,000 –$299,999 | $975 |
| | $300,000 – $599,999 | $1,350 + 0.3% of excess over $300,000 |
| | $600,000 – $999,999 | $2,250 + 0.6% of excess over $600,000 |
| | $1,000,000 – $1,799,999 | $4,650 + 0.9% of excess over $1,000,000 |
| | $1,800,000 – $2,999,999 | $11,850 + 1.65% of excess over $1,800,000 |
| | ≥ $3,000,000 | $31,650 + 2.65% of excess over $3,000,000 |
| **2022–23** | 0 – $300,000 | Nil |
| | $300,000 – $599,999 | $375 + 0.2% of excess over $300,000 |
| | $600,000 – $999,999 | $975 + 0.5% of excess over $600,000 |
| | $1,000,000 – $1,799,999 | $2,975 + 0.8% of excess over $1,000,000 |
| | $1,800,000 – $2,999,999 | $9,375 + 1.55% of excess over $1,800,000 |
| | ≥ $3,000,000 | $27,975 + 2.55% of excess over $3,000,000 |
| **2009–21** | 0— $249,999 | Nil |
| | $250,000 – $599,999 | $275 + 0.2% of excess over $250,000 |
| | $600,000 – $999,999 | $975 + 0.5% of excess over $600,000 |
| | $1,000,000 – $1,799,999 | $2,975 + 0.8% of excess over $1,000,000 |
| | $1,800,000 – $2,999,999 | $9,375 + 1.3% of excess over $1,800,000 |
| | ≥ $3,000,000 | $24,975 + 2.25% of excess over $3,000,000 |

[227] State Revenue Office Victoria, Land tax current rates

[228] *Land Tax Act 2005* was amended to introduce the COVID–19 debt temporary land tax surcharge to apply for a period of 10 years, commencing in the 2024 land tax year.

### Land tax trust surcharge rates

| Land tax year | Total taxable value of land holdings | Land tax payable |
|---|---|---|
| From 2024 | 0 < $25,000 | Nil |
| | $25,000 to < $50,000 | $82 + 0.375% of excess over $25,000 |
| | $50,000 to < $100,000 | $676 + 0.375% of excess over $50,000 |
| | $100,000 to < $250,000 | $1,338 + 0.375% of excess over $100,000 |
| | $250,000 to < $600,000 | $1,901 + 0.675% of excess over $250,000 |
| | $600,000 to < $1,000,000 | $4,263 + 0.975% of excess over $600,000 |
| | $1,000,000 to < $1,800,000 | $8,163+ 1.275% of excess over $1,000,000 |
| | $1,800,000 to < $3,000,000 | $18,363 + 1.1072% of excess over $1,800,000 |
| | $3,000,000 and over | $31,650 + 2.65% of excess over $3,000,000 |
| 2022-23 | 0 < $25,000 | Nil |
| | $25,000 to < $250,000 | $82 + 0.375% of excess over $25,000 |
| | $250,000 to < $600,000 | $926 + 0.575% of excess over $250,000 |
| | $600,000 to < $1,000,000 | $2,938 + 0.875% of excess over $600,000 |
| | $1,000,000 to < $1,800,000 | $6,438+ 1.175% of excess over $1,000,000 |
| | $1,800,000 to < $3,000,000 | $15,838 + 1.0114%[229] of excess over $1,800,000 |
| | $3,000,000 and over | $27,975 + 2.55%[230] of excess over $3,000,000 |
| 2009-21 | 0 < $25,000 | Nil |
| | $25,000 to < $250,000 | $82 + 0.375% of excess over $25,000 |
| | $250,000 to < $600,000 | $926 + 0.575% of excess over $250,000 |
| | $600,000 to < $1,000,000 | $2,938 + 0.875% of excess over $600,000 |
| | $1,000,000 to < $1,800,000 | $6,438+ 1.175% of excess over $1,000,000 |
| | $1,800,000 to < $3,000,000 | $15,838 + 0.7614%[231] of excess over $1,800,000 |
| | $3,000,000 and over | $24,975 + 2.55%[232] of excess over $3,000,000 |

[229] The surcharge starts to phase out for land holdings in excess of $1.8 million.

[230] For land holdings valued at over $3 million, the surcharge rate is the same as the general rate.

[231] The surcharge starts to phase out for land holdings in excess of $1.8 million.

[232] For land holdings valued at over $3 million, the surcharge rate is the same as the general rate.

