



CAPITOL GROUP ADVISERS

Accountants and Financial Planners

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Lodgment rates & thresholds guide 2016-17



To save you having to laboriously search for the right tax rate or relevant threshold, the essential information is right here in one place.

This guide includes tax rates, offset limits and benchmarks, rebate levels, allowances, and essential superannuation as well as fringe benefit tax rates and thresholds (including current gross-up factors). Student loan repayment rates and salary levels are also included.

Welcome to Capitol Group

This client information newsletter provides regular tax and super updates, news and changes you need to know. For further information please contact Capitol Group Advisers.

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| Individual tax rates for residents | | |
|------------------------------------|----------|---|
| Taxable income | Rate (%) | Tax on this income |
| 2015-16 tax thresholds | | |
| \$0 – \$18,200 | 0 | Nil tax payable |
| \$18,201 – \$37,000 | 19 | 19c for each \$1 over \$18,200 |
| \$37,001 – \$80,000 | 32.5 | \$3,572 plus 32.5c for each \$1 over \$37,000 |
| \$80,001 – \$180,000 | 37 | \$17,547 plus 37c for each \$1 over \$80,000 |
| \$180,001 & above | 47* | \$54,547 plus 47c for each \$1 over \$180,000 |
| 2016-17 tax thresholds | | |
| \$0 – \$18,200 | 0 | Nil tax payable |
| \$18,201 – \$37,000 | 19 | 19c for each \$1 over \$18,200 |
| \$37,001 – \$80,000 [#] | 32.5 | \$3,572 plus 32.5c for each \$1 over \$37,000 |
| \$80,001 [#] – \$180,000 | 37 | \$17,547 plus 37c for each \$1 over \$80,000 |
| \$180,001 & above | 47* | \$54,547 plus 47c for each \$1 over \$180,000 |

*Includes 2% Temporary Budget Repair Levy

[#]Likely threshold increase from \$80,000 to \$87,000 not yet enacted

Note: LITO not available for certain minor income.

| Individual tax rates for non-residents | | |
|--|------|---|
| 2015-16 tax thresholds | | |
| \$0 – \$80,000 | 32.5 | 32.5c for each \$1 |
| \$80,001 – \$180,000 | 37 | \$26,000 plus 37c for each \$1 over \$80,000 |
| \$180,001 & above | 47* | \$63,000 plus 47c for each \$1 over \$180,000 |
| 2016-17 tax thresholds | | |
| \$0 – \$80,000 [#] | 32.5 | 32.5c for each \$1 |
| \$80,001 [#] – \$180,000 | 37 | \$26,000 plus 37c for each \$1 over \$80,000 |
| \$180,001 & above | 47* | \$63,000 plus 47c for each \$1 over \$180,000 |

*Includes 2% Temporary Budget Repair Levy

[#]Likely threshold increase from \$80,000 to \$87,000 not yet enacted

| 2015-16 resident minors' tax rate on eligible income | |
|--|------------------------------|
| Taxable income | Tax on this income |
| Up to \$416 | Nil |
| \$417 – \$1,307 | 68%* for the part over \$416 |
| \$1,308 & above | 47%* on the entire amount |

*Includes 2% Temporary Budget Repair Levy

[#]Likely threshold increase from \$80,000 to \$87,000 not yet enacted

Note: LITO not available for certain minor income.

| 2015-16 non-resident minors' tax rate on eligible income | |
|--|--|
| Taxable income | Tax on this income |
| Up to \$416 | 34.5%* on the entire amount |
| \$417 – \$663 | \$143.52 + 68%* on the part over \$416 |
| \$664 & above | 47%* on the entire amount |

*Includes 2% Temporary Budget Repair Levy

| Corporate entity tax rates | Rate |
|---|---------------------------------------|
| Private and public companies | 30% or 28.5% ¹ |
| Corporate unit trusts and public trading trusts | 30% or 28.5% ¹ |
| Life Insurance companies | |
| Ordinary class | 30% |
| Complying superannuation class | 15% |
| Non-profit companies | |
| First \$416 of taxable income | Nil |
| Taxable income \$417 – \$915 ² | 55% of excess over \$416 ² |
| Taxable income \$916 ² and above | 30% or 28.5% ¹ |

1: The tax rate is reduced to 28.5% for companies that are "small business entities" (SBEs) with an aggregated annual turnover of less than \$2 million from 1 July 2015.

