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About tax offsets

Find out how tax offsets can reduce the tax you pay.

Last updated 16 June 2025

A tax offset (also sometimes known as a tax rebate) reduces the tax you pay on your taxable income (known as your tax payable).

The amount of tax offset you receive depends on:

- your taxable income
- the amount of tax you need to pay.

If you don't have any tax to pay, you don't receive any offset. Most offsets aren't refundable, which means they can't reduce your tax below zero. However, some (such as the private health insurance rebate) are refundable.

We work out some tax offsets automatically when you lodge your tax return. You need to claim others in the **Offsets** section of your tax return.

You can check your entitlement and amounts using our online calculators.

QC 72195

Seniors and pensioners tax offset

Check if you are eligible for the seniors and pensioners tax offset (SAPTO) and if you can transfer unused offsets.

Last updated 16 June 2025

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Eligibility for seniors and pensioners tax offset

To be eligible for the seniors and pensioners tax offset (SAPTO) you must:

- be eligible for an Australian Government pension or allowance
- meet income limits for you and your spouse.

The offset can reduce the amount of income tax you pay. We will apply the non-refundable offset when we assess your tax return. You may be able to transfer an unused amount to your spouse if you're both eligible for SAPTO.

If you are entitled to SAPTO you are also eligible for an increased Medicare levy low income threshold. You must be entitled to at least $1 of SAPTO in order to use the threshold.

You can't claim this tax offset if you were in jail for the whole income year.

You can use the calculator to check your eligibility and calculate the offset amounts.

Beneficiary tax offset and seniors and pensioners tax offset calculator

Eligibility for an Australian Government pension or allowance

You meet this condition if any of the following applied to you in the income year of your claim:

- You received an Australian Government pension or allowance from Centrelink. Only these listed pensions and allowances satisfy this condition.

- You received a pension, allowance or benefit from the Department of Veterans’ Affairs (DVA).
- You were age-pension age and eligible for an Australian Government age pension during the income year, but you didn't receive it because you didn't make a claim or because of the income test or assets test. You must also meet one of the following conditions
  - You had been an Australian resident for age-pension purposes for 10 years or more. At least 5 years were continuous.
  - You had a qualifying residence exemption. This is because you arrived in Australia either
    - as a refugee
    - under a special humanitarian program.
  - You are a woman who was widowed in Australia, and also
    - you and your late partner were Australian residents when your late partner died
    - you are currently in Australia
    - you have been an Australian resident for at least the last 2 years.
  - You received a widow B pension, widow allowance, or partner allowance just before turning age-pension age.
  - You would have qualified for an age pension under an international social security agreement.
  - You're a woman and on 19 March 2020 you were receiving either
    - a wife pension and you were not receiving a carer allowance
    - a special needs widow B pension.
- You met the veteran pension age test and were eligible for a pension, allowance or benefit from Veterans’ Affairs during the income year, but you didn't receive it because you didn't make a claim or because of the income test or assets test. You were also either
  - a veteran with eligible war service

  - a Commonwealth veteran, allied veteran or allied mariner with qualifying service.

Centrelink age pension age test

To be eligible for an Australian Government age pension from Centrelink, you must be 66 years and 6 months or older on 30 June 2021. This is 67 years or older from 1 July 2023.

Veteran pension age test

To qualify for an age service pension from the Department of Veterans' Affairs, you must meet the veteran pension age test and on 30 June 2021 be at least 60 years old.

You meet the test if you were eligible for a pension, allowance or benefit under the *Veterans' Entitlements Act 1986*, and one of the following also applies to you:

- You have eligible war service, either
  - service in World War II
  - operational service as a member of the Australian Defence Force.
- You're a Commonwealth or allied veteran who served in a conflict in which the Australian Defence Force (ADF) was engaged during a period of hostilities, that is
  - World War II
  - Korea
  - Malaya
  - Indonesia
  - Vietnam.
- You're an Australian or allied mariner who served during World War II.
- You're the war widow or widower of a former member of the ADF.

Income limits

You meet this condition if any of the following applied to you in the income year of your claim:

- You didn't have a spouse and your rebate income was less than $52,759.
- You had a spouse and the combined rebate income for you and your spouse was less than $87,620 (less than $43,810 for each partner).
- At any time during the year
  - you and your spouse had to live apart due to illness or because one of you was in a nursing home, and
  - the combined rebate income of you and your spouse was less than $100,104 (less than $50,052 for each partner).

