



## A CARBON TAX

A carbon tax will take effect by the Australian Federal Government from 1 July 2012. The tax will target Australia's top 500 polluters referred to as any business responsible for direct greenhouse gas emissions of 25,000 tonnes or more per annual. Stationary energy, waste, rail, domestic aviation and shipping, industrial processes and fugitive emissions will be taxable and in addition, retailers of natural gas will be responsible for carbon tax if they sell the use of fuels.

Households, small businesses, agriculture, forestry and fishing will not levy on fuels they used. However, for some users of transport fuels, the fuel tax credits and excise schemes will be amended to give the same economic effect to these fuels as the imposition of the carbon tax.

A carbon tax scheme also contains numerous concessions to individuals and small businesses.

### Individual

The new tax rates from 1 July 2012 are changed as the Government will provide compensation to taxpayers through increases in the tax free threshold. The tax free threshold will increase from the current \$6,000 to \$18,200 in 2012-13 and \$19,400 in 2015-16.

### NEW TAX RATES (Including the Low Income Tax Offset)

EFFECTIVE 1 JULY 2012			EFFECTIVE 1 JULY 2015		
Taxable Income (column 1) \$	Tax on column 1 \$	% on excess (marginal rate)	Taxable Income (column 1) \$	Tax on column 1 \$	% on excess (marginal rate)
18,200	Nil	19% of excess over \$18,200	19,401	Nil	19% of excess over \$19,401
37,000	3,572	32.5% of excess over \$37,000	37,000	3,344	33% of excess over \$37,000
80,000	17,547	37% of excess over \$80,000	80,000	17,534	37% of excess over \$80,000
180,000 +	54,547	45% of excess over \$180,000	180,000 +	54,534	45% of excess over \$180,000

Please note that these rates do not include the Medicare Levy

We have provided general information for guidance only in this newsletter. For business and personal taxation planning, or other professional advice having regard to your circumstances, please come and see either Charles or Matthew.



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### Small Business

The Government also provide several benefits to small business entities (turnover less than \$2m) as following:

- Increase the small business write-off assets from \$5,000 to \$6,500 from 1 July 2012;
- Assistance in reducing energy costs;
- Clean technology advice;
- Support to assist in reducing carbon footprint and to develop new clean technologies: and
- Are not required to report carbon emissions.

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