

# Wearne & Co

CHARTERED ACCOUNTANTS  
AND BUSINESS ADVISORS

# Tax Calendar

2002/2003

## Personal Tax Rates (Residents)

Taxable Income	Tax Payable	2002/2003
0 – 6,000	Nil	
6,001 – 20,000	17c for each \$1 in excess of \$6,000	
20,001 – 50,000	\$2,380 + 30c for each \$1 in excess of \$20,000	
50,001 – 60,000	\$11,380 + 42c for each \$1 in excess of \$50,000	
over 60,000	\$15,580 + 47c for each \$1 in excess of \$60,000	

A medicare levy of 1.5% of taxable income applies to most residents. A 1% surcharge may apply if private health cover is not carried where an unmarried person's taxable income and reportable fringe benefits exceeds \$50,000 or \$100,000 for couples. Non-residents pay tax at 29% rate from \$1 to \$20,000 and thereafter at the same marginal rates as residents.

## Franking Credit 2001/2002 Onwards

The franking credit on dividends is now calculated at dividend times 30 divided by 70.

## PAYG Withholding

Payments where no ABN is quoted is 48.5%

## Lump Sum and Pension RBL's

The lump sum and pension reasonable benefit limits (RBLs) for 2002/03 are \$562,195 (\$529,373 for 2001/2002) and \$1,124,384 (\$1,058,742 for 2001/2002) respectively.

## Motor Vehicles - Cents per Kilometre Rates

Non Rotary Engine Size	Rotary Engine Size	2000/2001 Cents per Km	2001/2002 Cents per Km
Up to 1600cc	Up to 800cc	48.9	49.3
1601 to 2600cc	801 to 1300cc	58.5	59.0
over 2600cc	over 1300cc	59.5	60.0

Car Depreciation limit and luxury car threshold for 2002/2003 is \$57,009.

**Fringe Benefits Tax (FBT)** is tax deductible. The gross up factor from July 2000 is 2.1292 where input tax credits are derived on GST applicable benefits or 1.9417 where benefit is not GST applicable.

FBT 2002/2003 tax rate - 48.5% . Benchmark 2001/2002 interest rate – 6.05%.

FBT Statutory Fraction - Motor Vehicles	Rate – 2002/2003
Up to 15,000 km per annum	0.26
15,000 - 24,999 km per annum	0.20
25,000 - 40,000 km per annum	0.11
Over 40,000 km per annum	0.07

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### Company Tax Rate 30%

#### Superannuation Employer Contributions - Superannuation Guarantee Charge

Year	Salary %	Year	Salary %
2001/2002	8	* Salary threshold	\$116,880 pa
2002/2003 onward	9		indexed

#### Superannuation Age Based Deductible Contribution Limit

Age	\$
Under 35	12,651
35 to 49	35,138
50 and over	87,141

#### Superannuation Contribution Surcharge – 2002/2003

Individual's adjusted taxable income	\$
Lower Threshold	90,527
Threshold at which 15% applies	109,924
Surcharge % Calculation Denominator	1,295
Surchargeable Contributions Threshold if TFN has not been quoted	3,880

#### Superannuation Spouse Contribution

Where a spouse's assessable income and reported fringe benefits total is less than \$13,800, the taxpayer may be entitled to a rebate. The maximum rebate is \$540 and is based on 18% of the maximum rebatable contributions of \$3,000. The \$3,000 limit is reduced by \$1 for each \$1 that the total of the spouse's assessable income and reportable fringe benefits exceeds \$10,800.

#### Tax free amounts of bona-fide redundancy and approved early retirement payments

Tax free amount is so much of the payment as does not exceed \$5,623 (\$5,295 for 2001/2002) plus \$2,812 (\$2,648 for 2001/2002) multiplied by whole years of service ie \$5,623 + (\$2,812 x years of service)

#### Land Tax

Tax of \$100 plus 1.7 cents is payable on the unimproved value of all taxable land owned on 31 December 2001 which exceeds the threshold of \$220,000.

Exempt land includes:

- \* Land used and occupied as the owners principal place of residence (providing the land value is less than \$1.414 million);
- \* Land intended as the owners principal place of residence;
- \* Primary production land;
- \* Land used and occupied primarily for low cost accommodation;
- \* Retirement villages and nursing homes; and
- \* Land owned by societies, charitable and educational institutions.

#### Pay-roll Tax

With effect from 1 July 2002 the pay-roll tax rate was reduced from 6.2% to 6.0% on an annual wages threshold of \$600,000 p.a. for wages paid in NSW. Wages include salary, superannuation, grossed up FBT value and some allowances. Payroll tax for apprentices will be abolished.

In NSW, an employer who is a member of a group must register within seven days after the month it commences to pay wages where its average weekly wages for that month exceeds \$11,538.

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