



# **Treasury Laws Amendment (More Cost of Living Relief) Act 2025**

**No. 28, 2025**

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

Note: An electronic version of this Act is available on the Federal Register of Legislation (<https://www.legislation.gov.au/>)



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## Contents

1	Short title.....	1
2	Commencement .....	2
3	Schedules .....	2
<b>Schedule 1—New tax cuts for every Australian taxpayer</b>		<b>3</b>
	<i>Income Tax Rates Act 1986</i>	3
<b>Schedule 2—Increasing the Medicare levy low-income thresholds</b>		<b>5</b>
	<i>A New Tax System (Medicare Levy Surcharge—Fringe Benefits) Act 1999</i>	5
	<i>Medicare Levy Act 1986</i>	5





# Treasury Laws Amendment (More Cost of Living Relief) Act 2025

No. 28, 2025

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

[Assented to 27 March 2025]

The Parliament of Australia enacts:

### 1 Short title

This Act is the *Treasury Laws Amendment (More Cost of Living Relief) Act 2025*.

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## 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.

<b>Commencement information</b>		
<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions</b>	<b>Commencement</b>	<b>Date/Details</b>
1. The whole of this Act	The day after this Act receives the Royal Assent.	28 March 2025

Note: This table relates only to the provisions of this Act as originally enacted.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Legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

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## **Schedule 1—New tax cuts for every Australian taxpayer**

### *Income Tax Rates Act 1986*

#### **1 Clause 1 of Part I of Schedule 7 (table heading)**

Repeal the heading, substitute:

**Tax rates for resident taxpayers for the 2024-25 or 2025-26 year of income**

#### **2 At the end of clause 1 of Part I of Schedule 7**

Add:

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##### **Tax rates for resident taxpayers for the 2026-27 year of income**

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<b>Item</b>	<b>For the part of the ordinary taxable income of the taxpayer that:</b>	<b>The rate is:</b>
1	exceeds the tax-free threshold but does not exceed \$45,000	15%
2	exceeds \$45,000 but does not exceed \$135,000	30%
3	exceeds \$135,000 but does not exceed \$190,000	37%
4	exceeds \$190,000	45%

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##### **Tax rates for resident taxpayers for the 2027-28 year of income or a later year of income**

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<b>Item</b>	<b>For the part of the ordinary taxable income of the taxpayer that:</b>	<b>The rate is:</b>
1	exceeds the tax-free threshold but does not exceed \$45,000	14%
2	exceeds \$45,000 but does not exceed \$135,000	30%
3	exceeds \$135,000 but does not exceed \$190,000	37%

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**Schedule 1** New tax cuts for every Australian taxpayer

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**Tax rates for resident taxpayers for the 2027-28 year of income or a later year of income**

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<b>Item</b>	<b>For the part of the ordinary taxable income of the taxpayer that:</b>	<b>The rate is:</b>
4	exceeds \$190,000	45%

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## **Schedule 2—Increasing the Medicare levy low-income thresholds**

### ***A New Tax System (Medicare Levy Surcharge—Fringe Benefits) Act 1999***

**1 Paragraphs 15(1)(c) and 16(2)(c)**

Omit “\$26,000”, substitute “\$27,222”.

### ***Medicare Levy Act 1986***

**2 Subsection 3(1) (paragraph (a) of the definition of *phase-in limit*)**

Omit “\$51,361”, substitute “\$53,775”.

**3 Subsection 3(1) (paragraph (c) of the definition of *phase-in limit*)**

Omit “\$32,500”, substitute “\$34,027”.

**4 Subsection 3(1) (paragraph (a) of the definition of *threshold amount*)**

Omit “\$41,089”, substitute “\$43,020”.

**5 Subsection 3(1) (paragraph (c) of the definition of *threshold amount*)**

Omit “\$26,000”, substitute “\$27,222”.

**6 Subsection 8(5) (definition of *family income threshold*)**

Omit “\$43,846”, substitute “\$45,907”.

**7 Subsection 8(5) (definition of *family income threshold*)**

Omit “\$4,027”, substitute “\$4,216”.

**8 Subsections 8(6) and (7)**

Omit “\$43,846”, substitute “\$45,907”.

**9 Subsection 8(7)**

Omit “\$57,198”, substitute “\$59,886”.

**10 Paragraph 8D(3)(c)**

Omit “\$26,000”, substitute “\$27,222”.

**11 Subparagraph 8D(4)(a)(ii)**

Omit “\$26,000”, substitute “\$27,222”.

**12 Paragraph 8G(2)(c)**

Omit “\$26,000”, substitute “\$27,222”.

**13 Subparagraph 8G(3)(a)(ii)**

Omit “\$26,000”, substitute “\$27,222”.

**14 Application provision**

The amendments made by this Schedule apply in relation to assessments for the 2024-25 year of income and later years of income.

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*[Minister’s second reading speech made in—  
House of Representatives on 26 March 2025  
Senate on 26 March 2025]*

(26/25)

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