Budget
2020–21

Lower Taxes

Supporting households, driving investment and creating jobs.

The Government is lowering taxes by over $50 billion over the forward estimates, including around $9 billion in 2020–21 and an additional $32 billion in 2021–22.

Reducing the personal income tax burden and supporting business investment, through the temporary full expensing and loss carry-back measures, **are estimated to boost GDP by around $6 billion in 2020–21 and $19 billion in 2021–22 and create around 100,000 jobs by the end of 2021–22.**

Lower taxes for households

- Tax relief for over 11 million individuals.
- Low- and middle-income earners to receive tax relief of up to $2,745 for singles or up to $5,490 for dual income families in 2020–21 compared with 2017–18 settings.

Empowering businesses to grow, invest and innovate

- Temporary full expensing available to around 3.5 million businesses on purchases of eligible depreciable assets. No asset limits.
- Temporary loss carry-back available to around 1 million companies. Companies can offset tax losses against previously taxed profits to generate a refund.
- Investing an additional $2 billion through the R&D Tax Incentive.

Cutting red tape for businesses

- Reducing record keeping requirements for fringe benefits tax.
- Exempting employer-provided retraining activities from fringe benefits tax to encourage reskilling.

Backing small and medium businesses

- Small to medium businesses will access up to ten tax concessions for the first time.

Lower personal income taxes

In this Budget, **the Government is delivering an additional $17.8 billion in personal income tax relief to support the economic recovery, including an additional $12.5 billion over the next 12 months.**

It builds on the $8.1 billion in tax relief that is being delivered for the 2020–21 income year under our already legislated Personal Income Tax Plan.

Under the Government's changes, individuals will benefit from bringing forward the tax cuts in Stage 2 of our Plan, as well as a one-off additional benefit from the low and middle income tax offset in 2020–21.

In 2020–21, **low- and middle-income earners will receive tax relief of up to $2,745 for singles, and up to $5,490 for dual income families**, compared with 2017–18 settings.

Around 11.6 million individuals will receive a tax cut in 2020–21, compared with 2017–18 settings.

The majority of the benefit for 2020–21 will go to those on incomes below $90,000.

Treasury estimates that reducing the personal income tax burden on hard-working Australians through this measure **will boost GDP by around $3.5 billion in 2020–21 and $9 billion in 2021–22 and will create an additional 50,000 jobs by the end of 2021–22.**

By putting more money in their pockets, families will keep more of what they earn, allowing them to spend more on what they need. This keeps businesses operating and ensures employers can retain their staff. As sales increase, this will improve business confidence and encourage them to create more jobs and invest. This grows our economy now and in the future.

Tax relief by taxable income, 2020–21 compared with 2017–18

	2017–18	2020–21		
Taxable Income ($)	Tax Liability ($)	Tax Liability ($)	Change in Tax ($)	Change in Tax (%)
40,000	4,947	3,887	-1,060	**-21.4**
60,000	12,147	9,987	-2,160	**-17.8**
80,000	19,147	16,987	-2,160	**-11.3**
100,000	26,632	24,187	-2,445	**-9.2**
120,000	34,432	31,687	-2,745	**-8.0**
140,000	42,232	39,667	-2,565	**-6.1**
160,000	50,032	47,467	-2,565	**-5.1**
180,000	57,832	55,267	-2,565	**-4.4**
200,000	67,232	64,667	-2,565	**-3.8**

*The table provides stylised cameos based on the tax payable for an individual, excluding any transfer payments. The tax liability and tax relief are calculated only taking into account the basic tax scales, the low income tax offset, the low and middle income tax offset and the Medicare levy (with 2017–18 Medicare levy single low-income threshold). Actual outcomes for many individuals and households would differ.

The Personal Income Tax Plan

The Government's Plan is delivering lower taxes and a simpler tax system that benefits all Australians. Our Plan rewards effort and contributes to a stronger economy.

The Plan is implemented in three stages and makes taxes lower, fairer, and simpler.

Stage 1 delivered targeted tax relief to low- and middle-income earners first. Over 9 million Australians have been receiving tax relief for the last two years from the low and middle income tax offset.

Stage 2 will help protect the incomes of hard-working Australians from bracket creep. It means individuals are not unfairly penalised for their effort by facing higher marginal tax rates.

