

Treasury Laws Amendment (Tax Relief So Working Australians Keep More Of Their Money) Act 2019

No. 52, 2019

An Act to amend the law relating to taxation, and for related purposes

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An Act to amend the law relating to taxation, and for related purposes

[*Assented to 5 July 2019*]

The Parliament of Australia enacts:

1 Short title

This Act is the *Treasury Laws Amendment (Tax Relief So Working Australians Keep More Of Their Money)* *Act 2019*.

2 Commencement

(1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

| Commencement information | | |
| --- | --- | --- |
| Column 1 | Column 2 | Column 3 |
| Provisions | Commencement | Date/Details |
| 1. The whole of this Act | The day after this Act receives the Royal Assent. | 6 July 2019 |

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

(2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

3 Schedules

Legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Low and Middle Income tax offset and Low Income tax offset

Income Tax Assessment Act 1997

1 Paragraphs 61‑105(1)(b) and (2)(c)

Omit “$125,333”, substitute “$126,000”.

2 Subsection 61‑107(1) (table)

Repeal the table (not including the note), substitute:

| Amount of your tax offset | | |
| --- | --- | --- |
| Item | If your relevant income: | The amount of your tax offset is: |
| 1 | does not exceed $37,000 | $255 |
| 2 | exceeds $37,000 but is not more than $48,000 | $255, plus an amount equal to 7.5% of the excess |
| 3 | exceeds $48,000 but is not more than $90,000 | $1,080 |
| 4 | exceeds $90,000 but is not more than $126,000 | $1,080, less an amount equal to 3% of the excess |

3 Subsection 61‑115(1) (table)

Repeal the table, substitute:

| Amount of your tax offset | | |
| --- | --- | --- |
| Item | If your relevant income: | The amount of your tax offset is: |
| 1 | does not exceed $37,500 | $700 |
| 2 | exceeds $37,500 but is not more than $45,000 | $700, less an amount equal to 5% of the excess |
| 3 | exceeds $45,000 but is not more than $66,667 | $325, less an amount equal to 1.5% of the excess |

4 Application of amendments

The amendments of sections 61‑105 and 61‑107 of the *Income Tax Assessment Act 1997* made by this Schedule apply in relation to assessments for the 2018‑19, 2019‑20, 2020‑21 or 2021‑22 income year.

Schedule 2—Personal income tax reform

Income Tax Rates Act 1986

1 Clause 1 of Part I of Schedule 7 (table dealing with tax rates for resident taxpayers for the 2022‑23 or 2023‑24 year of income)

Repeal the table (including the note), substitute:

| Tax rates for resident taxpayers for the 2022‑23 or 2023‑24 year of income | | |
| --- | --- | --- |
| Item | For the part of the ordinary taxable income of the taxpayer that: | The rate is: |
| 1 | exceeds the tax‑free threshold but does not exceed $45,000 | 19% |
| 2 | exceeds $45,000 but does not exceed $120,000 | 32.5% |
| 3 | exceeds $120,000 but does not exceed $180,000 | 37% |
| 4 | exceeds $180,000 | 45% |

Note: The above table will be repealed on 1 July 2026 by the *Treasury Laws Amendment (Personal Income Tax Plan) Act 2018*.

2 Clause 1 of Part I of Schedule 7 (table dealing with tax rates for resident taxpayers for the 2024‑25 year of income or a later year of income)

Repeal the table, substitute:

| Tax rates for resident taxpayers for the 2024‑25 year of income or a later year of income | | |
| --- | --- | --- |
| Item | For the part of the ordinary taxable income of the taxpayer that: | The rate is: |
| 1 | exceeds the tax‑free threshold but does not exceed $45,000 | 19% |
| 2 | exceeds $45,000 but does not exceed $200,000 | 30% |
| 3 | exceeds $200,000 | 45% |

3 Clause 1 of Part III of Schedule 7 (table dealing with tax rates for working holiday makers for the 2022‑23 or 2023‑24 year of income)

Repeal the table (including the note), substitute:

| Tax rates for working holiday makers for the 2022‑23 or 2023‑24 year of income | | |
| --- | --- | --- |
| Item | For the part of the taxpayer’s working holiday taxable income that: | The rate is: |
| 1 | does not exceed $45,000 | 15% |
| 2 | exceeds $45,000 but does not exceed $120,000 | 32.5% |
| 3 | exceeds $120,000 but does not exceed $180,000 | 37% |
| 4 | exceeds $180,000 | 45% |

Note: The above table will be repealed on 1 July 2026 by the *Treasury Laws Amendment (Personal Income Tax Plan) Act 2018*.

4 Clause 1 of Part III of Schedule 7 (table dealing with tax rates for working holiday makers for the 2024‑25 year of income or a later year of income)

Repeal the table, substitute:

| Tax rates for working holiday makers for the 2024‑25 year of income or a later year of income | | |
| --- | --- | --- |
| Item | For the part of the taxpayer’s working holiday taxable income that: | The rate is: |
| 1 | does not exceed $45,000 | 15% |
| 2 | exceeds $45,000 but does not exceed $200,000 | 30% |
| 3 | exceeds $200,000 | 45% |

[*Minister’s second reading speech made in—*

*House of Representatives on 2 July 2019*

*Senate on 4 July 2019*]

(108/19)