The **combined rebate income** is the total of all the following:

- your rebate income
- your spouse's rebate income
- the amount a trustee of a trust was liable to pay tax for your spouse who was under a legal disability. For example, they were an undischarged bankrupt or a person declared legally incapable because of a mental condition.

The criteria **Had to live apart due to illness** refers to situations where you and your spouse don't live together. This is because one or both of you have an indefinitely continuing illness or infirmity. As a result, your combined living expenses are increased.

Rates and thresholds for SAPTO

To be entitled to the offset, your rebate income must be less than the relevant cut-out threshold in the table below. You receive the maximum offset if your rebate income is less than the shading-out threshold.

Rates and rebate income thresholds for SAPTO

Status	Maximum tax offset amount	Shading-out threshold	Cut-out threshold
Single	$2,230	$34,919	$52,759

Each partner of a couple	$1,602	$30,994	$43,810
Each partner of an illness separated couple	$2,040	$33,732	$50,052

If more than one item in the table above applies to you during the income year, we base your offset on the amount giving you the greatest entitlement.

Examples of SAPTO income thresholds

The following examples show when someone will receive SAPTO.

Example: couple living together and rebate income below the threshold

Clare and Roy are married and live together. Both Clare and Roy receive an age pension from Centrelink. Clare's rebate income is $23,020 and Roy's is $25,677 (which also includes interest he has earned).

Clare and Roy are entitled to SAPTO. This is because half (50%) of their combined rebate incomes of $48,697
(50% × $48,697 = $24,348.50) is less than the cut-off threshold of $43,810.

Clare and Roy each receive the maximum SAPTO amount of $1,602. This is because their rebate incomes are each below the shading-out threshold of $30,994.

Example: couple living together and combined rebate income above the threshold

Deb and Ivan are married and live together. Both Deb and Ivan receive an age pension from Centrelink. Deb's rebate income is $64,020 and Ivan's is $25,677.

Deb and Ivan are not entitled to SAPTO. This is because half (50%) of their combined rebate incomes of $89,697

(50% × $89,697 = $44,848.50) is above the cut-off threshold of $43,810.

Example: couple living together and combined rebate income below the threshold

Ying and Li Jun are married and live together. They both receive an age pension from Centrelink. Ying's rebate income is $54,020 and Li Jun's is $25,677.

Ying and Li Jun are entitled to SAPTO. This is because half (50%) of their combined rebate incomes of $79,697 (50% × $79,697 = $39,848.50) is less than the cut-off threshold of $43,810.

Ying does not receive SAPTO. This is because her income of $54,020 is greater than the cut-off threshold of $43,810.

However, Li Jun receives the maximum SAPTO amount of $1,602. This is because his rebate income is below the shading-out threshold of $30,994.

Example: single with rebate income exceeding the cut-out threshold

Marko is single and is 67 years old. He qualifies for the Centrelink age pension but does not make a claim for it. His rebate income is $85,690.

Although Marko qualifies for the age pension (but didn't make a claim for it), he is not entitled to SAPTO. This is because his rebate income is more than the cut-out threshold of $52,759.

Example: single with rebate income below the threshold

Simon is single and receives a parenting payment (single) from Centrelink. He has a rebate income of $32,178.

Simon is entitled for SAPTO because:

- he receives an Australian Government pension or allowance
- his income is less than the cut-out threshold of $52,759.

Simon is entitled to the maximum SAPTO amount of $2,230. This is because his rebate income is less than the shading-out threshold of $34,919.

Tax offset reduction

The tax offset reduces by $0.125 for every dollar your rebate income exceeds the relevant shading-out threshold amount. We round up the amount to the nearest whole dollar.

Example: single with rebate income above the threshold

José is single and receives an age pension from Centrelink. He has a rebate income of $39,000.

José is eligible for SAPTO. His rebate income is less than the cut-out threshold of $52,759. He also receives an Australian Government pension.

As José's rebate income exceeds the shading-out threshold of $34,919, his tax offset is reduced as follows:

$39,000 – $34,919 = $4,081

$4,081 × 0.125 = $510.125

$2,230 – $510.125 = $1,719.875

José is entitled to a SAPTO amount of $1,720.

Example: couple with spouse not eligible and rebate income above the threshold

Keith and Jean are a married couple living together. Keith receives an age pension from Centrelink. Jean has not reached age-pension age, so does not qualify for it.

Keith's rebate income is $33,650 and Jean's is nil. Their combined rebate income is $33,650.

