

# Tax Tutor 2011-12



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**The Peak Partnership**  
CHARTERED ACCOUNTANTS

# Personal Tax

## PERSONAL INCOME TAX RATES 2011-2012 (RESIDENT ONLY)

Taxable Income	Tax Payable
\$0 - \$6,000	Nil
\$6,001 - \$37,000	15% of excess over \$6,000
\$37,001 - \$50,000	\$4,650 + 30% of excess over \$37,000
\$50,001 - \$80,000	\$8,550 + 30.5% of excess over \$50,000
\$80,001 - \$100,000	\$17,700 + 37.5% of excess over \$80,000
\$100,001 - \$180,000	\$25,200 + 38% of excess over \$100,000
\$180,001 and over	\$55,600 + 46% of excess over \$180,000

Includes a Flood Reconstruction Levy for taxpayers earning more than \$50,000. A low income rebate of \$1,500 applies.

## PERSONAL INCOME TAX RATES 2010-2011 (RESIDENT ONLY)

\$0 - \$6,000	Nil
\$6,001 - \$37,000	15% of excess over \$6,000
\$37,001 - \$80,000	\$4,650 + 30% of excess over \$37,000
\$80,001 - \$180,000	\$17,550 + 37% of excess over \$80,000
\$180,001 and over	\$54,550 + 45% of excess over \$180,000

A low income rebate of \$1,500 applies.

## CHILD INCOME TAX RATES (RESIDENT ONLY) 2011-2012

Except for certain personal exertion income (eg. wages), the unearned income of most children under 18 years of age will be taxed at the following rates (ignoring any low income rebates):

\$0 - \$416	Nil
\$417 - \$1,307	66% of excess over \$417
\$1,307 and over	45% of entire amount

Where a child under 18 years of age earns income from personal effort (eg. part-time work), that income will be subject to normal personal tax rates. For 2011-2012, a trust distribution of up to \$416 (\$3,333 in 2011) may be paid to a beneficiary under 18 years of age with no tax being payable on the trust distribution provided the child has no other "unearned income" and the child's taxable income is less than \$35,001.

## LOW INCOME EARNERS OFFSET 2011-2012

Taxable Income	Calculation
\$0 - \$30,000	\$1,500
\$30,001 - \$67,500	\$1,500 - [(Taxable income - \$30,000) x 0.04]
\$67,501 and over	NIL

## MEDICARE LEVY THRESHOLDS 2010-2011

Income Type	Taxable Income	Medicare Levy
Singles	\$0 - \$18,839	Nil
	\$18,840 - \$22,163	Nil + 10% excess over \$18,839
	\$22,163 and over	1.5% of entire taxable income
Married and Family income*	\$0 - \$31,789	Nil
	\$31,790 - \$37,398	Nil + 10% excess over \$31,789
	\$37,399 and over	1.5% of entire taxable income

\*Based on no dependent children. For each additional dependant, add \$2,919 to the lower limit. Where there are more than four dependent children or students, add \$2,919 for each extra child or student to the lower limit. Where there are more than six dependent children or students, add \$3,434 for each extra child or student to the upper limit.

Reductions to the full 1.5% Medicare Levy also apply for single seniors and couples, and low age singles and couples.

## MEDICARE LEVY SURCHARGE 2011-2012

1% additional Medicare Levy payable where income is greater than:

Single - no dependent children	\$80,000
Couples - no dependent children	\$160,000
Couples or Sole Parent - 1 dependent child	\$160,000*

\*Add \$1,500 to this threshold for each additional child.