Stage 3 simplifies and flattens the personal income tax system. This ensures Australians pay less tax over their working lives. In 2024–25, it is estimated that around **95 per cent of taxpayers will face a marginal tax rate of 30 per cent or less.**

Rates and thresholds in 2017–18 compared with 2024–25

Rates in 2017–18	Thresholds in 2017–18	New Rates in 2024–25	New Thresholds in 2024–25
Nil	Up to $18,200	Nil	Up to $18,200
19 per cent	$18,201–$37,000	19 per cent	$18,201–$45,000
32.5 per cent	$37,001–$87,000	30 per cent	$45,001–$200,000
37 per cent	$87,001–$180,000	–	–
45 per cent	Above $180,000	45 per cent	Above $200,000
Low income tax offset	Up to $445	Low income tax offset	Up to $700

Around 95 per cent of taxpayers will face a marginal tax rate of 30 per cent or less in 2024–25

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Delivering lower taxes

The Government legislated its Plan in 2018 and enhanced it in 2019. Now, for the third year in a row, the Government is lowering taxes for individuals by accelerating its Plan.

Lower taxes will play a key role in the economic recovery effort. Reducing the burden of personal income tax supports workers trying to get ahead.

This is why the Government is bringing forward the tax cuts from Stage 2 of its Plan to begin immediately. These tax cuts will increase the reward for effort and improve the incentives to work.

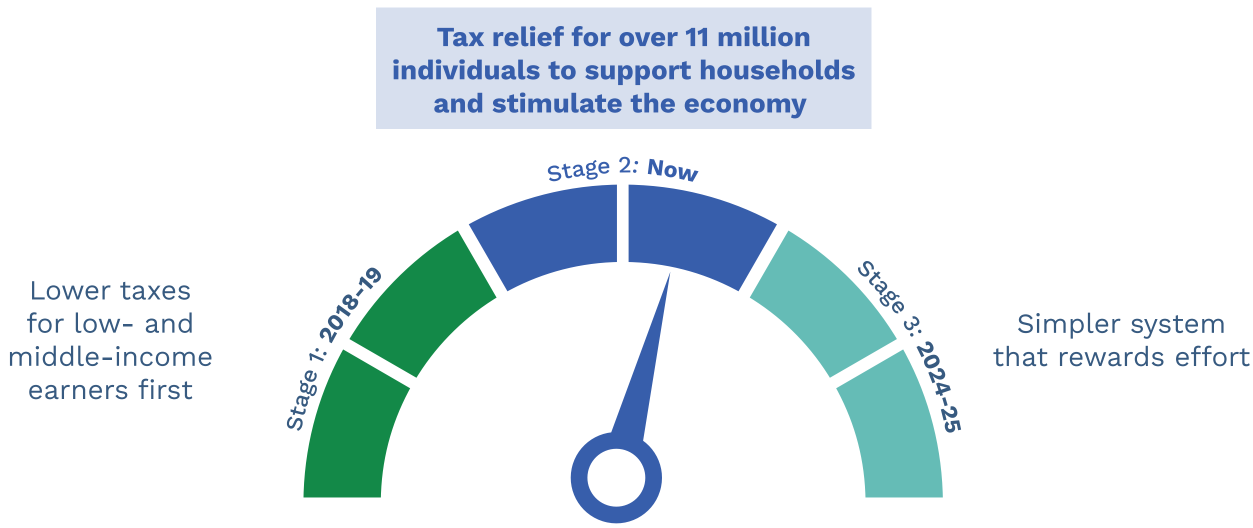
This stage involves three tax changes:

First, the low income tax offset will provide up to an additional $255 in tax relief as it increases from $445 to $700.

Second, the top threshold of the 19 per cent bracket will increase from $37,000 to $45,000. This will provide up to $1,080 in tax relief.

Third, the top threshold of the 32.5 per cent bracket will increase from $90,000 to $120,000. This prevents individuals from facing higher marginal tax rates in the future and provides tax relief of up to $1,350.

Taxpayers will receive more money in their regular pay packets throughout the year and will receive the full benefit of these changes for the 2020–21 income year upon assessment.



Tax relief for hard-working Australians

The Government will also provide additional targeted support to low- and middle-income earners with a one-off additional benefit from the low and middle income tax offset (LMITO) in 2020–21. The one-off additional LMITO is worth up to $1,080 for individuals or $2,160 for dual income couples. Around 10.1 million individuals will be eligible for the offset in 2020–21.

