

2018 BUDGET SUMMARY



INDIVIDUALS

You're getting a tax cut

But you will need to be patient as it is phased in over 7 years

To be introduced in stages: -

Low and middle income tax offset to be introduced – 1 July 2018

Relief from bracket creep for middle income taxpayers -1 July 2018 - 2022

Removing the 37% personal income tax bracket -1 July 2024

How much will you get?

Income	Tax cut from 2018-19	Tax cut from 2022-23	Tax cut from 2024-25
	<i>Per year</i>	<i>Per year</i>	<i>Per year</i>
\$ 20,000	None	None	None
\$ 40,000	\$290	\$ 455	\$ 455
\$ 60,000	\$530	\$ 540	\$ 540
\$ 80,000	\$530	\$ 540	\$ 540
\$100,000	\$515	\$1,125	\$1,125
\$150,000	\$135	\$2,025	\$3,375
\$200,000	\$135	\$2,025	\$7,225

No Tax deductions for vacant land - July 2019

The measure will apply to land held for residential or commercial purposes.

Deductions are effectively lost as they will not be able to be carried forward for use in later income years or be included when calculating capital gains Tax on sale of the property.

BUSINESS

\$20,000 immediate asset write-off extended

A small business will get an immediate deduction for assets costing less than \$20,000, and installed and ready for use before 30 June 2019.

A small Business has turnover of less than \$10M p.a

No Tax deduction for Unpaid employee wage withholding – July 2019

Businesses will no longer be able to claim deductions for payments to their employees where they have not met their PAYG obligations. This includes where the employer is required to withhold PAYG from gross payments, but fails to report or remit it to the ATO.

SUPERANNUATION

Increased membership of SMSFs

Maximum of six members from 1 July 2019. Currently, the maximum is four.

Three-yearly audit cycle for some SMSFs

The annual audit requirement will be changed to a three-yearly requirement for SMSFs with a history of good record keeping and compliance, ie for SMSF trustees that have a history of three consecutive years of clear audit reports and timely lodgements of the fund's annual returns.