



PITCHER  
PARTNERS

# *Tax facts*

Victoria



**bakertilly**

NETWORK MEMBER

**2019-20**

## Tax rates

### Resident Individual Rates For 2019-20

| <b>Taxable income</b> | <b>Tax payable</b>                      |
|-----------------------|---|
| \$0–\$18,200          | Nil                                     |
| \$18,201–\$37,000     | 19% of excess over \$18,200             |
| \$37,001–\$90,000     | \$3,572 + 32.5% of excess over \$37,000 |
| \$90,001–\$180,000    | \$20,797 + 37% of excess over \$90,000  |
| \$180,001+            | \$54,097 + 45% of excess over \$180,000 |

### Non-resident individual rates for 2019-20

| <b>Taxable income</b> | <b>Tax payable</b>                      |
|-----------------------|---|
| \$0–\$90,000          | 32.5%                                   |
| \$90,001–\$180,000    | \$29,250 + 37% of excess over \$90,000  |
| \$180,001+            | \$62,550 + 45% of excess over \$180,000 |

### Resident minor rates for 2019-20

| <b>Other income</b> | <b>Tax payable</b>   |
|---------------------|--|
| \$0–\$416           | Nil  |
| \$417–\$1,307       | 66% of excess over \$416                                   |
| \$1,308+            | 45% of total amount of income that is not excepted income# |

# Excepted income includes employment income.

### Working holiday maker rates for 2019-20

| <b>Taxable income</b> | <b>Tax payable</b>                      |
|-----------------------|---|
| \$0–\$37,000          | 15%                                     |
| \$37,001–\$90,000     | \$5,550 + 32.5% of excess over \$37,000 |
| \$90,001–\$180,000    | \$22,775 + 37% of excess over \$90,000  |
| \$180,001+            | \$56,075 + 45% of excess over \$180,000 |

### Individual medicare levy rates 2019-20

| <b>Taxable income*</b> | <b>Levy payable</b>         |
|------------------------|-----------------------------|
| \$0–\$22,398           | Nil                         |
| \$22,399–\$27,997      | 10% of excess over \$22,398 |
| \$27,998               | 2.0% of entire amount       |

If the individual is entitled to a tax offset in respect of a lump sum superannuation payment, income for levy purposes is reduced by so much of the taxable component of the payment as does not exceed the low rate cap. **Note:** The rates may change if the taxpayer has a spouse on 30 June and family income is below \$37,794 plus \$3,471 for each dependant child or student.

## Medicare levy surcharge thresholds 2019-20

| <b>Singles</b>      | <b>Families</b>     | <b>Rate</b> |
|---------------------|---------------------|-------------|
| \$0–\$90,000        | \$0–\$180,000       | 0.00%       |
| \$90,001–\$105,000  | \$180,001–\$210,000 | 1.00%       |
| \$105,001–\$140,000 | \$210,001–\$280,000 | 1.25%       |
| \$140,001+          | \$280,001+          | 1.50%       |

## Company tax rates 2019-20

| <b>Company</b>      | <b>Rate</b> |
|---------------------|-------------|
| Base rate entity*   | 27.5%       |
| All other companies | 30.0%       |

\*Applicable to companies with aggregated turnover less than \$50m and passive income of no more than 80% of total assessable income.

**Note:** The franking rate is based on the lower company tax rate if the threshold requirements are satisfied by reference to 2018-19 income details.

## Fringe benefits tax

### FBT motor vehicle statutory fraction 2019-20

| <b>Total km travelled</b> | <b>1</b> | <b>2</b> |
|---------------------------|----------|----------|
| 0–14,999                  | 0.26     | 0.20     |
| 15,000–24,999             | 0.20     | 0.20     |
| 25,000–40,000             | 0.11     | 0.20     |
| 40,001+                   | 0.07     | 0.20     |

**Note:** 1, Contracts existing before 7:30pm on 10 May 2011

2, Contracts entered into after 7:30pm on 10 May 2011

### Fringe benefits tax 2019-20

|   |        |
|---|--------|
| Rate  | 47.0%  |
| Fringe benefits gross-up factor – Type 1                                      | 2.0802 |
| Fringe benefits gross-up factor – Type 2                                      | 1.8868 |
| Car parking threshold   | \$8.95 |
| Benchmark interest rate (loan benefits and cars using operating costs method) | 5.37%  |

## Quarterly lodgement and payment due dates

### IAS, BAS, PAYG instalments 2019-20

|               |        |        |        |        |
|---------------|--------|--------|--------|--------|
| Quarter ended | 30 Jun | 30 Sep | 31 Dec | 31 Mar |
| Due date*     | 29 Jul | 28 Oct | 28 Feb | 28 Apr |

An extension may be available in certain circumstances.