In determining whether they satisfy the cut-out threshold, each is taken to have a rebate income of:

0.5 × $33,650 = $16,825.

Jean is not eligible for the offset. She has not reached age-pension age and is not eligible for an age pension.

Keith is eligible for the offset. His determined amount of rebate income ($16,825) is less than the cut-out threshold of $43,810, and he receives the age pension. However, his actual rebate income is used in calculating the tax offset amount.

Keith's actual rebate income of $33,650 is more than the shade-out threshold of $30,994. We reduce his tax offset as follows:

$33,650 − $30,994 = $2,656

$2,656 × 0.125 = $332

$1,602 − $332 = $1,270.

Keith is entitled to a SAPTO amount of $1,270.

In some circumstances, a person may be eligible for SAPTO, but their income amount means the tax offset is reduced to zero. If this is the case they are not entitled to use the Medicare low income threshold for SAPTO.

Example: couple with spouse eligible for SAPTO and rebate income above the threshold

Vanh and his spouse, Mai, live together. They both receive the age pension from Centrelink.

Vanh has a rebate income of $32,590 and Mai's rebate income is $26,780. Their combined rebate income is $59,370. To determine if they satisfy the cut-out threshold, each is taken to have a rebate income of:

0.5 × $59,370 = $29,685.

Both Vanh and Mai are eligible for the offset because:

- they both receive the age pension, and

- their determined amount of rebate income of $29,685 is less than the cut-out threshold of $43,810.

Vanh's actual rebate income of $32,590 is more than the shade-out threshold of $30,994. His tax offset is reduced as follows:

$32,590 − $30,994 = $1,596

$1,596 × 0.125 = $199.50

$1,602 − $199.50 = $1,402.50.

Vanh is entitled to a SAPTO amount of $1,403.

Mai is entitled to the maximum tax offset amount of $1,602. Her actual rebate income of $26,780 is below the shade-out threshold of $30,994.

Transferring unused SAPTO between spouses

You and your spouse may both be eligible for SAPTO. If one of you does not use all of it, you may be able to transfer the unused portion to your spouse.

We will work this out for you. We will transfer any entitlement when you lodge your tax returns.

You can use the calculator to check if you have an unused amount to transfer to your spouse.

Beneficiary tax offset and seniors and pensioners tax offset calculator

SAPTO amounts for a couple

The maximum SAPTO amounts for an eligible couple depends on your circumstances. If you:

- live apart due to illness, the maximum offset is $2,040 each
- live together, the maximum offset is $1,602 each.

Where your spouse's taxable income is $6,000 or less, the full amount of their offset is available for transfer.

If your spouse's taxable income is greater than $6,000, we work out their unused offset amount using the formula below:

> **A** – ((**B** – $6,000) × 0.15), where
>
> **A** equals the spouse's SAPTO amount for the income year
>
> **B** equals the spouse's taxable income plus exempt pension income for the income year.

We reduce your offset by 12.5 cents for every dollar over your rebate threshold.

The example below shows unused SAPTO transferred to a spouse who is living separately because of illness.

The following amounts used in the example calculations are set out in the *Income Tax Assessment (1936) Act – Regulation 2015*:

- rebate maximum amount – $445
- rebate reduction threshold – $37,000
- rebate reduction rate – 0.015.

Example: transferring unused SAPTO – living apart due to illness during the 2024-25 financial year

Step 1: Calculating your spouse's unused SAPTO

Your spouse's offset amount is $2,040 (report at SAPTO code B in their tax return). Their taxable income is $10,000.

The calculation is $2,040 – (($10,000 – $6,000) × 0.15) = $1,440. See how this is worked out below:

> $10,000 – $6,000 = $4,000
>
> ($4,000 × 0.15) = $600
>
> $2,040 – $600 = $1,440

You can transfer $1,440 of your spouse's unused offset if you're both eligible.

