



TAX FACTS DATACARD
2020-2021

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TAX PAYABLE CALCULATION

- Taxable income = assessable income – allowable deductions
- Tax payable = (taxable income x tax rate) – tax offsets + Medicare levy.

TAX RATES

Company tax rate for 2020-2021 year

- 30% of taxable income for general companies
- 26% of taxable income for companies with aggregated turnover less than \$50million that are base rate entities (passive income test).

Resident Individuals - Rates 2020-2021

<u>Taxable Income</u>	<u>Tax Payable*</u>
\$0 - \$18,200	\$Nil
\$18,201 - \$45,000	\$Nil + 19% over \$18,200
\$45,001 - \$120,000	\$5,092 + 32.5% over \$45,000
\$120,001 - \$180,000	\$29,467 + 37% over \$120,000
Over \$180,000	\$51,667 + 45% over \$180,000*

*Resident individuals including minors may also be subject to Medicare Levy of 2% and Medicare Levy Surcharge of between 1% and 1.5%.

Unearned income of resident minors (under 18 years) not in full time employment

<u>Unearned Income</u>	<u>Tax Payable</u>
\$0 - \$416	\$Nil
\$417 - \$1,307	66% over \$416
Over \$1,307	45% of the entire amount

Non-Resident Individuals - Rates 2020-2021

<u>Taxable Income</u>	<u>Tax Payable</u>
\$0 - \$120,000	32.5 cents for each \$1
\$120,001 - \$180,000	\$39,000 + 37% over \$120,000
Over \$180,001	\$61,200 + 45% over \$180,000

Instant Asset Write-off and accelerated depreciation

For the 2020-21 income year there is a 100% depreciation deduction for depreciating assets depending on the business aggregate turnover, asset value, new or used and dates acquired and installed. To the right, is a summary for claims for the 2020-21 year but there are various other conditions:

Date acquired and installed/used by	Aggregate turnover	New/second hand	Asset value
1-7-20 to 6-10-20*	<\$500 million	New or second hand	<\$150,000
7-10-20 to 30-6-21	<\$5 billion**	New	unlimited
7-10-20 to 30-6-21	<\$50 million	Second hand	unlimited
7-10-20 to 31-12-20*	>\$50 million <\$500 million	Second hand	<\$150,000

*Must be used or installed ready for use by 30-6-21.

**The Federal Treasurer has announced an extension of the full expensing of depreciating assets to allow Australian companies to disregard foreign parent's or foreign associates' turnover in relation to the \$5 billion aggregate turnover. Full details were not available at the time of publication.

Small businesses with aggregated turnover of less than \$10 million deduct the balance of their simplified depreciation pool at the end of the income year.

Assets that do not qualify for the 100% write off may be eligible for the 50% "Backing Business Investment Accelerated Depreciation" for new assets only.

TAX OFFSETS

Company Loss Carry Back Offset

For the 2020-21 income year A corporate tax entity (CTE) with an aggregated turnover of less than \$5 billion can choose to claim a refundable tax offset that, in effect, carries back tax losses for the 2019-20 and/or 2020-21 years (loss year) and apply them against tax paid in the 2018-19 or 2019-20 income years. The CTE must have lodged income tax returns for the current year and each of the five years immediately preceding it (if required to do so in those years).

The amount of the refundable loss carry back tax offset is based on the CTE's tax rate in the loss year. However, the amount cannot exceed:

- the amount of tax paid by the entity in the relevant taxable year; and
- the entity's franking account balance at the end of the loss year.

Low Income Tax Offset

\$700 if resident individual's taxable income less than \$37,500 - reduced offset up to \$66,667 taxable income. Minors not in full time employment are not eligible to apply against unearned income.

Low and Middle Income Tax Offset

Available to Australian resident individuals with taxable income not exceeding \$126,000 as follows:

Income Thresholds	Offset Amount
\$0 - \$37,000	\$255 (base amount)
\$37,001 - \$48,000	\$255 + 7.5% to maximum offset of \$1,080
\$48,001 - \$90,000	\$1,080 (maximum amount)
\$90,001 - \$126,000	\$1,080 – 3% of excess over \$90,000 income

Entitlement is in addition to existing Low Income Tax Offset (LITO). Minors not in full time employment are not eligible to apply against unearned income.

