Contents

GENERAL TAX FIGURES AND DETAILS – 2017

Disclaimer:

Details provided below are based on information available at the time of preparation and are subject to revision from time to time. They should not be relied upon as specific advice. Neither the firm nor any of its employees accepts any liability for any loss or damage to any person as a result of reliance on the rates and information set out on this schedule.

GENERAL RATES – INDIVIDUAL

Taxable Income $	Tax Payable 2016/2017 $	Taxable Income $	Tax Payable 2017/2018 $
$0 - $18,200	Nil	$0 - $18,200	Nil
$18,201 - $37,000	Nil + 19%	$18,201 - $37,000	Nil + 19%
$37,001 - $87,000	$3,572 + 32.5%	$37,001 - $87,000	$3,572 + 32.5%
$87,001 - $180,000	$19,822 + 37%	$87,001 - $180,000	$19,822 + 37%
$180,001 +	$54,232 + 47% **++**	$180,001 +	$54,232 + 45%

++ includes 2% Temporary Budget Repair Levy (for 3 years from 1/7/14-30/6/17)

LOW INCOME TAX OFFSET (LITO)

Maximum tax offset	*Maximum offset applies if taxable income equal to or less than:	No offset if taxable income exceeds
$445	$37,000	$66,667

*$445 offset is reduced by 1.5 cents for every dollar of taxable income above $37000

Taxpayers eligible for the full offset do not pay tax until their annual income exceeds $20542.

CHILDRENS TAX

2014/15 & 2015/16

Eligible Income*	Tax Payable – 14/15 & 16/17	Tax Payable 16/17
Nil - $416	Nil	Nil
$417 - $1,307	68%# of the excess over $416	66% of the excess over $416
Over $1,307	47%# of the total income that is not excepted income	45% of the total income that is not expected income

*Excludes 'excepted income'
Includes 2% budget repair levy

From 1 July 2011, minors are no longer able to access LITO to reduce tax payable on unearned income such as dividends, interest & rent.

This measure does not impact income earned by minors from work. Unearned income of minors who are orphans or disabled, and compensation payments and inheritances received by minors, are also not impacted.

MEDICARE LEVY – 2.0% of taxable income

Note: Increased to 2% from 1 July 2014 to fund National Disability Insurance Scheme (NDIS)
* 2017 Budget announcement – levy to increase to 2.5% from 1 July 2019*

INDIVIDUAL & FAMILY THRESHOLD

Category of Taxpayer	No levy payable if Taxable Income (or Family Income) does not exceed …	Reduced levy payable if Taxable Income (or Family Income) is within the range … 10% of excess	Ordinary rate of levy payable where Taxable Income (or Family Income) exceeds …
Individual Taxpayer	$21,655	$21655 - $27,068	$27,069
Married taxpayer* with the following children and/or students:			
0	$36,541	$36,542 - $45,675	$45,676
1	$39,897	$39,898 - $49,870	$49,871
2	$43,253	$43,254 - $54,065	$54,066
3	$46,609	$46,610 - $58,260	$58,261
4	$49,965	$49,966 - $62,455	$62,456

- For each dependent child add $3,356 to lower limit.
- For each dependent child add $4,195 to upper limit.
- The figures applicable to married taxpayers also apply to taxpayers who would be entitled to a sole parent, child-housekeeper or housekeeper rebate if entitlement to such rebates had not been restricted from 1 July 2000.

Note: See Seniors and Pensioners Tax Offset section for Medicare levels for senior Australians and pensioners.

MEDICARE LEVY SURCHARGE

Medicare Levy Surcharge (MLS) is applied to taxpayers whose income for the year is higher than the thresholds below and where the person(s) are not covered by private patient hospital cover.

The test to determine who is liable to pay the Medicare levy surcharge is called the 'income for MLS purposes'. Income for MLS purposes is the sum of: Taxable Income, Exempt Foreign Employment Income, Reportable Fringe Benefits, total net investment losses (including rental & investment losses) and Reportable Super Contributions, Deductible Personal Super Contributions, then Less: Lump Sum Withdrawals taxed at zero % (age 55-59).

Note: This test is only used to determine who is liable to pay the surcharge, it is not used to calculate how much surcharge they pay – this is still based on the total of your taxable income & reportable fringe benefits.

Note: Even if one spouse has personal cover they are both still liable to pay the surcharge for any days when both of them and all of their dependants were not simultaneously covered.

For this purpose, a dependant (regardless of their income) includes:

- Your spouse
- Your children under 21
- Your children who are 21 or older and under 25 who are full time students
- Dependants must have been Australian residents and you must have contributed to their maintenance.

1/7/14 30/6/18 Income for MLS purposes Single	**1/7/14-30/6/18 Income for MLS purposes Couples ***	**Surcharge Rate**
$90,000	$180,000	0%
$90,001 $105,000	$180,001- $210,000	1%
$105,001 - $140,000	$210,001 - $280,000	1.25%
>$140,001	>$280,001	1.5%

Note: For families, the income thresholds increase by $1,500 for each MLS Dependent child after the first. Where the single person has MLS Dependent children, the levy surcharge is payable if their income is greater than the Couples' threshold.

PRIVATE HEALTH INSURANCE REBATE:

From 1 July 2012 the rebate will be means tested. The new rebates, based on the age of the person and income for MLS purposes, are as follows:

For premiums paid 1/7/16-31/3/17

Surchage	NIL	1 %	1.25%	1.50%
Singles	$90,000	$90,001 - $105,000	$105,001 - $140,000	>$140,001
Families*	$180,000	$180,001 - $210,000	$210,001 - $280,000	>$280,001
Under 65	26.791%	17.861%	8.930%	0%
65-69	31.256%	22.326%	13.395%	0%
70 or over	35.722%	26.791%	17.861%	0%

For premiums paid 1/4/17-30/06/2017*

Singles	$90,000	$90,001 - $105,000	$105,001 - $140,000	>$140,001
Families	$180,000	$180,001 - $210,000	$210,001 - $280,000	>$280,001
Under 65	25.934%	17.289%	8.644%	0%
65-69	30.256%	21.612%	12.966%	0%
70 or over	34.579%	25.934%	17.289%	0%

*****These rebate percentages will continue to be applied to the premiums paid until 31/3/18. The rebate percentages to apply from 1/4/18 to 31/3/19 will be announced in March 2017.

Note: For couples use the age of the oldest person covered by the policy. If the oldest person moves into the next age group during the year, the rebate is based on the number of days that person was in each group. Health funds will calculate this automatically.

SENIORS AND PENSIONERS TAX OFFSET (SAPTO)

Eligibility – You may be entitled to SAPTO if you meet **all** of the following conditions:

- Condition 1 – You are of Age Pension or Service Pension age
- Condition 2 – You are eligible or would be eligible for the Australian Government age pension or similar payments, if not for failing the Assets Test or Income Test. In addition, residency tests must be satisfied.
- Condition 3 – You are below the rebate income threshold (see below)
- Condition 4 – You are not in prison.

