

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

### *Single parent, with one child and one dependent parent / grandparent living with the taxpayer*

	Annual income	Present tax payable (Exemption level: \$191,000)		Proposed tax payable (Exemption level: \$237,000)		Tax Saving		Remarks
		Amount (A)	Effective rate	Amount (B)	Effective rate	(A) - (B)	(A) - (B)	
	(\$)	(\$)	(%)	(\$)	(%)	(\$)	(%)	
								All taxpayers earning less than \$1,164,000 will benefit from the concessions.
(1)	204,000	260	0.1	-	-	260	100.0	Taxpayers with incomes not exceeding \$237,000 will <b>not</b> be required to pay tax as a result of the increases in the basic, the child, the single parent, the dependent parent / grandparent and the additional dependent parent / grandparent allowances.
	216,000	850	0.4	-	-	850	100.0	
	228,000	1,930	0.8	-	-	1,930	100.0	
	240,000	3,010	1.3	60	<0.1	2,950	98.0	Taxpayers earning more than \$237,000 but less than \$1,164,000 will have <b>reduced</b> tax liabilities as a result of the increases in the basic, the child, the single parent, the dependent parent / grandparent and the additional dependent parent / grandparent allowances and the revision of the marginal tax bands and rates.
	264,000	7,010	2.7	540	0.2	6,470	92.3	
	288,000	11,600	4.0	2,280	0.8	9,320	80.3	
(2)	312,000	16,400	5.3	5,100	1.6	11,300	68.9	
	336,000	21,200	6.3	9,000	2.7	12,200	57.5	
	360,000	26,000	7.2	13,800	3.8	12,200	46.9	
	384,000	30,800	8.0	18,600	4.8	12,200	39.6	
	408,000	35,600	8.7	23,400	5.7	12,200	34.3	
	432,000	40,400	9.4	28,200	6.5	12,200	30.2	
	456,000	45,200	9.9	33,000	7.2	12,200	27.0	
	480,000	50,000	10.4	37,800	7.9	12,200	24.4	
	504,000	54,800	10.9	42,600	8.5	12,200	22.3	
	528,000	59,600	11.3	47,400	9.0	12,200	20.5	
	552,000	64,400	11.7	52,200	9.5	12,200	18.9	
	576,000	69,200	12.0	57,000	9.9	12,200	17.6	
	600,000	74,000	12.3	61,800	10.3	12,200	16.5	
	648,000	83,600	12.9	71,400	11.0	12,200	14.6	
	696,000	93,200	13.4	81,000	11.6	12,200	13.1	
	744,000	102,800	13.8	90,600	12.2	12,200	11.9	
	792,000	112,400	14.2	100,200	12.7	12,200	10.9	
	840,000	122,000	14.5	109,800	13.1	12,200	10.0	
	888,000	131,600	14.8	119,400	13.4	12,200	9.3	
(3)	920,000	138,000	15.0	125,800	13.7	12,200	8.8	
	936,000	140,400	15.0	129,000	13.8	11,400	8.1	
(4)	1,164,000	174,600	15.0	174,600	15.0	-	-	Taxpayers earning \$1,164,000 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.