



Tax Laws Amendment (Personal Income Tax Reduction) Act 2008

No. 29, 2008

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

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

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No. 29, 2008

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

[Assented to 23 June 2008]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Tax Laws Amendment (Personal Income Tax Reduction) Act 2008*.

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
Provision(s)	Commencement	Date/Details
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day on which this Act receives the Royal Assent.	23 June 2008
2. Schedule 1, Part 1	1 July 2008.	1 July 2008
3. Schedule 1, Part 2	1 July 2009.	1 July 2009
4. Schedule 1, Part 3	1 July 2010.	1 July 2010

Note: This table relates only to the provisions of this Act as originally passed by both Houses of the Parliament and assented to. It will not be expanded to deal with provisions inserted in this Act after assent.

- (2) Column 3 of the table contains additional information that is not part of this Act. Information in this column may be added to or edited in any published version of this Act.

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Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Amendments

Part 1—Amendments having effect from the 2008-09 year of income

Income Tax Assessment Act 1936

1 Subsection 159N(1)

Omit “\$48,750”, substitute “\$60,000”.

2 Subsection 159N(2)

Omit “\$750”, substitute “\$1,200”.

Income Tax Rates Act 1986

3 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 \$34,000	15%
2	exceeds \$34,000 but does not exceed \$80,000	30%
3	exceeds \$80,000 but does not exceed \$180,000	40%
4	exceeds \$180,000	45%

4 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 \$34,000	29%
2	exceeds \$34,000 but does not exceed \$80,000	30%
3	exceeds \$80,000 but does not exceed \$180,000	40%

Schedule 1 Amendments

Part 1 Amendments having effect from the 2008-09 year of income

Tax rates for non-resident taxpayers

Item	For the part of the ordinary taxable income of the taxpayer that:	The rate is:
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4	exceeds \$180,000	45%
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5 Subparagraph 2(b)(ii) of Division 2 of Part I of Schedule 8

Omit "\$30,000" (wherever occurring), substitute "\$34,000".

6 Paragraph 2(b) of Part I of Schedule 10

Omit "\$30,000" (wherever occurring), substitute "\$34,000".

Medicare Levy Act 1986

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

Omit "\$30,431", substitute "\$33,961".

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

Omit "\$25,867", substitute "\$28,867".

9 Subsection 8(7)

Omit "\$37,950", substitute "\$42,000".

10 Application

The amendments made by this Part apply to assessments for the 2008-09 year of income.

Part 2—Amendments having effect from the 2009-10 year of income

Income Tax Assessment Act 1936

11 Subsection 159N(1)

Omit “\$60,000”, substitute “\$63,750”.

12 Subsection 159N(2)

Omit “\$1,200”, substitute “\$1,350”.

Income Tax Rates Act 1986

13 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 \$35,000	15%
2	exceeds \$35,000 but does not exceed \$80,000	30%
3	exceeds \$80,000 but does not exceed \$180,000	38%
4	exceeds \$180,000	45%

14 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 \$35,000	29%
2	exceeds \$35,000 but does not exceed \$80,000	30%
3	exceeds \$80,000 but does not exceed \$180,000	38%
4	exceeds \$180,000	45%

Schedule 1 Amendments

Part 2 Amendments having effect from the 2009-10 year of income

15 Subparagraph 2(b)(ii) of Division 2 of Part I of Schedule 8

Omit "\$34,000" (wherever occurring), substitute "\$35,000".

16 Paragraph 2(b) of Part I of Schedule 10

Omit "\$34,000" (wherever occurring), substitute "\$35,000".

Medicare Levy Act 1986

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

Omit "\$33,961", substitute "\$35,137".

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

Omit "\$28,867", substitute "\$29,867".

19 Subsection 8(7)

Omit "\$42,000", substitute "\$43,500".

20 Application

The amendments made by this Part apply to assessments for the 2009-10 year of income.

Part 3—Amendments having effect from the 2010-11 year of income

Income Tax Assessment Act 1936

21 Subsection 159N(1)

Omit “\$63,750”, substitute “\$67,500”.

22 Subsection 159N(2)

Omit “\$1,350”, substitute “\$1,500”.

Income Tax Rates Act 1986

23 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 \$37,000	15%
2	exceeds \$37,000 but does not exceed \$80,000	30%
3	exceeds \$80,000 but does not exceed \$180,000	37%
4	exceeds \$180,000	45%

24 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 \$37,000	29%
2	exceeds \$37,000 but does not exceed \$80,000	30%
3	exceeds \$80,000 but does not exceed \$180,000	37%
4	exceeds \$180,000	45%

Schedule 1 Amendments

Part 3 Amendments having effect from the 2010-11 year of income

25 Subparagraph 2(b)(ii) of Division 2 of Part I of Schedule 8

Omit “\$35,000” (wherever occurring), substitute “\$37,000”.

26 Paragraph 2(b) of Part I of Schedule 10

Omit “\$35,000” (wherever occurring), substitute “\$37,000”.

Medicare Levy Act 1986

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

Omit “\$35,137”, substitute “\$36,100”.

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

Omit “\$29,867”, substitute “\$30,685”.

29 Subsection 8(7)

Omit “\$43,500”, substitute “\$44,500”.

30 Application

The amendments made by this Part apply to assessments for the 2010-11 year of income and later years of income.

*[Minister’s second reading speech made in—
House of Representatives on 14 February 2008
Senate on 13 March 2008]*

(15/08)
