

# EXPOSURE DRAFT

2022-2023-2024

The Parliament of the  
Commonwealth of Australia

HOUSE OF REPRESENTATIVES

EXPOSURE DRAFT

## **Treasury Laws Amendment (Cost of Living Tax Cuts) Bill 2024**

**No. , 2024**

*(Treasury)*

**A Bill for an Act to amend the *Income Tax Rates  
Act 1986*, and for related purposes**

EXPOSURE DRAFT



# EXPOSURE DRAFT

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## Contents

1	Short title.....	1
2	Commencement.....	1
3	Schedules.....	2
<b>Schedule 1—Amendments</b>		<b>3</b>
	<i>Income Tax Rates Act 1986</i>	3



# EXPOSURE DRAFT

1     **A Bill for an Act to amend the *Income Tax Rates***  
2     ***Act 1986, and for related purposes***

3     The Parliament of Australia enacts:

4     **1 Short title**

5                     This Act is the *Treasury Laws Amendment (Cost of Living Tax*  
6                     *Cuts) Act 2024.*

7     **2 Commencement**

8                     (1) Each provision of this Act specified in column 1 of the table  
9                     commences, or is taken to have commenced, in accordance with  
10                    column 2 of the table. Any other statement in column 2 has effect  
11                    according to its terms.  
12

# EXPOSURE DRAFT

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**Commencement information**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions</b>	<b>Commencement</b>	<b>Date/Details</b>
1. The whole of this Act	The first 1 January, 1 April, 1 July or 1 October to occur after the day this Act receives the Royal Assent.	

1 Note: This table relates only to the provisions of this Act as originally  
2 enacted. It will not be amended to deal with any later amendments of  
3 this Act.

4 (2) Any information in column 3 of the table is not part of this Act.  
5 Information may be inserted in this column, or information in it  
6 may be edited, in any published version of this Act.

### 7 **3 Schedules**

8 Legislation that is specified in a Schedule to this Act is amended or  
9 repealed as set out in the applicable items in the Schedule  
10 concerned, and any other item in a Schedule to this Act has effect  
11 according to its terms.

# EXPOSURE DRAFT

Amendments Schedule 1

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## Schedule 1—Amendments

### *Income Tax Rates Act 1986*

#### 1 Subsection 3(1)

Insert:

*third resident personal tax rate* means the rate mentioned in item 3 of the table in clause 1 of Part I of Schedule 7 that is applicable to the year of income.

#### 2 Clause 1 of Part I of Schedule 7 (table dealing with tax rates for resident taxpayers for the 2024-25 year of income or a later year of income)

Repeal the table, substitute:

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##### Tax rates for resident taxpayers for the 2024-25 year of income or a later year of income

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Item	For the part of the ordinary taxable income of the taxpayer that:	The rate is:
1	exceeds the tax-free threshold but does not exceed \$45,000	16%
2	exceeds \$45,000 but does not exceed \$135,000	30%
3	exceeds \$135,000 but does not exceed \$190,000	37%
4	exceeds \$190,000	45%

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#### 3 Clause 1 of Part II of Schedule 7 (table dealing with tax rates for non-resident taxpayers for the 2024-25 year of income or a later year of income)

Repeal the table, substitute:

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No. , 2024

Treasury Laws Amendment (Cost of Living Tax Cuts) Bill 2024

3

EXPOSURE DRAFT

# EXPOSURE DRAFT

## Schedule 1 Amendments

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**Tax rates for non-resident taxpayers for the 2024-25 year of income or a later year of income**

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<b>Item</b>	<b>For the part of the ordinary taxable income of the taxpayer that:</b>	<b>The rate is:</b>
1	does not exceed \$135,000	The second resident personal tax rate
2	exceeds \$135,000 but does not exceed \$190,000	The third resident personal tax rate
3	exceeds \$190,000	45%

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**4 Clause 1 of Part III of Schedule 7 (table dealing with tax rates for working holiday makers for the 2024-25 year of income or a later year of income)**

Repeal the table, substitute:

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**Tax rates for working holiday makers for the 2024-25 year of income or a later year of income**

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<b>Item</b>	<b>For the part of the taxpayer's working holiday taxable income that:</b>	<b>The rate is:</b>
1	does not exceed \$45,000	15%
2	exceeds \$45,000 but does not exceed \$135,000	30%
3	exceeds \$135,000 but does not exceed \$190,000	37%
4	exceeds \$190,000	45%

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