If your combined rebate income is equal to or more than the relevant upper threshold then neither you nor your partner is eligible

If your rebate income is less than the threshold, then your actual entitlement to the tax offset depends on:

- Your rebate income, and
- Whether you are eligible to transfer any unused portion of your spouse's SAPTO

Note: If your marital status changed during the year, you are entitled to the SAPTO circumstance that gives you the greatest benefit. However, you will still need to meet the relevant rebate income threshold.

Rebate income includes:
- Taxable Income
- Adjusted fringe benefits (total reportable FB amount x 0.535)
- Total net investment loss
- Reportable superannuation contributions

The 'Maximum Offset' reduces by 12.5 cents for every dollar of taxable income over the 'Lower Threshold' and reduces to nil for taxable income levels at or above the 'Upper Threshold'.

Category	Maximum Offset (Each)	Lower Threshold (Each)	Upper Threshold (Each)	Lower Threshold (Combined)	Upper Threshold (Combined)
Single, Widowed, Separated, Sole Parent any time during the year	$2,230	$32,279	$50,119	N/A	N/A
Married, living apart due to illness, both eligible for SAPTO	$2,040	$31,279	$47,599	$62,558	$95,198
Married, living apart due to illness, spouse not eligible for SAPTO	$2,040	$31,279	$47,599	$62,558	$95,198
Married, living together, both eligible for SAPTO	$1,602	$28,974	$41,790	$57,948	$83,580
Married, living together, spouse not eligible for SAPTO	$1,602	$28,974	$41,790	$57,948	$83,580

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MEDICARE LEVY THRESHOLD FOR PERSONS QUALIFYING FOR THE SENIORS AND PENSIONERS TAX OFFSET

Rates for 2016/2017 financial year

Category of Taxpayer	No levy payable if Taxable Income (or Family Income) does not exceed …	Reduced levy payable if Taxable Income (or Family Income) is within the range … 10% of excess	Ordinary rate of levy payable where Taxable Income (or Family Income) exceeds …
Individual Taxpayer	$34,244	$34,244 - $42,804	$42,805
Married taxpayer with the following children and/or students:			
0	$47,670	$47,671 - $59,586	$59,587
1	$51,026	$51,027 - $63,781	$63,782
2	$54,382	$54,383 - $67,996	$67,977
3	$57,738	$57,739 - $72,171	$72,172
4	$61,094	$61,095 - $76,366	$76,367

MATURE AGE WORKER TAX OFFSET

****abolished from 1/7/14 (legislation passed March 2015)**

TAX OFFSETS

Abolished dependent/spouse tax offset from 1/7/14.

MEDICAL EXPENSES TAX OFFSET

From 1 July 2016 until 2018-19 Claims for this offset are restricted to net eligible expenses relating to disability aids, attendant care or aged care.

For resident taxpayers with adjusted taxable income below the surcharge thresholds, the net medical expenses tax offset of 20% applies to net medical expenses above the annual threshold. There is no upper limit to the amount you can claim.

From 1 July 2012, for people with adjusted taxable income above $90,000 for singles & $180,000 for families, the offset threshold is increased and the rate of reimbursement is reduced to 10% for eligible out of pocket expenses incurred. (See Offset Thresholds below.)

Year	Below ATI Threshold	Above ATI Threshold
1 July 2016 to 30 June 2017	$2,299	$5,423
1 July 2015 to 30 June 2016	$2,265	$5,343

The disability aid, attendant care or aged care expenses must be for:

- You;
- Your spouse (married or de facto) regardless of their income;
- Your children who were aged under 21 years, including adopted and stepchildren, regardless of their income;
- Any other child aged under 21 years (not a student) who you maintained and whose Adjusted taxable income (ATI) was <$1,786 for the first child and <$1,410 for the second and any subsequent children;
- A student aged under 25 years who you maintained and whose ATI was <$1,786;
- An invalid relative, parent or spouse's parent but only if you can claim a dependant tax offset.

You and your dependants must be Australian residents for tax purposes but you can claim medical expenses paid while travelling overseas.

For a full list of what is and what isn't an eligible expense go to
https://www.ato.gov.au/Individuals/Tax-return/2016/Supplementary-tax-return/Tax-offset-questions-T3-T9/T5-Total-net-medical-expenses-for-disability-aids,-attendant-care-or-aged-care-2016/

SCHOOL KID'S BONUS*- this was phased out in July 2016. Eligible Families have until 30 June 2017 to claim their final payments.*

STUDENT FINANCIAL SUPPLEMENT SCHEME (SFSS)

The Student Financial Supplement Scheme (SFSS) closed on 31 December 2003 but students are required to repay their loans through the tax system. It was a voluntary loan scheme to help tertiary students cover their expenses while studying. Five years after the loan was taken out, the Tax Office takes responsibility for collecting the balance of the outstanding loan, which becomes an accumulated Financial Supplement debt.

SFSS repayment income (RI) 2016/17	Repayment rate (of RI)	SFSS repayment income (RI) 2017/18	Repayment rate (of RI)
Below $54,869	Nil	Below $55,874	Nil
$54,869 – $67,368	2%	$55,874 – $68,602	2%
$67,369 – $95,626	3%	$68,603 – $97,377	3%
$95,627 and above	4%	$97,378 and above	4%

RI = Taxable income + any net investment losses (including net rental losses) + total reportable fringe benefits + exempt foreign employment income + reportable super contributions.

An exemption applies for taxpayers whose family income is below the Medicare Levy upper threshold.

HIGHER EDUCATION LOAN PROGRAMME (HELP)

On 1 January 2005 Higher Education Loan Program (HELP) replaced Higher Education Contribution Scheme (HECS). Existing HECS debts were rolled over into HELP.

HELP repayment income (HRI) $ 2016/17	Repayment rate (of HRI)	HELP repayment income (HRI) $ 2017/18	Repayment rate (of HRI)
Below $54,869	Nil	Below $55,874	Nil
$54,869 – $61,119	4.0%	$55,874 – $62,238	4.0%
$61,120 – $67,368	4.5%	$62,239 – $68,602	4.5%
$67,369 – $70,909	5.0%	$68,603 – $72,207	5.0%
$70,910 – $76,222	5.5%	$72,208 – $77,618	5.5%
$76,223 – $82,550	6.0%	$77,619 – $84,062	6.0%
$82,551 – $86,894	6.5%	$84,063 – $88,486	6.5%
$86,895 – $95,626	7.0%	$88,487 – $97,377	7.0%
$95,627 – $101,899	7.5%	$97,378 – $103,765	7.5%
$101,900 and above	8.0%	$103,766 and above	8.0%

*** Budget Accouncement – from 1 July 2018 the lower threshold will reduce to $42,000 with a 1 percent payment rate. ***

RI = Taxable income + any net investment losses (including net rental losses) + total reportable fringe benefits + exempt foreign employment income + reportable super contributions

Note: On 1 June each year indexation is applied to the part of accumulated HELP/SFSS debts which have remained unpaid for 11 months or more. Indexation rate for 2015 is 2.1%. The indexation rate for 2016 is 1.5%.