Seniors and Pensioner Tax Offset

Eligible taxpayers	Maximum Amount of Rebate	ATI* threshold for maximum tax offset	ATI* threshold for phased out tax offset
Single taxpayer	\$2,230	\$32,279	\$50,119
Couple living together	\$1,602 each	\$57,948 combined	\$83,580 combined
Couple with one living apart due to illness or in a nursing home	\$2,040 each	\$62,558 combined	\$95,198 combined

*Rebate income & "adjustable taxable income" (ATI), generally includes taxable income, adjusted fringe benefits, reportable superannuation contributions and deductible personal superannuation contributions and net investment and rental property losses are added back.

Superannuation Contribution Offset

Non-working spouse superannuation contributions:

- 18% of up to \$3,000 of contribution - maximum rebate: \$540.

Invalid Carer Tax Offset

This offset is generally available for an individual with ATI of \$100,000 or less who contributed to the maintenance of a dependant where the dependant is genuinely unable to work due to invalidity or carer obligations. The dependant must be an Australian resident who receives, or cares for somebody who receives, an eligible pension; or a carers payment/allowance.

Eligible dependants may include:

- A taxpayer's spouse who is an invalid or carer for an invalid
- A parent of either the taxpayer or their spouse, who is an invalid or a carer for an invalid
- A child (aged 16 years and over) of either the taxpayer or their spouse, who is an invalid
- A brother or sister (aged 16 years and over) of either the taxpayer or their spouse, who is an invalid.

The maximum offset is \$2,816 for each eligible dependant (limited to one spouse). The offset reduces by \$1 for every \$4 by which the dependant's ATI* + exempt pension amounts exceeds \$282 (phasing out completely at ATI of \$11,546).

Employment Termination Payments (ETP) Exemptions and Offsets

Exempt component	Exemption
<ul style="list-style-type: none"> • Pre 1/7/1983 component • Invalidity component 	Fully exempt
<ul style="list-style-type: none"> • Genuine Redundancy • Eligible early retirement scheme 	\$10,989 plus \$5,496 per completed year of employment is exempt

Taxable component	Tax Offset
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Taxpayer under preservation age at 30/6/2021:

- Up to ETP caps* Tax offset reduces to rate to 30% max
- Excess over ETP caps* No offset - tax at rate of 45%*

Taxpayer at or above preservation age at 30/6/2021:

- Up to ETP caps* Tax at maximum rate of 15%*
- Excess over ETP caps* No offset - tax at rate of 45%*

All rates include 2% Medicare levy.

*ETP caps

There are two ETP caps (the lowest cap applies):

- General ETP tax offset cap of \$215,000 of the ETP amount
- Whole of income cap of \$180,000 less non ETP income. Only applies to reduce ETP offset for life benefit ETP's excluding genuine hardship amounts, taxable redundancy payments, early retirement scheme payments, and compensation payments due to an employment related dispute.

Private Health Insurance Rebate

Private Health Insurance rebate can be claimed through tax return or direct from health fund as a premium reduction.

Family Group	ATI* Ranges Increase ATI range by \$1,500 per extra child			
Single	< \$90,000	\$90,001 - \$105,000	\$105,001 - \$140,000	> \$140,001
Couples/Family with one child	< \$180,000	\$180,001 - \$210,000	\$210,001 - \$280,000	> \$280,001
Rebate percentage				
Under 65 years	25.059% of premium	16.706% of premium	8.352% of premium	Nil rebate
65 – 69 years	29.236% of premium	20.883% of premium	12.529% of premium	Nil rebate
70 years +	33.413% of premium	25.059% of premium	16.706% of premium	Nil rebate

Note, the rebate percentage rates are effective from 1 March 2020 to 31 March 2021.

MEDICARE LEVY (FOR RESIDENT INDIVIDUALS)

- Medicare levy is 2% of taxable income plus Medicare levy surcharge (if applicable)
- There are exemptions or reductions for low income taxpayers.

Medicare Levy Surcharge (MLS) 1 April 2020 to 31 March 2021

Additional Medicare levy for higher income taxpayers without private health insurance:

Family Group	ATI ranges - Plus \$1,500 per extra child in family		
Single	\$90,001 - \$105,000	\$105,001 - \$140,000	> \$140,001
Couple/family with one child	\$180,001 - \$210,000	\$210,001 - \$280,000	> \$280,001
MLS Rate	1.0%	1.25%	1.5%

SUPERANNUATION

Preservation Age

The superannuation preservation age is 55 years for those born before 1 July 1960 increasing by one year per year up to 60 years for those born after 1 July 1964.