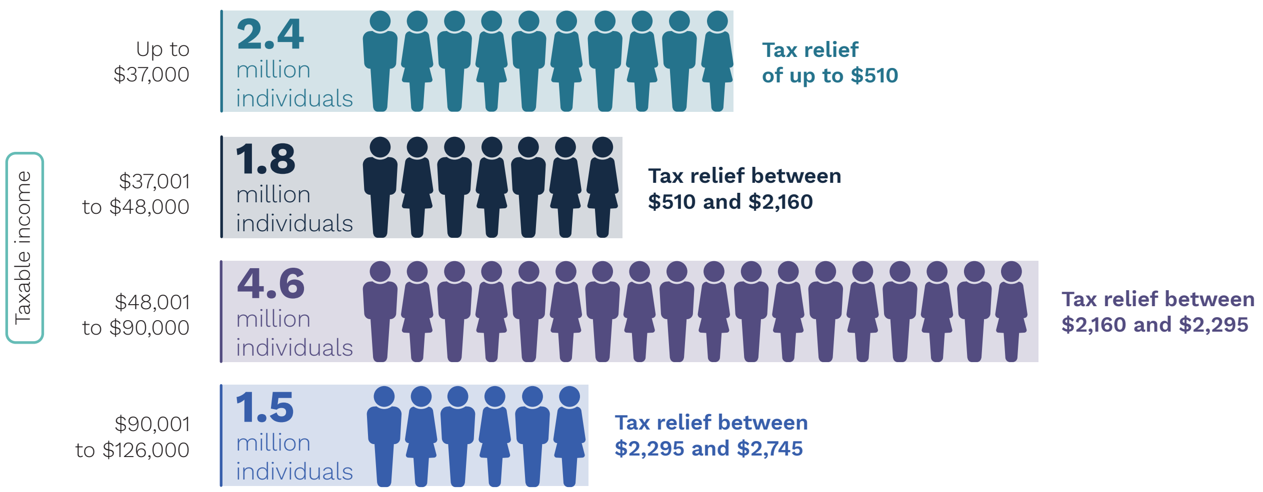
The LMITO was due to be removed with the commencement of Stage 2, but the one-off additional benefit in 2020–21 will provide support to households and stimulus to the economy during the recovery.

This additional tax relief for 2020–21 will reward hard-working Australians, support consumption and ease cost of living pressures by putting more of their money back in their pockets.

Combined with bringing forward the Stage 2 tax cuts, a single person earning $120,000 will receive a tax cut of $2,745 in 2020–21, compared with 2017–18 settings.

A dual income family, with both income earners on $60,000, will receive a combined tax cut of $4,320 in 2020–21, compared with 2017–18 settings.

Tax relief targeted to low- and middle-income earners in 2020–21 compared with 2017–18



*Number of individuals receiving a benefit is defined as those receiving at least one dollar of the low income tax offset, the low and middle income tax offset or benefit from the threshold changes, when compared with 2017–18 tax settings.

Around 95 per cent of taxpayers will face a marginal tax rate of 30 per cent or less in 2024–25

Reward for effort

Australians expect the tax system to be fair. The Government is committed to delivering a simpler tax system that remains progressive, fosters aspiration and rewards effort.

A progressive personal income tax system means those with the greatest ability to pay contribute a larger share of personal income tax revenue. When the Government's Plan is fully implemented in 2024–25, an individual with taxable income of $200,000, who earns 4.4 times more income than an individual with taxable income of $45,000, will pay around 10 times more tax.

This is fair and it helps to deliver the services and the support that Australians rely on.

The Government has legislated the abolition of the 37 per cent tax bracket, and the reduction of the 32.5 per cent marginal tax rate to 30 per cent, from 2024–25. This embeds genuine reward for effort and means **around 95 per cent of taxpayers will face a marginal tax rate of 30 per cent or less in 2024–25**.

More Australians with more money to spend will grow the economy and create jobs.

Putting more money into the pockets of hard-working Australians

John is a sales supervisor and Ally is a nurse. They have two children. In the 2020–21 income year, John earns $66,000 and Ally earns $54,000.

Building on the Government's legislated Personal Income Tax Plan, the tax relief provided in this Budget means Ally and John each pay $2,160 less tax and **together pay $4,320 less tax for 2020–21**, compared with 2017–18 settings. In 2020-21 John pays $12,147 in tax and Ally pays $7,827 in tax.

Hannah works part-time as a paralegal at a small law firm. In the 2020–21 income year, Hannah earns $60,000.

Building on the Government's legislated Personal Income Tax Plan, the tax relief provided in this Budget means **Hannah will pay $2,160 less tax for 2020–21**, compared with 2017–18 settings, paying a total of $9,987 in tax in 2020–21.