Discounts on upfront and voluntary contributions - scraped Jan 2014

SMALL BUSINESS ENTITY REGIME (SBE)

From 1 July 2016, a small business entity is an individual, partnership, company or trust, which:

- carries on a business for all or part of the income year, and
- has less than $10 million aggregated turnover. (Prior to 1 July 2016 this was $2m)

The $10 million turnover threshold applies to most concessions, except for:

- the small business income tax offset, which has a $5 million turnover threshold
- the capital gains tax (CGT) concessions, which continue to have a $2 million turnover threshold.

A small business entity is eligible for the following concessions:

Income tax concessions

- Simplified depreciation rules & instant asset write off
- Small business tax offset ($5m or less turnover)
  - You can claim the small business income tax offset if you are a small business sole trader, or have a share of net small business income from a partnership or trust.
  - For 2016 5% up to $1000
  - **For 2017 8% up to $1000** (planned to increase to 10% in 2025 year)
- Company Tax Rate Cut
  - For 2016 28.5%
  - For 2017 27.5% (this will progressively apply to companies with less than $50m turnover by 2019 and rate to reduce to 25% by 2027).
  - Maximum franking credit that can be allocated to a **frankable distribution** didn't change for 2016. **However it is now reduced to 27.5%.**
- Accelerated Depreciaiton for Primary Producers
  - From 12/5/15 primary producers can immediately deduct costs of fencing and water facilities. Also deduct cost of fodder storage over 3 years.
- Small business restructure rollover
  - From 1/7/16 small business can change their legal structure without incurring any Income tax liability when active assets are transferred from one entity to another. This applies to active assets that are CGT assets, trading stock, revenue assets and depreciating assets.
- Simplified trading stock rules
- Immediate deductions for prepaid expenses
- Two-year amendment period
- Capital gains tax concessions ($2m threshold)
  - 15 year exemption
  - 50% active asset reduction
  - Retirement exemption
  - Roll over Relief
- From 1/7/15 small business can claim as startup deductions including professional, legal and accounting advice as well as gov't fees and charges.

Pay as you go instalments concessions

- GDP adjusted PAYG and GST instalment amounts

Fringe Benefits Tax Concessions

- FBT car parking exemption
- FBT work-related devices exemption (from 1/7/16 no FBT liability if device primarily used for work, including laptops, tablets, calculators, GPS navigation devices and mobile phones)

Super Concessions

- Access to the Free Small Business Superannuation Clearing House

Goods and services tax concessions

- Cash accounting
- GST and annual private apportionment
- GST instalments

A small business entity does not need to elect to enter the small business entity regime and may select those concessions it wishes to use.

Instant asset write-off thresholds

Date range	Threshold
7.30pm (AEST) 12/05/2015 to 30/6/2018*	$20,000
01/01/2014 to prior to 7.30pm (AEST) 12/05/2015	$1,000
01/07/2012 to 31/12/2013	$6,500
01/07/2011 to 30/06/2012	$1,000

MOTOR VEHICLE RATE PER KILOMETRE

Ordinary Cars	Rotary Drive Cars	Rate per kilometer	
		2015/2016	2016/2017
Up to 1600 cc	Up to 800 cc	66.0 cents	66.0 cents
1601 – 2600 cc	801 - 1300 cc	66.0 cents	66.0 cents
2601 - + cc	1301 - + cc	66.0 cents	66.0 cents
Depreciation Limit (DCL)		$57,466	$57,581

TAX VALUE OF GOODS TAKEN FOR PRIVATE USE FROM BUSINESS

(to be included as taxable income)

Taxation Determination TD 2017/9

This determination updates the schedule of amounts that the Tax Office will accept as estimates of the value of goods taken from stock for private use for certain industries for the 2016/17 income year. The basis for determining values of goods taken from stock was derived from the latest Household Expenditure Survey (HES) results issued by the Australian Bureau of Statistics adjusted for Consumer Price Index (CPI) movements for each category of items.

This method can NOT be used for companies as actual sale values of goods used is required in this situation.

The Tax Office says it intends to adjust the values annually to reflect the most recent HES data or the HES data uplifted for CPI movements, and reissue the schedule at the commencement of each income year.

The Schedule for the value of goods taken from trading stock for private use for 2016/17 is:

Type of business	Amount (excluding GST) for adult/child over 16 years $	Amount (excluding GST) for child 4-16 years $
Bakery	1,350	675
Butcher	800	400
Restaurant/cafe (licensed)	4,640	1,750
Restaurant/cafe (unlicensed)	3,500	1,750
Caterer	3,790	1,895
Delicatessen	3,500	1,750
Fruiterer/greengrocer	790	395
Takeaway food shop	3,430	1,715
Mixed business (includes milk bar, general store and convenience store)	4,260	2,130

PRIMARY PRODUCERS

STOCK VALUE

Tax assessed on average income – can elect out

Sheep	$ 4	Horses	$20*
Cattle	$20	Pigs	$12
Emus	$ 8	Poultry	$0.35
Goats	$ 4	Deer	$20

* For horses the cost is the greater of the above or the insemination service fee

PROPOSED FARM MANAGEMENT DEPOSIT CHANGES FROM 1 JULY 2016

From 1 July 2016:
FMD owners will be allowed to consolidate their existing accounts that have been held for longer than 12 months, without triggering tax liabilities.

The non-primary production threshold for FMDs will be $100,000.

From 1st July 2016 there is an increase in the deposit limit from $400,000 to $800,000.

TRAVEL ALLOWANCES – DOMESTIC AND OVERSEAS

Each year the ATO publish limits of amounts expended on travel by employees that do not have to be substantiated:

Year Ended 30 June	TD
2017	2016/13
2016	2015/14

BENCHMARK INTEREST RATES (for Div 7A debit loans)

Year ended 30 June	%
2017	5.40
2016	5.45
2015	5.95

FRINGE BENEFITS TAX

Grossed up taxable values of fringe benefits provided to employees during the FBT year, where the value exceeds $2,000 must be shown on PAYG Withholding Payment Summaries. If a taxpayer's FBT liability last year was $3,000 or more, they will need to pay four quarterly instalments.

