

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

Single parent, with two children

Annual income	Present tax payable (Exemption level: \$184,000)		Proposed tax payable (Exemption level: \$229,000)		Tax Saving		Remarks
	Amount (A)	Effective rate	Amount (B)	Effective rate	(A) - (B)	(A) - (B)	
(\$)	(\$)	(%)	(\$)	(%)	(\$)	(%)	
192,000	160	0.1	-	-	160	100.0	All taxpayers earning less than \$1,132,000 will benefit from the concessions. Taxpayers with incomes not exceeding \$229,000 will not be required to pay tax as a result of the increases in the basic, the child and the single parent allowances.
(1) 204,000	400	0.2	-	-	400	100.0	
216,000	1,480	0.7	-	-	1,480	100.0	
228,000	2,560	1.1	-	-	2,560	100.0	
240,000	4,120	1.7	220	0.1	3,900	94.7	
264,000	8,200	3.1	1,000	0.4	7,200	87.8	
288,000	13,000	4.5	2,920	1.0	10,080	77.5	
(2) 312,000	17,800	5.7	6,220	2.0	11,580	65.1	
336,000	22,600	6.7	10,600	3.2	12,000	53.1	Taxpayers earning more than \$229,000 but less than \$1,132,000 will have reduced tax liabilities as a result of the increases in the basic, the child and the single parent allowances and the revision of the marginal tax bands and rates.
360,000	27,400	7.6	15,400	4.3	12,000	43.8	
384,000	32,200	8.4	20,200	5.3	12,000	37.3	
408,000	37,000	9.1	25,000	6.1	12,000	32.4	
432,000	41,800	9.7	29,800	6.9	12,000	28.7	
456,000	46,600	10.2	34,600	7.6	12,000	25.8	
480,000	51,400	10.7	39,400	8.2	12,000	23.3	
504,000	56,200	11.2	44,200	8.8	12,000	21.4	
528,000	61,000	11.6	49,000	9.3	12,000	19.7	
552,000	65,800	11.9	53,800	9.7	12,000	18.2	
576,000	70,600	12.3	58,600	10.2	12,000	17.0	
600,000	75,400	12.6	63,400	10.6	12,000	15.9	
648,000	85,000	13.1	73,000	11.3	12,000	14.1	
696,000	94,600	13.6	82,600	11.9	12,000	12.7	
744,000	104,200	14.0	92,200	12.4	12,000	11.5	
792,000	113,800	14.4	101,800	12.9	12,000	10.5	
840,000	123,400	14.7	111,400	13.3	12,000	9.7	
(3) 892,000	133,800	15.0	121,800	13.7	12,000	9.0	
936,000	140,400	15.0	130,600	14.0	9,800	7.0	
(4) 1,132,000	169,800	15.0	169,800	15.0	-	-	Taxpayers earning \$1,132,000 or more will pay tax at the standard rate.
1,176,000	176,400	15.0	176,400	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.