

# 2007/2008 tax data in a nutshell



## Resident individuals

Taxable income (\$)	Tax payable (\$)
0 – 6,000	0
6,001 – 30,000	15% of amount over 6,000
30,001 – 75,000	3,600 + 30% of amount over 30,000
75,001 – 150,000	17,100 + 40% of amount over 75,000
150,001 and over	47,100 + 45% of amount over 150,000

Add 1.5% Medicare levy (except for low income earners).  
Add 1% Medicare levy surcharge for high-income earners without private patient hospital cover.

## Non-resident individuals

Taxable income (\$)	Tax payable (\$)
0 – 30,000	29%
30,001 – 75,000	8,700 + 30% of amount over 30,000
75,001 – 150,000	22,200 + 40% of amount over 75,000
150,001 and over	52,200 + 45% of amount over 150,000

## Maternity payment - the new improved baby bonus

One off lump sum of \$4,000 on the birth of each child (or adoption before 26 weeks of age). Increases to \$5,000 from 1 July 2008. There is no means test.

## PAYG quarterly instalments

Due dates: 29 October 2007, 28 February 2008, 28 April 2008, 28 July 2008.

Instalments only payable if individual taxpayer has received instalment rate notice from the Commissioner.

## Capital gains tax

Exemption/Discounts	
Discount on capital gains for individuals and trusts*	50%
Discount on capital gains for superannuation funds*	33.3%
Net asset threshold for small business exemptions	\$6,000,000
Retirement exemption on capital gains	\$500,000
Indexation frozen from 30/9/1999 at indexation number	123.4
CGT improvement threshold	\$116,337

\*Assets must have been held for at least 12 months – other limitations apply. Other small business concessions may also apply.

## Company tax

### Tax rate 30%

Division 7A benchmark interest rate is 8.05%

Pay As You Go (PAYG) instalments	1st	2nd	3rd	4th
Due dates for 30 June balance date	29/10/07	28/2/08	28/4/08	28/7/08

- Instalments only payable if taxpayer has received instalment rate notice from the Commissioner
- Options available for calculating instalments and number of instalments payable each year according to Commissioner's guidelines
- Due dates are 21 days after each quarter end for companies paying GST monthly
- Companies with substituted accounting periods pay PAYG instalments on the 28th day after each quarter end
- Any balance of tax payable is due in accordance with the payment dates below.

## Lodgement & payment dates

	Individuals & trusts	Companies & superannuation funds	
	Lodgement	Payment	Lodgement
Entities with one or more outstanding tax returns as at 30 June 2007	30/10/07	1/12/07	31/10/07
Medium/large business and taxable in prior year	15/1/08	1/12/07	15/1/08
Medium/large business and not taxable in prior year	28/2/08	28/2/08	28/2/08
Balance of tax payable in prior year exceeding \$20,000 and not medium/large business	31/3/08	N/A	N/A
Turnover exceeded \$2m in prior year and not medium/large business	N/A	31/3/08	31/3/08
Other taxable entities	15/5/08	15/5/08	15/5/08
Other non-taxable entities	3/6/08	15/5/08	15/5/08
Entities with a Substituted Accounting Period (SAP)	Within 4 months after year end	1st day of 6th month after year end	15th day of 7th month after year end

Payments for individuals and trusts are generally due after lodgement unless return is late. Returns and payments for newly registered medium/large businesses and super funds due 28/2/08, all other new registrants due 15/5/08.

## Important due dates

Quarterly IAS & BAS	Super contributions	Monthly BAS
30/07/07	30/07/07	23/07/07
29/10/07	29/10/07	21/08/07
28/02/08	28/01/08	21/09/07
28/04/08	28/04/08	22/10/07
		21/11/07
		21/12/07
		21/01/08
		21/02/08
		21/03/08
		21/04/08
		21/05/08
		23/06/08

### Payment summaries

16/07/07

### Super guarantee shortfall

28/08/07

28/11/07

28/02/08

28/05/08

### Disclaimer

This booklet is general in nature and its brevity could lead to misrepresentation. The information contained in the booklet is not intended to be advice and could be subject to change. No responsibility can be accepted for those who act on its contents without obtaining specific advice from an adviser. All information is correct at day of printing.



