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# TAX FACTS DATACARD 2022-2023



## TAX PAYABLE CALCULATION

Taxable income = assessable income – allowable deductions

Tax payable = (taxable income x tax rate) – tax offsets + Medicare levy.

## TAX RATES

### Company tax rate for 2022-2023 year

- ▶ 30% of taxable income for general companies
- ▶ 25% of taxable income for companies with aggregated turnover less than \$50 million that are base rate entities (passive income test).

### Resident Individuals - Rates 2022-2023

| Taxable Income        | Tax Payable*                   |
|-----------------------|--------------------------------|
| \$0 - \$18,200        | \$Nil                          |
| \$18,201 - \$45,000   | \$Nil + 19% over \$18,200      |
| \$45,001 - \$120,000  | \$5,092 + 32.5% over \$45,000  |
| \$120,001 - \$180,000 | \$29,467 + 37% over \$120,000  |
| Over \$180,000        | \$51,667 + 45% over \$180,000* |

\*Resident individuals including minors may also be subject to Medicare levy of 2% and Medicare levy surcharge of between 1% and 1.5%.

### Unearned income of resident minors (under 18 years) not in full time employment

| Unearned Income | Tax Payable              |
|-----------------|--------------------------|
| \$0-\$416       | \$Nil                    |
| \$417 - \$1,307 | 66% over \$416           |
| Over \$1,307    | 45% of the entire amount |

### Non-Resident Individuals - Rates 2022 – 2023

| Taxable Income        | Tax Payable                   |
|-----------------------|-------------------------------|
| \$0 - \$120,000       | 32.5 cents for each \$1       |
| \$120,001 - \$180,000 | \$39,000 + 37% over \$120,000 |
| Over \$180,001        | \$61,200 + 45% over \$180,000 |

## TEMPORARY FULL EXPENSING OF DEPRECIATING ASSETS

For the 2022-2023 income year, there is a 100% depreciation deduction for depreciating assets depending on the business aggregate turnover, asset value, new or used and dates acquired and installed. Below is a summary of these but there are various other conditions:

| Date held and installed ready for use by | Aggregate turnover (AT)   | New/second hand    | Asset Value  |
|--|---|--------------------|--|
| 1/7/22 to 30/6/23                        | <\$5 billion AT   | New                | unlimited  |
| 1/7/22 to 30/6/23                        | <\$50 million AT  | New or second hand | unlimited  |
| 1/7/22 to 30/6/23                        | >\$5 billion AT but <\$5 billion stand-alone ordinary and statutory income for 2018-2019 or 2019-2020 | New                | > \$100 million depreciating assets acquired or improved in 2016-2017, 2017-2018 and 2018-2019 |

## TAX OFFSETS

### Company Loss Carry Back Offset

For the 2022-2023 income year, a corporate tax entity (CTE) with an aggregated turnover of less than \$5 billion can choose to claim a refundable tax offset that, in effect, carries back tax losses for the 2022-2023 year (loss year) and apply them against tax paid in the 2018-2019, 2019-2020, 2020-2021, or 2021-2022 income years. The CTE must have lodged income tax returns for the current year and each of the five years immediately preceding it (if required to do so in those years).

The amount of the refundable loss carry back tax offset is based on the CTE's tax rate in the loss year. However, the amount cannot exceed:

- ▶ The amount of tax paid by the entity in the relevant taxable year; and
- ▶ The entity's franking account balance at the end of the loss year.

### Low Income Tax Offset

\$700 if resident individual's taxable income less than \$37,500 - reduced offset up to \$66,667 taxable income. Minors not in full time employment are not eligible to apply against unearned income.

### Seniors and Pensioner Tax Offset

| Eligible taxpayers   | Maximum Amount of Rebate | Rebate income* threshold for maximum tax offset | Rebate Income* threshold for phased out tax offset |
|--|--------------------------|---|--|
| Single taxpayer  | \$2,230                  | \$32,279  | \$50,119   |
| Couple living together   | \$1,602 each             | \$57,948 combined                               | \$83,580 combined                                  |
| Couple with one living apart due to illness or in a nursing home | \$2,040 each             | \$62,558 combined                               | \$95,198 combined                                  |

\*Rebate income and "adjustable taxable income" (ATI) generally includes taxable income, adjusted fringe benefits, reportable superannuation contributions and deductible personal superannuation contributions. Net investment and rental property losses are added back.

### Superannuation Contribution Offset

Non-working spouse superannuation contributions:

- ▶ 18% of up to \$3,000 of contribution - maximum rebate: \$540.