Gross Up Rates

From 1 April 2017

Gross Up Rate – Type 2 – No GST	1.88.68
Gross Up Rate – Type 1 – employer entitled to GST Input Tax Credit	2.0802

From 1 April 2015 to 31 March 2017

Gross Up Rate – Type 2 – No GST	1.9608
Gross Up Rate – Type 1 – employer entitled to GST Input Tax Credit	2.1463

From 1 April 2014

Gross Up Rate – Type 2 – No GST	1.8868
Gross Up Rate – Type 1 – employer entitled to GST Input Tax Credit	2.0802

FBT tax rate for

Year ended 31 March	%
2018	47.0%
2016 & 2017	49.0%
2015	47.0%
2014	46.5%

BENCHMARK INTEREST RATES (for FBT purposes)

Year ended 31 March	%
2018	5.25
2017	5.65
2016	5.65

Statutory Formula Method - Contracts after 7.30pm, 10 May 2011

Distance Travelled	Contract Before 10 May 2011	From 10 May 2011	From 1 April 2012	From 1 April 2013	From 1 April 2014
0 – 15,000 km	26%	20%	20%	20%	20%
15,000 to 25,000	20%	20%	20%	20%	20%
25,000 to 40,000	11%	14%	17%	20%	20%
Over 40,000	7%	10%	13%	17%	20%

DEEMED DEPRECIATION RATES

Date car purchased		Rate
Up to and including 30 June 2002		22.5%
From 1 July 2002 to 9 May 2006		18.75%
On or after 10 May 2006		25%

SUPERANNUATION

ATO Annual Supervisory Levy

Payment of the SMSF levy has been brought forward so that it is levied and collected in the same year of income. This change was phased in over the 2013/14 and 2014/15 years.

SMSF Annual Return	Annual Levy	Year of Levy
2017	$259	2018
2016	$259	2017
2015	$259	2016
2014	$388	50% of 2014 + 2015

Low Income Superannuation Contribution (LISTO)

(previously known as Low Income Super Contributions Tax Refund)

Superannuation contributions tax will be refunded, up to $500 per annum, for workers with adjusted taxable incomes of $37,000 or less.

- The government contributions will be paid in the year after the concessional contributions.
- Low earners who receive less than 10% of their income through employment or business will **not be eligible**.
- The contribution amount is calculated by multiplying concessional contributions by 15% (maximum payment $500).
- The contribution will form part of the tax-free component within the fund.

SUPERANNUATION CONTRIBUTIONS

Relevant Age	Types of Superannuation Contributions
Under 65 & not retired	Concessional employer OR member contributions; NCC Contributions
Under 65 & retired	Concessional or Non-Concessional member contributions
Between 65 & 75	Voluntary contributions provided the 'work test' is met

NO NON-CONCESSIONAL CONTRIBUTIONS ARE ALLOWED AT ALL ONCE BALANCE EXCEEDS $1.6m

Age Base Limits

	2015/16	2016/17	2017/18
Concessional Contributions General Cap	$30,000	$30,000	$25,000
Concessional Cont – 49 or more @ 30 June	$35,000	$35,000	n/a
Non-Concessional Contributions Cap^	$180,000	$180,000	$100,000
Lump Sum Low Rate Cap (Lifetime limit no tax)			
Capital Gains Tax Cap			
Untaxed Plan Cap			

^ see next page for specific bring forward rules

Bring Forward Rule

From 1 July 2017 the following bring forward amounts are available

Total Superannuation Balance	Contribution and bring forward available
Less than $1.4 million	Access to $300,000 cap (over 3 years)
Greater than or = to $1.4m and less than $1.5 million	Access to $200,000 cap (over 2 years)
Greater than or = to $1.5m and less than $1.6 million	Access to $100,000 cap (over 1 year)
Greater than or = to $1.6 million	Nil

The Total Superannuation Balance is determined on 30 June of the previous financial year.

Transitional period

If an individual has made a non-concessional contribution in the 2015-16 or 2016-17 financial years and that triggers the bring forward, but has not fully used their bring forward before 1 July 2017, transitional arrangements will apply so that the amount of bring forward available will reflect the reduced annual contribution caps.

<table>
<tr><th>2014-15</th><th>2015-16</th><th>2016-17</th><th>2017-18</th><th>2018-19</th><th>2019-20</th></tr>
<tr><td>$180,000</td><td>$180,000</td><td>$180,000</td><td>$100,000</td><td>$100,000</td><td>$100,000</td></tr>
<tr><td colspan="3">0 to $540,000</td><td></td><td></td><td></td></tr>
<tr><td></td><td colspan="3">0 to $460,000</td><td></td><td></td></tr>
<tr><td></td><td></td><td colspan="3">0 to $380,000</td><td></td></tr>
<tr><td></td><td></td><td></td><td colspan="3">0 to $300,000</td></tr>
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Catch Up Concessional Contributions

From 1 July 2018 if you contribute less than the $25,000 cap in any year, the rest rolls forward to the next year for up to 5 years until your superannuation balance reaches $500,000.

Government Super Co-Contribution

From 1 July 2007, a taxpayer is eligible for the co-contribution in a year of income if:

- they make a personal superannuation contribution by 30 June each year into a complying superannuation fund or retirement savings account
- their total assessable income is less than the amount specified below (this is indexed annually to reflect changing average wages)
- 10% or more of their total income is from eligible employment, running a business or a combination of both
- they are less than 71 years old at the end of the year of income
- they do not hold an eligible temporary resident visa at any time during the year
- From the 2017-18 financial year;
    - You have a Total Superannuation Balance less than the transfer balance cap of the year before
    - You have not contributed an amount more than your non-concesscional contributions cap for the relevant financial year.

Limits table

Year	Assessable Income	Maximum Co-Contribution
01.07.16 – 30.06.17	$36,021	$500 (limited to 50% of contribution)
		$500 reduced by 3.333 cents per dollar of assessable income & RFB's over $34,488 Formula: $500 – [(AI-35,454) x 0.03333]
	$51,021	Nil
01.07.17 – 30.06.18	$36,813	$500 (limited to 50% of contribution)
		$500 reduced by 3.333 cents per dollar of assessable income & RFB's over $35,454 Formula: $500 – [(AI-36,021) x 0.03333]
	$51,813	Nil

Super Contributions Tax for High Income Earners – Division 293 tax

From 1 July 2012, individuals are liable for Division 293 tax if they have **taxable contributions** in an income year.

To have **taxable contributions** their income + low tax contributions must exceed $300,000. **From 1 July 2017 this threshold will decrease to $250,000**

If they exceed the threshold – the amount of **taxable contributions** will be the lesser of the low tax contributions & the amount above the threshold.

The Division 293 Tax is 15%.

'Income' means:

- Taxable income
- Reportable fringe benefits
- Total net investment income
- Less: Taxable component of super LS withdrawal between 55 and 59, less the low rate cap amount.

'Low tax contributions' means:

- Contributions included in assessable income of the fund. This includes contributions rolled over, but excludes any growth on transferred foreign funds, and any untaxed element of the rollover.
- Less: Excess Concessional Contributions not disregarded and not refunded.

example on the next page

Super Contributions High Income Earners	**Example 1**	**Example 2**
Income	$350,000	$290,000
Concessional Contributions	$55,000	$55,000
Less:		
Excess Concessional Contributions*	($30,000)	($30,000)
TOTAL	**$375,000**	**$315,000**
Lower of:		
Low Tax Contribution	**$25,000**	$25,000
Excess over $300,000	$75,000	**$15,000**
Div 293 contributions	$25,000	$15,000
Tax Rate	15%	15%
Div 293 Contributions Tax**	$3,750	$2,250

*Not disregarded and not refunded
**Option to pay personally, have super fund pay or pay personally and seek reimbursement from super fund.