## CAPITAL GAINS TAX CALCULATOR

Concessions/Discounts	
Discount on capital gains for individuals and trusts*	50%
Discount on capital gains for superannuation funds*	33.33%
Net asset threshold for small business concessions	\$6,000,000
Retirement exemption on capital gains	\$500,000
CGT Cap Amount	\$1,115,000
Indexation frozen from 30/09/1999 at indexation no.	123.4
CGT improvement threshold — 2010-2011	\$126,619
CGT improvement threshold — 2009-2010	\$124,258

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

# Business Tax

## COMPANY & SUPERANNUATION FUND TAX RATES 2010-2011

Company Tax Rate	30%
Superannuation Fund Tax Rate	15%

## DIVISION 7A BENCHMARKS FOR RELATED PARTY LOANS

Income year ending 30 June

2011	2010	2009
7.40%	5.75%	9.45%

## BAS & PAYG INFORMATION (QUARTERLY)

Installment Quarter	Payment Date
1 July - 30 September 2011	28 October 2011
1 October - 31 December 2011	28 February 2012
1 January - 31 March 2012	28 April 2012
1 April - 30 June 2012	28 July 2012

Monthly Business Activity Statement (BAS) and Installment Activity Statement (IAS/PAYG) payments are due 21 days after the end of each month.

# Motor Vehicle

## LUXURY CAR DEPRECIATION LIMITS

2011-2012	\$57,466
2010-2011	\$57,466
2009-2010	\$57,180
2008-2009	\$57,180

## MOTOR VEHICLE DEDUCTIONS 2010-2011

	Engine Capacity	Engine Capacity Rotary Engine	Cents per KM
Small Car	Not exceeding 1600cc	Not exceeding 800cc	63c
Medium Car	Exceeding 1600cc, not exceeding 2600cc	Exceeding 800cc, not exceeding 1300cc	74c
Large Car	Exceeding 2600cc	Exceeding 1300cc	75c

Limited to a maximum of 5,000km.

# Superannuation

## EMPLOYER SUPERANNUATION OBLIGATIONS

Super Guarantee Contributions	2011	2012
Payable 28 <sup>th</sup> Jan, April, July, Oct	9%	9%

## SUPERANNUATION FOR INDIVIDUALS

Maximum contribution base for SG purposes

	2011	2012
Per quarter limit	\$42,220	\$43,820
Equivalent annual limit	\$188,880	\$175,280

Superannuation Co-Contributions - 1 July 2011

\$1 for every \$1 contributed to a maximum amount of \$1,000

Assessable Income	Lower	\$31,920
	Upper	\$61,920
Withdrawal Rate	.0333 cents in the dollar above the lower threshold	

Superannuation Contributions Caps - 1 July 2011

Contributions	Cap	Excess Contributions Tax
Concessional Cap		
Up to age 50	\$25,000	31.5%
Age 50 and over	\$50,000	
Non-Concessional Cap	\$150,000	46.5%

Superannuation Contributions - Spouse Offset

(Tax Offset of 18% of Contribution)

Maximum offset	\$540
Maximum contribution	\$3,000
Lower threshold	\$10,800
Higher threshold	\$13,800

Preservation Age

The Preservation Age on claiming retirement will increase from age 55 to 60. This age will increase between the years 2015 and 2025 in accordance with the following scale.

For people born	Age	For people born	Age
Before July 1960	55	July 1962 - June 1963	58
July 1960 - June 1961	56	July 1963 - June 1964	59
July 1961 - June 1962	57	After June 1964	60

# Super and Seniors

## SUPERANNUATION FOR SENIORS

Minimum Annual Pension Payments - 1 July 2011

Age	Min Pension	25% Reduction*
Under 65	4.00%	3.00%
Age between 65 and 74	5.00%	3.75%
Age between 75 and 79	6.00%	4.50%
Age between 80 and 84	7.00%	5.25%
Age between 85 and 89	9.00%	6.75%
Age between 90 and 94	11.00%	8.25%
Age 95 or more	14.00%	10.50%

\*25% reduced minimum pension payments apply for 2011-2012

Taxation of Superannuation Benefit Lump Sums - 1 July 2011

	Thresholds	Rate*
Tax-free component		0%
Taxable component - taxed element^		
Under Preservation Age		20%
Preservation Age to 59	\$0 - \$165,000	0%
	Over \$165,000	15%
Age 60 & over		0%
Taxable component - untaxed element		
Under Preservation Age	\$0 - \$1,205,000	30%
	> \$1,205,000	45%
Preservation Age to 59	\$0 - \$165,000	15%
	\$165,000 - \$1,205,000	30%
	> \$1,205,000	45%
Age 60 and over	\$0 - \$1,205,000	15%
	> \$1,205,000	45%

\*Plus Medicare Levy of 1.5%

^If benefit paid has taxable component with both a taxed and untaxed element, the low rate cap applies to the taxed element first.