### Land tax general rates with absentee owner surcharge

| Land tax year | Total taxable value of land holdings | Land tax payable |
|---|---|---|
| From 2024[233] | 0 – <$50,000 | Nil |
| | $50,000 – $99,999 | $2,500 + 4% of excess over $50,000 |
| | $100,000 –$299,999 | $4,975 + 4% of excess over $100,000 |
| | $300,000 – $599,999 | $13,350 + 4.3% of excess over $300,000 |
| | $600,000 – $999,999 | $26,250 + 4.6% of excess over $600,000 |
| | $1,000,000 – $1,799,999 | $44,650 + 4.9% of excess over $1,000,000 |
| | $1,800,000 – $2,999,999 | $83,850 + 5.65% of excess over $1,800,000 |
| | ≥ $3,000,000 | $151,650 + 6.65% of excess over $3,000,000 |
| 2022-23 | 0 — $299,999 | Nil |
| | $300,000 — $599,999 | $6,375 + 2.2% of excess over $300,000 |
| | $600,000 —$999,999 | $12,975 + 2.5% of excess over $600,000 |
| | $1,000,000 — $1,799,999 | $22,975 + 2.8% of excess over $1,000,000 |
| | $1,800,000 — $2,999,999 | $45,375 + 3.55% of excess over $1,800,000 |
| | ≥ $3,000,000 | $87,975 + 4.55% of excess over $3,000,000 |
| 2020-21[234] | 0 — $249,999 | Nil |
| | $250,000 — $599,999 | $5,275+ 2.2% of excess over $300,000 |
| | $600,000 —$999,999 | $12,975 + 2.5% of excess over $600,000 |
| | $1,000,000 — $1,799,999 | $22,975 + 2.8% of excess over $1,000,000 |
| | $1,800,000 — $2,999,999 | $45,375 + 3.3% of excess over $1,800,000 |
| | ≥ $3,000,000 | $84,975 + 4.25% of excess over $3,000,000 |

[233] The *State Taxation Acts Amendment Bill 2023* which received Assent on 27 June 2023 as Act No. 18 of 2023, amended the *Land Tax Act 2005* to increase the land tax surcharge for absentee owners from 2% to 4% and to decrease the tax-free threshold for land held by an absentee owner to $50,000.

[234] From 1 January 2020, a 2 per cent absentee owner surcharge (previously 1.5 per cent from 1 January 2017, and 0.5 per cent for the 2016 land tax year) on land tax applies to Victorian land owned by an absentee owner. From 1 January 2018, a vacant residential land tax of 1 per cent of the capital improved value of residential property is payable if the property in the inner or middle ring of Melbourne is left vacant for more than six months in a calendar year. Due to the Coronavirus, the Victorian government is offering a full waiver of 2021 vacant residential land tax liabilities that would ordinarily apply to residential properties in Melbourne's inner and middle suburbs that were vacant for more than six months in 2020.

### Land tax trust surcharge rates with absentee owner surcharge

| Land tax year | Total taxable value of land holdings | Land tax payable |
|---|---|---|
| From 2024 | < $25,000 | Nil |
| | $25,000 to $50,000 | $1,082 + 4.375% of excess over $25,000 |
| | $50,000 to < $100,000 | $2676 plus 4.375% of amount > $50,000 |
| | $100,000 to < $250,000 | $5338 plus 4.375% of amount > $100,000 |
| | $250,000 to < $600,000 | $11,901 plus 4.675% of amount > $250,000 |
| | $600,000 to < $1,000,000 | $28,263 plus 4.975% of amount > $600,000 |
| | $1,000,000 to < $1,800,000 | $48,163 plus 5.275% of amount > $1,000,000 |
| | $1,800,000 to < $3,000,000 | $90,363 plus 5.1072% of amount > $1,800,000 |
| | $3,000,000 and over | $151,650 plus 6.65% of amount > $3,000,000 |
| 2022-23 | < $25,000 | Nil |
| | $25,000 to < $250,000 | $582 plus 2.375% of amount > $25,000 |
| | $250,000 to < $600,000 | $5,926 plus 2.575% of amount > $250,000 |
| | $600,000 to < $1,000,000 | $14,938 plus 2.875% of amount > $600,000 |
| | $1,000,000 to < $1,800,000 | $26,438 plus 3.175% of amount > $1,000,000 |
| | $1,800,000 to < $3,000,000 | $51,838 plus 3.0114% of amount > $1,800,000 |
| | $3,000,000 and over | $87,975 plus 4.55% of amount > $3,000,000 |
| 2020-21 | < $25,000 | Nil |
| | $25,000 to < $250,000 | $582 plus 2.375% of amount > $25,000 |
| | $250,000 to < $600,000 | $5,926 plus 2.575% of amount > $250,000 |
| | $600,000 to < $1,000,000 | $14,938 plus 2.875% of amount > $600,000 |
| | $1,000,000 to < $1,800,000 | $26,438 plus 3.175% of amount > $1,000,000 |
| | $1,800,000 to < $3,000,000 | $51,838 plus 2.7614% of amount > $1,800,000 |
| | $3,000,000 and over | $84,975 plus 4.25% of amount > $3,000,000 |

