

Please find below a summary of the some of the more relevant budget announcements that affect taxation.

**2023/2024 individual tax rates**

Taxable income range	Marginal tax rate
\$ 0 - \$18,200	0%
\$ 18,201 - \$45,000	19%
\$ 45,001 - \$120,000	32.5%
\$120,001 - \$180,000	37%
\$180,001+	45%

These rates exclude the 2% Medicare Levy.

The effective top personal marginal tax rate is 47% including the Medicare Levy.



**Technology investment boost**

From 29 March 2022 to 30 June 2023, small and medium business entities (with turnover less than fifty million dollars) will be able to deduct 120% of their expenditure incurred on business expenses and depreciating assets that support their digital adoption (such as portable payment devices, cyber security systems or subscriptions to cloud-based services). There is an annual expenditure cap of \$100,000.

For eligible expenditure incurred before 30 June 2022, the additional 20% deduction will be claimed in the 2023 tax return (for expenditure incurred during 2023, the additional 20% will be claimed in that year’s tax return).

**Skills and training boost**

From 29 March 2022 to 30 June 2024, small and medium business entities (with turnover less than fifty million dollars) will be able to deduct 120% of their expenditure incurred on external training courses provided to their employees.

For eligible expenditure incurred before 30 June 2022, the additional 20% deduction will be claimed in the 2023 tax return (for all subsequent years, the additional 20% will be claimed in that year’s tax return).

**Energy incentive boost**

From 1 July 2023, small and medium business entities (with turnover less than fifty million dollars) will be able to deduct 120% of their expenditure incurred on depreciating assets that support electrification and more efficient use of energy (such as energy efficient fridges, heat pumps and electric heating or cooling systems but excluding electric vehicles). There is an annual expenditure cap of \$100,000.

**Small business asset deductions**

From 6 October 2020 to 30 June 2023, small business entities are able to immediately write off each eligible business asset they buy (uncapped limit).

From 1 July 2023 to 30 June 2024, the threshold will be reduced to \$20,000 and available to all business entities with turnover less than ten million dollars.

Small businesses can also deduct the value of their simplified depreciation pools at the end of the income year where the balance falls under the relevant threshold.

### **Electric car FBT exemption**

From 1 July 2022, the Government exempted battery, hydrogen fuel cell and plug-in hybrid electric cars from fringe benefits tax and import tariffs if they have a first retail price below the luxury car tax threshold for fuel-efficient cars. The car must not have been held or used before 1 July 2022.

From 1 April 2025, the Government will sunset the eligibility of plug-in hybrid electric cars for the electric car FBT exemption.

### **Employee superannuation**

From 1 July 2023, the super guarantee rate will increase to 11.0%.

2020/2021	9.5%	2023/2024	11.0%
2021/2022	10.0%	2024/2025	11.5%
2022/2023	10.5%	2025/2026	12.0%

From 1 July 2026, employers will be required to pay their employee's superannuation guarantee on the same day that they pay salary and wages.

### **Earnings for superannuation balances above \$3 million taxed at 30%**

From 1 July 2025, the Government will reduce the tax concessions available to individuals with a total superannuation balance exceeding \$3 million.

Earnings relating to assets above the \$3 million threshold will be taxed at 30%.

Earnings relating to assets below the \$3 million threshold will be taxed at 15%.

### **Important Dates**

June 30 is fast approaching so you should ensure that you don't miss out on any tax planning opportunities. Superannuation contributions are critically important as the superannuation contribution limits are based on the amount paid into the superannuation fund during the financial year (not the period that the contribution relates to). If you want to maximise your 2022/2023 superannuation contribution, you need to ensure that the amount has been received by your superannuation fund before 30 June 2023.

If you have a SMSF, you should also ensure that any minimum pension payments have been made.

Kind regards,  
Nick