## Private company loans (Division 7a)

| <b>Income year</b> | <b>Benchmark interest rate</b> |
|--------------------|--------------------------------|
| 2019/2020          | 5.37%*                         |
| 2018/2019          | 5.20%                          |
| 2017/2018          | 5.30%                          |

\*To be confirmed by ATO Tax Determination.

## Lump sum payments

### Annual leave

| <b>Unused annual leave</b>   | <b>Tax</b>  |
|--|---|
| <b>On resignation or retirement:</b>                                 |   |
| Leave accrued before 18 August 1993                                  | 100% included in assessable income and taxed at a maximum rate of 32% |
| Leave accrued after 17 August 1993                                   | 100% included in assessable income and taxed at marginal rates        |
| <b>On genuine redundancy, approved early retirement, invalidity:</b> |   |
| All annual leave   | 100% included in assessable income and taxed at a maximum rate of 32% |

### Long service leave

| <b>Unused long service leave</b>                                     | <b>Tax</b>  |
|--|---|
| <b>On resignation or retirement:</b>                                 |   |
| Leave accrued before 16 August 1978                                  | 5% included in assessable income and taxed at marginal rates          |
| Leave accrued 16 August 1978 – 17 August 1993                        | 100% included in assessable income and taxed at a maximum rate of 32% |
| Leave accrued after 17 August 1993                                   | 100% included in assessable income and taxed at marginal rates        |
| <b>On genuine redundancy, approved early retirement, invalidity:</b> |   |
| Leave accrued before 16 August 1978                                  | 5% included in assessable income and taxed at marginal rates          |
| Leave accrued after 15 August 1978                                   | 100% included in assessable income and taxed at a maximum rate of 32% |

### Genuine redundancy/approved early retirement 2019-20

|                 |  |
|-----------------|--|
| Tax free amount | \$10,638 +<br>(\$5,320 × completed years of service)               |
| Remainder       | Taxed as employment termination payment up to ETP cap of \$210,000 |

## Duty on transfer of real property (Victoria)

### Standard rates

| <b>Dutiable value</b> | <b>Duty payable*</b>                  |
|-----------------------|---------------------------------------|
| \$0 – \$25,000        | 1.4% of entire amount                 |
| \$25,001 – \$130,000  | \$350 + 2.4% of excess over \$25,000  |
| \$130,001 – \$960,000 | \$2,870 + 6% of excess over \$130,000 |
| \$960,001+            | 5.5% of entire amount                 |

### Concessional rates for principal place of residence contracts

| <b>Dutiable value**</b> | <b>Duty payable*</b>                   |
|-------------------------|--|
| \$130,001 – \$440,000   | \$2,870 + 5% of excess over \$130,000  |
| \$440,001 – \$550,000   | \$18,370 + 6% of excess over \$440,000 |

\* From 1 July 2019, a surcharge of 8% will apply to foreign purchasers of residential property.

\*\* General rates apply where dutiable value is no more than \$130,000 or more than \$550,000.

## Land tax (Victoria)

### General rates

| <b>Taxable value of land holdings</b> | <b>Land tax payable*#</b>                   |
|---------------------------------------|---|
| \$0 – \$249,999                       | Nil   |
| \$250,000 – \$599,999                 | \$275 + 0.2% of excess over \$250,000       |
| \$600,000 – \$999,999                 | \$975 + 0.5% of excess over \$600,000       |
| \$1,000,000 – \$1,799,999             | \$2,975 + 0.8% of excess over \$1,000,000   |
| \$1,800,000 – \$2,999,999             | \$9,375 + 1.3% of excess over \$1,800,000   |
| \$3,000,000+                          | \$24,975 + 2.25% of excess over \$3,000,000 |

