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Individual income tax rates

Residents

These rates apply to individuals who:

- are residents of Australia for tax purposes for the whole financial year, and
- did not leave full-time education for the first time during the financial year.

Tax rates 2008-09

<i>Taxable income</i>	<i>Tax on this income</i>
\$0 – \$6,000	Nil
\$6,001 – \$34,000	15c for each \$1 over \$6,000
\$34,001 – \$80,000	\$4,200 plus 30c for each \$1 over \$34,000
\$80,001 – \$180,000	\$18,000 plus 40c for each \$1 over \$80,000
\$180,001 and over	\$58,000 plus 45c for each \$1 over \$180,000

Tax rates 2009-10

<i>Taxable income</i>	<i>Tax on this income</i>
\$1 – \$6,000	Nil
\$6,001 – \$35,000	15c for each \$1 over \$6,000
\$35,001 – \$80,000	\$4,350 plus 30c for each \$1 over \$35,000
\$80,001 – \$180,000	\$17,850 plus 38c for each \$1 over \$80,000
\$180,001 and over	\$55,850 plus 45c for each \$1 over \$180,000

The above rates **do not** include the Medicare levy of 1.5%

Tax offsets reduce the tax payable. Tax offsets based on taxable income levels apply to a range of circumstances.

Non-residents

If you are a non-resident for the full year, the following rates apply:

Tax rates 2008-09

<i>Taxable income</i>	<i>Tax on this income</i>
\$0 – \$34,000	29c for each \$1
\$34,001 – \$80,000	\$9,860 plus 30c for each \$1 over \$34,000
\$80,001 – \$180,000	\$23,660 plus 40c for each \$1 over \$80,000
\$180,001 and over	\$63,660 plus 45c for each \$1 over \$180,000

Tax rates 2009-10

<i>Taxable income</i>	<i>Tax on this income</i>
\$0 – \$35,000	29c for each \$1
\$35,001 – \$80,000	\$10,150 plus 30c for each \$1 over \$35,000
\$80,001 – \$180,000	\$23,650 plus 38c for each \$1 over \$80,000
\$180,001 and over	\$61,650 plus 45c for each \$1 over \$180,000

Non-residents are not required to pay the Medicare levy.

Children

If you are under the age of 18, and receive 'unearned' income (for example, investment income), special rates apply.

Medicare Levy

Most Australian Tax Payers will have to pay a 1.5% Medicare Levy on their Taxable Income. Exemptions and reductions exist for low income earners and Senior Australians. High Income Tax Payers without private health insurance may also be liable for an additional 1% Medicare Levy Surcharge.

Important: This is not advice. Clients should not act solely on the basis of the material contained in this Bulletin. Items herein are general comments only and do not constitute or convey advice per se. Also changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of the areas. The Bulletin is issued as a helpful guide to clients and for their private information. Therefore it should be regarded as confidential and not be made available to any person without our prior approval.