

Monthly Client Update

September 2017

Lodgment rates and thresholds guide 2017-18



To save you having to laboriously search for the right tax rate or relevant threshold, the essential information is right here in one place.

This guide includes tax rates, offset limits and benchmarks, rebate levels, allowances, and essential superannuation as well as fringe benefit tax rates and thresholds (including current gross-up factors). Student loan repayment rates and salary levels are also included.

About this newsletter

Welcome to Murray Business Solution's client information newsletter, your monthly tax and super update keeping you on top of the issues, news and changes you need to know. Should you require further information on any of the topics covered, please contact us via the details below.

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Individual tax rates for residents		
2016-17 tax thresholds		
Taxable income	Rate (%)	Tax on this income
\$0 – \$18,200	0	Nil tax payable
\$18,201 – \$37,000	19	19c for each \$1 over \$18,200
\$37,001 – \$87,000	32.5	\$3,572 plus 32.5c for each \$1 over \$37,000
\$87,001 – \$180,000	37	\$19,822 plus 37c for each \$1 over \$87,000
\$180,001 & above	47*	\$54,232 plus 45c for each \$1 over \$180,000
2017-18 tax thresholds		
Taxable income	Rate (%)	Tax on this income
\$0 – \$18,200	0	Nil tax payable
\$18,201 – \$37,000	19	19c for each \$1 over \$18,200
\$37,001 – \$87,000	32.5	\$3,572 plus 32.5c for each \$1 over \$37,000
\$87,001 – \$180,000	37	\$19,822 plus 37c for each \$1 over \$87,000
\$180,001 & above	45	\$54,232 plus 45c for each \$1 over \$180,000

*2% Temporary Budget Repair Levy removed as of 1 July 2017.

Individual tax rates for non-residents		
2016-17 tax thresholds		
Taxable income	Rate (%)	Tax on this income
\$0 – \$87,000	32.5	32.5c for each \$1
\$87,001 – \$180,000	37	\$28,275 plus 37c for each \$1 over \$87,000
\$180,001 & above	47*	\$62,275 plus 45c for each \$1 over \$180,000
2017-18 tax thresholds		
Taxable income	Rate (%)	Tax on this income
\$0 – \$87,000	32.5	32.5c for each \$1
\$87,001 – \$180,000	37	\$28,275 plus 37c for each \$1 over \$87,000
\$180,001 & above	45	\$62,685 plus 45c for each \$1 over \$180,000

2016-17 resident minors' tax rate on eligible income	
Taxable income	Tax on this income
Up to \$416	Nil
\$417 – \$1,307	68%* for the part over \$416
\$1,307 & above	47%* on the entire amount

*Includes 2% Temporary Budget Repair Levy
Note: LITO not available for certain minor income.

2016-17 non-resident minors' tax rate on eligible income	
Taxable income	Tax on this income
Up to \$416	34.5%* on the entire amount
\$417 – \$663	\$143.52 + 68%* on the part over \$416
\$664 & above	47%* on the entire amount

*includes 2% Temporary Budget Repair Levy

Corporate entity tax rates 2017-18	Rate
Private and public companies	27.5% or 30% ¹
Corporate unit trusts and public trading trusts	30% or 28.5% ¹
Life Insurance companies	
Ordinary class	30%
Complying superannuation class	15%
Non-profit companies	
First \$416 of taxable income	Nil
Taxable income \$417 – \$915 ²	55% of excess over \$416 ²
Taxable income \$916 ² and above	30% or 28.5% ¹

1: The tax rate is reduced to 27.5% for companies that are "small business entities" (SBEs) with an aggregated annual turnover of less than \$10 million from 1 July 2016.
2: Upper limit is reduced from \$915 to \$863 for non-profit companies that are SBEs from 1 July 2015.

Tax offsets for individuals	
2016-17 & 2017-18 Low Income Tax Offset	
Taxable income	Tax offset
\$0 – \$37,000	\$445
\$37,001 – \$66,666	\$445 – (1.5% of excess over \$37,000)
\$66,667 & above	Nil
2016-17 Net Medical Expenses Offset	
Tax offset claimable ¹	Adjusted taxable income
20% of net medical expenses exceeding \$2,299	Single ² – \$90,000 or less Family ³ – \$180,000 or less
10% of net medical expenses exceeding \$5,423	Single ² – above \$90,000 Family ³ – above \$180,000

1: Offset for 2016-17 only available for disability aids, attendant care or aged care.
2: Single at 30 June 2017 and no dependent children.
3: Has a spouse at 30 June 2017, or dependent children at any time during 2016-17, or both.