Step 2: Calculating your rebate threshold

We calculate your rebate threshold using steps A to O as follows:

- A: The maximum offset amount that applies to you = $2,040
- B: Add your spouse's unused offset amount from **Step 1** ($1,440) to **A**
  $2,040 + $1,440 = $3,480
- C: Add $445 (s159N rebate maximum amount) to **B**
  $3,480 + $445 = $3,925
- D: Divide **C** by the lowest marginal tax rate of 0.16
  $3,925 ÷ 0.16 = $24,531.25
- E: Add the income tax-free threshold of $18,200 to **D**
  $24,531.25+ $18,200 = $42,731.25
- F: Is the amount at **E** greater than the rebate reduction threshold of $37,000?
  - if **No**, your rebate threshold is the amount calculated in **E** of $42,731.25. Go to **Step 3** for the SAPTO calculation
  - if **Yes**, continue with the steps below and your rebate threshold will be the amount calculated at step **O**
- G: Add the second lowest marginal tax rate of 0.3 to the rebate reduction rate of 0.015
  0.3 + 0.015 = 0.315
- H: Subtract the lowest marginal tax rate of 0.16 from **G**
  0.315 − 0.16 = 0.155
- I: Multiply **H** by the *rebate reduction threshold* of $37,000
  0.155 × $37,000 = $5,735
- J: Multiply the lowest marginal tax rate of 0.16 by the tax-free threshold ($18,200)
  0.16 × $18,200 = $2,912
- K: Add $445 to **J**
  $2,912 + $445 = $3,357
- L: Add your maximum offset amount of $2,040 to **K**
  $3,357 + $2,040 = $5,397
- M: Add your spouse's unused offset amount of $1,440 to **L**
  $5,943 + $1,440 = $6,837

- N: Add **I** and **M**
  $5,735 + $6,837 = $12,572
- O: Divide **N** by **G**
  $12,572÷ 0.315 = $39,911.11.

Your rebate threshold (rounded up to the nearest dollar) is **$39,912**.

Step 3: Calculating your SAPTO

We reduce your offset by 12.5 cents for every dollar amount over the rebate threshold calculated in **Step 2** above ($39,912).

Your rebate income is $48,000 and your maximum offset amount is $2,040.

- A: Add your spouse's unused offset amount from **Step 1** ($1,440) to your maximum offset amount
  $1,440 + $2,040 = $3,480
- B: Subtract your rebate threshold calculated in **Step 2** ($39,912) from your rebate income
  $48,000 – $39,912 = $8,088
- C: Multiply **B** by the rebate reduction rate of 12.5 cents
  $8,088 × 0.125 = $1,011
- D: Subtract the amount at **C** from the amount at **A**
  $3,480 – $1,011= $2,469.

Your SAPTO is **$2,469** after transferring your spouse's unused offset to you.

Exempt pensions

For the purpose of the transfer of your spouse’s unused SAPTO, an exempt pension isa:

- disability support pension paid under Part 2.3 of the *Social Security Act 1991*
- youth disability supplement (with disability support pension)
- carer payment paid under Part 2.5 of the *Social Security Act 1991*

- invalidity service pension (paid under Division 4 of Part III of the *Veterans' Entitlements Act 1986*)
- partner service pension (paid under Division 5 of Part III of the *Veterans' Entitlements Act 1986*).

Foreign residents

If your spouse is a foreign resident and their taxable income is greater than zero, we calculate their unused offset using the formula below:

> **A** – (**B** × marginal tax rate), where
>
> **A** equals your spouse's offset amount for the income year
>
> **B** equals your spouse's taxable income for the income year.

If your spouse is a foreign resident and is also receiving an Australian Government pension or allowance, we work out their unused amount as if they were a resident.

QC 72197

Superannuation-related tax offsets

Check if you can claim a superannuation-related tax offset for you or your spouse.

Last updated 16 June 2025

On this page

Superannuation income stream tax offset

A super income stream is a series of regular payments from your super fund. If you receive income from an Australian super income stream, you may be eligible for a tax offset equal to:

- 15% of the taxed element
- 10% of the untaxed element.

The tax offset amount available to you on your taxed element will be shown on your *PAYG payment summary – superannuation income stream*.

There is a limit on the amount of tax offset you can claim on your untaxed element. This will not be shown on your payment summary. This offset is generally limited to:

- $11,875 for the 2023–24 and 2024–25 income years
- $10,625 for the 2021–22 and 2022–23 income years
- $10,000 for the 2020–21 and earlier income years.

To work out if you can claim a tax offset on your untaxed element, use the Defined benefit income cap tool.

You can't claim a tax offset for the taxed element of any super income stream you receive before your preservation age, except where the super income stream is either a:

- disability super benefit
- death benefit income stream.

You can't claim a tax offset for the untaxed element of any super income stream you receive before you turn 60 years old, unless:

- it is a death benefit income stream
- the person died after they turned 60 years old.

For details of how to claim in your tax return, follow the steps at T2 Australian superannuation income stream.

