

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**

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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.

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Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
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9 repealed as set out in the applicable items in the Schedule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.

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Amendments **Schedule 1**

1 Schedule 1—Amendments

3 *Income Tax Rates Act 1986*

4 1 Subsection 3(1)

5 Insert:

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

9 **2 Clause 1 of Part I of Schedule 7 (table dealing with tax rates**
10 **for resident taxpayers for the 2024-25 year of income or**
11 **a later year of income)**

12 Repeal the table, substitute:

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

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	\$45,000 but does not exceed \$135,000	30%
3	\$135,000 but does not exceed \$190,000	37%
4	\$190,000	45%

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)

17 Repeal the table, substitute:

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Schedule 1 Amendments

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

Item	For the part of the ordinary taxable income of the taxpayer that:	The rate is:
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%

1 **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)**

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3

4 Repeal the table, substitute:

5

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

Item	For the part of the taxpayer's working holiday taxable income that:	The rate is:
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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