

KEY TAX DATA CARD 2007/08

INDIVIDUAL TAX RATES

RESIDENT

Income bracket	Tax Payable	Marginal Tax Rate
\$ 0 - \$ 6,000	Nil	Nil
\$ 6,001 - \$ 30,000	Nil plus	15% of excess over \$ 6,000
\$ 30,001 - \$ 75,000	\$ 3,600 plus	30% of excess over \$ 30,000
\$ 75,001 - \$ 150,000	\$ 17,100 plus	40% of excess over \$ 75,000
\$ 150,001 +	\$ 47,100 plus	45% of excess over \$ 150,000

NON-RESIDENT

Income bracket	Tax Payable	Marginal Tax Rate
\$ 0 - \$ 30,000	Nil plus	29%
\$ 30,001 - \$ 75,000	\$ 8,700 plus	30% of excess over \$ 30,000
\$ 75,001 - \$ 150,000	\$ 22,200 plus	40% of excess over \$ 75,000
\$ 150,001 +	\$ 52,200 plus	45% of excess over \$ 150,000

COMPANY TAX RATE

30 %

DIVISION 7A STATUTORY INTEREST RATE

8.05 % (2007/08)

FRINGE BENEFITS TAX RATE

46.5 % (2007/08)

Interest rate	8.05 % (2007/08)	7.30 % (2006/07)
Gross up factors	1.8692 where no input tax credits on benefits. 2.0647 where input tax credits on benefits are claimed by employer.	

FBT statutory rate for motor vehicles

Annualised kms travelled

Fringe benefit reduced by employee contributions.

26 %	Less than 15,000	Statutory Rate only applies where company owns/leases the vehicle (or employee sets up a novated lease).
20 %	15,000 to 24,999	
11 %	25,000 to 40,000	
7 %	more than 40,000	

MOTOR VEHICLE DEPRECIATION RATE

25.0 % p.a. (Diminishing Value)

MOTOR VEHICLE DEPRECIATION COST LIMIT

\$ 57,123

MOTOR VEHICLE PER KILOMETRE RATES

2006/07

Maximum claim 5,000 km pa per vehicle

Conventional cars (engine capacity)	Rotary driven cars (engine capacity)	Rate (cents per kilometre)
Up to 1600 cc	Up to 800 cc	58.0
1601 – 2600 cc	801 – 1300 cc	69.0
Over 2600 cc	Over 1300 cc	70.0

GOODS & SERVICES TAX (GST)

ANNUAL TURNOVER THRESHOLDS

2007/08

2006/07

Compulsory Registration	≥ \$ 75,000	≥ \$ 50,000
Reporting – Cash or Accruals (choice)	< \$ 2 million	< \$ 1 million
Reporting – Accruals (compulsory)	≥ \$ 2 million	≥ \$ 1 million
BAS Lodgement – Monthly or Quarterly (choice)	< \$ 20 million	< \$ 20 million
BAS Lodgement – Monthly (compulsory)	≥ \$ 20 million	≥ \$ 20 million

AUSTRALIAN BUSINESS NUMBER All businesses must have an ABN regardless of turnover

SUPERANNUATION

SUPERANNUATION FUND TAX RATES

Item	Accumulation	Pension
Deductible Contributions	15 %	15 % *
Undeducted Contributions (Member)	0 %	0 % *
Earnings	15 %	0 %
Capital Gains (>12 Months)	10 %	0 %

* Members in pension phase can contribute to a new accumulation account within their fund subject to the work test and contribution rules being satisfied.

SUPERANNUATION GUARANTEE LEVY 2007/08 Minimum 9% of employee earnings. Contributions are to be paid within 28 days after the end of each quarter.

2007/08 SUPERANNUATION CONTRIBUTIONS BY EMPLOYER / SELF EMPLOYED

Age Group	Maximum Deductible Contribution Limit	Maximum Non Deductible Contribution Limit
Age Under 50	\$ 50,000	\$ 150,000
Age 50 and over	\$ 100,000 *	\$ 150,000

From 1st July 2007 contributions made by self employed persons are 100% deductible up to the contributions limit. This is subject to satisfying the 10% rule. Contribution limit applies per individual, not employer.

People under 65 years of age can bring forward two years of non deductible contributions by contributing up to \$ 450,000.

* The \$ 100,000 represents a transitional contribution limit. From 1 July 2012, this contribution limit will revert to \$ 50,000 (plus any indexation amounts).

SUPERANNUATION CONTRIBUTIONS FROM AGE 65

EMPLOYER

Employer contributions will be able to be made for persons between the ages 65 and 75 (subject to the work test* being satisfied). Above the age of 75, employer contributions will only be allowed if they are mandated, including required to be made under an industrial award, determination or notional agreement under state awards.

* Work 40 hours in a 30 day consecutive period

MEMBER – DEDUCTED OR UNDEDUCTED

If you are between 65 and 75 years old, you can make contributions to a superannuation fund (subject to the contribution limits) provided you have worked at least 40 hours in a period of 30 consecutive days during the financial year.

You cannot make superannuation contributions once you have reached 75 years of age.

PERSONAL SUPERANNUATION CONTRIBUTION – 10 PER CENT RULE

If the sum of your assessable income and total reportable fringe benefits from employment is less than 10% of your total assessable income and total reportable fringe benefits, you may be able to claim a deduction for personal superannuation contributions.

REASONABLE BENEFITS LIMITS

Reasonable Benefits Limits have been abolished from 1 July 2007. RBL's are still applicable for the 2006/07 year.