Excess Contributions

<u>Concessional Contributions:</u>

From 1 July 2013, if the concessional contribution cap is exceeded:

- The excess will be included in the assessable income of the individual and taxed at marginal rates (the ATO will automatically amend the assessment if needed)
- An excess concessional contributions (ECC) charge will also be payable. It will be payable on the increase in your tax liability.
    - The ECC charge period is calculated from the start of the income year in which the ECC were made, and ends the day before the tax is due to be paid under the first assessment for the year that includes ECC.
- The ECC charge rate changes quarterly
- A non-refundable tax offset of 15% will apply to allow for the contributions tax already paid by the super fund
- To assist in paying the additional tax, the individual can elect to withdraw up to 85% of the excess contribution. Only 85% can be released as 15% contributions tax has already been paid by the super fund. Released contributions will then not be counted as non-concessional contributions.
    - If withdrawn, an excess concessional contributions election form is to be completed and forwarded to the ATO which will then issue a release authority to the super fund. The fund will then release the money to the ATO, which will deduct the amount owed and refund the balance to the individual.
    - Unless it is decided to withdraw the excess concessional contributions the contribution will also become a non-concessional contribution. This could result in double taxation – firstly, when included in assessable income and taxed at the marginal rate, and secondly, if it then becomes an excess non-concessional contribution (see below).

Prior to 30 June 2013 excess contributions tax was payable at a rate of 31.5%.

Non-Concessional Contributions:

From 1 July 2013 if the non-concessional contribution cap is exceeded:

- The ATO will issue an excess non-concessional contributions determination
- There will then be an option to withdraw all of the excess non-concessional contributions and 85% of the associated earnings (as tax has already been paid on the earnings by the super fund). If this option is chosen the total amount of the associated earnings will be included in the individual's assessable income and will be taxed at marginal rates. A 15% tax offset will be included in the tax return.
- If the individual chooses not to withdraw the excess non-concessional contributions from the super fund, an excess non-concessional contributions tax assessment will be issued with the excess amount taxed at the highest marginal tax rate.
- The non-concessional cap can be exceeded by up to two years' worth of contributions without penalty if the individual is under age 65 in the relevant financial year. This is called the "bring forward provision". The cap amount that applies is three times the non-concessional contributions cap for the financial year in which the contribution is made.

Note: From 1 July 2014 until 30 June 2017, a Temporary Budget Repair Levy of 2% will be imposed on an individual's taxable income above $180,000. Excess concessional contributions will be included in an individual's taxable income and will be taxed at the marginal tax rate, including the rate of the new levy. The levy also affects excess non-concessional contributions. If an individual's taxable income is above $180,000 the tax rate on any excess non-concessional contributions will increase from 47% to 49%.

Quarterly Superannuation Guarantee Contributions

- From 1 July 2003 employers are required to remit superannuation guarantee contributions quarterly. This includes small businesses which employ its owners as staff.

SG Quarter	Due date for payment
1 July – 30 September	28 October
1 October – 31 December	28 January
1 January – 31 March	28 April
1 April – 30 June	28 July

- From 1 July 2008 you must use ordinary times earnings (OTE) as defined in the superannuation guarantee law, and not employment awards, to calculate the superannuation guarantee.
- From 1 July 2013 employers are required to report the amount and expected date of contribution payments on employee payslips.

The SG rate will increase gradually from 9% to 12% as follows:

Year	SG Rate
2012/13	9%
2013/14	9.25%
2014/15 – 2020/21	9.5%
2021/2022	10%

2022/23	10.5%
2023/24	11%
2024/25	11.5%
2025/26 onwards	12%

If the employee's OTE is greater than the maximum contribution base for the quarter, the employee's OTE is limited to the maximum contribution base.

YEAR	MAXIMUM SUPER CONTRIBUTION BASE
2017/18	$52,760
2016/17	$51,620
2015/16	$50,810

Employers do not have to provide superannuation support for:

- employees paid less than $450 in a calendar month (although they must still provide superannuation support for any month in which the employee is paid $450 or more)
- employees under 18 years of age working 30 hours or less per week
- non-resident employees paid for work performed outside Australia
- resident employees paid by non-resident employers for work performed outside Australia
- some foreign executives who hold certain visas or entry permits under the migration regulations
- employees paid to do work of a domestic or private nature for not more than 30 hours a week (for example, a part-time nanny or housekeeper)
- employees who receive payments under the Community Development Employment Program
- members of the Army Reserve (the Army Reserve is not required to provide superannuation support)
- employees who have elected not to receive superannuation guarantee support because their accumulated superannuation benefits are more than the pension reasonable benefit limit (since abolished), or
- employees temporarily working in Australia for an overseas employer who is covered by a bilateral superannuation agreement (a certificate of coverage must be presented in order to receive the exemption)

Notes:

- Employers are still required to provide superannuation support for employees who are receiving their superannuation in the form of a non-commutable income stream while they are working.
- Working people, aged 70 to 74 inclusive, can make personal superannuation contributions if they pass the "Work Test". Prior to 1 July 2013, employers could not provide superannuation guarantee support for them. This prohibition ceased on 1 June 2013.
- The "Work Test" requires an individual over 65 to be gainfully employed for at least 40 hours during a consecutive 30-day period each financial year in which the contributions are made. Unpaid work does not meet the definition of gainfully employed.
- For anyone 75 or older super funds can only accept compulsory super contributions made for them by their employer.

SuperStream:

From 1 July 2014, the government has introduced SuperStream. It applies to all employers making super contributions, APRA-regulated super funds and self-managed superannuation funds (SMSFs) receiving contributions. Employer contributions made to a SMSF for a closely held related party are excluded. Under SuperStream, employers must make super contributions on behalf of their employees by submitting data and payments electronically in a consistent and simplified manner. Employers need to start using SuperStream as follows:

Number of Employees	Flexible Start date from....	Must have SuperStream in place by....
20 or more	1 July 2014	30 June 2015
19 or less*	1 July 2015	30 June 2016

Employers can either use software that conforms to SuperStream or use a service provider who can meet SuperStream requirements on their behalf. For employers with 19 or less employees a free online service is available – the Small Business Superannuation Clearing House.

Employers will need to collect the following information:

- Unique superannuation identifier (USI) for APRA-regulated funds
- ABN for SMSF funds
- Bank account details
- Electronic service address

Self-managed superannuation funds will need to obtain an electronic service address (ESA) from a SMSF messaging provider so members can provide it, together with bank account details, to their employer. We are registering our SMSFs via BGL. The ESA to be provided to employers is **AUSPOSTSMSF.** There is no unique ESA for each fund registered via BGL.

**** For more information visit -**

https://www.ato.gov.au/Super/SuperStream/

Single Touch Payroll Reporting

From 1 July 2017 any employer regardless of their size can choose to adopt the STPR. From 1 July 2018 all large employer (more than 20 employees) must use STPR.

