



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

No. 3, 2024

**An Act to amend the *Income Tax Rates Act 1986*,
and for related purposes**

Note: An electronic version of this Act is available on the Federal Register of Legislation (<https://www.legislation.gov.au/>)

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

No. 3, 2024

An Act to amend the *Income Tax Rates Act 1986*, and for related purposes

[Assented to 5 March 2024]

The Parliament of Australia enacts:

1 Short title

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

2 Commencement

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

| 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 April 2024 |

Note: This table relates only to the provisions of this Act as originally enacted.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

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

3 Schedules

Legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

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:

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 | 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% |

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:

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% |

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:

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% |

*[Minister's second reading speech made in—
House of Representatives on 6 February 2024
Senate on 26 February 2024]*

(10/24)