

Government changes to individual income tax



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The Personal Income Tax Plan has gone through recent changes regarding rates, thresholds and offset entitlements.

From 1 July 2018, the low and middle-income tax offset has been increased by \$550. This now means individuals can have their tax reduced by up to \$1,080 and dual income families up to \$2,160 after lodging tax returns for the 2018-19 year.

From 1 July 2024, the 32.5% tax rate will be reduced to 30%, creating only three tax brackets for Australians. It is projected that by 2024-25, 94% of taxpayers will face a marginal rate of 30% or less. With this new plan, the 19% rate threshold (24% of taxpayers) will increase from \$41,000 to \$45,000, the 30% tax rate (70% of taxpayers) will increase from \$45,001 to \$200,000 and the 45% rate (6% of taxpayers) will apply over \$200,000.



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