[www.grantthornton.com.au](http://www.grantthornton.com.au)  
[www.insolink.com.au](http://www.insolink.com.au)

Adelaide	Brisbane	Melbourne	Sydney*
67 Greenhill Road Wayville SA 5034 T 08 8372 6666 F 08 8372 6677 E info@gtsa.com.au	Grant Thornton House 102 Adelaide Street Brisbane QLD 4000 T 07 3222 0200 F 07 3222 0444 E info@gtqld.com.au	Rialto Towers 525 Collins Street Melbourne VIC 3000 T 03 9611 6000 F 03 9611 6666 E info@gtcvic.com.au	383 Kent Street Sydney NSW 2000 T 02 8297 2400 F 02 9299 4445 E info@gtnewsw.com.au

Each office listed is a business operated independently of other firms and entities that use the trademark Grant Thornton. Grant Thornton is a trademark owned by Grant Thornton International and used under licence by independent firms and entities throughout the world. \*Liability limited by a scheme approved under Professional Standards Legislation.

## Simplified dividend imputation

Shareholders rebate	Franking credit attached
Franking account credit/debit	Tax paid basis
Franking account deficit tax (FDT)	Deficit amount

## Superannuation funds

Tax rate – non-arms length income and private company dividends	45%
Tax rate – all other income*	15%

<sup>\*</sup> Funds paying pensions can be taxed at 0%

## Superannuation guarantee

Minimum level of support	9%
Maximum contribution base for each quarterly period	\$36,470

- Due date for contributions: 29 October 2007, 28 January 2008, 28 April 2008, and 28 July 2008.

## Superannuation contributions

Contribution type	Contribution cap	Tax on excess
Concessional*#		
– aged less than 50	\$50,000	31.5%
– aged 50 or over	\$100,000	31.5%
Non-concessional**		
– per year	\$150,000	46.5%
– over 3 years***	\$450,000	46.5%
Small business CGT^	\$1,000,000	46.5%

<sup>\*</sup>Taxed at 15% in the fund, deductible by the contributor

<sup>\*\*</sup>Not taxed in the fund, not deductible by the contributor

<sup>\*\*\*</sup>Bring forward rule only applies to person aged under 65

<sup>#</sup>Excess concessional contributions also count against non-concessional cap

<sup>^</sup>Lifetime limit

## Superannuation benefits

Lump sum amount	Taxed element*	Untaxed element*
Less than the preserved age		
– up to \$1m**	20%	30%
– over \$1m**	20%	45%
Between preservation age and 60		
– up to \$140,000**	0%	15%
– \$140,001** to \$1m**	15%	30%
– over \$1m**	15%	45%
60 or over		
– up to \$1m**	0%	15%
– over \$1m**	0%	45%

<sup>\*</sup>Excluding Medicare levy

<sup>\*\*</sup>Lifetime limit

## Redundancy or early retirement

Tax free amount = \$7,020 + \$3,511 x years of service.

The balance of a redundancy or early retirement payment is taxed as an ETP.

## Fringe Benefits Tax

Rate 2007/08	46.5%
Fringe benefits gross-up factor 2007/08 *	2.0647
Return and payment due**	21 May 2008
Benchmark interest rate 2007/08	8.05%
Instalment threshold	\$3,000
Reportable fringe benefits threshold (per employee)	\$2,000
Car parking threshold	\$6.78

<sup>\*</sup> If an employer was entitled to an input tax credit for the benefits provided - otherwise the rate of 1.8692 will apply.

<sup>\*\*</sup> Instalment payments are due with quarterly Business Activity Statements.

## Motor vehicle statutory formula

kms per annum	FBT Value %
less than 15,000	26
15,000 to 24,999	20
25,000 to 40,000	11
more than 40,000	7

## Goods and Services Tax

Tax rate <sup>^</sup>	10%
Annual turnover* threshold for registration (\$150,000 for non-profit organisations)	\$75,000
Annual turnover* threshold for accrual accounting	\$2,000,000
Annual turnover* threshold for monthly payments	\$20,000,000

<sup>^</sup>Calculated as 1/11th of the GST inclusive value.

