

TAX FACTSHEETTAX RATES IN AUSTRALIAINCOME TAX FREE THRESHOLD
(including the part year tax free threshold)

This factsheet discusses tax rates for individuals who are resident in Australia, and for non-Aus residents in respect of income that has an Australian source, such as rental income from a property in Australia.

The Australian tax year ends on 30th June.

Resident Rates2021/22 and 2022/23Resident for the whole of the tax year

| Taxable income | Tax on this income |
|-----------------------|---|
| 0 – \$18,200 | Nil |
| \$18,201 – \$45,000 | 19c for each \$1 over \$18,200 |
| \$45,001 – \$120,000 | \$5,092 plus 32.5c for each \$1 over \$45,000 |
| \$120,001 – \$180,000 | \$29,467 plus 37c for each \$1 over \$120,000 |
| \$180,001 and over | \$51,667 plus 45c for each \$1 over \$180,000 |

These rates do not include the Medicare levy of 2%.

Foreign Resident Rates2021/22 and 2022/23

| Taxable income | Tax on this income |
|-----------------------|---|
| 0 – \$120,000 | 32.5c for each \$1 |
| \$120,001 – \$180,000 | \$39,000 plus 37c for each \$1 over \$120,000 |
| \$180,001 and over | \$61,200 plus 45c for each \$1 over \$180,000 |

Tax Free Threshold

As noted above, an individual who is a resident for the whole tax year can receive tax free income up to \$18,200 for 2021/22 and 2022/23.

When an individual commences tax residency in Australia – or ceases to be a tax resident – during the tax year the tax free threshold is reduced, based on the following formula:

- \$13,464, plus
- \$4,736 x (number of whole or part months you are a resident of Australia during the tax year)/12

The effect of the reduced tax free threshold is to lower the income threshold at which tax starts to be payable at 19%; the other thresholds are unaltered.

We are in the UK and in Australia:

| | |
|--------------|---------------|
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| ■ Perth | 08 6180 2533 |
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Please contact us for a free no obligation consultation about how bdh Tax can help you plan and manage your taxation affairs.

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Tax Offsets

Tax offsets directly reduce the amount of tax payable on your taxable income.

If you are an Australian resident for income tax purposes and you pay tax on your taxable income you may be eligible for:

- The low income tax offset, and
- The low and middle income tax offset

Low Income Tax Offset

If your taxable income is less than \$66,667 you will receive the low income tax offset.

The maximum tax offset of \$700 applies if your taxable income is \$37,500 or less.

The offset is reduced by 5 cents for each dollar between \$37,501 and \$45,000.

The offset is reduced by 1.5 cents for each dollar between \$45,501 and \$66,667.

Low and Middle Income Tax Offset

If your taxable income is less than \$126,000 you will get some of the low and middle income tax offset.

The maximum offset for tax year 2021/22 is \$1,500 per annum; the base amount is \$675 per annum.

The low and middle income tax offset is available for the 2018/19, 2019/20, 2020/21, and 2021/22 income years - and is in addition to the low income tax offset.

Other Income Tax Offsets are available, depending on your circumstances.

Disclaimer: This factsheet is for information only. No liability is accepted for any reliance placed on the above. We recommend that you take professional advice that is specific to your situation when moving between tax jurisdictions.