

International Assignment Services Tax Summary 2003/2004

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Australian Tax Timeline

1 July 2003

Beginning of the 2003/04 Australian tax year

28 October 2003

Last date for payment of 1st quarterly PAYG instalment for 2003/04

31 October 2003

Last date to be listed on Deloitte's lodgment program to obtain an extension to the tax return filing deadline

28 February 2004

Last date for payment of 2nd quarterly PAYG instalment for 2003/04

28 April 2004

Last date for payment of 3rd quarterly PAYG instalment for 2003/04

(+/-) 30 April 2004

Last date for lodgment of 2002/03 tax return

~2 weeks after lodgment

2002/03 income tax assessment issues from ATO

30 June 2004

End of the 2003/04 Australian tax year

28 July 2004

Last date for payment of 4th PAYG instalment for 2003/04

21 October 2004

Last day for payment of 2003/04 annual lump sum PAYG

FBT continued

FBT on Cars – Statutory Formula

Annualised Kilometres Travelled Statutory Fraction Applied to Car Cost

14,999 or less	26%
15,000 to 24,999	20%
25,000 to 40,000	11%
40,001 or more	7%

Offsets

- ▶ 20% rebate on un-reimbursed medical expenditure over \$1,500
- ▶ Dependent spouse tax offset (2001/02) – \$1,437
- ▶ Low income earner tax offset – \$235
- ▶ Family Tax Benefit (FTB) – part B
 - youngest child under 5 - \$2,836,
 - youngest child 5 or over - \$1,978

Notes:

- (1) Spouse tax offset reduced by \$1 for every \$4 by which the spouse's net income exceeds \$282
- (2) Low Income earner tax offset is reduced \$1 for every \$25 which the taxpayers income exceeds \$21,600
- (3) FTB reduced by 30¢ for every \$1 by which the spouse's income exceeds \$1,752

Personal Tax Rates

Taxable Income \$	Resident		Non Resident		
	Tax \$	% On Excess	Taxable Income \$	Tax \$	% On Excess
6,000	Nil	17	Nil	Nil	29
21,600	2,652	30	21,600	6,264	30
52,000	11,772	42	52,000	15,384	42
62,500	16,182	47	62,500	19,794	47

- Note:
- (1) The general tax-free threshold of \$6,000 is reduced in a year of partial residence

Medicare Levy (Residents Only)

Medicare levy	1.5%	
Medicare levy surcharge ⁽¹⁾	1%	
	Threshold	
	Individuals	Families
Medicare levy	\$15,062	\$25,417 ⁽²⁾
Medicare levy surcharge	\$50,000	\$100,000 ⁽³⁾

- Notes:
- (1) Applies to taxpayers with income above the threshold without approved private patient hospital cover
- (2) Plus \$2,334 for each child
- (3) Plus \$1,500 for each child after the first

Certain individuals on temporary resident visas are ineligible for Medicare benefits and an apply to the Minister of Health for a certificate of exemption.

Fringe Benefits Tax (FBT)

General

- FBT rate on grossed up value 48.5%
- Gross-up factor – benefits for which employer can claim input tax credit under GST 2.1292
- Gross-up factor – benefits for which employer cannot claim input tax credit under GST 1.9417
- FBT benchmark interest rate 6.55%

LAFH – Tax exempt reasonable food allowance (FBT year ending 31 March 2004)

Family Size	Tax Free Allowance Per Week \$	Tax Free Allowance Per Annum \$
1 Adult	128	6,656
2 Adults	188	9,776
3 Adults	181	9,412
2 Adults, 1 Child	202	10,504
2 Adults, 2 Children	181	9,412
2 Adults, 3 Children	210	10,920
3 Adults, 1 Child	210	10,920
3 Adults, 2 Children	240	12,480
4 Adults	240	12,480

- Note:
- Children are persons younger than 12 years at the beginning of the FBT year, i.e. 1 April. In relation to larger family groupings, an allowance based on the above figures plus \$61 for each additional adult and \$30 for each additional child is accepted.

Superannuation and Eligible Termination Payments

Employer Contributions

Age of Employee	Maximum Deductible Contributions 2003 – 2004
Less than 35	\$13,233
35 – under 50	\$36,754
50 years and over	\$91,149

Superannuation Contributions and Termination Payments Tax Surcharge

Adjusted Taxable Income \$	Surcharge 2003 – 2004 %
Nil – 94,691	Nil
94,691 – 114,981	Adjusted Taxable Income less \$94,691
	\$1,355
Over 114,981	15

Superannuation Guarantee

Employers must contribute 9% of an employee's earnings base (to a maximum earnings base of \$30,560 per quarter in 2003/04) to a complying superannuation fund.

Reasonable Benefit Limits (RBLs)

RBL	Standard Limits 2003 – 2004
Lump sum	\$588,056
Pension	\$1,176,106

Tax-free Amount of Bona Fide Redundancy Payments

The tax-free amount of a bona fide redundancy or approved early retirement scheme payment is the lesser of:

- the actual payment received; or
- \$5,882 plus \$2,941 for each whole year of employment service completed. It should be noted that this tax-free amount does not represent part of an ETP.

Withholding Tax on Australian Income Received by Non Residents

- Unfranked dividends⁽¹⁾ 30%
- Interest 10%
- Royalties⁽²⁾ 30%

- Notes:
- (1) Reduced to 15% by most tax treaties
- (2) Reduced to 10% or 15% by most tax treaties