### Surcharge rates for Trusts

| <b>Taxable value of land holdings</b> | <b>Land tax payable*#</b>                     |
|---------------------------------------|---|
| \$0 – \$24,999                        | Nil   |
| \$25,000 – \$249,999                  | \$82 + 0.375% of excess over \$25,000         |
| \$250,000 – \$599,999                 | \$926 + 0.575% of excess over \$250,000       |
| \$600,000 – \$999,999                 | \$2,938 + 0.875% of excess over \$600,000     |
| \$1,000,000 – \$1,799,999             | \$6,438 + 1.175% of excess over \$1,000,000   |
| \$1,800,000 – \$2,999,999             | \$15,838 + 0.7614% of excess over \$1,800,000 |
| \$3,000,000+                          | \$24,975 + 2.25% of excess over \$3,000,000   |

\* Levied on owners of land at midnight on 31 December.

# From 1 Jan 2020, a surcharge of 2% will apply to absentee owners.

## Superannuation contributions

### Concessional contributions limit for 2019-20

| Age      | Limit    |
|----------|----------|
| All ages | \$25,000 |

**Note:** Unused concessional contributions for 2018/19 may be carried forward for up to five years in limited circumstances.

### Non-concessional contributions limit for 2019-20

| Age at any time in the financial year | Limit                   |
|---------------------------------------|-------------------------|
| Under age 65                          | \$100,000 <sup>*^</sup> |
| 65 years and over                     | \$100,000*              |

\* Individuals with a total superannuation balance above \$1,600,000 on 30 June of the preceding year will be ineligible to make further non-concessional contributions.

<sup>^</sup> Individuals under age 65 at any time in the financial year may bring forward contributions of up to three times the standard non-concessional contribution limit across a fixed three-year period, subject to the table below.

| Total superannuation balance on 30 June 2019 | Maximum non-concessional contributions limit |
|--|--|
| \$0 – \$1,399,999                            | \$300,000                                    |
| \$1,400,000 – \$1,499,999                    | \$200,000                                    |
| \$1,500,000 – \$1,599,999                    | \$100,000                                    |
| \$1,600,000 +                                | Nil  |

### Contribution standards

| Age of member at time of contribution | Acceptance conditions   |
|---------------------------------------|---|
| Under age 65                          | No conditions   |
| Age 65 but less than 75               | Member must be gainfully employed for a minimum of 40 hours in any consecutive 30 days of the year of contribution, or contributions are mandated |
| Age 75 or over                        | Contributions cannot be accepted unless mandated  |

### Superannuation guarantee for 2019-20

|                           |                      |
|---------------------------|----------------------|
| Rate                      | 9.5%                 |
| Maximum contribution base | \$55,270 per quarter |

## Contributions tax and surcharge (Division 293 tax)

| <b>Income* and concessional contributions</b> | <b>Contributions tax</b> | <b>Surcharge</b> | <b>Total</b> |
|---|--------------------------|------------------|--------------|
| \$0-\$250,000                                 | 15%                      | Nil              | 15%          |
| \$250,001+                                    | 15%                      | 15%              | 30%          |

**Note:** If your income + concessional contributions > \$250,000 the concessional contributions above \$250,000 will be subject to surcharge.

\*Income = taxable income + reportable fringe benefits + total net investment loss less some super lump sum payments.

## Downsizer contribution

| <b>Age of member at time of contribution</b> | <b>Limit</b> |
|--|--------------|
| Age 65 or over                               | \$300,000    |

**Note:** There are strict eligibility and compliance requirements when making downsizer contributions including a ten-year ownership period and a contract of sale dated on or after 1 July 2018.

## Superannuation contributions CGT cap amount

### CGT cap amount 2019-20

|         |           |
|---------|-----------|
| Amount* | \$1.515 m |
|---------|-----------|

\*CGT cap amount is a lifetime limit that is indexed

**Note:** Amounts that may count towards the CGT cap include capital proceeds from the disposal of assets that qualify for the 15-year CGT exemption + capital gains that are disregarded under the CGT retirement exemption limit (of up to \$500,000).

## Superannuation income streams

### Pension payment – taxed fund 2019-20

| <b>Component</b>   | <b>Age at date payment received</b>            | <b>Amount subject to withholding</b> | <b>Pension tax offset</b> |
|--------------------|--|--------------------------------------|---------------------------|
| Tax Free component | All ages                                       | Nil                                  | Nil                       |
| Taxable component  | Below preservation age <sup>^</sup>            | Entire amount at marginal rates      | Nil                       |
|                    | Preservation age but below age 60 <sup>^</sup> | Entire amount at marginal rates      | 15%                       |
|                    | Aged 60 and over                               | Nil                                  | Nil                       |

<sup>^</sup> If no TFN 47% must be withheld from taxable component.