- Employers will need to have SBR-enabled software
- Wage & withholding information will be reported to the Tax Office in real time when payroll is periodically processed
- New employees will have the option of completing TFN declaratios and Super Choice forms online
- The STPR reports for PAYGW will become the new approved form for reporting PAYGW (currently this is done via the BAS). Penalties will apply for failing to lodge.
- The payment due dates of PAYGW will still maintain the same (depending on your withholding amount).
- However employers will be given the option to pay their PAYGW at the same time they lodge their STPR.
- SG payments will also maintain the same due dates, 28th of the following quarter.
- Employers will no longer be required to submit annual PAYG reports to the ATO
- Employers may no longer need to provide payment summaries to employees – they will have access to this information via their myGov account.
- It was announced (but not yet confirmed) that the government will offer small business (less than $2M turnover) a non-refundable tax offset of $100 to assist with the cost of new STPR enabled software purchases or subscriptions made in the 17/18 financial year – further information on how to apply for this rebate is still yet to be announced.

TRANSFER BALANCE CAP {this is different to the $1.6m total superannuation balance – which is what determines your non concessional contribution limits}

- Applies from 1 July 2017 - $1.6m, indexed in $100,000 increments in line with CPI (The amount of index you are entitled to will be calculated proportionally based on the amount of available cap space, if at any time you meet or exceed your cap you're not entitled to any indexation)
- Transfer Balance Cap is recorded in the Transfer Balance Account. The transfer balance account works in a similar way to a bank account. Amounts you transfer to, or are otherwise entitled to receive, from the retirement phase give rise to a credit (increase) in your transfer balance account. Certain transfers out of the retirement phase give rise to a debit (decrease) in your transfer balance account.

- **Pensions in place prior to 30 June 2017** will need to ensure that the value is not in excess of the cap. The amount that will count towards your cap on 1 July 2017 is the value as at 30 June 2017. If the value is below $1.6m, you do not need to do anything.
- **If the value is above $1.6m**, the account based pension will need to be reduced **before** 1 July 2017. It will need to be commuted back into accumulation phase or withdrawn as a lump sum. If the balace is between $1.6m & $1.7m you have 6 month to remove the excess without penalty.
- **If you exceed the cap,** you need to remove any amount over $1.6m plus excess transfer balance earnings and pay excess transfer balance tax.

Retirement phase income stream providers will have **new reporting requirements** associated with the transfer balance cap. The new reporting requirements will be event based, not annual reporting – that is, they will need to report every time there is a change to a member's retirement phase interests. There will be concession provided for the first year but after that an event will need to be reported by day 10 of the following month.

Superannuation providers will need to report directly to us when:

- a retirement phase superannuation income stream commences, including the associated value of the income stream
- an amount in a retirement phase account is commuted
- a death benefit income stream commences including the recipient and the amount of the income stream
- the amount of any structured settlements received before and after 1 July 2017

These details are yet to be finalised by the ATO, but will likely be referred to as the Transfer Balance Account Report (TBAR).

WHAT COUNTS TOWARDS YOUR CAP

- The cap limits the amount that you can transfer into retirement phase to start a pension or annuity over the course of your lifetime. This is no matter how many accounts you hold or how many times you transfer money into retirement phase.

- The cap also includes the value of pensions or annuities you may start to receive for some other reason, for example:

  - your spouse has died and you are receiving, or start to receive, a pension from their superannuation
  - your former spouse has been ordered to pay you a portion of their pension income stream as part of a family court settlement.

- The cap does not apply to any subsequent growth or losses. This means that:

- if you start a pension with $1.6 million and the value of that pension grows to $1.7 million, you will not exceed your cap
- if you start a pension with $1.6 million and the value of that pension goes down over time as you use it to live on or you suffer losses, you can't 'top up' your pension accounts – you will still be able to access other superannuation amounts you may hold in accumulation phase by taking these as a 'lump sum'.

- The transfer balance cap will also apply to future 'innovative' income stream products.

- Transition to retirement income streams (TRIS) will not count towards your transfer balance cap as from 1 July 2017.

- When calculating if you have exceeded your cap, we will subtract the value of any structured settlement contributions you've made.

- Special rules apply to child death benefit beneficiaries.

SUPERANNUATION WITHDRAWALS

PRESERVATION AGE

Date of birth	Preservation age
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
After 30 June 1964	60

ACCESSING BENEFITS

Relevant Age	Benefits
Between Preservation Age & Retired	Can receive both lump sums and/or pension
Between Preservation Age & 65 & Not Retired	Can receive transition to retirement pension
Age 65 (retired or not)	Can receive both lump sums and/or pension
Age 60 and over,	All pension payments are tax-free

Note: The following circumstances may allow for Early Release:

- Permanent incapacity
- Suffering a terminal medical condition
- Financial hardship (receipt of Centrelink benefits for 6 months consecutively or 9 months cumulatively if >55)
- Permanent departure from Australia for certain temporary residents holding a specified class of visa
- Compassionate grounds (administered by Department of Human Services)

Lump Sum Withdrawals

LUMP SUM THRESHOLDS (CAPS)

	Low Rate Cap	Untaxed Plan Cap
2017/2018	$200,000	$1,445,000
2016/2017	$195,000	$1,415,000
2015/2016	$195,000	$1,395,000
2014/2015	$185,000	$1,355,000
2013/2014	$180,000	$1,315,000
2012/2013	$175,000	$1,255,000
2011/2012	$165,000	$1,205,000
2010/2011	$160,000	$1,155,000
2009/2010	$150,000	$1,100,000
2008/2009	$145,000	$1,045,000
2007/2008	$140,000	$1,000,000

Tax-Free Component

This is made up of:

The Crystallized segment as at 30 June 2007 PLUS the total of Government Co-contributions, Spouse Contributions and Non-concessional Contributions made from 1 July 2007.

The Crystallized segment includes the following components held in a superannuation account as at 30 June 2007:

- pre-July 83 component
- undeducted contributions
- post-June 94 invalidity component
- concessional component
- the CGT exempt component

Taxable Components

Taxable Benefits paid as a **lump sum** (excluding terminal illness payments, death benefits and departing Australia superannuation payments), will be taxed as follows:

Age	Tax Rate Taxed Element	Tax Rate Untaxed Element
Age under 55*		
- Up to Untaxed plan cap	20% (Max)	30% (Max)
- Excess over Untaxed plan cap	20% (Max)	Top marginal tax rate
Age 55 to age 59*		
- Less than Low rate cap	Nil	15% (Max)
- Low rate cap to untaxed plan cap	15% (Max)	30% (Max)
- Excess over Untaxed plan cap	15% (Max)	Top marginal tax rate
Age 60 and over		
- Up to Untaxed plan cap	0%	15% (Max)
- Excess over Untaxed plan cap	0%	Top marginal tax rate

*Included in Taxable Income for Medicare Levy purposes except for the taxed element of the ETP low rate threshold.

Pension Payments

Note: Tax-free component is calculated as above to determine the tax-free percentage of the pension payments.

