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Australian Tax Timeline

1 July 2004

Beginning of the 2004/05 Australian tax year

28 October 2004

Last date for payment of 1st quarterly PAYG instalment for 2004/05

31 October 2004

Last date to file 2003/2004 tax return or be listed on tax agent lodgment program to obtain an extension to the tax return filing deadline.

28 February 2005

Last date for payment of 2nd quarterly PAYG instalment for 2004/05

28 April 2005

Last date for payment of 3rd quarterly PAYG instalment for 2004/05

(+/-) 15 May 2005

Last date for lodgment of 2003/04 tax return via tax agent

~ 2 weeks after lodgment

2003/04 income tax assessment issues from ATO

30 June 2005

End of the 2004/05 Australian tax year

28 July 2005

Last date for payment of 4th PAYG instalment for 2004/05

21 October 2005

Last day for payment of 2004/05 annual lump sum PAYG

Fringe Benefits Tax

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** **7.05%**

Fringe Benefits Tax 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 to more	7%

LAFH – Tax exempt reasonable food allowance (FBT year ending 31 March 2005)

Family Size	Tax Free Allowance Per Week \$	Tax Free Allowance Per Annum \$
1 Adult	134	6,968
2 Adults	198	10,296
3 Adults	192	9,984
2 Adults, 1 Child	213	11,076
2 Adults, 2 Children	192	9,984
2 Adults, 3 Children	223	11,596
3 Adults, 1 Child	223	11,596
3 Adults, 2 Children	255	13,260
4 Adults	255	13,260

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 \$65 for each additional adult and \$32 for each additional child is accepted.

Personal tax rates

Resident			Non-resident		
Taxable income	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
58,000	13,572	42	58,000	17,184	42
70,000	18,612	47	70,000	22,224	47

Note: 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	15,529	26,205 ⁽²⁾
Medicare surcharge	50,000	100,000 ⁽³⁾

Notes: 1) applies to taxpayers with income above the threshold without approved private patient hospital cover

2) family threshold is increased by \$2,406 for each dependent child

3) plus \$1,500 for each child after the first.

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

Superannuation and termination payments

Employer contributions

Age of employee	Maximum deductible contributions 2004-2005
Less than 35	\$13,934
35 – Under 50	\$38,702
50 Years and Over	\$95,980

Superannuation contributions and termination payments tax surcharge*

Adjusted taxable income \$	Surcharge 2004-2005 %
Nil – 99,710	Nil
99,710 – 121,075	(Adjusted taxable income - \$99,710)/\$1709
Over 121,075	12.5%

* Any portion of a termination payment relating to service pre-20/08/1996 is not subject to the surcharge.

Superannuation guarantee

Employers must contribute 9% of an employee's earnings base (to a maximum earnings base of \$32,180 per quarter in 2004/05) to a complying superannuation fund.

Departing Australia – Superannuation payments

Post-June 1983 taxed element is subject to tax rate of 30%. Only temporary residents having permanently departed Australia are able to access their accumulated superannuation.

Reasonable Benefit Limits (RBLs)

RBL	Standard limits 2004-2005
Lump Sum	\$619,223
Pension	\$1,238,440

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
 - \$6,194 plus \$3,097 for each whole year of employment service completed.
- It should be noted that this tax-free amount does not represent part of an ETP.

Accrued leave

Payment type	Assessable portion	Maximum rate of tax* Resignation, retirement payments	Maximum rate of tax* Redundancy, invalidity and early retirement scheme
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Long service leave

Pre 16/08/1978	5%	Marginal Rate	Marginal Rate
16/08/1978 to 17/08/1993	100%	30%	30%
Post 17/08/1993	100%	Marginal Rate	30%

Annual Leave

Pre 18/08/1993	100%	30%	30%
Post 17/08/1993	100%	Marginal Rate	30%

* Only applies to payments on termination. Resident taxpayers may also be subject to 1.5% Medicare Levy.

Eligible termination payment – post-June 1983 components

Age at date ETP was made and amount	Taxed element maximum rate %*	Untaxed element maximum rate %*
Under 55	20	30
55 and over \$0 - \$123,808	0	15
55 and over \$123,808+	15	30

* Resident taxpayers may also be subject to 1.5% Medicare Levy. 5% of recipient's pre July 1983 components are included in assessable income and taxed at marginal rates.

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.

Tax offsets for residents

- 20% rebate on un-reimbursed medical expenditure over \$1,500
- Dependent spouse tax offset (2003/04) - \$1,535 (1)
- Low income earner tax off set (2003/04) - \$235 (2)

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 by \$1 for every \$25 which the taxpayer's income exceeds \$21,600.