



Taxation

Taxation

Every tax payer resident in Australia must have a Tax File Number (TFN).

You can apply for a TFN online any time if you are a permanent migrant or temporary visitor to Australia, or you are in Australia and have a:

- visa that allows work rights
- visa that allows permanent migration
- valid overseas student visa, or
- valid visa to stay in Australia indefinitely.

To apply for a TFN online visit the Australian Tax office website www.ato.gov.au

Income Tax

These rates are for 2009 - 2010 and apply from 1st July 2009.

Residents

There is a tax threshold of AU\$6,000 in Australia, which means your first AU\$6,000 is tax free. The rate increases as follows:

Taxable Income	Tax on this income
\$0 - 6,000	Nil
\$6,001- 35,000	15c for each \$1 over \$6,000
\$35,001 - 80,000	\$4,350 plus 30c for each \$1 over \$35,000
\$80,001 - 180,000	\$17,850 Plus 38c for each \$1 over \$80,000
\$180,000 and over	\$55,850 plus 45c for each \$1 over \$180,000

***The above rates do not include the Medicare levy of 1.5%*

Non-Residents

Taxable Income	Tax on this income
\$0 - 35,000	29c for each \$1
\$35,001- 80,000	\$10,150 plus 30c for each \$1 over \$35,000
\$80,001 - 180,000	\$23,650 plus 38c for each \$1 over \$80,000
\$180,000 and over	\$61,650 plus 45c for each \$1 over \$180,000

*** Non-residents are not required to pay the Medicare levy.*

Goods and Services Tax (GST)

Most goods and services in Australia are subject to a 10% GST tax. GST free products include some food products, educational supplies and health and childcare services.

Checking your residency status

If you're not a resident of Australia and you're here temporarily, it's likely you'll be taxed as a non-resident, depending on your circumstances.

Generally, you will be an Australian resident for tax purposes if any of the following apply:

- you have come to Australia and you live in Australia permanently
- you are an overseas student
- you are visiting Australia for more than six months, and you work in the same job and live at the same place for most of that time.

To find out if you are an Australian resident for tax purposes, you can use the online residency tool at www.ato.gov.au/determinationofresidency

Applying for your tax file number

A tax file number commonly known as a TFN is your personal reference number in the Australian tax system.

If you begin work before you have a tax file number, you have 28 days to get one and give it to your employer. If you don't, your employer may have to pay a higher rate of tax from the money you earn.

If your visa allows you to work in Australia, you can apply for a tax file number online, refer to Online individual tax file number (TFN) registration.

Your tax file number will be sent to the address you nominate.

When to give your tax file number to your employer

When you start work, your employer will ask you to complete a Tax file number declaration (NAT 3092). If you don't give your tax file number to your employer within 28 days of starting your new job using this form, they may have to deduct a higher rate of tax from your pay.

Remember, you should only give your tax file number to your employer after you start work for them. Never give your tax file number when you fill out a job application or when you apply for work over the Internet or phone.

Paying tax

If you start working in Australia, your employer will deduct tax from the salary or wages they pay you.

If you are working temporarily in Australia, you may pay tax at different rates depending on your residency status.

Tax Amount

The amount of tax you must pay depends on:

- how much you earn
- whether you have a tax file number and have given it to your employer
- whether you are an Australian resident for tax purposes
- whether you have to pay the Medicare levy.

Medicare is a scheme that gives Australian residents access to health care. To help fund this scheme, Australian residents pay a Medicare levy. If you're not a resident, generally you don't have to pay the Medicare levy, although you will not be entitled to Medicare health benefits. If you are a resident you will pay the Medicare levy when you lodge your tax return.



Superannuation contributions

If you are paid A\$450 or more each month, your employer will generally contribute an amount equal to 9% of your earnings from your ordinary hours of work into a superannuation fund for you. These payments are known as superannuation contributions. This is a way of saving money for your retirement.

If you enter Australia as a temporary resident, in most cases you can access your superannuation contributions when you leave Australia, although they will be taxed.

To check if you're eligible to claim your superannuation when you leave Australia and how to apply for your payment, refer to www.ato.gov.au/departaustralia

When to lodge your tax return

After the end of the financial year (in Australia a financial year starts on 1 July and ends on 30 June), your employer will issue you with a document called a 'payment summary'. Your payment summary shows how much you earned and how much tax was deducted from your wages. If you leave a job during the year, you can ask for your payment summary at the time you leave and your employer must give it to you within 14 days of you asking for it.

You have to declare your income and claim deductions every year using a form called a 'tax return' that you complete and lodge with us either electronically or using a paper form. You use your records and payment summary details to complete and lodge a tax return.

As an individual, you must lodge a tax return if:

- tax was deducted from any payments made to you during the financial year
- your taxable income exceeded the tax-free threshold for residents
- you are a non-resident and you earned more than \$1 in Australia during the financial year.

If you paid too much tax, you can get a refund when you lodge your tax return.

You must also complete and lodge a tax return if you are leaving Australia permanently or for more than one financial year.

You have from 1 July to 31 October to lodge your tax return. If you use a registered tax agent to prepare and lodge your tax return, you may be able to lodge later than 31 October. Contact a tax agent to arrange this.

How to lodge your tax return

There are several ways to lodge your tax return.

E-tax

E-tax is free from the Tax Office website and will help you to prepare your income tax return easily, quickly and securely using the internet. Most tax returns lodged through the internet using e-tax are processed within 14 days.

Claiming Tax back

The rate of tax for a non-Australian Resident is far greater than for an Australian Resident and those who are returning home from working in Australia may wish to claim back some of this tax.

There are two opportunities to claim back your tax. The first is as you are about to leave Australia and the second is at the end of the Australian Tax year (30th June).

To claim your tax you will need to complete a form available from www.ato.gov.au.

There are also a number of companies who will help you to claim tax back on your behalf including:

www.taxbackaustralia.com.au
www.taxback.com

In order to claim back your tax you will need payslips from jobs and any PAYG certificates, pay summaries or statements of earnings letters from your employer (s).

You must also provide your TFN as proof of identity that you have worked and paid tax in Australia.

Your assessment will take approx. 6 weeks depending on the nature of your application and how much information you have provided.

The Tax you will receive back depends on the length of time you have spent in the country, your gross earnings and the rate of tax you have been paying.

Once you have left Australia you may also be able to claim back a further 9% of your salary paid into a superannuation (pension) fund by your employer.

If you are using a tax back company be sure to check the fee's and don't agree to any terms and conditions until you are absolutely sure you wish them to proceed on your behalf.

