

Please find below a summary of the some of the more relevant budget announcements that affect taxation.

There were no substantive tax measures in the budget.

### 2024/2025 individual tax rates

Taxable income range	Marginal tax rate
\$ 0 - \$18,200	0%
\$ 18,201 - \$45,000	16%
\$ 45,001 - \$135,000	30%
\$135,001 - \$190,000	37%
\$190,001+	45%

These rates exclude the 2% Medicare Levy.

The effective top personal marginal tax rate is 47% including the Medicare Levy.

### HECS Debt

From 1 June 2023, HECS indexation will be calculated on whichever figure is lower out of the consumer price index (CPI) and the wage price index (WPI). Last year's 7.1% CPI indexation will be lowered to 3.2% WIP indexation with a backdated credit applied to the HECS accounts.

### Skills and training boost

From 29 March 2022 to 30 June 2024, small and medium business entities (with turnover less than fifty million dollars) will be able to deduct 120% of their expenditure incurred on external training courses provided to their employees. The training provider must be listed on these registers for the expenditure to be eligible:

<https://training.gov.au/>

<http://www.teqsa.gov.au/national-register>

### Small business asset deductions

From 6 October 2020 to 30 June 2023, small business entities are able to immediately write off each eligible business asset they buy (uncapped limit).

From 1 July 2023 to 30 June 2025, the threshold will be reduced to \$20,000 and available to all business entities with turnover less than ten million dollars.

Small businesses can also deduct the value of their simplified depreciation pools at the end of the income year where the balance falls under the relevant threshold.

### Energy rebate

From 1 July 2024, the government will provide a \$325 rebate to eligible small businesses, paid in quarterly instalments on your electricity bill. To be eligible, annual electricity consumption needs to be below a threshold varying from 40MWh to 160MWh (160MWh in SA):

<https://www.energy.gov.au/energy-bill-relief-fund>



## **Employee superannuation**

From 1 July 2024, the super guarantee rate will increase to 11.5%.

2020/2021	9.5%	2023/2024	11.0%
2021/2022	10.0%	2024/2025	11.5%
2022/2023	10.5%	2025/2026	12.0%

From 1 July 2026, employers will be required to pay their employee's superannuation guarantee on the same day that they pay salary and wages.

## **Earnings for superannuation balances above \$3 million taxed at 30%**

From 1 July 2025, the Government will reduce the tax concessions available to individuals with a total superannuation balance exceeding \$3 million.

Earnings relating to assets above the \$3 million threshold will be taxed at 30%.

Earnings relating to assets below the \$3 million threshold will be taxed at 15%.

## **Important Dates**

June 30 is fast approaching so you should ensure that you don't miss out on any tax planning opportunities. Superannuation contributions are critically important as the superannuation contribution limits are based on the amount paid into the superannuation fund during the financial year (not the period that the contribution relates to). If you want to maximise your 2023/2024 superannuation contribution, you need to ensure that the amount has been received by your superannuation fund before 30 June 2024.

If you have a SMSF, you should also ensure that any minimum pension payments have been made.

Kind regards,  
Nick