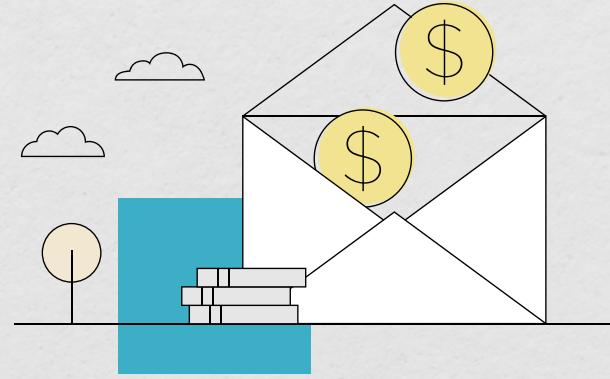




Australian Government

TAX CUTS / 1 JULY 2024



Tax cuts for every taxpayer

Across the nation, people are experiencing cost-of-living pressures. In response, the Australian Government has made changes to individual income tax rates and thresholds.

Who receives a tax cut?

All 13.6 million Australian taxpayers will receive a tax cut from 1 July 2024.

What are tax cuts?

Tax cuts are a change to individual tax rates and thresholds which result in a reduction in a taxpayer's tax liability.

What do tax cuts mean for me?

From 1 July 2024, every Australian taxpayer will receive a tax cut. For many, this will be reflected in take-home pay, each payday.

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

To estimate your annual tax cut, use the tax cut calculator at taxcuts.gov.au.

What are the new 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

Will I get my tax cut when I submit my tax return?

Some taxpayers will receive their tax cut when their tax return is lodged and processed after the end of the 2024–25 financial year. For many, the tax cuts will be reflected in their take-home pay, each payday.

However, tax cuts are not the same as a tax refund.

A tax refund is the money you receive back from the Australian Taxation Office if you paid more tax than you need to when you submit your tax return at the end of a financial year.

Tax cut calculator

You can use the tax cut calculator to estimate your annual tax cut at taxcuts.gov.au. To do this, you will need to enter your annual taxable income.

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

What if I own a business?

If you're an employer, you will need to ensure that you are withholding the right amount of pay as you go (PAYG) withholding tax from each of your employee's pay, each payday.

The easiest way to do this is to check your payroll software is using the new withholding rates from 1 July. You can also check that you are using the correct PAYG withholding tax table.

For more information on PAYG withholding tax obligations, visit ato.gov.au/paygw.

You will also benefit from the tax cuts if your business is unincorporated, and your income is taxed under the individuals' income tax rates and thresholds.

Visit taxcuts.gov.au to calculate your tax cut