### Dependant Invalid Carer Tax Offset

This offset is generally available for an individual (or in combination with a spouse) with ATI of \$104,432 or less, who contributed to the maintenance of a dependant where the dependant is genuinely unable to work due to invalidity or carer obligations. The dependant must be an Australian resident who receives, or cares for somebody who receives, an eligible pension; or a carer's payment/allowance.

Eligible dependants may include:

- ▶ A taxpayer's spouse who is an invalid or carer for an invalid
- ▶ A parent of either the taxpayer or their spouse, who is an invalid or a carer for an invalid
- ▶ A child (aged 16 years and over) of either the taxpayer or their spouse, who is an invalid
- ▶ A brother or sister (aged 16 years and over) of either the taxpayer or their spouse, who is an invalid.

The maximum offset is \$2,943 for each eligible dependant (limited to one spouse). The offset reduces by \$1 for every \$4 by which the dependant's ATI\* + exempt pension amounts exceeds \$282 (phasing out completely at ATI of \$12,054).

### Employment Termination Payments (ETP) Exemptions and Offsets

| Exempt component                                    | Exemption  |
|---|--|
| Pre 1/7/1983 component                              | Fully exempt   |
| Invalidity component                                | Fully exempt   |
| Genuine Redundancy                                  | \$11,591 plus \$5,797 per completed year of employment is exempt |
| Eligible early retirement scheme                    | Fully exempt   |
| Taxable component                                   | Tax Offset   |
| Taxpayer under preservation age at 30/6/2023:       | Tax offset reduces to rate to 30% max                            |
| Up to ETP caps*                                     | No offset - tax at rate of 45%*                                  |
| Excess over ETP caps*                               | No offset - tax at rate of 45%*                                  |
| Taxpayer at or above preservation age at 30/6/2023: | Tax at maximum rate of 15%* No offset - tax at rate of 45%*      |
| Up to ETP caps*                                     | No offset - tax at rate of 45%*                                  |
| Excess over ETP caps*                               | No offset - tax at rate of 45%*                                  |

All rates include 2% Medicare Levy

\*ETP caps

There are two ETP caps (the lowest cap applies):

- ▶ General ETP tax offset cap of \$230,000 of the ETP amount
- ▶ Whole of income cap of \$180,000 less non ETP income. Only applies to reduce ETP offset for life benefit ETP's excluding genuine hardship amounts, taxable redundancy payments, early retirement scheme payments, and compensation payments due to an employment related dispute.

## Private Health Insurance Rebate

Private Health Insurance rebate can be claimed through tax return or direct from health fund as a premium reduction.

| Family Group                  | ATI* Ranges<br>Increase ATI range by \$1,500 per extra child |                       |                       |             |
|-------------------------------|--|-----------------------|-----------------------|-------------|
|                               | Base Tier  | Tier 1                | Tier 2                | Tier 3      |
| Single                        | < \$90,000   | \$90,001 - \$105,000  | \$105,001 - \$140,000 | > \$140,001 |
| Couples/Family with one child | < \$180,000  | \$180,001 - \$210,000 | \$210,001 - \$280,000 | > \$280,001 |
| Rebate percentage             |  |                       |                       |             |
| Under 65 years                | 24.608% of premium   | 16.405% of premium    | 8.202% of premium     | Nil rebate  |
| 65 – 69 years                 | 28.710 % of premium  | 20.507% of premium    | 12.303% of premium    | Nil rebate  |
| 70 years +                    | 32.812% of premium   | 24.608% of premium    | 16.405% of premium    | Nil rebate  |

Note, the rebate percentage rates are effective from 1 April 2021 to 31 March 2023.

## MEDICARE LEVY (FOR RESIDENT INDIVIDUALS)

- ▶ Medicare levy is 2% of taxable income plus Medicare levy surcharge (if applicable)
- ▶ There are exemptions or reductions for low income taxpayers.

### Medicare Levy Surcharge (MLS) 1 April 2020 to 31 March 2021

Additional Medicare levy for higher income taxpayers without private health insurance:

| Family Group                 | ATI ranges - Plus \$1,500 per extra child in family |                       |             |
|------------------------------|---|-----------------------|-------------|
| Single                       | \$90,001 - \$105,000                                | \$105,001 - \$140,000 | > \$140,001 |
| Couple/family with one child | \$180,001 - \$210,000                               | \$210,001 - \$280,000 | > \$280,001 |
| MLS Rate                     | 1.0%  | 1.25%                 | 1.5%        |

## SUPERANNUATION

### Preservation Age

The superannuation preservation age is 55 years for those born before 1 July 1960, increasing by one year per year up to 60 years for those born after 1 July 1964.