## Minimum annual payment amount

| <b>Age of beneficiary on 1 July<br/>(or start of pension if first year)</b> | <b>Standard percentage factor</b> |
|---|-----------------------------------|
| Under age 65*   | 4%                                |
| 65 – 74   | 5%                                |
| 75 – 79   | 6%                                |
| 80 – 84   | 7%                                |
| 85 – 89   | 9%                                |
| 90 – 94   | 11%                               |
| Age 95 and over   | 14%                               |

*\*If the pension is operating under transition to retirement rules, a maximum payment amount of 10% applies.*

## Superannuation pension cap (general transfer balance cap) for 2019-20

|     |             |
|-----|-------------|
| Cap | \$1,600,000 |
|-----|-------------|

## Preservation age

| <b>Date of birth</b>       | <b>Preservation age</b> |
|----------------------------|-------------------------|
| Before 1 July 1960         | 55 years                |
| 1 July 1960 – 30 June 1961 | 56 years                |
| 1 July 1961 – 30 June 1962 | 57 years                |
| 1 July 1962 – 30 June 1963 | 58 years                |
| 1 July 1963 – 30 June 1964 | 59 years                |
| On or after 1 July 1964    | 60 years                |

## Superannuation fund payments

### Lump sum payments – taxed fund 2019-20

| <b>Component</b>   | <b>Age at date payment received</b>            | <b>Amount subject to withholding</b> | <b>Rate of withholding</b> |
|--------------------|--|--------------------------------------|----------------------------|
| Tax Free component | All ages                                       | Nil                                  | Nil                        |
| Taxable component  | Under preservation age <sup>^</sup>            | Entire amount                        | 22%                        |
|                    | Preservation age but below age 60 <sup>^</sup> | Up to low rate cap amount*           | Nil                        |
|                    |  | Excess above low rate cap amount*    | 17%                        |
|                    | Aged 60 and over                               | Nil                                  | Nil                        |

*\*Low rate cap amount of \$210,000 is a lifetime limit that is indexed.*

*<sup>^</sup> If no TFN, 47% must be withheld from taxable component.*



## Accessing superannuation

| <b>Age of member</b>                  | <b>Condition of release*</b>   |
|---------------------------------------|--|
| Preservation age but less than age 60 | Member has ceased all forms of gainful employment and never intends to be gainfully employed again |
| Age 60 but less than age 65           | Member has ceased a position of gainful employment after attaining age 60                          |
| Age 65 or over                        | None   |

*\*Trust deed requirements must be met. Transition to retirement rules may provide restricted access after attaining preservation age.*

## Payroll tax (Victoria)

| <b>Monthly gross wages</b> | <b>Annual gross wages</b> | <b>Rate</b> |
|----------------------------|---------------------------|-------------|
| Up to \$54,166             | Up to \$650,000           | Nil         |
| Excess above \$54,166      | Excess above \$650,000    | 4.85%       |

*A discounted rate of 2.425% applies to regional employers*

*The discounted rate is to be reduced in three stages as follows:*

*Stage 1: 2.02% for 2020-21,*

*Stage 2: 1.62% for 2021-22,*

*Stage 3: 1.2125% for 2022-23.*

## Employment termination payments

### Life benefit termination payment 2019-20

| <b>Component</b>   | <b>Age at end of income year</b> | <b>Amount subject to withholding</b> | <b>Rate of withholding</b> |
|--------------------|----------------------------------|--------------------------------------|----------------------------|
| Tax Free Component | All ages                         | Nil                                  | Nil                        |
| Taxable Component  | Under preservation age           | Up to lesser cap amount*             | 32%                        |
|                    | Preservation age and over        | Up to lesser cap amount*             | 17%                        |
|                    | All ages                         | Excess                               | 47%                        |

*\*The amounts are the "whole-of-income" cap (\$180,000 less the recipient's taxable income) and the ETP cap (\$210,000 for 2019-20 less life benefit termination payments received in the same or an earlier year in respect of the same termination event). Only the ETP cap applies to genuine redundancy and invalidity payments.*



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