Concessional Superannuation Contributions for 2020-2021 (Deductible Contributions)

All employer contributions to complying superannuation funds are fully deductible. Concessional contributions are taxed at 15% if paid to a complying superannuation fund.

For 2020-2021 the concessional contributions cap is \$25,000 for all individuals.

Where there are excess concessional contributions, the individual has the following options:

- Excess concessional contributions above caps are taxed to the individual at their marginal tax rate (including Medicare levy) less a non-refundable tax offset of 15% for contributions paid into the fund. In addition, there is an interest component (excess contributions charge).
- An individual can elect to release an amount equal to the excess concessional contributions + 85% of any associated earnings.

Income Exceeding \$250,000 – extra tax on contributions

Individuals with combined taxable income, reportable fringe benefits, net investment losses + low taxed superannuation contributions (i.e. concessional contributions below the contributions cap) of at least \$250,000 are subject to an additional 15% tax on the lesser of their low taxed concessional contributions (up to the concessional contributions cap) or the excess over \$250,000.

Non-Concessional Superannuation Contributions for 2020-2021 (Non-Deductible Contributions)

Non-concessional contributions cap:

- \$100,000 p.a. for the following with a total superannuation balance not exceeding \$1.6 million at 30 June 2020 (otherwise the non-concessional contribution cap is nil):
 - All individuals aged under 67
 - Individuals aged between 67-74 who satisfy the work test or have superannuation balances of less than \$300,000.
- Up to \$300,000 over three years for individuals aged under 67 if their total superannuation balance does not exceed \$1.4 million as at 30 June 2020. For individuals with balances of between \$1.4 million and \$1.6 million, there are restrictions on the amounts of non-concessional contributions that can be made with no further contributions possible when superannuation balances exceed \$1.6 million.

Individuals subject to tax on contributions exceeding these caps at 47%.

If the cap is breached the individual can elect to withdraw any excess non-concessional contributions + 85% of any associated earnings.

Total amount of associated earnings taxed to the individual at marginal rates and subject to 15% tax offset.

Superannuation Guarantee Charge (SGC)

- Minimum Contribution Rate 9.5% of employee's earnings
- Maximum Contribution Base \$57,090 earnings per quarter
- Contribution payment date 28th day after the end of each quarter.

PRIVATE COMPANY LOANS

Division 7A loan interest until 30 June 2021 4.52%

MOTOR VEHICLE EXPENSES

Motor vehicle depreciation cost limit 2020-2021 \$59,136

Car Expenses – cents per km Rates – Flat rate of 72 cents per kilometre for up to a maximum of 5,000 business kilometres per vehicle.

PAYMENT OF TAX

Note: The Single Touch Payroll (STP) system does not supersede BAS lodgement and PAYG/superannuation Guarantee Charge (SGC) remittance dates.

BAS Due Dates

- Annual (GST payment only) by lodgement of 2020 income tax return or 28 February 2021
- Quarterly (non-deferred*) 21st day of Oct, Jan, Apr & July
- Quarterly (deferred*) + GST quarterly 28th day of Oct, Feb, Apr & July
- Monthly (non-deferred*) + GST Monthly 21st day of following month
- Monthly (deferred*) Monthly payments for Sept, March and June are on 28th of the next month, Dec on 28 Feb; other months on 21st of the next month
- Weekly (large PAYG withholders only) Approx. one week after deducting tax

*Deferred generally applies if GST not paid monthly and not head company of a consolidated group. Deferral regime does not apply to GST payments and lodgements.

PAYG INSTALMENTS CALCULATIONS

Monthly PAYG Instalments

All corporate tax entities and all non-corporate entities (including super funds, trusts and individuals) that meet or exceed \$20 million income threshold will be required to make monthly PAYG instalment payments.

Special rules apply for the calculation of the instalment amounts.

Quarterly PAYG Instalments

Quarterly instalment income (gross) x instalment rate; or if an individual or annual turnover less than \$2 million, you can choose the GDP adjusted instalment amount as advised by ATO.

Annual PAYG Instalments (30 June balance date)

Notional tax < \$8,000 + select the annual payment option + not GST registered + not part of a GST or consolidated group; or if you are voluntarily registered for GST and choose to remit GST annually.

