

TAX RATES & CAPITAL GAINS TAX

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CAPITAL GAINS TAX

Capital Gain Tax (CGT) is the tax payable when you make a profit from the sale of an investment.

Profit = Sale proceeds - Purchase cost and other costs.

The profit is calculated on what you sell the investment for less any selling costs, and less the original purchase cost and other costs. You may also deduct some holding costs over the ownership of the investment, what you haven't already claimed in your yearly tax return (ie can't claim yearly rental property expenses claimed against yearly rental income). Part of your cost base may also reduce for any depreciation you claim over the ownership years.

Once the selling price is reduced by these costs, this determines the capital gain profit of the sale of the investment. If it is a capital loss, this cannot be claimed against other income like wages, but can only be claimed against other capital gains, either in the current year, or be carried forward to future years with capital gains.

HALF TAX-FREE?

If the investment is held in personal names (or by a trust, and allocated to individual taxpayers), and the investment is owned for over 12 months (based on contract signing dates), half of the capital gain profit will be tax-free. "(Please note – company structure selling investments don't get access to this 50% tax-free concession).

CAPITAL GAINS TAX TO PAY?

The tax you pay will be based on what your other taxable income levels are already at in that year, as the taxable capital gain will go on top of your other income, and then the tax will be assessed at the tax rates noted above.

Capital Gains Tax

Tax payable on profits made on the sale of certain types of assets by a company or individual.

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INDIVIDUAL INCOME RATES

Residents

These rates apply to individuals who are Australian residents for tax purposes

TAXABLE INCOME	TAX ON THIS INCOME
\$0 - \$18,200	Nil
\$18,201 - \$45,000	19 cents for each \$1 over \$18,200*
\$45,001 - \$120,000	\$5,092 plus 32.5 cents for each \$1 over \$45,000*
\$120,001 - \$180,000	\$29,467 plus 37 cents for each \$1 over 120,000*
\$180,001 and over	\$51,667 plus 45 cents for each \$1 over \$180,000*

The below rates do NOT include the Medicare Levy of 2%

TOTAL TAX AND MEDICARE PAYABLE & AVERAGE TAX RATES

The below tax and medicare figures, assumes the tax payer has adequate private health insurance

TAXABLE INCOME	TAX & MEDICARE PAYMENT	AVERAGE TAX & MEDICARE
\$70,000	\$14,617	20.88%
\$90,000	\$21,517	23.91%
\$120,000	\$31,867	26.56%
\$150,000	\$43,567	29.04%
\$180,000	\$55,267	30.70%

