

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

### *Married couple, with three children*

Annual income	Present tax payable (Exemption level: \$241,500)		Proposed tax payable (Exemption level: \$268,000)		Tax Saving		Remarks
	Amount (A)	Effective rate	Amount (B)	Effective rate	(A) - (B)	(A) - (B)	
(\$)	(\$)	(%)	(\$)	(%)	(\$)	(%)	
264,000	625	0.2	-	-	625	100.0	All taxpayers earning less than \$1,288,000 will benefit from the concessions.  Taxpayers with incomes not exceeding \$268,000 will <b>not</b> be required to pay tax as a result of the increases in the married person's and the child allowances.
288,000	2,785	1.0	400	0.1	2,385	85.6	
(1) 312,000	6,585	2.1	1,720	0.6	4,865	73.9	
336,000	11,100	3.3	4,120	1.2	6,980	62.9	
360,000	15,900	4.4	7,600	2.1	8,300	52.2	
384,000	20,700	5.4	12,400	3.2	8,300	40.1	
408,000	25,500	6.3	17,200	4.2	8,300	32.5	
432,000	30,300	7.0	22,000	5.1	8,300	27.4	
456,000	35,100	7.7	26,800	5.9	8,300	23.6	
480,000	39,900	8.3	31,600	6.6	8,300	20.8	
504,000	44,700	8.9	36,400	7.2	8,300	18.6	
528,000	49,500	9.4	41,200	7.8	8,300	16.8	
552,000	54,300	9.8	46,000	8.3	8,300	15.3	
576,000	59,100	10.3	50,800	8.8	8,300	14.0	
600,000	63,900	10.7	55,600	9.3	8,300	13.0	
648,000	73,500	11.3	65,200	10.1	8,300	11.3	
696,000	83,100	11.9	74,800	10.7	8,300	10.0	
744,000	92,700	12.5	84,400	11.3	8,300	9.0	
792,000	102,300	12.9	94,000	11.9	8,300	8.1	
840,000	111,900	13.3	103,600	12.3	8,300	7.4	
888,000	121,500	13.7	113,200	12.7	8,300	6.8	
936,000	131,100	14.0	122,800	13.1	8,300	6.3	
984,000	140,700	14.3	132,400	13.5	8,300	5.9	
1,032,000	150,300	14.6	142,000	13.8	8,300	5.5	
1,080,000	159,900	14.8	151,600	14.0	8,300	5.2	
(2) 1,122,000	168,300	15.0	160,000	14.3	8,300	4.9	
1,176,000	176,400	15.0	170,800	14.5	5,600	3.2	
(3) 1,288,000	193,200	15.0	193,200	15.0	-	-	
1,320,000	198,000	15.0	198,000	15.0	-	-	Taxpayers earning \$1,288,000 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.