

Marginal Tax Rates:

Currently legislated (Jul 2005)	
Threshold	Marginal Tax Rate
6,000	17%
21,600	30%
63,000	42%
80,000	47%

Budget Proposal

(Jul 2006)	
Threshold	Marginal Tax Rate
6,000	15%
21,600	30%
70,000	42%
125,000	47%

Labor's Proposal

(Jul 2006)	
Threshold	Marginal Tax Rate
6,000	17%
26,400	30%
67,000	42%
100,000	47%

Welfare-to-Work Tax Bonus:

- This should have a starting value of \$500 on 1st January 2006 and increase to \$680 on 1st July 2008 – delivering an effective tax free-threshold of \$10,000. It should replace the existing low-income tax offset.

Annual Taxable income (\$)	Per Week	
5,000	0.00	0.00
10,000	1.54	8.56
15,000	3.46	8.56
20,000	5.38	8.56
25,000	6.00	15.00
30,000	6.00	15.46
35,000	6.00	12.00
40,000	6.00	12.00
45,000	6.00	12.00
50,000	6.00	12.00
55,000	6.00	12.00
60,000	6.00	12.00
65,000	10.62	16.62
70,000	22.15	21.23
75,000	22.15	21.23
80,000	22.15	21.23
85,000	26.96	26.04
90,000	31.77	30.85
95,000	36.58	35.65
100,000	41.38	40.46
105,000	46.19	40.46
110,000	51.00	40.46
115,000	55.81	40.46
120,000	60.62	40.46
125,000	65.42	40.46