



Australian Government

# Tax cuts for every taxpayer



## What Australian taxpayers need to know

All Australians are feeling cost-of-living pressures. That's why the Australian Government has introduced changes to individual income tax rates and thresholds.

**These changes mean that every Australian taxpayer will receive a tax cut.**

### Immediate impact

For many, the tax cuts will be reflected in their take-home pay starting from 1 July 2024.

Some taxpayers will receive their tax cut when their tax return is lodged and processed after the end of the 2024-25 financial year.

### Effective from 1 July 2024

Tax cuts will come into effect from 1 July 2024.

### Use the tax cut calculator

To estimate your annual tax cut, you can use the tax cut calculator on [taxcuts.gov.au](https://taxcuts.gov.au).

To do this, you will need to enter your annual taxable income.

The tax cut calculator provides an estimate and may not reflect individual circumstances accurately.

For further information and to explore how these tax cuts will benefit you, visit [taxcuts.gov.au](https://taxcuts.gov.au).

### Key changes

The changes to individual income tax rates and thresholds mean you will keep more of what you earn.

From July 1 2024, these changes will:

- Reduce the 19 per cent tax rate to 16 per cent.
- Reduce the 32.5 per cent tax rate to 30 per cent.
- Increase the 37 per cent tax threshold from \$120,000 to \$135,000.
- Increase the 45 per cent tax threshold from \$180,000 to \$190,000.

### Tax rates and thresholds for 2024-25

This table compares the individual income tax rates and thresholds for 2023-24 with the new tax rates and thresholds for 2024-25.

Thresholds in 2023-24 (\$)	Rates in 2023-24 (%)	New thresholds in 2024-25 (\$)	New rates in 2024-25 (%)
0-18,200	Tax free	0-18,200	Tax free
18,201 - 45,000	19	18,201-45,000	16
45,001 - 120,000	32.5	45,001-135,000	30
120,001-180,000	37	135,001-190,000	37
> 180,000	45	>190,000	45

Calculate yours at [taxcuts.gov.au](https://taxcuts.gov.au)