Tax offsets for individuals (cont)			
2016-17 Dependant (Invalid & Carer) Offset			
Adjusted taxable income (ATI) is:	Offset amount		
\$282 or less	\$2,588*		
\$283 – \$10,634	\$2,588* – [(ATI – \$282) ÷ 4]		
\$10,634 and above	Nil		
*This is the maximum offset. Assumes dependant status maintained for full income year.			
2016-17 Senior Australian & Pensioners Tax Offset			
Family status	Maximum tax offset	Shade-out income threshold	Cut-out income threshold
Single	\$2,230	\$32,279	\$50,119
Married or de facto (each)	\$1,602	\$28,974	\$41,790
Separated due to illness (each)	\$2,040	\$31,279	\$47,599
Note: Offset entitlements reduce by 12.5c for each \$1 of rebate income in excess of the shade-out threshold. No entitlement when rebate income reaches the cut-out threshold.			

Medicare			
2016-17 Medicare levy			
Medicare levy is 2% of an individual's taxable income.			
2016-17 Medicare levy for families with dependants			
No. of dependants	Family taxable income \$		
	Nil levy payable	Reduced levy shade-in range (10% of excess over nil band)	Normal 2% payable
0	To \$36,541	\$36,542-\$45,676	\$45,677 & above
1	To \$39,897	\$39,898-\$49,871	\$49,872 & above
2	To \$43,253	\$42,254-\$54,066	\$54,067 & above
3	To \$46,609	\$45,610-\$58,261	\$58,262 & above
4	To \$49,965	\$49,966-\$62,456	\$62,457 & above
5	To \$53,321	\$53,322-\$66,651	\$66,652 & above
6	To \$56,677 ¹	\$56,678 ¹ -\$70,846 ²	\$70,847 ² & above
For more than 6 dependent children and/or students: 1: Add \$3,356 per child/student 2: Add \$4,195 per child/student			

Medicare (cont)		
2016-17 Medicare levy surcharge		
Income for MLS purposes ¹		Rate
Single	Family ²	
\$0 – \$90,000	\$0 – \$180,000	0%
\$90,001 – \$105,000	\$180,001 – \$210,000	1%
\$105,001 – \$140,000	\$210,001 – \$280,000	1.25%
\$140,001 and above	\$280,001 and above	1.5%
1: Includes taxable income, reportable fringe benefits, reportable super contributions, net investment losses, exempt foreign income and any net amount subject to family trust distribution tax.		
2: Threshold increases by \$1,500 for each additional dependent child after the first.		

2016-17 Medicare levy reduction threshold	
Taxable income	Medicare levy payable
\$0 – \$21,655	Nil
\$21,655 – \$27,068	10% of excess over \$21,655
\$27,069 & above	2% of taxable income

2016-17 Medicare levy threshold : Individuals who qualify for the Senior Australian and Pensioner Tax Offset	
Taxable income	Medicare levy payable
\$0 – \$34,244	Nil
\$34,245– \$42,805	10% of excess over \$34,244
\$42,806 & above	2% of taxable income

2016-17 HELP compulsory repayments

HELP repayment income (HRI)	Rate (of HRI)
Below \$54,869	Nil
\$54,869-\$61,119	4%
\$61,120-\$67,368	4.5%
\$67,369-\$70,909	5%
\$70,910-\$76,222	5.5%
\$76,223-\$82,550	6%
\$82,551-\$86,894	6.5%
\$86,895-\$95,626	7%
\$95,627-\$101,899	7.5%
\$101,900 and above	8%

2016-17 SFSS compulsory repayments

Repayment income (RI)	Rate (of RI)
Below \$54,869	Nil
\$54,869-\$67,368	2%
\$67,369-\$95,626	3%
\$94,332 and above	4%

2017-18 HELP compulsory repayments

HELP repayment income (HRI)	Rate (of HRI)
Below \$55,874	Nil
\$55,874-\$62,238	4%
\$62,239-\$68,602	4.5%
\$68,603-\$72,207	5%
\$72,208-\$77,618	5.5%
\$77,619-\$84,062	6%
\$84,063-\$88,486	6.5%
\$88,487-\$97,377	7%
\$97,378-\$103,765	7.5%
\$103,766 and above	8%

2017-18 SFSS compulsory repayments

Repayment income (RI)	Rate (of RI)
Below \$55,874	Nil
\$55,874-\$68,602	2%
\$68,603-\$97,377	3%
\$97,378 and above	4%

Div 7A - benchmark interest rate

2016-17	5.40%
2017-18	5.30%

2017-18 CGT improvement threshold

Improvement threshold	\$147,582
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Motor vehicles

	2016-17	2017-18
Luxury car tax limit	\$64,132	\$65,094
Fuel efficient luxury car tax limit	\$75,526	\$75,526
Car depreciation limit	\$57,581	\$57,581
Maximum input tax credit claim for cars	\$5,234	\$5,234

2016-17 & 2017-18 Cents per km car rates

The rate is 66 cents per kilometre regardless of engine size.