Minimum Annual Pension Rates:

Age	Rate
Under 65	4.0%
65-74	5.0%
75-79	6.0%
80-84	7.0%
85-89	9.0%
90-94	11.0%
95 or more	14.0%

*Note: For 2008/9, 2009/10 & 2010/11 these pension rates were reduced by 50%. For 2011/12 & 2012/13 they were reduced by 25%. From 2013/14 the rates were returned to normal.

- A minimum pension amount must be paid at least annually

  - The amount of the minimum annual pension, calculated using the above percentages, is rounded up or down to the nearest whole $10.
  - The relevant age and account balance for calculating the minimum pension is the age and account balance at 1 July of the current year for existing pensions and the age and account balance on the start date for pensions commencing during the current year.
  - For pensions commencing after 1 July the minimum annual payment is pro-rated starting from the commencement day. But if the commencement day of the pension is on or after 1 June, no payment is required to be made for that financial year.
- The capital supporting the pension cannot be increased by contributions or rollover amounts once the pension has commenced.
- A pension being paid to a member who dies can only be transferred to a dependent beneficiary of the member.
  - Where a super income stream automatically transfers to a beneficiary on the death of a pensioner (an auto reversionary pension) the minimum pension payments continue to be made, including in the year the original pensioner dies.
  - Where a pensioner in receipt of a non-reversionary account based pension dies there is no requirement to pay a minimum pension amount in the year of death. If the deceased member's benefits are subsequently used to commence a new pension to a beneficiary the new minimum annual pension amount is required to be paid in the relevant year.
  - In the first tax year that a reversionary pension is paid, the deceased's minimum pension, as calculated at 1 July in that year, continues to apply. The reversionary pensioner's age only becomes relevant from 1 July in the second tax year (the first full tax year).
- The capital value of the pension or the income from it cannot be used as security for borrowing
- Before a pension can be commuted, the minimum pension amount must be paid in certain circumstances.
  - The requirement to make a minimum pension payment prior to commutation does not apply if the commutation arises on the death of a member.
  - The payment must be at least the pro-rata of the minimum annual pension amount calculated from 1 July, or commencement date, to date of commutation.
- Transition-to-retirement pensions must also satisfy the minimum pension standards but are also restricted to a maximum of 10% of the pension account balance at 1 July or date of commencement.
  - Transition-to-retirement pensions cannot be commuted and converted into a lump sum.
- All pensions that satisfy the minimum standards will be treated as super income stream benefits for income tax purposes which means the fund may be able to claim an exemption for the income earned on pension assets. This is referred to as exempt current pension income (ECPI). (see TR 2013/5)
  - Effective 1 July 2012, income from superannuation pension assets will continue to be tax-exempt after the death of the member up until the death benefit is paid from the fund. This will include gains made on the disposal of assets prior to the death benefit being paid.

In-Specie Pension Payment/CGT Exemption Lost

The tax exemption for capital gains made when a superannuation fund is in pension mode does not apply when the capital gain occurs as a result of paying a pension in specie. Normal accumulation mode tax rates apply to an asset paid out in specie.

To avoid this, the member can purchase the asset from the Pension Fund and then the Pension Fund can use the cash proceeds to pay the pension.

Employment Termination Payments

From 1 July 2012 ETP's will be added to the taxpayer's other taxable income.

Only that part of an ETP which takes a taxpayer's total annual taxable income (including the ETP) to no more than $195,000 will receive the ETP tax offset.

Any amount of the ETP that causes taxable income to exceed $195,000 will be taxed at the usual marginal tax rates.

The tax treatment of employment termination payments is now covered by ITAA97 – Part 2-40.

Employment Termination Payment Caps (Post 1/7/2007)

Year	Cap
2017/2018	$200,000
2016/2017	$195,000
2015/2016	$195,000
2014/2015	$185,000
2013/2014	$180,000

Note: The taxable components of all life benefit employment termination payments received in an income year are counted towards this cap.

Also counted towards the cap are the taxable components of any life benefit employment termination payments which have been received in an earlier income year for the same employment termination.

The death benefit cap is independent of the life benefit termination payment (i.e. a recipient can get both).

Post 1/7/2007 Rules - Employment Termination Payments

Traditional employer Eligible Termination Payments no longer exist after 30 June 2007.

Lump sums paid to an employee in consequence of termination of employment from 1 July 2007 are known as **'Employment Termination Payments'**.

There are only 2 components for tax purposes:

- Tax-free component – includes Invalidity & pre-July 1983 component
- Taxable component – the rest ,

Significantly Employment Termination Payments:

- Must be paid out within 12 months of termination
- Can no longer be rolled over into superannuation
- No longer have a tax-free component except on death.

Employment Termination Payments can include:

- Amounts in respect of unused rostered days off;
- Amounts in lieu of notice;
- A gratuity or 'golden handshake';
- An employee's invalidity (permanent disability, other than compensation for personal injury);
- Redundancy and approved early retirement amounts in excess of the tax-free

component; and
- Certain payments after the death of an employee.

Employment Termination Payments do not include:

- Payments in respect of unused annual leave or unused long service leave;
- The tax-free portion of approved redundancy and early retirement payments.

The tax treatment of such amounts is unchanged under the reforms.

The taxation of an Employer Termination Payment will depend on whether it is:

- A death benefit termination payment; or
- A life benefit termination payment

Post 1/7/2007 – Life Benefit Employment Termination Payments

The tax treatment of the Taxable Component can be summarised as follows:

Employees Age	Within Employment Termination Payment Cap **	Excess above Employment Termination Payment Cap
Under preservation age# on the last day of the income year in which the payment is made*	Maximum Rate 30%	Recipients top marginal rate plus medicare levy
Preservation age# or over on the last day of the income year in which the payment is made*	Maximum Rate 15%	Recipients top marginal rate plus medicare levy

#Preservation age is the age at which retirees can access their superannuation benefits. This depends on their date of birth.

*Included in Taxable Income for Medicare Levy purposes.

**The Employment Termination Payment Cap will be indexed to Average Weekly Ordinary Time Earnings (AWOTE) annually.

Post 1/7/2007 – Death Benefit Employment Termination Payments

The tax treatment of the Taxable Component can be summarised as follows:

Recipient	Within Employment Termination Payment Cap	Excess above Employment Termination Payment Cap
Dependant	Tax-free	Recipient's top marginal tax rate plus Medicare Levy
Non-dependant	Maximum rate of 30%	Recipient's top marginal tax Rate plus Medicare Levy

TAX FREE LIMIT OF GENUINE (BONA FIDE) REDUNDANCY PAYMENTS

Income year	Base limit	Per complete year of service
2017-18	$10,155	$5,078
2016-17	$9,936	$4,969
2015-16	$9,780	$4,891
2014-15	$9,514	$4,758
2013-14	$9,246	$4,624
2012-13	$8,806	$4,404

These thresholds are increased in line with movements in AWOTE.

