



Tax Laws Amendment (Personal Income Tax Reduction) Act 2005

No. 101, 2005

**An Act to reduce personal income tax, and for
other purposes**

Note: An electronic version of this Act is available in ComLaw (<http://www.comlaw.gov.au/>)

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Tax Laws Amendment (Personal Income Tax Reduction) Act 2005

No. 101, 2005

An Act to reduce personal income tax, and for other purposes

[Assented to 12 August 2005]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Tax Laws Amendment (Personal Income Tax Reduction) Act 2005*.

2 Commencement

This Act commences on the day on which it receives the Royal Assent.

3 Schedule(s)

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

4 Application

The amendments made by Schedule 1 apply to assessments for the 2005-2006 year of income and later years of income.

Schedule 1—Amendments

Income Tax Rates Act 1986

1 Clause 1 of Part I of Schedule 7 (table)

Repeal the table, substitute:

Tax rates for resident taxpayers		
Item	For the part of the ordinary taxable income of the taxpayer that:	The rate is:
1	exceeds \$6,000 but does not exceed \$21,600	15%
2	(a) for the 2005-06 year of income—exceeds \$21,600 but does not exceed \$63,000; and (b) for later years of income—exceeds \$21,600 but does not exceed \$70,000	30%
3	(a) for the 2005-06 year of income—exceeds \$63,000 but does not exceed \$95,000; and (b) for later years of income—exceeds \$70,000 but does not exceed \$125,000	42%
4	(a) for the 2005-06 year of income—exceeds \$95,000; and (b) for later years of income—exceeds \$125,000	47%

2 Clause 1 of Part II of Schedule 7 (table)

Repeal the table, substitute:

Tax rates for non-resident taxpayers		
Item	For the part of the ordinary taxable income of the taxpayer that:	The rate is:
1	does not exceed \$21,600	29%
2	(a) for the 2005-06 year of income—exceeds \$21,600 but does not exceed \$63,000; and (b) for later years of income—exceeds \$21,600 but does not exceed \$70,000	30%

Tax rates for non-resident taxpayers

Item	For the part of the ordinary taxable income of the taxpayer that:	The rate is:
3	(a) for the 2005-06 year of income—exceeds \$63,000 but does not exceed \$95,000; and (b) for later years of income—exceeds \$70,000 but does not exceed \$125,000	42%
4	(a) for the 2005-06 year of income—exceeds \$95,000; and (b) for later years of income—exceeds \$125,000	47%

Medicare Levy Act 1986

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

Omit “\$22,162”, substitute “\$23,749”.

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

Omit “\$20,500”, substitute “\$21,968”.

[Minister’s second reading speech made in—
House of Representatives on 12 May 2005
Senate on 14 June 2005]

(66/05)