Tax offset for super contributions on behalf of your spouse

You may be able to claim a tax offset if you make an eligible super contribution on behalf of your spouse (married or de facto). They need to earn under $40,000 or not work.

Your contribution must be to either your spouse's:

- complying super fund
- retirement savings account (RSA).

You may be able to claim either a:

- full tax offset of $540, if you pay $3,000 or more and your spouse earns $37,000 or less
- partial tax offset, if you pay less than $3,000 and your spouse earns more than $37,000 but less than $40,000.

You also need to meet all the following conditions for the income year of your claim:

- you made the contributions to a complying super fund
- both you and your spouse were Australian residents
- the contributions were not deductible by you
- you and your spouse were not living separately and apart on a permanent basis
- your spouse was under
  - 75 years old for claims from 1 July 2020
  - 70 years old for earlier income years
- you do not exceed the general transfer balance cap of
  - $2 million for the 2025-26 income year
  - $1.9 million for the 2023–24 and 2024–25 income years
  - $1.7 million for the 2021–22 and 2022–23 income years
  - $1.6 million for earlier income years.

You can't claim the tax offset for contributions to your own fund which you split to a spouse. This is a rollover or transfer, not a contribution.

Income and balance caps and calculations

Your spouse must meet the income limits and transfer balance cap thresholds for the income year you are claiming the tax offset.

For the 2017-18 and later income years:

- your spouse's income must be less than $40,000. That is the sum of their
  - assessable income (disregarding your spouse's first home super saver [FHSS] scheme released amount)
  - total reportable fringe benefits amounts
  - total reportable employer superannuation contributions.

You can claim the maximum tax offset of $540 where you meet both of the following:

- you contribute $3,000 to the eligible super fund of your spouse, whether married or de facto
- your spouse's income is $37,000 or less.

The tax offset amount reduces when your spouse's income is greater than $37,000. It phases out when your spouse's income reaches $40,000.

The tax offset is calculated as 18% of the lesser of either:

- $3,000 minus the amount your spouse's income exceeds $37,000
- the sum of your spouse contributions in the income year.

Transfer balance cap thresholds

For the 2017–18 and later income years your spouse must not have:

- exceeded their non-concessional contributions cap for the relevant year
- a total super balance equal to or exceeding the general transfer balance cap immediately before the start of the income year you contributed.

Examples of calculating super tax offsets for a spouse

The following examples show how to work out a full or part super tax offset for eligible super contributions you make on behalf of your spouse.

Example: full tax offset for spouse super contributions

Robert and Judy are spouses. Robert earns $19,000 in 2021–22. Judy contributes $3,500 to Robert's super fund.

Robert and Judy are eligible to claim a tax offset.

The tax offset is calculated as 18% of the lesser of:

- $3,000 minus the amount over $37,000 that Robert earned (in this case, nil)
- the value of the spouse contributions (in this case, $3,500).

Judy claims a tax offset of $540, being 18% of $3,000.

Example: partial tax offset for spouse super contributions (due to earnings over $37,000)

Carmel and Adam are married and living together. Carmel is 46 years old and her income is $38,000 in 2021–22. Her total super balance is under the $1.7 million cap.

Adam wishes to make a super contribution of $3,000 to Carmel's complying super fund, on her behalf.

Carmel’s income is under the threshold of $40,000 so Adam is eligible for a tax offset. However, as Carmel earns more than $37,000 per year, Adam will not receive the maximum tax offset of $540.

Instead, Adam calculates his entitlement as 18% of the lesser of:

- $3,000 reduced by every dollar over $37,000 that Carmel earns
- the value of spouse contributions (in this case $3,000).

Carmel earns $1,000 more than $37,000 ($38,000 - $37,000) so the contribution limit of $3,000 is reduced to $2,000.

As $2,000 is less than $3,000, Adam claims a partial tax offset of $360, being 18% of $2,000.

Example: partial tax offset for spouse super contributions (due to contributing less than $3,000)

Aleah and Lewis are married and living together. Aleah is 45 years old and her income is $35,000 in 2022–23. Her total super balance is under the $1.7 million cap.

Lewis wishes to make a super contribution of $2000 to Aleah's complying super fund, on her behalf.

Aleah’s income is under the lower threshold of $37,000 so Lewis is eligible for a tax offset. However, as Aleah received a spouse contribution less than $3000, Lewis will not receive the maximum tax offset of $540.

