



Romeo Caporaso - Tax Accounting Adelaide

Business Accountant listening and helping you achieve your financial objectives.

Will I Get that back in tax? If you ask this you need a quick lesson on how tax returns work.

A simple tax return is really not that simple.

But let me dumb it down so if you have never really understood it, you soon will.

You start with Incomes (like wages and salaries) less deductions (like uniforms and cost of tax preparation fee) which give you what the tax office calls **TAXABLE INCOME**

Once you have your taxable income , depending on how high it is, you are taxed progressively more as in this table of the Income tax rates. This is called Tax on your Taxable Income.

Tax rates 2010–11

<i>Taxable income</i>	<i>Tax on this income</i>
0 – \$6,000	Nil
\$6,001 – \$37,000	15c for each \$1 over \$6,000
\$37,001 – \$80,000	\$4,650 plus 30c for each \$1 over \$37,000
\$80,001 – \$180,000	\$17,550 plus 37c for each \$1 over \$80,000
\$180,001 and over	\$54,550 plus 45c for each \$1 over \$180,000

Once you have tax on taxable income you add medicare levy

Then you then off any taxes paid (such as on wages) and any tax offsets (such as education tax refund)to get your tax return refund or amount payable. If you have already paid more tax than the tax on taxable income then you get a refund.

For more examples and explanations of Income, deductions, taxes paid and tax offsets visit www.ATO.gov.au or ask us

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