2: Upper limit is reduced from \$915 to \$863 for non-profit companies that are SBEs from 1 July 2015.

Tax offsets for individuals

| 2015-16 & 2016-17 Low Income Tax Offset | |
|---|--|
| Taxable income | Tax offset |
| \$0 – \$37,000 | \$445 |
| \$37,001 – \$66,666 | \$445 – (1.5% of excess over \$37,000) |
| \$66,667 & above | Nil |

| 2015-16 Net Medical Expenses Offset | |
|---|---|
| Tax offset claimable ¹ | Adjusted taxable income |
| 20% of net medical expenses exceeding \$2,265 | Single ² : \$90,000 or less Family ³ : \$180,000 or less |
| 10% of net medical expenses exceeding \$5,343 | Single ² : above \$90,000 Family ³ : above \$180,000 |

1: Offset for 2015-16 only available for disability aids, attendant care or aged care.

2: Single at 30 June 2016 and no dependent children.

3: Has a spouse at 30 June 2016, or dependent children at any time during 2015-16, or both.

2015-16 Dependant (Invalid and Carer) Offset

| Adjusted taxable income (ATI) is: | Offset amount |
|-----------------------------------|--------------------------------|
| \$282 or less | \$2,588* |
| \$283 – \$10,634 | \$2,588* – [(ATI – \$282) ÷ 4] |
| \$10,634 and above | Nil |

*This is the maximum offset. Assumes dependant status maintained for full income year.

2015-16 Senior Australian and Pensioners Tax Offset

| Family status | Maximum tax offset | Shade-out income threshold | Cut-out income threshold |
|---------------------------------|--------------------|----------------------------|--------------------------|
| Single | \$2,230 | \$32,279 | \$50,119 |
| Married or de facto (each) | \$1,602 | \$28,974 | \$41,790 |
| Separated due to illness (each) | \$2,040 | \$31,279 | \$47,599 |

Note: Offset entitlements reduce by 12.5c for each \$1 of rebate income in excess of the shade-out threshold. No entitlement when rebate income reaches the cut-out threshold.

FBT rates and thresholds

| FBT and gross-up rates | | | |
|------------------------|------|--------|--------|
| FBT year | Rate | Type 1 | Type 2 |
| 2015-16 & 2016-17 | 49% | 2.1463 | 1.9608 |
| 2017-18 | 47% | 2.0802 | 1.8868 |

Car fringe benefits

Statutory formula method
The statutory fraction is 20%*.

*Applies to "commitments" entered into from May 2011. Previous statutory fractions based on kms travelled may be used for pre-May 2011 commitments.

Taxable value of a fringe benefit of a motor vehicle other than a car (c/km basis)

| FBT year ending | 0 - 2500cc | Over 2500cc | Motor-cycles |
|-----------------|------------|-------------|--------------|
| 31-Mar-16 | 51c | 61c | 15c |
| 31-Mar-17 | 52c | 63c | 15c |

Record keeping exemption

| 2015-16 | \$8,164 | 2016-17 | \$8,286 |
|---------|---------|---------|---------|
|---------|---------|---------|---------|

FBT - Benchmark interest rate

| 2015-16 | 5.65% | 2016-17 | 5.65% |
|---------|-------|---------|-------|
|---------|-------|---------|-------|

Car parking threshold

| 2015-16 | \$8.37 | 2016-17 | \$8.48 |
|---------|--------|---------|--------|
|---------|--------|---------|--------|

Div 7A – benchmark interest rate

| 2015-16 | 5.45% |
|---------|-------|
| 2016-17 | 5.40% |

2015-16 CGT improvement threshold

| Improvement threshold | \$143,392 |
|-----------------------|-----------|
|-----------------------|-----------|

Motor vehicles

| | 2015-16 | 2016-17 |
|---|----------|----------|
| Luxury car tax limit | \$63,184 | \$64,132 |
| Fuel efficient luxury car tax limit | \$75,375 | \$75,526 |
| Car depreciation limit | \$57,466 | \$57,581 |
| Maximum input tax credit claim for cars | \$5,224 | \$5,234 |

2015-16 & 2016-17 Cents per km car rates

66c per km regardless of engine size.

