

PERSONAL TAX MATTERS

Low income tax offset

The Low Income Tax Offset shall increase to \$1500 from 1 July 2010 which raises the effective tax-free threshold to \$16,000.

Simplifying tax returns

The Government will provide taxpayers with the option of a \$500 standard deduction to replace deductions for their 'work-related expenses' and 'cost of managing tax affairs' from 1 July 2012. This will increase to \$1,000 from 1 July 2013. Taxpayers with higher deductible expenses or more complex tax affairs can continue to claim their higher expenses.

Interest income

The Government has announced a 50% discount on up to \$1,000 of interest income earned by taxpayers from 1 July 2011. The discount will apply to interest earned on deposits, bonds, debentures and annuity products.

Increasing the medical expenses tax offset threshold

From 1 July 2010, the Government intends to increase the threshold for taxpayers claiming the net medical expenses tax offset from \$1,500 to \$2,000 and commence annually indexing the threshold to the Consumer Price Index from 1 July 2011.

Superannuation co-contribution permanent reduction

The Government will permanently retain the matching rate for the superannuation co-contribution at 100% and the maximum co-contribution that it will make is payable on an individual's eligible personal non-concessional superannuation contributions at \$1,000.

**SMALL BUSINESS - BUDGET ANNOUNCEMENT CONFIRMED
GOVERNMENT RESPONSES TO HENRY REVIEW RELEASED 2 MAY 2010**

Company tax rate cut to 29 per cent from 2013-14 and 28 per cent from 2014-15.

Company tax rate cut to 28 per cent **for small business companies** from 2012-13.

Instant asset write off for assets under \$5,000 for all small businesses from 1 July 2012.

**SUPERANNUATION - BUDGET ANNOUNCEMENT CONFIRMED
GOVERNMENT RESPONSES TO HENRY REVIEW RELEASED 2 MAY 2010**

Increase in superannuation guarantee rate from 9% to 12% in seven increments (to 2019-20 year) commencing 1 July 2013.

Superannuation guarantee age limit to be increased to 75 years from 1 July 2013.

Concessional contribution cap of \$50,000 for individuals aged 50 and over with super balances below \$500,000 to be extended beyond 30 June 2012.



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Current Personal Tax Rates

Taxable income	Tax on this income
0 to \$6,000	Nil
\$6,001 to \$35,000	15c for each \$1 over \$6,000
\$35,001 to \$80,000	\$4,350 plus 30c for each \$1 over \$35,000
\$80,001 to \$180,000	\$17,850 plus 38c for each \$1 over \$80,000
\$180,001 & over	\$55,850 plus 45c for each \$1 over \$180,000

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