- Payment Date 21 Oct after end of tax year
- Payment Amount: Commissioner's instalment rate x your instalment income; or notional tax amount notified by Commissioner; or your estimated benchmark tax for the income year.

Cash Flow Boost Payments

The ATO provides PAYG withholding credits up to \$100,000 (with a minimum total payment of \$20,000) provided to eligible small and medium business entities (SMEs) and not-for-profit (NFP) entities that employ workers. Eligible entities must have aggregated annual turnover of less than \$50 million.

Payments based on the amount of PAYG withholding for employees during the relevant periods are made in two tranches, firstly for April to July 2020 and then for July to October 2020, with a maximum of \$50,000 and minimum of \$10,000 paid in each tranche.

JOBKEEPER

From 1 May 2020 eligible employers with turnovers of under \$1 billion that have a reduction of revenue of 30%, or have turnovers of over \$1 billion with a reduction of revenue of 50% receive a \$1,500 per fortnight 'JobKeeper payment' for each employee until 28 September 2020. Then until 3 January 2021 \$1,200 for full time and \$750 for part time employees. Then from 4 January until 28 March 2021 \$1,000 for full time and \$650 for part time employees.

FRINGE BENEFITS TAX

Quarterly payment dates for FBT instalments based on notional or estimated tax liability are same as quarterly BAS dates as shown above. Where the previous year's FBT liability is below \$3,000 a single payment is due on 21 May 2021.

FBT Rate for FBT year ending 31 March 2021	47%	
Benefit Value Gross-up:		
If input taxed or GST free (Type 2)	1.8868	
If employer entitled to an input tax credit (Type 1)	2.0802	
FBT year end	31 March 2021	
FBT return lodgement and final payment date	21 May 2021	
FBT statutory interest until 31 March 2021	4.80%	
Motor vehicle statutory formula percentage for 2020-2021		
Annualised kilometres	Acquired pre 10 May 2011	Acquired post 10 May 2011
Less than 15,000	26%	20%
15,000 – 24,999	20%	20%
25,000 – 40,000	11%	20%
More than 40,000	7%	20%

BENEFITS FROM FAMILY ASSISTANCE OFFICE

Family Tax Benefit

Part A:

- Benefit per child up to \$7,208.75 p.a. depending on age.
- Benefit reduced by 20 cents for each dollar over \$55,626 of family income

Part B:


- Benefit per family \$3,314.20 (\$4,580.75 if youngest child aged less than 5 years).
- No benefit if primary earner's income (ATI*) > \$100,000.
- Benefit reduced by 20 cents for each dollar over \$5,767 of income earned by other earner.
- Single parent gets full amount if income (ATI*) < \$100,000.
- Not claimable if receiving Paid Parental Leave.

PAYROLL TAX (STATE AND TERRITORIES TAX)

Payroll tax thresholds and rates applicable from 1 July 2020 to 30 June 2021

State	Rate	Annual exemption threshold
NSW	4.85%	\$1,200,000
VIC ¹	4.85%	\$650,000
QLD ²	4.75% for < \$6.5m wages p.a. 4.95% for > \$6.5m wages p.a.	\$1,300,000
SA ³	0% - 4.95%	\$1,500,000
WA ⁴	5.50%	\$1,000,000
TAS ⁵	4.00% - 6.10%	\$1,250,000 (see below)
ACT	6.85%	\$2,000,000
NT ⁶	5.50%	\$1,500,000

1. 2.02% for regional Victorian employers. 1.2125% for bushfire affected regional Victorian employers.
2. For regional Qld employers reduce the rates by 1%. Qld exemption threshold reduces by \$1 for every \$4 of taxable wages over the threshold until nil at \$6,500,000 taxable wages.
3. S.A. has Variable rates increasing from 0% to 4.95% depending on the size of the payroll between \$1,500,000 - \$1,700,000, with 4.95% on payrolls exceeding \$1,700,000.
4. W.A. has no exemption threshold for payrolls of \$7,500,000 and above per annum. Variable rates increasing from 5.50% - 6.50% for payrolls exceeding \$100 million.
5. Tas. The tax rate is 4.00% for annual payrolls \$1,250,001 - \$2,000,000, and 6.1% for \$2,000,001 and above.
6. N.T. exemption threshold reduces progressively by \$1 for every \$4 of taxable wages over the threshold until wage threshold reaches \$7,500,000.



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