FBT rates and thresholds**FBT and gross-up rates**

FBT year	Rate	Type 1	Type 2
2016 -17	49%	2.1463	1.9608
2017-18	47%	2.0802	1.8868

Car fringe benefits**Statutory formula method**

The statutory fraction is 20%*.

*Applies to "commitments" entered into from May 2011. Previous statutory fractions based on kms travelled may be used for pre-May 2011 commitments.

Taxable value of a fringe benefit of a motor vehicle other than a car (c/km basis)

FBT year ending	0 - 2500cc	Over 2500cc	Motor-cycles
31-Mar-17	52c	63c	16c
31-Mar-18	53c	63c	16c

Record keeping exemption

2016-17	\$8,286	2017-18	\$8,393
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FBT - Benchmark interest rate

2016-17	5.65%	2017-18	5.65%
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Car parking threshold

2016-17	\$8.48	2017-18	\$8.66
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2017-18 Superannuation rates and thresholds	
SLS ¹ low rate cap amount (indexed)	\$200,000
SLS ¹ untaxed plan cap amount (indexed)	\$1,445,000
Life benefit ETP ² cap (indexed) ³	\$195,000
Death benefit ETP ² cap (indexed) ³	\$195,000
Tax-free part of a genuine redundancy payment or early retirement scheme payment (indexed)	\$10,155
For each completed year of service add	\$5,078
Government co-contribution (max \$500)	
Lower income threshold	\$36,813
Higher income threshold	\$51,813
From 1 July 2017, total superannuation balance cannot exceed \$1.6m	
Contribution caps	
Concessional (indexed)	\$25,000
Concessional (temporary, non-indexed) ⁴	\$25,000
Non-concessional	\$100,000
CGT cap (indexed)	\$1,445,000
Non-concessional with bring forward option (non-indexed) ⁵	\$300,000
Superannuation Guarantee (SG)	
Prescribed minimum employer contribution rate	9.50%
Maximum contribution base (per SG quarter)	\$52,760
Minimum account based pension withdrawal	
Under 65 years	4%
65 to less than 75 years	5%
75 to less than 80 years	6%
80 to less than 85 years	7%
85 to less than 90 years	9%
90 to less than 95 years	11%
95 years and over	14%
Maximum pension withdrawal	
Transition to retirement	10%
Account based pension	100%
Preservation age table	
Date of birth:	
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
1 July 1964 or later	60

2017-18 Superannuation rates and thresholds

- 1: Superannuation Lump Sum (SLS)
- 2: Employment Termination Payment (ETP)
- 3: Whole of income cap of \$180,000 applies.
- 4: In 2017-18, a \$25,000 cap applies for individuals of all ages.
- 5: Eligible persons may bring forward the next 2 years' non-concessional contributions.

Foreign currency exchange rates for the financial year ended 30 June 2017

Country	Average rate for the year	Nearest actual rate at year end	Currency
Foreign currency equivalent to \$1 Australian			
Canada	1.0381	1.0392	Canadian dollar
China (estimate)	5.1380	5.2728	Yuan
Denmark	5.3299	5.1964	Kroner
Europe	0.7247	0.7049	Euro
Fiji	1.6084	1.6121	Fijian dollar
Hong Kong	6.0804	6.2147	HK dollar
India	51.4136	51.0160	Indian rupee
Japan	85.9027	89.8800	Yen
Kuwait	0.2377	0.2422	Kuwait dinar
New Cal/Tahiti	84.7961	82.6100	Sth Pacific franc
New Zealand	1.0919	1.0887	NZ dollar
Norway	6.5697	6.6992	Kroner
Oman	0.3098	0.3141	Oman Rial
Philippines	38.6501	40.5460	Philippine peso
Singapore	1.0970	1.1090	Singapore dollar
Solomon Is	6.2635	6.4454	SI dollar
South Africa	10.6435	10.3227	Rand
Sri Lanka	115.8425	120.9800	Sri Lankan rupee
Sweden	6.8531	6.7196	Kronor
Switzerland	0.7780	0.7659	Swiss franc
Thailand	27.1034	26.9500	Baht
UK	0.6199	0.6184	Pound sterling
USA	0.7891	0.8041	US dollar
Vanuatu	88.3531	89.6400	Vatu

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