

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

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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Note: This table relates only to the provisions of this Act as originally enacted.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 Legislation that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.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:

| 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)