



NEW PERSONAL TAX RATES

On 14 February 2008, the Tax Laws Amendment (Personal Income Tax Reduction) Bill 2008 (Bill) was introduced into the House of Representatives. This Bill Amends the income tax rates for individuals by increasing the threshold at which the 30% marginal tax rate begins to apply and to decrease the 40% marginal tax rate to 38% (from 1 July 2009) and to 37% (from 1 July 2010).

The amendments raise the 30% threshold for residents and non-residents:

From \$30,001 to \$34,001 from 1 July 2008;
 To \$35,001 from 1 July 2009; and
 To \$37,001 from 1 July 2010.

The amendments also reduce the second highest marginal tax rate for residents and non-residents:

From 40% to 38% from 1 July 2009; and
 To 37% from 1 July 2010.

Tax rates for Australian resident taxpayers

New tax thresholds from 1 July 2008 (Income Range)	Tax Rate (%)	New tax thresholds from 1 July 2009 (Income range)	Tax Rate (%)	New tax thresholds from 1 July 2010 (Income range)	Tax Rate (%)
\$0-\$6,000	0	\$0-\$6,000	0	\$0-\$6,000	0
\$6,001-\$34,000	15	\$6,001-\$35,000	15	\$6,001-\$37,000	15
\$34,001-\$80,000	30	\$35,001-\$80,000	30	\$37,001-\$80,000	30
\$80,001-\$180,000	40	\$80,001-\$180,000	38	\$80,001-\$180,000	37
\$180,000 +	45	\$180,000 +	45	\$180,000 +	45

Tax rates for non-resident taxpayers

New tax thresholds from 1 July 2008 (Income Range)	Tax Rate (%)	New tax thresholds from 1 July 2009 (Income range)	Tax Rate (%)	New tax thresholds from 1 July 2010 (Income range)	Tax Rate (%)
\$0-\$34,000	29	\$0-\$35,000	29	\$0-\$37,000	29
\$34,001-\$80,000	30	\$35,001-\$80,000	30	\$37,001-\$80,000	30
\$80,001-\$180,000	40	\$80,001-\$180,000	38	\$80,001-\$180,000	37
\$180,000 +	45	\$180,000 +	45	\$180,000 +	45

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