Bianca teaches at a high school in Queensland, and her partner Elizabeth is a senior software engineer at a small firm. In the 2020–21 income year, Bianca and Elizabeth each earn $120,000.

Building on the Government's legislated Personal Income Tax Plan, the tax relief provided in this Budget means Bianca and Elizabeth each pay $2,745 less tax and **together pay $5,490 less tax for 2020–21**, compared with 2017–18 settings. Bianca and Elizabeth each pay $31,687 in tax in 2020–21.

Amara is a radiologist. She has a child with her partner Isaac, who is a stay at home dad. In the 2020–21 income year, Amara earns $200,000.

Building on the Government's legislated Personal Income Tax Plan, the tax relief provided in this Budget means **Amara will pay $2,565 less tax for 2020–21,** compared with 2017–18 settings, paying a total of $64,667 in tax for 2020–21.

Temporary full expensing will apply to around **$200 billion** worth of investment

Business tax incentives to support investment and job creation

The Government is supporting Australian businesses to invest, grow and create more jobs through targeted tax incentives.

Business investment will support Australia's short term economic recovery and longer term productive capacity and wage growth. Investment in new technology and new ways of operating will help firms adapt to the structural changes induced by COVID-19.

Temporary full expensing

The Government is providing a temporary tax incentive to support new investment and deliver significant cash flow benefits to businesses. It will be available to around **3.5 million businesses (over 99 per cent of businesses) that employ around 11.5 million workers**. The incentive will apply to around $200 billion worth of investment, including 80 per cent of investment in depreciable assets by non-mining businesses.

From 7:30pm (AEDT) on 6 October 2020 until 30 June 2022, businesses with turnover up to $5 billion will be able to deduct the full cost of eligible depreciable assets of any value in the year they are first used or installed ready for use. The cost of improvements made during this period to existing eligible depreciable assets can also be fully deducted.

Full expensing supports businesses that invest as it significantly reduces the after-tax cost of eligible assets, providing a cash flow benefit. The measure also creates a strong incentive for businesses to bring forward investment before it expires. Full expensing builds on the enhanced instant asset write-off and the accelerated depreciation previously announced through the Backing Business Investment incentive.

Eligible businesses that acquire eligible new or second-hand assets under the enhanced $150,000 instant asset write-off by 31 December 2020 will also have an extra six months, until 30 June 2021, to first use or install those assets.

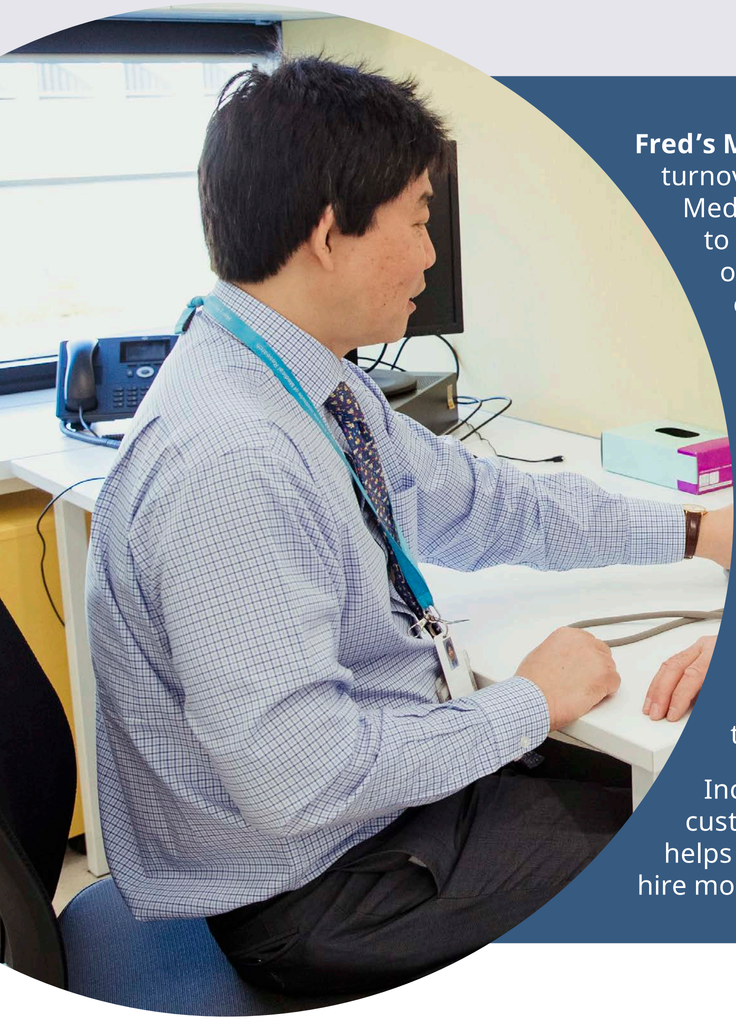
Full expensing will stimulate investment from its announcement, supporting economic activity in 2020–21 and onwards until the measure concludes. This measure is estimated to deliver $26.7 billion in tax relief to businesses over the forward estimates period, and $3.2 billion over the medium term.