## Western Australia

Land tax is based on the total unimproved value of all land held by the same owners. The unimproved value of the land is determined by the Valuer-General

Land tax is assessed once a year based on land owned at midnight on 30 June.[235]

Land tax rates for 2015-16 and subsequent financial years[236]

| Taxable value of the land | | Rate of land tax |
|---|---|---|
| Exceeding ($) | Not exceeding ($) | |
| 0 | 300,000 | Nil |
| 300,000 | 420,000 | $300 |
| 420,000 | 1,000,000 | $300 + 0.25% of excess over $420,000 |
| 1,000,000 | 1,800,000 | $1,750 + 0.90% of excess over $1,000,000 |
| 1,800,000 | 5,000,000 | $8,950 + 1.80% of excess over $1,800,000 |
| 5,000,000 | 11,000,000 | $66,550 + 2% of excess over $5,000,000 |
| 11,000,000 | | $186,550 + 2.67% of excess over $11,000,000 |

# Windfall gains tax

## Victoria

The windfall gains tax (WGT) applies to uplifts in land value resulting from amendments to planning schemes within the meaning of the *Planning and Environment Act 1987* (Vic) that take effect on or after 1 July 2023. The WGT is payable by the owner of the land when the liable rezoning (WGT event) occurs.

| Taxable value uplift[237] | Rate of WGT |
|---|---|
| Not more than $100,000 | Nil |
| More than $100,000 but less than $500,000 | 62.5 per cent of that part of the taxable value uplift that exceeds $100,000[238] |
| $500,000 or more | 50 per cent of the taxable value uplift |

[235] Government of Western Australia, About land tax.

[236] Western Australia, *Land Tax Act 2002,* As at 1 July 2015.

[237] The taxable value uplift of land is the value uplift of the land less any deductions prescribed by the regulations.

[238] Because of the tax-free threshold that applies under this rate, the effective tax rate is less than 50 per cent.

# Websites

## Federal websites

| Office | | Website |
|---|---|---|
| ATO | Australian Taxation Office<br>ATO Legal database | ato.gov.au<br>ato.gov.au/law |
| Federal Government | Treasury<br>Treasury Portfolio Ministers<br>Parliament House | treasury.gov.au<br>ministers.treasury.gov.au<br>aph.gov.au |
| ComLaw | Commonwealth Law, incorporating the Federal Register of Legislative Instruments (FRLI). | comlaw.gov.au |
| Case law | Australian Legal Information Institute | austlii.edu.au |
| Superannuation | Australian Prudential & Regulation Authority (APRA)<br>ATO | apra.gov.au<br>ato.gov.au/super |
| Centrelink | Centrelink | servicesaustralia.gov.au/ |
| ASIC | Australian Securities and Investments Commission | asic.gov.au |
| ASX | Australian Stock Exchange | asx.com.au |
| Social Security Law | Social Security, Family Assistance and Paid Parental Leave | dss.gov.au/ |

# State websites

| Office | | Website |
|---|---|---|
| Australian Capital Territory | ACT Government<br>ACT Revenue Office | act.gov.au<br>revenue.act.gov.au |
| New South Wales | State Government<br>Revenue NSW | nsw.gov.au<br>revenue.nsw.gov.au |
| Northern Territory | Northern Territory Government<br>Northern Territory Revenue | nt.gov.au<br>treasury.nt.gov.au |
| Queensland | State Government<br>Office of State Revenue | qld.gov.au<br>treasury.qld.gov.au/budget-and-financial-management/revenue-and-taxation/ |
| South Australia | State Government<br>Revenue SA | sa.gov.au<br>revenuesa.sa.gov.au |
| Tasmania | State Government<br>State Revenue Office | tas.gov.au<br>sro.tas.gov.au/ |
| Victoria | State Government<br>State Revenue Office | vic.gov.au<br>sro.vic.gov.au |
| Western Australia | Government<br>Office of State Revenue | wa.gov.au<br>finance.wa.gov.au |