Taxation of Death Benefit Superannuation Lump Sums - 1 July 2011

	Dependants	Non-Dependants
Tax-Free Component	0%	0%
Taxable Component	0%	15%*

\* Plus Medicare Levy of 1.5%

A dependant for tax purposes is defined as a) a spouse/de facto spouse; b) a former spouse/de facto spouse; c) a child of the deceased under 18 years of age; d) any person who relied on the deceased for financial maintenance at time of death; e) any person who lived with the deceased in a close personal relationship where one or both provided financial/domestic support and personal care.

# Workers & Students

## EMPLOYMENT TERMINATION PAYMENTS

Life Benefit Employment Termination Payments - 1 July 2011

	Thresholds	Max. Tax Rate
Tax-free component		0%**
Taxable component		
Pre-Preservation Age	Up to \$165,000 Over \$165,000	30% 45%
Preservation Age or over	Up to \$165,000 Over \$165,000	15% 45%

Death Benefit Employment Termination Payments - 1 July 2011

	Thresholds	Max. Tax Rate*
Dependant		
Tax-free component		0%**
Taxable component	Up to \$165,000 Over \$165,000	0% 45%
Non-Dependant		
Tax-free component		0%**
Taxable component	Up to \$165,000 Over \$165,000	30% 45%

\* Plus Medicare Levy of 1.5% \*\* Not assessable

## OTHER TERMINATION PAYMENTS

Non-ETP Lump Sum Payments - 1 July 2011

	Period of Accrual	Assessable Amount	Max. Tax Rate*
Unused Long Service Leave	Pre-16/8/78	5%	Marginal rate
	16/8/78 - 17/8/93	100%	30%
	Post-17/8/93	100%	Marginal rate
Accrued Annual Leave	Pre-18/8/93	100%	30%
	Post-17/8/93	100%	Marginal rate

## REDUNDANCY & EARLY RETIREMENT PAYMENTS 2011-2012

	Period of Accrual	Assessable Amount	Max. Tax Rate*
Unused Long Service Leave	Pre-16/8/78	5%	Marginal rate
	Post-16/8/78	100%	30%
Accrued Annual Leave	Full Period	100%	30%

\*Tax rates Exclude Medicare Levy which needs to be added to the applicable rate (unless rate is 0%). Bona Fide redundancy tax-free amount is \$8,435 + \$4,218 for each completed year of service.

# Workers & Students

## HELP/HECS REPAYMENT THRESHOLDS

HELP Repayment Income 2011-2012	Rate applied to HELP Repayment Income*	HELP Repayment Income 2010-2011	Rate applied to HELP Repayment Income*
Below \$47,196	Nil	Below \$44,912	Nil
\$47,196 - \$52,572	4.0%	\$44,912 - \$50,028	4.0%
\$52,573 - \$57,947	4.5%	\$50,029 - \$55,143	4.5%
\$57,948 - \$60,993	5.0%	\$55,144 - \$58,041	5.0%
\$60,994 - \$65,563	5.5%	\$58,042 - \$62,390	5.5%
\$65,564 - \$71,006	6.0%	\$62,391 - \$67,570	6.0%
\$71,007 - \$74,743	6.5%	\$67,571 - \$71,126	6.5%
\$74,744 - \$82,253	7.0%	\$71,127 - \$78,273	7.0%
\$82,254 - \$87,649	7.5%	\$78,274 - \$83,407	7.5%
\$87,650 and over	8.0%	\$83,408 and over	8.0%

\*From 1 July 2009, this is calculated as the sum of: taxable income plus any net investment loss (including net rental losses); total reportable fringe benefits amounts; reportable super contributions and exempt foreign employment income.



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