Grace owns an agricultural company, Grace's Grains Pty Ltd, which has an aggregated annual turnover of $20 million for the 2021–22 income year. Grace's Grains Pty Ltd purchases a combine harvester for $600,000, exclusive of GST, on 1 July 2021.

Without temporary full expensing, Grace's Grains Pty Ltd would claim a total tax deduction of around $180,000 for 2021–22, with the remainder of the cost being depreciated over future years.

Under temporary full expensing, Grace's Grains Pty Ltd will instead claim a deduction of $600,000 for the full cost of the combine harvester in 2021–22, approximately $420,000 more than before.

At the 2021–22 tax rate for small and medium companies of 25 per cent, Grace's Grains Pty Ltd will pay around $105,000 less tax in 2021–22. This will improve the company's cash flow and help Grace reinvest and grow her business.



Fred's Medical Services Pty Ltd has an aggregated annual turnover of $200 million for the 2021–22 income year. Fred's Medical Services Pty Ltd engages Shane's Software Pty Ltd to create a new medical database for $400,000, exclusive of GST. The in house software is first installed and used on 1 July 2021.

Without temporary full expensing, Fred's Medical Services Pty Ltd would claim a total tax deduction of $80,000 for the 2021–22 income year, with the remainder of the cost being depreciated over future years.

Under temporary full expensing, Fred's Medical Services Pty Ltd will instead claim a deduction of $400,000 for the full cost of the software in 2021–22, which is $320,000 more than before. Fred's Medical Services Pty Ltd will pay $96,000 less tax in 2021–22. This will improve the company's cash flow and help the business invest and grow.

Increased demand due to temporary full expensing from customers such as Fred's Medical Services Pty Ltd also helps Shane's Software Pty Ltd to grow, enabling Shane to hire more staff.

Temporary loss carry-back

The Government will also allow companies with turnover up to $5 billion to offset tax losses against previous profits on which tax has been paid to generate a refund. Loss carry-back will be available to around 1 million companies that employ up to 8.8 million workers.

Losses incurred in 2019–20, 2020–21 and/or 2021–22 can be carried back against profits made in or after 2018–19. Eligible companies may elect to receive a tax refund when they lodge their 2020–21 and 2021–22 tax returns.

This measure will help companies that were profitable and tax-paying but now find themselves in a loss position due to the COVID-19 pandemic. By allowing them to access their losses earlier, by way of a cash refund, it will provide a needed cash flow boost to keep their business running, retain their workers and invest with confidence in the future. Loss carry-back will also promote investment by encouraging more businesses to take advantage of full expensing while it is available.

This measure is estimated to deliver $4.9 billion in tax relief to businesses over the forward estimates, and $3.9 billion over the medium term.

Supporting Australia's economic recovery

Treasury estimates that the temporary full expensing and the temporary loss carry-back measures will create around **50,000 jobs** by the end of 2021–22. They will **boost GDP by around $2.5 billion** in 2020–21 and **$10 billion** in 2021–22.

Jamie owns a coffee bean wholesaling company, Jamie's Coffee Pty Ltd, which has an aggregated annual turnover of $51 million. In 2018–19, Jamie's Coffee Pty Ltd made a tax profit of $5 million and paid $1.5 million in income tax.

Due to the impact of COVID-19 restrictions on customer demand and its ability to trade, Jamie's Coffee Pty Ltd makes a tax loss of $2 million in 2019–20.

Under the treatment of losses in current law, Jamie's Coffee Pty Ltd would carry these losses forward until it made a taxable profit. Under temporary loss carry-back, when the company lodges its 2020–21 company tax return, it will receive a tax refund of $600,000 in recognition of this loss and tax paid in 2018–19.

Continuing into 2020–21, reduced trading means Jamie's Coffee Pty Ltd makes another tax loss of $500,000. The company paid sufficient tax in 2018–19 to also offset the loss from 2020–21 resulting in a further refund of $150,000.

Jamie's Coffee Pty Ltd uses its $750,000 refund to help it to stay in business and retain its employees, and support the transition back to business as usual.