Instead, Lewis calculates his entitlement as 18% of the lesser of:

- $2,000 reduced by every dollar over $37,000 that Aleah earns (in this case, nil)
- the value of spouse contributions (in this case $2,000).

Lewis' spouse contribution on behalf of Aleah is $2000

Lewis claims a partial tax offset of $360, being 18% of $2,000.

Low income super tax offset

If you earn $37,000 or less a year, you may be eligible to receive a low income super tax offset (LISTO).

We work out your offset and pay it directly to your super fund. The payment is up to $500.

You don't need to do anything to receive the offset. Just make sure:

- your super fund has your tax file number – without it, your super fund can't accept a payment

- you lodge your tax return so we can work out your offset payment.

Veterans' super (invalidity pension) tax offset

The veterans' superannuation (invalidity pension) tax offset (VSTO) is a non-refundable tax offset. This tax offset ensures veterans and their beneficiaries don't pay more tax because of the Douglas court decision. It applies from the 2007–08 income year.

To check your eligibility for the tax offset, see Veterans' superannuation (invalidity pension) tax offset.

QC 72198

Beneficiary tax offset

Check if you can get a tax offset when you receive certain Australian Government payments or allowances.

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You must be receiving certain Australian Government payments and allowances and pay tax to receive the beneficiary tax offset.

You will pay no tax for the year if you both:

- get a qualifying tax-free government pension or benefit
- have no other taxable income.

If you have other income, you may still need to pay some tax. Then you may be able to receive the beneficiary tax offset.

We will automatically calculate the tax offset when we process your tax return.

You can use the calculator to work out if you are eligible for the offset and the amount.

Beneficiary tax offset and seniors and pensioners tax offset calculator

If you are eligible for both offsets, you will receive the one with the highest amount.

QC 72199

Private health insurance offset

Check if you can claim a tax offset to cover the cost of your private health insurance premium.

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Eligibility for the private health insurance offset

You must have private health insurance (PHI) to claim the private health insurance offset. The offset is sometimes called the private health insurance rebate.

The offset is an amount the government contributes towards your private health insurance. You may take it as a reduced premium or a refundable offset when you lodge your tax return.

Your entitlement depends on:

- the age of the oldest person your policy covers

- your single or family income thresholds and rates for the Medicare levy surcharge, depending on your family status.

The amount of private health insurance offset you can receive is reduced, to nil in some cases, if your income for Medicare levy income surcharge purposes is more than a certain amount.

For more information on the income thresholds, see Income tests for the private health insurance offset.

Calculating your PHI offset

We calculate the amount of private health insurance offset when you lodge your tax return. We will test your income against the income thresholds to work out the percentage of offset you can receive for the income year.

Use the calculator below to work out your:

- private health reduction percentage
- income for Medicare levy surcharge purposes.

Private health insurance offset calculator

How to claim the offset

You can claim your private health insurance offset as either a:

- premium reduction which lowers the policy price your health insurer charges
- refundable private health insurance offset when you lodge your tax return.

How you claim your offset may result in you receiving a private health insurance tax offset or having to repay some of your premium reduction. This depends on:

- how you choose to claim your offset
- the level of offset you claim for your policy
- your income threshold for the Medicare levy surcharge.

QC 72200

Offset for maintaining an invalid or invalid carer

Check if you can claim a tax offset for maintaining an invalid or invalid carer who is 16 years old or older.

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On this page

When you can claim the tax offset

You may be able to claim a tax offset if you maintain a certain invalid or invalid carer.

The invalid or carer must be both:

- 16 years old or older
- receiving certain government payments.

You can't claim the tax offset if the invalid or carer is either:

- your spouse and your adjusted taxable income in 2024–25 is more than $117,194
- not your spouse and your and your spouse's adjusted taxable income in 2024–25 is more than $117,194

Maintaining an invalid

You may claim an invalid tax offset for maintaining an invalid if:

- they are either your
  - spouse
  - child 16 years old or older
  - sibling 16 years old or older
  - spouse's child 16 years old or older
  - spouse's sibling 16 years old or older
  - parent
  - spouse's parent
- they receive either
  - a disability support pension under the *Social Security Act 1991*
  - a special needs disability support pension under the *Social Security Act 1991*
  - an invalidity service pension under the *Veterans' Entitlement Act 1986*
- they are either
  - an Australian resident for tax purposes
  - your spouse or child who is not an Australian resident for tax purposes and you have a domicile in Australia.

