

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

Single person, with one dependent parent / grandparent living with the taxpayer and one disabled dependent brother / sister

Annual income	Present tax payable (Exemption level: \$161,000)		Proposed tax payable (Exemption level: \$187,000)		Tax Saving		Remarks
	Amount (A)	Effective rate	Amount (B)	Effective rate	(A) - (B)	(A) - (B)	
(\$)	(\$)	(%)	(\$)	(%)	(\$)	(%)	
168,000	140	0.1	-	-	140	100.0	All taxpayers earning less than \$964,000 will benefit from the concessions. Taxpayers with incomes not exceeding \$187,000 will not be required to pay tax as a result of the increases in the basic, the dependent parent / grandparent, the additional dependent parent / grandparent, the disabled dependant and the dependent brother / sister allowances.
180,000	380	0.2	-	-	380	100.0	
192,000	1,390	0.7	100	0.1	1,290	92.8	
(1) 204,000	2,470	1.2	340	0.2	2,130	86.2	Taxpayers earning more than \$187,000 but less than \$964,000 will have reduced tax liabilities as a result of the increases in the basic, the dependent parent / grandparent, the additional dependent parent / grandparent, the disabled dependant and the dependent brother / sister allowances and the revision of the marginal tax bands and rates.
216,000	3,950	1.8	580	0.3	3,370	85.3	
228,000	5,990	2.6	1,480	0.6	4,510	75.3	
240,000	8,030	3.3	2,440	1.0	5,590	69.6	
264,000	12,800	4.8	5,380	2.0	7,420	58.0	
288,000	17,600	6.1	9,400	3.3	8,200	46.6	
(2) 312,000	22,400	7.2	14,200	4.6	8,200	36.6	
336,000	27,200	8.1	19,000	5.7	8,200	30.1	
360,000	32,000	8.9	23,800	6.6	8,200	25.6	
384,000	36,800	9.6	28,600	7.4	8,200	22.3	
408,000	41,600	10.2	33,400	8.2	8,200	19.7	
432,000	46,400	10.7	38,200	8.8	8,200	17.7	
456,000	51,200	11.2	43,000	9.4	8,200	16.0	
480,000	56,000	11.7	47,800	10.0	8,200	14.6	
504,000	60,800	12.1	52,600	10.4	8,200	13.5	
528,000	65,600	12.4	57,400	10.9	8,200	12.5	
552,000	70,400	12.8	62,200	11.3	8,200	11.6	
576,000	75,200	13.1	67,000	11.6	8,200	10.9	
600,000	80,000	13.3	71,800	12.0	8,200	10.3	
648,000	89,600	13.8	81,400	12.6	8,200	9.2	
696,000	99,200	14.3	91,000	13.1	8,200	8.3	
744,000	108,800	14.6	100,600	13.5	8,200	7.5	
792,000	118,400	14.9	110,200	13.9	8,200	6.9	
(3) 800,000	120,000	15.0	111,800	14.0	8,200	6.8	
840,000	126,000	15.0	119,800	14.3	6,200	4.9	
(4) 964,000	144,600	15.0	144,600	15.0	-	-	Taxpayers earning \$964,000 or more will pay tax at the standard rate.
984,000	147,600	15.0	147,600	15.0	-	-	

(1) Median income household

(2) Sandwich class household

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

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