

TAXWISE® BUSINESS NEWS

February 2009 Supplement Update

TAX BONUS UPDATE

After the passage of the tax bonus legislation through the Parliament, changes were made to the amount of the bonus, which are set out below.

The Government will provide an up-front, lump-sum tax bonus of up to \$900 to around 8.7 million Australian workers earning \$100,000 or less:

- **\$900 bonus** will be paid to eligible taxpayers with a taxable income of up to and including \$80,000;
- **\$600 bonus** will be paid to eligible taxpayers with taxable incomes exceeding \$80,000 and up to \$90,000; and
- **\$250 bonus** will be paid to eligible taxpayers with incomes exceeding \$90,000 up to and including \$100,000.

To qualify for the tax bonus:

- you must have lodged or will lodge your 2007-08 income tax return before 30 June 2009 (although there are also some special deferral arrangements that may apply where your return is lodged by a tax agent);
- your 2007-08 taxable income does not exceed \$100,000;
- your adjusted tax liability for 2007-08 is greater than nil, and
- you are an Australian resident for tax purposes for the 2007-08 financial year.

You don't need to apply for the payment. The Australian Taxation Office will automatically make the payment after determining eligibility based on your 2007-08 tax return.

The Government has indicated that they expect the tax bonus payments to start flowing in April 2009.

Disclaimer

Taxwise® News is distributed quarterly by professional tax practitioners to provide information of general interest to their clients. The content of this newsletter does not constitute specific advice. Readers are encouraged to consult their tax adviser for advice on specific matters.

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