Bogong Builders Pty Ltd has aggregated annual turnover of $60 million for the 2021–22 income year. On 1 July 2021, Bogong Builders Pty Ltd purchases a truck-mounted concrete pump for $1 million, exclusive of GST. The company's taxable income for 2021–22 was $600,000 before the purchase. Without temporary full expensing, Bogong Builders Pty Ltd would claim a tax deduction of around $300,000, resulting in a taxable profit of $300,000, and a tax bill of $90,000.

Under temporary full expensing, Bogong Builders Pty Ltd will instead deduct the full cost of the asset of $1 million, resulting in a tax loss of $400,000. Under temporary loss carry-back, Bogong Builders Pty Ltd offsets this tax loss against profits in 2018–19, resulting in a tax refund of $120,000. Without the refund, the company may have had to defer the investment until their cash flow position recovered, or may not have purchased the new pump at all.

Attracting and rewarding further investment

Modernising and expanding Australia's tax treaty network

The Government will support the recovery from COVID-19 by modernising and expanding our tax treaty network to eliminate double taxation, settle taxing rights between Australia and other countries and attract foreign investment and skilled workers.

Tax treaties benefit both businesses and individuals. They provide greater certainty for international transactions, lowering the cost of doing business overseas. They also provide relief from double taxation to attract skilled foreign workers to Australia.

Reducing tax barriers will promote trade and investment. By attracting foreign investment and skilled workers, treaties raise productivity, creating better jobs and supporting higher incomes.

This initiative will also prioritise refurbishing Australia's treaties with key strategic partners where necessary to maximise the benefits for Australia's economy.

Supporting business research and development

The Government will enhance previously announced reforms to invest an additional $2 billion through the Research and Development Tax Incentive (R&DTI).

For small claimants (turnover less than $20 million), the Government will increase the refundable R&D tax offset to 18.5 percentage points above the claimant's company tax rate, and there will be no $4 million cap on annual cash refunds.

For larger claimants, the Government will streamline the intensity test from three to two tiers and increase the non-refundable R&D tax offset rates. The new rates will be the claimant's company tax rate plus 8.5 percentage points for initial R&D expenditure up to 2 per cent R&D intensity, and 16.5 percentage points for R&D expenditure above 2 per cent R&D intensity.

The Government will also proceed with the increase in the cap on eligible R&D expenditure from $100 million to $150 million per annum.

These changes apply from 1 July 2021 and will support more than 11,400 companies that claim the R&DTI.

Supporting business research and development

Small claimants (annual turnover less than $20 million)

- Refundable tax offset of the company tax rate plus **18.5 per cent**
- **No cap** on cash refunds

Larger claimants (annual turnover of $20 million or more)

- **Streamlined** two-tiered intensity test
- Non-refundable tax offset of the company tax rate plus:
  - **8.5 per cent**for R&D expenditure between 0 and 2 per cent R&D intensity; and
  - **16.5 per cent** for R&D expenditure above 2 per cent R&D intensity

All claimants

- Eligible R&D expenditure threshold increased from $100 million to **$150 million** per annum
- Improvements to the administration, integrity and transparency of the R&D Tax Incentive
- Changes apply from 1 July 2021

Cutting red tape and supporting retraining

FBT record keeping

The Government is cutting red tape by allowing employers to use existing corporate records, rather than prescribed records, to complete their fringe benefits tax (FBT) return. This measure will substantially reduce the time employers and employees spend on record keeping.

Construction Inc sends four engineers from Adelaide to Brisbane for eight days to work on the design specifications for its Brisbane building project. Under current arrangements, the engineers are required to keep detailed travel diaries which show the nature, dates and times of activities undertaken while away. Construction Inc keeps detailed records through their corporate travel provider and internal systems which show the purpose of the travel, flights taken, the hotel used, the venue and the schedule. Construction Inc can now use its existing corporate records to complete its FBT return and its employees won't need to keep a travel diary, saving time for both Construction Inc and its employees.

Consulting Services Inc is a consulting company which wins a contract with a client based in Geelong. Consulting Services Inc sends three specialist staff who ordinarily reside in Sydney to Geelong for nine months to work on the project. Currently, these staff are required to complete a declaration which specifies they maintain homes in Sydney and provides details of both their home and temporary location. Consulting Services Inc will now be able to rely on their existing records and will no longer require employee declarations as evidence their employees are living away from home, saving time for both Consulting Services Inc and its employees.

