



THE 2017/18 BUDGET

The Australian Government has brought out the new 2017/18 Budget and focuses on Individuals from 9 May 2017.

Individuals

The Australian Government handed down the budget with several proposed changes to tax and superannuation laws.

Here's a rundown on the key features of the changes and what it means for you as an individual.

- **Increase in the Medicare Levy from 1 July 2019**

The current Medicare Levy stands at 2%. As of 1 July 2019, the Government will increase the Medicare Levy to 2.5% of taxable income.

- **First home superannuation saver scheme**

The Government will encourage home ownership by allowing first homebuyers to 'build a deposit' inside their superannuation. As of 1 July 2017, first homebuyers can make voluntary superannuation contributions up to \$15,000 per year. These contributions can then be withdrawn for a first home deposit from 1 July 2018 onwards.

- **Changes affecting the Higher Education Loan Program (HELP)**

The Government will revise the thresholds for repayment of HELP debt for the upcoming years. A breakdown of the minimum and maximum thresholds is as follows:

- 2016/17 - Minimum \$54,869 with 4% repayment rate
Maximum \$101,900 with 8% repayment rate
- 2017/18 - Minimum \$55,874 with 4% repayment rate
Maximum \$103,766 with 8% repayment rate
- 2018/19 - Minimum \$42,000 with 1% repayment rate
Maximum \$119,882 with 10% repayment rate

Foreign Residents Tax Rates from 1 July 2016

Taxable Income \$0 - \$87,000 will be taxed at 32.5c for each \$1.

Temporary budget Repair Levy

Individual Taxpayers with a taxable Income of more than \$180,000 will have an additional levy of 2% of each dollar over \$180,000

This Levy will cease to apply from 1 July 2017.

Tax Free Threshold

From 1 July 2016 the Tax Free Threshold is \$18,200

Action Tax Services

Shop 18, Moranbah Fair
12-14 St Francis Drive
PO Box 318
MORANBAH QLD 4744

Phone: (07) 4941 7620

Mob: 0439 416 958

Email: stacey@ataxs.com.au

This Information sheet is intended as a guide for Action Tax Services clients. All actual detail and circumstances differ, please discuss your situation with an Action Tax Services Consultant. Remember- if you are not sure if you can claim an expense, keep the receipt and we claim all allowable deductions and rebates for you whilst preparing your tax return.