

Effect of the increase in allowances and the revision of the marginal tax bands and rates

Married couple, with two children

Annual income	Present tax payable (Exemption level: \$229,000)		Proposed tax payable (Exemption level: \$254,000)		Tax Saving		Remarks
	Amount (A)	Effective rate	Amount (B)	Effective rate	(A) - (B)	(A) - (B)	
(\$)	(\$)	(%)	(\$)	(%)	(\$)	(%)	
240,000	220	0.1	-	-	220	100.0	All taxpayers earning less than \$1,232,000 will benefit from the concessions. Taxpayers with incomes not exceeding \$254,000 will not be required to pay tax as a result of the increases in the married person's and the child allowances.
264,000	1,750	0.7	200	0.1	1,550	88.6	
288,000	4,630	1.6	920	0.3	3,710	80.1	
(1) 312,000	8,800	2.8	2,840	0.9	5,960	67.7	
336,000	13,600	4.0	6,080	1.8	7,520	55.3	
360,000	18,400	5.1	10,400	2.9	8,000	43.5	
384,000	23,200	6.0	15,200	4.0	8,000	34.5	
408,000	28,000	6.9	20,000	4.9	8,000	28.6	
432,000	32,800	7.6	24,800	5.7	8,000	24.4	
456,000	37,600	8.2	29,600	6.5	8,000	21.3	
480,000	42,400	8.8	34,400	7.2	8,000	18.9	
504,000	47,200	9.4	39,200	7.8	8,000	16.9	
528,000	52,000	9.8	44,000	8.3	8,000	15.4	
552,000	56,800	10.3	48,800	8.8	8,000	14.1	
576,000	61,600	10.7	53,600	9.3	8,000	13.0	
600,000	66,400	11.1	58,400	9.7	8,000	12.0	
648,000	76,000	11.7	68,000	10.5	8,000	10.5	
696,000	85,600	12.3	77,600	11.1	8,000	9.3	
744,000	95,200	12.8	87,200	11.7	8,000	8.4	
792,000	104,800	13.2	96,800	12.2	8,000	7.6	
840,000	114,400	13.6	106,400	12.7	8,000	7.0	
888,000	124,000	14.0	116,000	13.1	8,000	6.5	
936,000	133,600	14.3	125,600	13.4	8,000	6.0	
984,000	143,200	14.6	135,200	13.7	8,000	5.6	
1,032,000	152,800	14.8	144,800	14.0	8,000	5.2	
(2) 1,072,000	160,800	15.0	152,800	14.3	8,000	5.0	
1,080,000	162,000	15.0	154,400	14.3	7,600	4.7	
(3) 1,232,000	184,800	15.0	184,800	15.0	-	-	
1,272,000	190,800	15.0	190,800	15.0	-	-	Taxpayers earning \$1,232,000 or more will pay tax at the standard rate.

(1) Sandwich class household

(2) Income level at which salaries taxpayers enter the standard rate zone at present.

(3) Income level at which salaries taxpayers enter the standard rate zone after the 1997-98 Budget.