Maintaining an invalid carer

You may claim an invalid carer tax offset for maintaining an invalid carer if:

- they are either your
  - spouse
  - parent
  - spouse's parent
- they care for either
  - your or your spouse's invalid child 16 years old or older
  - your or your spouse's sibling 16 years old or older

- they receive a carer payment or carer allowance under the *Social Security Act 1991* for that person
- they have been wholly engaged in providing care to an invalid person receiving either
  - a disability support pension under the *Social Security Act 1991*
  - a special needs disability support pension under the *Social Security Act 1991*
  - an invalidity service pension under the *Veterans' Entitlement Act 1986*.

Calculate the invalid or invalid carer tax offset

You need to calculate the amount of tax offset you can claim in your tax return.

Use the calculator below to work out how much you can claim. Claim the amount at **Other tax offsets** in your tax return.

Invalid and invalid carer tax offset

QC 72202

Claiming a foreign income tax offset

Check if you can claim a tax offset for foreign tax you pay on income from another country.

Last updated 16 June 2025

On this page

Eligibility for the foreign income tax offset

You may be able to claim a foreign income tax offset (FITO) for foreign tax paid in another country. The offset provides relief from paying double tax on your foreign and worldwide income.

To claim a foreign income tax offset, you must:

- have actually paid or deemed to have paid an amount of foreign income tax
- include the foreign income or gain on which you paid the tax on in either your
  - Australian assessable income
- non-assessable non-exempt income under section 23AI or 23AK of the *Income Tax Assessment Act 1936*.

Your foreign income tax offset reduces your tax payable for an income year. It applies in the income year in which your foreign income or gain forms part of your income in Australia.

To find out which foreign taxes count towards the tax offset, see when a FITO applies.

Calculate the foreign income tax offset

You may pay foreign income tax in a different income year. This is because of the difference between the Australian and foreign tax systems.

You can only claim the offset after you have paid the foreign tax.

Before you calculate your net income, you must convert all foreign income into Australian dollars. This includes your foreign income, deductions and tax paid.

For more details, see Calculate your FITO or offset limit.

Applying FITO against Medicare levy and surcharge

Your foreign income tax offset (FITO) reduces your tax payable for an income year. If any offset remains, you can use it to reduce your liability to pay Medicare levy. Then any further offset reduces any liability to pay the Medicare levy surcharge.

Our systems apply the offset against the Medicare levy and Medicare levy surcharge when you lodge your tax return.

For more information, see Guide to foreign income tax offset rules.

QC 72205

Your eligibility for a zone tax offset

Check if you're eligible for a zone tax offset and what we do to correct lodged tax returns.

Last updated 12 February 2025

On this page

You may be eligible for a zone tax offset

We're contacting you because we identified that you live in a remote or isolated area of Australia. You appear to be eligible for the zone tax offset but didn't claim it in your tax return.

The zone tax offset reduces the tax you pay if you live in certain remote or isolated areas in Australia. It helps with the higher cost of living, isolation and other factors that come with living in these areas. We call these areas Zone A or Zone B, and there are also special areas within each zone.

We base eligibility for the zone tax offset on your usual place of residence. You’re not eligible if you work in a qualifying remote or isolated area but don't live there. For example, if you're a fly-in-fly-out worker.

We've amended your tax return

Using information from your previously lodged tax returns and other data available to us, we have amended your tax return where:

- you're eligible to receive the zone tax offset
- you haven't previously claimed it in your tax return
- your tax payable would be less for the income year.

You don't need to do anything to claim the amount for the income years we have contacted you about. We have applied the zone tax offset to your tax return and sent you an amended notice of assessment for each year we have amended.

Your amended notice of assessment may include interest on overpayments (IOP) if you paid more tax than you needed to. If you receive an IOP amount:

- we will pre-fill the amount when you prepare your tax return in the income year you receive it
- that amount is income for Centrelink purposes, and you may need to tell them about it.

Where the amendment to your tax return results in an amount owing to you, you will receive a refund. However, any refund may be used to reduce a debt you have with the government.

Claiming a zone tax offset in other income years

If we had enough information and you were eligible for the zone tax offset in prior income years where you didn't claim it, we may have also amended those tax returns.

If you don't receive an amended assessment letter from us but you think you are eligible, you can use our Zone or overseas forces tax offsets calculator and amend your own tax return. You generally have up to 2 years from the day you lodged your tax return to request an amendment.

Claiming a zone tax offset in future

For 2024–25 and future income years, check your eligibility and claim the offset in your tax return when you lodge.