Exempting retraining from FBT

The Government is exempting employer-provided retraining activities from FBT. It will encourage businesses to retrain and redeploy their workers to new roles within the business. This measure helps keep Australians in work and businesses in business.

Also, the Government will consult on allowing individuals that undertake training at their own expense which relates to their future employment, to deduct those costs from their income. The current rules limit deductions to training related to current employment.

Retailing Co is closing its physical store due to COVID-19. Retailing Co wishes to provide retraining to its ten redundant sales assistants. It is offering each staff member $2,000 in retraining to assist them find new employment. The business is growing its online sales and has five vacancies in web design. It is providing web design training to five of its redundant employees. The remaining five employees will receive training for positions outside the organisation.

Currently, the business assesses that it would be liable for $17,735 in FBT to retrain these employees. Under this measure, Retailing Co will be able to retrain these employees without incurring an FBT liability.

CockatooCleaningCo operates an office cleaning business and has an aggregated annual turnover of $20 million. It provides car parking benefits to 30 employees valued at around $48,000 per year. It pays the 47 per cent fringe benefits tax (FBT) on the grossed-up value of this cost, which equates to a FBT bill of around $42,566.

In addition, CockatooCleaningCo provides two mobile phones, valued at $1,000 each, to ten of their staff in the same year. It pays the 47 per cent FBT on the second phone they provide, which would result in a FBT bill of around $9,777.

As a result of the Government's expanded concession, CockatooCleaningCo will no longer incur the over $50,000 FBT bill for these benefits.

Greater access to tax concessions

The Government is expanding access to a range of small business tax concessions for small to medium businesses by lifting the aggregated annual turnover threshold from $10 million to $50 million, providing tax relief and reducing red tape for businesses.

Eligible businesses will access up to ten concessions for the first time, including:

From 01 July 2020

- immediate deductions for eligible start-up expenses
- immediate deductions for eligible prepaid expenditure

From 01 April 2021

- exemption from the 47 per cent fringe benefits tax on car parking provided to employees
- exemption from the 47 per cent fringe benefits tax on multiple work-related portable electronic devices (e.g. phones or laptops) provided to employees

From 01 July 2021

- simplified trading stock rules
- remit pay as you go instalments based on GDP adjusted notional tax
- settle excise duty monthly on eligible goods
- settle excise-equivalent customs duty monthly on eligible goods
- two-year amendment period for income tax assessments for income years starting from this date
- the Commissioner of Taxation will have the power to create a simplified accounting method determination for GST purposes for these businesses

Appendix A – Personal Income Tax Cuts – Additional Tables

Table 1: New personal income tax rates and thresholds

Rate (%)	Thresholds in 2017–18 ($)	Current thresholds from 2018–19 ($)	New tax thresholds from 2020–21 to 2023–24 ($)	Rate (%)	New thresholds from 2024–25 ($)
Tax free	0 - 18,200	0 - 18,200	**0 - 18,200**	**Tax free**	0 - 18,200
19	18,201 - 37,000	18,201 - 37,000	**18,201 - 45,000**	**19**	18,201 - 45,000
32.5	37,001 - 87,000	37,001 - 90,000	**45,001 - 120,000**	**30**	45,001 - 200,000
37	87,001 - 180,000	90,001 - 180,000	**120,001 - 180,000**	**-**	-
45	>180,000	>180,000	**>180,000**	**45**	>200,000
LITO	Up to 445	Up to 445	**Up to 700**	**LITO**	Up to 700
LMITO	-	Up to 1,080	**Up to 1,080***	**LMITO**	-

* LMITO will only be available until the end of the 2020–21 income year.

Table 2: Change in tax for 2020–21 with the bring forward of Stage 2 and additional LMITO, compared with 2017–18 settings

	2017–18	2020–21		
Taxable Income ($)	Tax Liability ($)	Tax Liability ($)	Change in Tax ($)	Change in Tax (%)
30,000	2,397	1,887	-510	**-21.3**
35,000	3,447	2,937	-510	**-14.8**
40,000	4,947	3,887	-1,060	**-21.4**
45,000	6,747	4,812	-1,935	**-28.7**
50,000	8,547	6,387	-2,160	**-25.3**
55,000	10,347	8,187	-2,160	**-20.9**
60,000	12,147	9,987	-2,160	**-17.8**
65,000	13,947	11,787	-2,160	**-15.5**
70,000	15,697	13,537	-2,160	**-13.8**
75,000	17,422	15,262	-2,160	**-12.4**
80,000	19,147	16,987	-2,160	**-11.3**
85,000	20,872	18,712	-2,160	**-10.3**
90,000	22,732	20,437	-2,295	**-10.1**
100,000	26,632	24,187	-2,445	**-9.2**
110,000	30,532	27,937	-2,595	**-8.5**
120,000	34,432	31,687	-2,745	**-8.0**
130,000	38,332	35,767	-2,565	**-6.7**
140,000	42,232	39,667	-2,565	**-6.1**
160,000	50,032	47,467	-2,565	**-5.1**
180,000	57,832	55,267	-2,565	**-4.4**
200,000	67,232	64,667	-2,565	**-3.8**