2016-17 Superannuation rates & thresholds

| | |
|--|-------------|
| SLS ¹ low rate cap amount (indexed) | \$195,000 |
| SLS ¹ untaxed plan cap amount (indexed) | \$1,415,000 |
| Life benefit ETP ² cap (indexed) ³ | \$195,000 |
| Death benefit ETP ² cap (indexed) ³ | \$195,000 |
| Tax-free part of a genuine redundancy payment or early retirement scheme payment (indexed) | \$9,936 |
| For each completed year of service add | \$4,969 |
| Government co-contribution (max \$500) | |
| Lower income threshold | \$36,021 |
| Higher income threshold | \$51,021 |
| Low income superannuation contribution | |
| Maximum adjusted taxable income | \$37,000 |
| Maximum payable | \$500 |
| Contribution caps | |
| Concessional (indexed) | \$30,000 |
| Concessional (temporary, non-indexed) ⁴ | \$35,000 |
| Non-concessional | \$180,000 |
| CGT cap (indexed) | \$1,415,000 |
| Non-concessional with bring forward option (non-indexed) ⁵ | \$540,000 |
| Superannuation Guarantee (SG) | |
| Prescribed minimum employer contribution rate | 9.50% |
| Max contribution base (per SG quarter) | \$51,620 |
| Minimum account based pension withdrawal | |
| Under 65 years | 4% |
| 65 to less than 75 years | 5% |
| 75 to less than 80 years | 6% |
| 80 to less than 85 years | 7% |
| 85 to less than 90 years | 9% |
| 90 to less than 95 years | 11% |
| 95 years and over | 14% |
| Maximum pension withdrawal | |
| Transition to retirement | 10% |
| Account based pension | 100% |
| Preservation age table | |
| Date of birth: | |
| Before 1 July 1960 | 55 |
| 1 July 1960 – 30 June 1961 | 56 |
| 1 July 1961 – 30 June 1962 | 57 |
| 1 July 1962 – 30 June 1963 | 58 |
| 1 July 1963 – 30 June 1964 | 59 |
| 1 July 1964 or later | 60 |

- 1: Superannuation Lump Sum (SLS)
- 2: Employment Termination Payment (ETP)
- 3: Whole of income cap of \$180,000 applies.
- 4: In 2016-17, a \$35,000 cap applies for individuals aged 49 years or over on 30 June 2016.
- 5: Eligible persons may bring forward the next 2 years' non-concessional contributions.

2015-16 Medicare levy (2% of an individual's taxable income)**2015-16 Medicare levy for families with dependants**

| No. of dependants | Family taxable income \$ | | |
|-------------------|-----------------------------|---|-------------------------------|
| | Nil levy payable | Reduced levy shade-in range (10% of excess over nil band) | Normal 2% payable |
| 0 | To \$36,001 | \$36,002- \$45,001 | \$45,002 & above |
| 1 | To \$39,307 | \$39,308- \$49,133 | \$49,134 & above |
| 2 | To \$42,613 | \$42,614- \$53,265 | \$53,266 & above |
| 3 | To \$45,919 | \$45,920- \$57,397 | \$57,398 & above |
| 4 | To \$49,225 | \$49,226- \$61,529 | \$61,530 & above |
| 5 | To \$52,531 | \$52,532- \$65,661 | \$65,662 & above |
| 6 | To \$55,837 ¹ | \$55,838 ¹ - \$69,793 ² | \$69,794 ² & above |

For more than 6 dependent children and/or students:

1: Add \$3,306 per child/student

2: Add \$4,132 per child/student

2015-16 Medicare levy surcharge

| Income for MLS purposes ¹ | | Rate |
|--------------------------------------|-----------------------|-------|
| Single | Family ² | |
| \$0 – \$90,000 | \$0 – \$180,000 | 0% |
| \$90,001 – \$105,000 | \$180,001 – \$210,000 | 1% |
| \$105,001 – \$140,000 | \$210,001 – \$280,000 | 1.25% |
| \$140,001 & above | \$280,001 & above | 1.5% |

1: Includes taxable income, reportable fringe benefits, reportable super contributions, net investment losses, exempt foreign income and any net amount subject to family trust distribution tax.