Helping others in your community

You can help others in your community to consider their eligibility for the zone tax offset.

The easiest way to work out eligibility and the amount is to use our Zone or overseas forces tax offset calculator.

To receive the zone tax offset, you must:

- receive assessable income that you pay tax on
- lodge a tax return.

If you have outstanding tax returns, you need to lodge them to claim the zone tax offset.

Your spouse's eligibility

If your spouse is eligible for the zone tax offset but their tax return hasn’t been amended yet, it could be amended in the future.

However, their circumstances could be different to yours. We may not amend their tax return for a number of reasons, including:

- they have not lodged a tax return
- they have already claimed the zone tax offset
- claiming the zone tax offset will not benefit them – that is, they didn't pay tax.

Your spouse can check their eligibility for the zone tax offset.

Tax agents and claiming a zone tax offset

You don't need to use a tax agent to claim the zone tax offset. You can use our Zone or overseas forces tax offset calculator to help you work out how much you can claim if you're eligible.

Amount of a zone tax offset

The minimum (base) amount of zone tax offset will depend on your usual place of residence and the zone you live in.

Other things that may change how much you get include:

- how many children under 21 years old or full-time students under 25 years old you look after
- if you're a single parent
- if you receive an invalid or invalid carer tax offset
- if you receive a remote area allowance.

The easiest way to work out your eligibility and how much your offset should be is to use our Zone or overseas forces tax offset calculator.

Base zone tax offset amounts

Zones	Base amount
Special area A or B	$1,173
Zone A	$338
Zone B	$57

Incorrect offset amount

If you think we haven't calculated your zone tax offset correctly, you can use our Zone or overseas forces tax offset calculator to check.

If the calculator shows a higher amount than we included, you can lodge an amendment online.

Effect of a zone tax offset on Centrelink payments

The zone tax offset is not assessable income for Centrelink purposes.

Centrelink remote area allowance and a zone tax offset

The zone tax offset amount you can claim is reduced by any amount paid to you as a remote area allowance from Centrelink.

Frequently asked questions

You can find answers to some of our most frequently asked questions.

What will happen next year?

We don't plan to automatically amend tax returns in future years.

If you think you will be eligible for the zone tax offset in future years, see Claiming the zone tax offset in future years.

Why did my neighbour get it but I didn't?

There are 2 different situations that explain why this may have happened.

If you have lodged your tax returns:

We looked at the accounts and circumstances of each person, and only added the zone tax offset if it would have made a difference for that person.

If you think you will be eligible for the zone tax offset in future years, see Claiming the zone tax offset in future years.

If you don’t lodge tax returns:

We haven't hasn’t added the zone tax offset for people who haven’t lodged tax returns.

If you think we made a mistake, you can use the Zone or overseas forces tax offset calculator to see if you're eligible and then make an amendment online.

You haven’t paid me enough for all of my children

If you think we haven't calculated your zone tax offset correctly, you can use the calculator to check.

If the calculator shows a higher amount than what we have added, you can lodge an amendment online.

I got a refund letter, but I didn’t get any money

If you have previously used a tax agent to lodge your tax return, the refund may have been issued to their bank account.

If you don't have any financial details on file with the ATO, you can add these yourself via myGov, or contact us to speak to a customer services representative. If you had an existing debt with the ATO, or with another agency, your refund may have been offset to pay off this debt. You can check your account in myGov for these details.

QC 103545

Low income tax offset

Check if you are eligible for the low income tax offset (LITO).

Published 16 June 2025

On this page

Eligibility for the tax offset

You may be eligible for the low income tax offset (LITO) if you earn up to $66,667.

To be eligible, you need to:

- be an Australian resident for tax purposes
- pay tax on your taxable income
- have a taxable income below certain income thresholds.

The amount of LITO you receive will depend on your taxable income. If you earned:

- $37,500 or less, you will get the maximum offset of $700
- between $37,501 and $45,000, you will get $700 minus 5 cents for every $1 above $37,500
- between $45,001 and $66,667, you will get $325 minus 1.5 cents for every $1 above $45,000.

We will work out your offset and reduce your tax payable by this amount.

Receiving the tax offset

You don't need to do anything to claim the LITO except lodge your tax return. We work out the offset after you lodge.

You can see the tax offset amount on your notice of assessment at *Less* **non-refundable tax offsets**.

This offset reduces the tax you need to pay and can only reduce your tax payable to $0. It is not a separate payment. Any unused amount can't be refunded.

QC 105020

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.