*The table provides stylised cameos based on the tax payable for an individual, excluding any transfer payments. The tax liability and tax relief are calculated only taking into account the basic tax scales, low income tax offset, low and middle income tax offset and the Medicare levy (with 2017–18 Medicare levy single low-income threshold). Actual outcomes for many individuals and households would differ.

Table 3: Change in tax for 2020–21 with the bring forward of Stage 2 and additional LMITO, compared with 2017–18 settings – Detailed breakdown

	Tax Liability				Additional tax cut in 2020–21				
Taxable Income ($)	2017–18 ($)	2020–21 legislated Plan ($)	2020–21 accelerated Plan ($)	Tax cut in 2020–21 from legislated Plan ($)	Bring forward of Stage 2 ($)	Additional LMITO ($)	Accelerated Plan ($)	Total Change in Tax compared with 2017–18 ($)	Total Change in Tax compared with 2017–18 (%)
30,000	2,397	2,142	1,887	-255	**0**	**-255**	**-255**	**-510**	**-21.3**
35,000	3,447	3,192	2,937	-255	**0**	**-255**	**-255**	**-510**	**-14.8**
40,000	4,947	4,467	3,887	-480	**-100**	**-480**	**-580**	**-1,060**	**-21.4**
45,000	6,747	5,892	4,812	-855	**-225**	**-855**	**-1,080**	**-1,935**	**-28.7**
50,000	8,547	7,467	6,387	-1,080	**0**	**-1,080**	**-1,080**	**-2,160**	**-25.3**
55,000	10,347	9,267	8,187	-1,080	**0**	**-1,080**	**-1,080**	**-2,160**	**-20.9**
60,000	12,147	11,067	9,987	-1,080	**0**	**-1,080**	**-1,080**	**-2,160**	**-17.8**
65,000	13,947	12,867	11,787	-1,080	**0**	**-1,080**	**-1,080**	**-2,160**	**-15.5**
70,000	15,697	14,617	13,537	-1,080	**0**	**-1,080**	**-1,080**	**-2,160**	**-13.8**
75,000	17,422	16,342	15,262	-1,080	**0**	**-1,080**	**-1,080**	**-2,160**	**-12.4**
80,000	19,147	18,067	16,987	-1,080	**0**	**-1,080**	**-1,080**	**-2,160**	**-11.3**
85,000	20,872	19,792	18,712	-1,080	**0**	**-1,080**	**-1,080**	**-2,160**	**-10.3**
90,000	22,732	21,517	20,437	-1,215	**0**	**-1,080**	**-1,080**	**-2,295**	**-10.1**
100,000	26,632	25,717	24,187	-915	**-750**	**-780**	**-1,530**	**-2,445**	**-9.2**
110,000	30,532	29,917	27,937	-615	**-1,500**	**-480**	**-1,980**	**-2,595**	**-8.5**
120,000	34,432	34,117	31,687	-315	**-2,250**	**-180**	**-2,430**	**-2,745**	**-8.0**
130,000	38,332	38,197	35,767	-135	**-2,430**	**0**	**-2,430**	**-2,565**	**-6.7**
140,000	42,232	42,097	39,667	-135	**-2,430**	**0**	**-2,430**	**-2,565**	**-6.1**
160,000	50,032	49,897	47,467	-135	**-2,430**	**0**	**-2,430**	**-2,565**	**-5.1**
180,000	57,832	57,697	55,267	-135	**-2,430**	**0**	**-2,430**	**-2,565**	**-4.4**
200,000	67,232	67,097	64,667	-135	**-2,430**	**0**	**-2,430**	**-2,565**	**-3.8**

*The table provides stylised cameos based on the tax payable for an individual, excluding any transfer payments. The tax liability and tax relief are calculated only taking into account the basic tax scales, low income tax offset, low and middle income tax offset and the Medicare levy (with 2017–18 Medicare levy single low-income threshold). Actual outcomes for many individuals and households would differ.