### Concessional Superannuation Contributions for 2022-2023 (Deductible Contributions)

All employer contributions to complying superannuation funds are fully deductible. Concessional contributions are taxed at 15% if paid to a complying superannuation fund.

For 2022-2023, the concessional contributions cap is \$27,500 for all individuals.

Where there are excess concessional contributions, the individual has the following options:

- ▶ Excess concessional contributions above caps are taxed to the individual at their marginal tax rate (including Medicare levy) less a non-refundable tax offset of 15% for contributions paid into the fund. In addition, there is an interest component (excess contributions charge)
- ▶ An individual can elect to release an amount equal to the excess concessional contributions + 85% of any associated earnings.

### Income Exceeding \$250,000 – extra tax on contributions

Individuals with combined taxable income, reportable fringe benefits, net investment losses + low taxed superannuation contributions (i.e. concessional contributions below the contributions cap) of at least \$250,000 are subject to an additional 15% tax on the lesser of their low taxed concessional contributions (up to the concessional contributions cap) or the excess over \$250,000.

### Non-Concessional Superannuation Contributions for 2022-2023 (Non-Deductible Contributions)

Non-concessional contributions cap:

- ▶ Individuals aged less than 75 years with a total superannuation balance not exceeding \$1.7 million at 30 June 2022:
  - \$110,000
  - Alternatively, up to \$330,000 over three years or
- ▶ If the individual's total superannuation balance is between \$1.48 million and \$1.7 million, there are restrictions on the amounts of non-concessional contributions to ensure the superannuation balances does not exceed \$1.7 million
- ▶ Individuals with a total superannuation balance exceeding \$1.7 million at 30 June 2022 the cap is nil.

**Individuals subject to tax on contributions exceeding these caps at 47%.**

If the cap is breached, the individual can elect to withdraw any excess non-concessional contributions + 85% of any associated earnings. Total amount of associated earnings taxed to the individual at marginal rates and subject to 15% tax offset.

**Superannuation Guarantee Charge (SGC)**

- ▶ Minimum Contribution Rate 10.5% of employee's earnings
- ▶ Maximum Contribution Base \$60,220 earnings per quarter
- ▶ Contribution payment date 28th day after the end of each quarter.

**PRIVATE COMPANY LOANS**

Division 7A loan interest until 30 June 2023 4.77%

**MOTOR VEHICLE EXPENSES**

Motor vehicle depreciation cost limit 2022/2023 \$64,741

Car Expenses – cents per km Rates – Flat rate of 78 cents per kilometre for up to a maximum of 5,000 business kilometres per vehicle.

**PAYMENT OF TAX**

Note: The Single Touch Payroll (STP) system does not supersede BAS lodgement and PAYG/ superannuation Guarantee Charge (SGC) remittance dates.

**BAS Due Dates**

- ▶ Annual (GST payment only) by lodgement of 2022 income tax return or 28 February 2023
- ▶ Quarterly (non-deferred\*) 21st day of Oct, Jan, Apr & July
- ▶ Quarterly (deferred\*) + GST quarterly 28<sup>th</sup> day of Oct, Feb, Apr & July
- ▶ Monthly (non-deferred\*) + GST Monthly 21<sup>st</sup> day of following month
- ▶ Monthly (deferred\*) Monthly payments for September, March and June are on 28th of the next month, December on 28 February; other months on 21st of the next month
- ▶ Weekly (large PAYG withholders only) Approx. one week after deducting tax

\*Deferred generally applies if GST not paid monthly and not head company of a consolidated group. Deferral regime does not apply to GST payments and lodgements.

**PAYG INSTALMENTS CALCULATIONS****Monthly PAYG Instalments**

All corporate tax entities and all non-corporate entities (including super funds, trusts and individuals) that meet or exceed the \$20 million income threshold will be required to make monthly PAYG instalment payments.

Special rules apply for the calculation of the instalment amounts.

**Quarterly PAYG Instalments**

Quarterly instalment income (gross) x instalment rate; or if an individual or annual turnover less than \$2 million, you can choose the GDP adjusted instalment amount as advised by ATO.

**Annual PAYG Instalments (30 June balance date)**

Notional tax < \$8,000 + select the annual payment option + not GST registered + not part of a GST or consolidated group; or if you are voluntarily registered for GST and choose to remit GST annually.