Year	Lump Sum RBL	Pension RBL
2006/07	\$ 678,149	\$ 1,356,291

GENUINE REDUNDANCY AND EARLY RETIREMENT SCHEME PAYMENTS

Tax free amounts: \$ 7,020 plus \$3,511 per year of service (2007/08)

SUPERANNUATION MEMBER BENEFITS PAYMENTS

All payments of superannuation benefits to members over 60 (either as a lump sum or pension) are tax free if tax was previously paid on contributions and earnings or if the benefit is paid from undeducted contributions. The taxable component of superannuation benefits paid to members aged between the applicable preservation age and 60, is taxed at 0 % up to \$ 140,000 and 15 % thereafter. The taxable component of superannuation benefits paid to members under preservation age is taxed at 20 %.

MINIMUM PENSION DRAWDOWN PERCENTAGES

Age of Beneficiary	Percentage of Account Balance	Example Member Account Balance \$ 500,000
Under 65	4 %	\$ 20,000
65 – 74	5 %	\$ 25,000
75 – 79	6 %	\$ 30,000
80 – 84	7 %	\$ 35,000
85 – 89	9 %	\$ 45,000
90 – 94	11 %	\$ 55,000
95 +	14 %	\$ 70,000

CAPITAL WRITE-OFF ALLOWANCE

Deductions are available for certain residential and non-residential buildings and some structural improvements.

Building Type	Construction dates	Deduction per annum
Non Residential	20/07/82 to 21/08/84	2.5 %
	22/08/84 to 15/09/87	4.0 %
	From 16/09/87	2.5 %
Residential	18/07/85 to 15/09/87	4.0 %
	From 16/09/87	2.5 %

SIMPLIFIED TAX SYSTEM (STS)

Enables small business to take advantage of tax concessions relating to depreciation, trading stock and prepayments. It is not compulsory to join.

Eligibility requirements include

- carrying on a business during the year
- aggregated turnover for a income year less than \$ 2 million

The main elements are:

- simplified accelerated depreciation
- simplified trading stock rules where the change in stock is less than \$ 5,000
- deductibility of eligible prepaid expenses

DEPRECIATION

Non STS taxpayers	Instant write off	Low value pool of assets	Assets > \$ 1,000
Landlords & employees	Assets < \$ 300	Assets < \$ 1,000 @ 18.75% in year of purchase and @ 37.5% thereafter.	Generally based on effective life.
All business entities	Assets < \$ 100		
STS taxpayers	Instant write off	General STS pool	Long life STS pool
Asset value at beginning of year	Depreciating assets < \$ 1,000	< 25 yrs effective life @ 30%	> 25 yrs effective life @ 5%
Assets purchased during the year	Depreciating assets < \$ 1,000	< 25 yrs effective life @ 15% for yr 1	> 25 yrs effective life @ 2.5% for yr 1

CAPITAL GAINS TAX

Capital Gains Tax applies to the disposal of defined assets acquired after 19 September 1985. Tax at marginal rates applies to a realised net capital gain. Where assets are held for more than 12 months, a 50% discount applies for individuals and trusts.

SMALL BUSINESS CAPITAL GAINS TAX CONCESSIONS

There are four small business CGT concessions available. They are:

- 15 year exemption
- 50 % active asset reduction
- retirement exemption
- roll over

The major basic conditions that need to be satisfied are as follows:

- maximum net asset value test (\$ 6 million)
- active asset test (asset is used in the business)
- if the CGT asset is a share in a company or interest (direct or indirect) in a trust the significant individual 20 % test must be met.

OTHER CAPITAL GAINS TAX EXEMPTIONS AND CONCESSIONS

Exempt Assets and Receipts

- assets acquired before 20 September 1985
- cars and motorcycles
- collectables less than \$500
- personal use assets less than \$10,000
- shares in pooled development funds
- compensation for personal injury
- main residence
- venture capital exemptions
- gambling wins or prizes

CGT Rollover

- Scrip for scrip (i.e. takeovers or mergers)
- Marriage breakdown
- Compulsory acquisition
- Demerger relief
- Replacement asset
- Transfer of assets to a company from individual, partnership or trust
- Reorganisation of share or unit capital within a company or unit trust

TAX CALENDAR 2007/08

DOCUMENT	DUE DATES
Monthly BAS	21st of the following month For businesses with turnover greater than \$ 20 million Or those registered for monthly remittance.
Monthly IAS	PAYG Withholding where withholding deductions greater than \$ 25,000 p.a.
Quarterly BAS	28th October, 28th February, 28th April and 28th July. For businesses with turnover greater than \$ 20 million Includes PAYG Withholding where withholding deductions Less than \$ 25,000 p.a.
Quarterly IAS	28th October, 28th February, 28th April and 28th July. PAYG Instalments for companies, superannuation funds and individuals with business or investment income over \$ 2,000
Annual GST return	The GST return is due when the income tax return is due or 28th Feb 2008 if no income tax return is required to be lodged.
Fringe Benefits Tax return	All FBT returns are due 28th May 2008.
PAYG payment summaries	14th August - reports to ATO. If the tax agent is involved in the preparation of the report the due date is extended to 30th September for small and medium remitters.
Annual PAYG Instalment	21st October <ul style="list-style-type: none"> - individuals - companies - superannuation funds - corporate trading units trusts

BAS remittance can include: GST; PAYG withholding; PAYG instalment; FBT instalment.

The information contained in this data card is a guide only.
For specific advice we recommend that you consult your Bentleys MRI advisor.

Bentleys MRI Offices throughout Australia

Adelaide	(08) 8373 1266	Ipswich	(07) 3812 2233
Brisbane	(07) 3222 9777	Melbourne	(03) 9274 0600
Canberra	(02) 6274 0400	Newcastle	(02) 4940 6100
Dubbo	(02) 6884 9154	Perth	(08) 9480 2000
Gosford	(02) 4324 5544	Tamworth	(02) 6766 6020

The firms practising as Bentleys MRI are independent.
They are affiliated only and not in partnership.