2: Threshold increases by \$1,500 for each additional dependent child after the first.

2015-16 Medicare levy threshold : Individuals who qualify for the Senior Australian and Pensioner Tax Offset

| Taxable income | Medicare levy payable |
|---------------------|-----------------------------|
| \$0 – \$33,738 | Nil |
| \$33,739 – \$42,172 | 10% of excess over \$33,738 |
| \$42,173 & above | 2% of taxable income |

2015-16 Medicare levy reduction threshold

| Taxable income | Medicare levy payable |
|---------------------|-----------------------------|
| \$0 – \$21,335 | Nil |
| \$21,336 – \$26,668 | 10% of excess over \$21,335 |
| \$26,669 & above | 2% of taxable income |

| Foreign currency exchange rates for the financial year ended 30 June 2016 | | | |
|--|----------------------------------|--|-------------------|
| Country | Average rate for the year | Nearest actual rate at year end | Currency |
| Foreign currency equivalent to \$1 Australian | | | |
| Canada | 1.0009 | 0.9994 | Canadian dollar |
| China (estimate) | 4.6913 | 4.9344 | Yuan |
| Denmark | 5.0651 | 5.1539 | Kroner |
| Europe | 0.6873 | 0.7008 | Euro |
| Fiji | 1.6029 | 1.6006 | Fijian dollar |
| Hong Kong | 5.8742 | 6.0019 | HK dollar |
| India | 49.4415 | 51.6670 | Indian rupee |
| Japan | 88.7517 | 80.3100 | Yen |
| Kuwait | 0.2279 | 0.2320 | Kuwait dinar |
| New Cal/Tahiti | 80.3600 | 82.0900 | Sth Pacific franc |
| New Zealand | 1.1220 | 1.0780 | NZ dollar |
| Norway | 6.3284 | 6.4695 | Kroner |
| Oman | 0.3032 | 0.3059 | Oman Rial |
| Philippines | 35.7183 | 36.7100 | Philippine peso |
| Singapore | 1.0588 | 1.0530 | Singapore dollar |
| Solomon Is | 6.1485 | 5.9680 | SI dollar |
| South Africa | 10.8910 | 11.4078 | Rand |
| Sri Lanka | 106.6020 | 111.9300 | Sri Lankan rupee |
| Sweden | 6.3262 | 6.5051 | Kronor |
| Switzerland | 0.7427 | 0.7592 | Swiss franc |
| Thailand | 26.5155 | 26.9100 | Baht |
| UK | 0.5117 | 0.5763 | Pound sterling |
| USA | 0.7617 | 0.7782 | US dollar |
| Vanuatu | 86.4606 | 87.6200 | Vatu |

| 2015-16 HELP compulsory repayments | |
|---|----------------------|
| HELP repayment income (HRI) | Rate (of HRI) |
| Below \$54,126 | Nil |
| \$54,126-\$60,292 | 4% |
| \$60,293-\$66,456 | 4.5% |
| \$66,457-\$69,949 | 5% |
| \$69,950-\$75,190 | 5.5% |
| \$75,191-\$81,432 | 6% |
| \$81,433-\$85,718 | 6.5% |
| \$85,719-\$94,331 | 7% |
| \$94,332-\$100,519 | 7.5% |
| \$100,520 and above | 8% |

| 2015-16 SFSS compulsory repayments | |
|---|---------------------|
| Repayment income (RI) | Rate (of RI) |
| Below \$54,126 | Nil |
| \$54,126-\$66,456 | 2% |
| \$66,457-\$94,331 | 3% |
| \$94,332 and above | 4% |

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