- ▶ **Payment Date:** 21 Oct after end of tax year
- ▶ **Payment Amount:** Commissioner's instalment rate x your instalment income; or notional tax amount notified by Commissioner; or your estimated benchmark tax for the income year.

**FRINGE BENEFITS TAX**

Quarterly payment dates for FBT instalments based on notional or estimated tax liability are same as quarterly BAS dates as shown above. Where the previous year's FBT liability is below \$3,000 a single payment is due on 21 May 2023.

|  |               |
|--|---------------|
| FBT Rate for FBT year ending 31 March 2023:            | 47%           |
| Benefit Value Gross-up:                                |               |
| ▶ If input taxed or GST free (Type 2)                  | 1.8868        |
| ▶ If employer entitled to an input tax credit (Type 1) | 2.0802        |
| FBT year end   | 31 March 2023 |
| FBT return lodgement and final payment date            | 21 May 2023   |
| FBT statutory interest until 31 March 2021             | 4.52%         |

Motor vehicle statutory formula percentage for 2022-2023

| Annualised kilometres | Acquired pre 10 May 2011 | Acquired post 10 May 2011 |
|-----------------------|--------------------------|---------------------------|
| Less than 15,000      | 26%                      | 20%                       |
| 15,000 – 24,999       | 20%                      | 20%                       |
| 25,000 – 40,000       | 11%                      | 20%                       |
| More than 40,000      | 7%                       | 20%                       |

## BENEFITS FROM FAMILY ASSISTANCE OFFICE

### Family Tax Benefit

#### Part A:

- ▶ Benefit per child up to \$7,529.95 p.a. depending on age
- ▶ Benefit reduced by 20 cents for each dollar over \$58,108 of family income.

#### Part B:

- ▶ Benefit per family \$3,460.20 (\$4,785.25 if youngest child aged less than 5 years)
- ▶ No benefit if primary earner's income (ATI\*) > \$104,432
- ▶ Benefit reduced by 20 cents for each dollar over \$6,059 of income earned by other earner
- ▶ Single parent gets full amount if income (ATI\*) < \$104,432
- ▶ Not claimable if receiving Paid Parental Leave.

## PAYROLL TAX (STATE AND TERRITORIES TAX)

Pay-roll tax thresholds and rates applicable from 1 July 2022 to 30 June 2023

| State            | Rate   | Annual exemption threshold |
|------------------|--|----------------------------|
| NSW              | 5.45%  | \$1,200,000                |
| VIC <sup>1</sup> | 4.85%  | \$700,000                  |
| QLD <sup>2</sup> | 4.75% for < \$6.5m wages p.a.<br>4.95% for > \$6.5m wages p.a. | \$1,300,000                |
| SA <sup>3</sup>  | 0% - 4.95%   | \$1,500,000                |
| WA <sup>4</sup>  | 5.50%  | \$1,000,000                |
| TAS <sup>5</sup> | 4.00% - 6.10%  | \$1,250,000 (see below)    |
| ACT              | 6.85%  | \$2,000,000                |
| NT <sup>6</sup>  | 5.50%  | \$1,500,000                |

1. 1.2125% for certain regional Victorian employers. Mental health surcharge of 0.5% of Victorian taxable wages over \$10 million or 1% if over \$100 million.
2. Qld exemption threshold reduces by \$1 for every \$4 of taxable wages over the threshold until nil at \$6.5 million taxable wages. From 1 January 2023 the phase-out rate is \$1 for every \$7 of taxable wages and the phase-out threshold increase to \$10.4 million.  
Discount of 1% for certain regional Qld employers  
From 1 January 2023 Mental health surcharge of 0.25% if Australian taxable wages exceeds \$10 million or 0.75% if over \$100 million
3. S.A. has Variable rates increasing from 0% to 4.95% depending on the size of the payroll between \$1.5 million - \$1.7 million, with 4.95% on payrolls exceeding \$1.7 million.
4. W.A. has no exemption threshold for payrolls of \$7.5 million and above per annum. Variable rates increasing from 5.50% - 6.50% for payrolls exceeding \$100 million.
5. Tas. The tax rate is 4.00% for annual payrolls \$1,250,001 to \$2 million, and 6.1% for \$2,000,001 and above.
6. N.T. exemption threshold reduces progressively by \$1 for every \$4 of taxable wages over the threshold until wage threshold reaches \$7.5 million.




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