<sup>\*</sup>Annual turnover includes taxable and GST free supplies connected with Australia.

## Business Activity Statements (BAS)

BAS are required to be lodged by taxpayers to report and pay their tax obligations, including:

- GST
- Pay As You Go Withholding
- Pay As You Go Instalments
- FBT instalments

Quarterly activity statements are generally due on the 28th day after end of September, January, March and June. Monthly activity statements are due on the 21st day after the end of each month.

## Withholding tax

Fully franked dividends	Nil
Unfranked dividends	30% (0%-25% if tax treaty)
Interest	10%
Royalties	30% (5%-25% if tax treaty)
Managed fund distributions	30%*
Remittance	via PAYG system

<sup>\*</sup>This is not a final tax

## Capital allowances

Asset acquired	Rate
pre 21/9/1999	accelerated
post 21/9/1999	effective life
less than \$1,000	37.5% diminishing if pooled*

<sup>\*</sup>18.75% for first year in pool

- Different rates apply to Simplified Tax System taxpayers
- Business establishment and many other business related costs are deductible over 5 years
- Building write-off 2.5% per annum if construction started before 22 August 1984 or after 15 September 1987.
- ATO allows assets costing less than \$100 (GST inclusive) to be written-off immediately.

## Motor vehicle business deductions

Alternatives available for expense claims for individuals:

(i) Up to 5,000 kilometres business use

Non-rotary (cc)	Rotary (cc)	Per km rates
0-1600	0-800	58c
1601-2600	801-1300	69c
2601+	1301+	70c

(ii) Over 5,000 km 1/3 total expenses or 12% of cost of car or per km rate limited to 5,000 kms

(iii) Log book method can be used regardless of distance.

Motor vehicle depreciation cost limit:

- \$57,009 for cars acquired during 2006/2007
- \$57,123 for cars acquired during 2007/2008

## Stamp duty

At the time of publishing this document various State Governments had committed to reducing stamp duty. Please consult your advisor prior to relying on these rates.

### Transfer of shares for all states

Securities	Duty payable
Quoted	Nil
Unquoted	\$0.60 for every \$100 (nil* in Vic, Qld, WA, NT and Tas)

<sup>\*</sup>Transfers of shares in land rich companies remain dutiable in Vic, Qld, WA, NT and Tas

### Transfer of property - maximum stamp duty rates

State	Consideration	Duty payable (\$)
NSW**	Over \$1,000,000	\$40,490 + \$5.50 for every excess \$100
ACT	Over \$1,000,000	\$49,250 + \$6.75 for every excess \$100
Vic*	Over \$870,000	5.5% of consideration
Qld	Over \$700,000	\$23,975 + \$4.50 for every excess \$100
SA	Over \$500,000	\$21,330 + \$5.50 for every excess \$100
WA	Over \$500,000	\$20,700 + \$5.40 for every excess \$100
Tas	Over \$225,000	\$6,550 + \$4.00 for every excess \$100
NT	Over \$500,000	5.4% of consideration

<sup>\*</sup>Applies to transfer of real property

<sup>\*\*</sup>Premium property duty of 7% is payable on excess over \$3m of residential properties

### Mortgage duty - maximum stamp duty rates

State	Amount secured (\$)	Duty payable
NSW	Over \$16,000	\$5 + \$4.00 for each excess \$1,000*
Qld	Any amount	\$0.40 for each \$100**
SA	Over \$6,000	\$10 + \$0.30 for each excess \$100
WA	Over \$10,000	\$20 + \$0.20 for each excess \$100

No mortgage duty in Vic, Tas, ACT and NT

<sup>\*</sup>Owner-occupier residential loans exempt from 1 September 2007

<sup>\*\*</sup>Rate reduces to \$0.20 for each \$100 from 1 January 2008.

## Payroll tax

	NSW	Vic	Qld	SA	Tas	WA	NT	ACT
Threshold ('000)	600	550	1,000	504	1,010	750	1,250	1,250
Rate on excess %	6.00	5.05	4.75	5.25	6.10	5.50	6.20	6.85