



Budget 2016



Making a start on personal income tax relief

Our outdated tax system is punishing hard work, hindering growth, limiting opportunity and hampering innovation. That is why the Government is making a start on personal income tax relief for hard working Australians.

Making a start on Tax Relief

From 1 July, 2016 the Government will prevent average full time wage earners from moving into the second top tax bracket until 2019-20 by increasing the 32.5 per cent tax threshold from \$80,000 to \$87,000. This will stop around 500,000 taxpayers facing the 37 per cent marginal tax rate.

By pushing up the tax threshold on the middle tax bracket **we'll keep full time average wage earners on the lower rate for longer.**

This will reward hard working Australians for doing more overtime, picking up more shifts, taking a promotion or a better new job, without being penalised by paying more tax through the higher rate.

The Government will consider further measures to reduce the burden of tax as fiscal settings allow.

This Budget is a ten year enterprise tax plan that will boost new investment, create and support jobs and increase real wages.

Personal Tax – current and new thresholds

Current thresholds	Rates	New thresholds	Rates
\$0 - \$18,200	0%	\$0 - \$18,200	0%
\$18,201 - \$37,000	19%	\$18,201 - \$37,000	19%
\$37,001 - \$80,000	32.5%	\$37,001 - \$87,000	32.5%
\$80,001 - \$180,000	37%	\$87,001 - \$180,000	37%
\$180,001 +	45%	\$180,001 +	45%