

# Wearne & Co

CHARTERED ACCOUNTANTS  
AND BUSINESS ADVISORS

# Tax Calendar

2003/2004

## Personal Tax Rates (Residents)

Taxable Income	Tax Payable	2003/2004
0 – 6,000	Nil	
6,001 – 21,600	17c for each \$1 in excess of \$6,000	
21,601 – 52,000	\$2,652 + 30c for each \$1 in excess of \$21,600	
52,001 – 62,500	\$11,772 + 42c for each \$1 in excess of \$52,000	
over 62,501	\$16,182 + 47c for each \$1 in excess of \$62,500	

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 \$21,600 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 2003/04 are \$588,056 (\$562,195 for 2002/2003) and \$1,176,106 (\$1,124,384 for 2002/2003) respectively.

## Motor Vehicles - Cents per Kilometre Rates

Non Rotary Engine Size	Rotary Engine Size	2001/2002 Cents per Km	2002/2003 Cents per Km
Up to 1600cc	Up to 800cc	49.3	50.0
1601 to 2600cc	801 to 1300cc	59.0	60.0
over 2600cc	over 1300cc	60.0	61.0

Car Depreciation limit and luxury car threshold for 2003/2004 is \$57,009. The diminishing value depreciation rate for cars acquired on or after 1 July 2002 is 18.75%

**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 2003/2004 tax rate - 48.5% . Benchmark 2003/2004 interest rate – 6.55%.

FBT Statutory Fraction - Motor Vehicles	Rate – 2003/2004
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 %
2002/2003 onward	9	* Salary threshold	\$122,240 pa indexed

The employer is to provide notice of contributions to employees and pay contributions on a quarterly basis from 1 July 2003.

**Superannuation Age Based Deductible Contribution Limit**

Age	\$
Under 35	13,233
35 to 49	36,754
50 and over	91,149

**Superannuation Contribution Surcharge – 2003/2004**

Individual's adjusted taxable income	\$
Lower Threshold	94,691
Threshold at which 15% applies	114,981
Surcharge % Calculation Denominator	1,355
Surchargeable Contributions Threshold if TFN has not been quoted	4,058

**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 \$5,882 (\$5,623 for 2002/2003) plus \$2,941 (\$2,812 for 2002/2003) multiplied by whole years of service ie \$5,882 + (\$2,941 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 2002 which exceeds the threshold of \$261,000.

Exempt land includes:

- \* Land used and occupied as the owners principal place of residence (providing the land value is less than \$1.68 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.