Generally –

1. The tax-free component:

    - Is recorded at Label D on the PAYG Payment Summary
    - Is not recorded on the income tax return
    - Cannot be rolled over
    - Is not an ETP
    - Only applies if termination is prior to age 65 or normal retirement age.

2. The amount in excess of the tax-free component:
    - Is treated as an employer-financed ETP (taxable)
    - Could be rolled over up until 30 June 2007
    - Employer ETP's rolled over on or after 1 July 2004 are preserved
    - Cannot be rolled over from 1 July 2007 (transitional rules may apply)

NSW OFFICE OF STATE REVENUE

PAYROLL TAX – NSW

Threshold	**1 July 2016 – 30 June 2017**
$750,000 Yearly	Nil
>$750,000	5.45%
Threshold	**1 July 2017 – 30 June 2018**
$750,000 Yearly	Nil
>$750,000	5.45%

NSW LAND TAX

Land tax is calculated on the combined value of all the taxable land you own above the land tax threshold. The rate of tax is $100 plus 1.6% of the land value between the threshold and the premium rate threshold and 2% thereafter.

If land is owned by a trustee of a special trust the land tax threshold does not apply and land tax will be charged at a flat rate of 1.6% of the taxable land value up to the premium threshold and then 2% thereafter.

For the 2017 land tax year the threshold is $549,000 and the premium threshold is $3,357,000.

Note: Principal place of residence and primary production land are exempt.

STAMP DUTY - NSW

SHARE TRANSFERS IN UNLISTED COMPANIES

- The rate of duty chargeable is 60 cents per $100, or part, of the dutiable value of the shares or units.
- The dutiable value is the greater of the market value or consideration paid for the shares or units.
- A minimum duty of $10 per transfer applies.
- The transferee is the person liable to pay the duty.
- Duty must be paid within 3 months of the date of first execution of the agreement or transfer.

Note: Landholder duty may also be payable in certain circumstances.

LANDHOLDER DUTY

From 1 July 2009 landholder duty replaced land rich provisions

Acquisition of interests in landholders

The provisions relating to **Acquisition of interests in landholders** apply to relevant acquisitions in private landholders made on or after **1 July 2009** and in public landholders on or after **1 October 2009**. These provisions are contained in Chapter 4 of the Duties Act 1997.

Where a company or unit trust scheme holds land in NSW valued at $2,000,000 or more, an acquisition of shares in the company or units in the unit trust scheme, may attract duty at the general rate as if it were an acquisition of the land held by such entity.

To be a landholder prior to 1 December 2009, the unencumbered value of the land holdings in NSW must be $2,000,000 or more. From 1 December 2009 if a land holding consists of an estate in fee simple in land, the value of the land (as determined under the Valuation of Land Act 1916), rather than the unencumbered value of the land, is used to determine whether the $2,000,000 threshold is met. (However, once a liability arises, duty will still be calculated with reference to the unencumbered value of the land holdings in NSW).

A liability at the general rate arises whenever a person or persons makes a relevant acquisition in a landholder.

When a relevant acquisition is made, the person or persons acquiring the interest must complete an Acquisition Statement and submit it to the Office of State Revenue for assessment of duty.

Duty is calculated at the general rate, on the amount calculated by multiplying the unencumbered value of all the land holdings and goods of the landholder in New South Wales by the proportion of that value represented by the interest acquired.

Generally duty is calculated on both the current acquisition and any other acquisitions made by the person and any 'associated person' in the period commencing three years before the date of the relevant acquisition and ending on the date of the relevant acquisition.
Exemptions and concessions apply to certain acquisitions.

1st July 2016
From this date no duty is payable on mortgages or the transfer of business assets or a declaration of trust over business assets.

NSW STAMP DUTY TRANSFER OF LAND OR BUSINESS

Dutiable Value	Rate of Duty
$0 - $14,000	$1.25 for every $100 or part of the dutiable value
$14,001 - $30,000	$175 plus $1.50 for every $100 or part, by which the dutiable value exceeds $14,000
$30,001 - $80,000	$415 plus $1.75 for every $100 or part, by which the dutiable value exceeds $30,000
$80,001 - $300,000	$1,1290 plus $3.50 for every $100 or part, by which the dutiable value exceeds $80,000
$300,001 - $1m	$8,990 plus $4.50 for every $100 or part, by which the dutiable value exceeds $300,000
over $1m	$40,940 plus $5.50 for every $100 or part, by which the dutiable value exceeds $1,000,000
over $3m	$150,490 plus $7.00 for every $100 or part, by which the dutiable value of the residential property exceeds $3,000,000

CORRECTING GST MISTAKES

(ATO Publication: NAT4700-07.2004)
The Tax Office notes that while the normal way to correct mistakes is to revise the previous BAS, in some cases taxpayers can make corrections on a later BAS. The table below sets out when businesses can use a later BAS to correct mistakes made on an earlier BAS. Corrections may be made to decrease or increase GST payable or to decrease input tax credits. There is no time limit for corrections that increase your input tax credits – these can be corrected on any BAS at any point in the future.

Annual turnover	Time limit in which you can correct errors
Less than $20m	Up to 18 months (18 monthly BASs, 6 quarterly BASs or 1 annual GST return)
$20m or more	Up to 3 months (3 monthly BASs)

Annual turnover	Dollar Value Correction limits
Less than $20m	$4,999
$20m to less than $100m	$9,999
$100m to less than $500m	$24,999
$500m to less than $1bn	$49,999
$1bn and over	$299,999

PENALTIES

TAX SHORTFALL PENALTIES

Summary of Rate of Penalty				
Culpable behaviour	**Base penalty %**	**Base penalty % increased/decreased to:**		
		If hindrance	**If disclosure made**	
			During audit	**Before audit**
Intentional Disregard (s 284-90)	75	90	60	15
Recklessness (s 284-90)	50	60	40	10
Tax avoidance/Scheme benefit (s 284-160)	50 (25)*	60(30)*	40(20)*	10(5)*
Profit shifting (no dominant tax avoidance purpose) (s 284-160)	25(10)*	30(12)*	20(8)*	5(2)*
No reasonable care (s 284-90)	25	30	20	5
No reasonably arguable position (s 284-90)	25	30	20	5
Private Ruling disregarded	25	30	20	5
Failure to make statement	75	90	N/A	N/A
Profit shifting (tax avoidance purpose)	50(25)*	60(30)*	40(20)*	10(5)*

* The rates of penalty in brackets apply if the position adopted by the taxpayer is reasonably arguable.

FAILURE TO LODGE (FTL) PENALTIES
Penalty Units are currently set as below:

Small Entity - $180
Medium Entity - $360
Large Entity - $900

Culpable behaviour for failure to lodge	Base penalty for a small entity	Medium withholder/entity	Large withholder/entity
Income tax returns	1 penalty unit per 28 day period or part thereof	Twice the base penalty for 28 day period or part thereof	Maximum penalty being 5 times the base penalty per 28 day period or part thereof
FBT returns			
Business Activity Statements			
Other tax returns			