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What's new for individuals

Before you complete your tax return for 2017, there are some changes you should be aware of in case they affect you.

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Adjusted taxable income

From 1 January 2017, reportable fringe benefits amounts (RFBA) will not be adjusted down for the purpose of calculating your adjusted taxable income to determine your entitlement to family assistance and youth income support payments.

The change applies to your RFBA from employers that are not eligible for fringe benefits tax exemption under section 57A of the *Fringe Benefits Tax Assessment Act 1986*.

As a result, your entitlement to family assistance and youth income support payments from Department of Human Services may be reduced.

This, in turn, has changed how you show the RFBA on your tax return.

To complete the RFBA part of your tax return, you will need your pay as you go (PAYG) payment summary – ask your employer if you haven't received it.

If you use the pre-filling service (that is, when some of your information has been downloaded electronically into myTax, your online tax return), ensure your information is up-to-date.

For questions about your family assistance and youth income support payments, contact Department of Human Services.

Find out about:

- [Adjusted taxable income \(/Individuals/Income-and-deductions/Income-tests/?anchor=AdjustedTaxableIncome#AdjustedTaxableIncome\)](#)

Working holiday makers

On 1 January 2017, a new rate of tax commenced for people in Australia on a working holiday (417 or 462 visa holders). As a consequence, two different tax rates will apply to income earned by working holiday makers during the 2017 income year.

Ordinary marginal tax rates apply to income earned between 1 July 2016 and 31 December 2016. In the majority of cases the non-resident tax rate of 32.5 per cent will apply.

A rate of 15 per cent will apply to income earned from 1 January 2017 onwards on the first dollar of income earned up to \$37,000. Ordinary marginal tax rates apply from \$37,001.

Payment summaries will identify payments subject to the working holiday maker tax rate.

New labels on the Income tax return will identify the income subject to the working holiday tax rate and enable the correct tax treatment to be applied.

Find out about:

- [Employers of working holiday makers \(/business/your-workers/in-detail/employers-of-working-holiday-makers/\)](/business/your-workers/in-detail/employers-of-working-holiday-makers/)

Personal income tax cuts

From 1 July 2016, the marginal tax rate of 37 per cent starts at \$87,000 instead of the \$80,000.

To benefit from this change your taxable income must be more than \$80,000.

From 1 October 2016 employers reduced the amount of tax being withheld from your pay. Any extra tax you have paid before the change will be credited to you when you lodge your 2017 income tax return.

Find out about:

- [Targeted personal income tax relief \(/general/new-legislation/in-detail/direct-taxes/income-tax-for-individuals/targeted-personal-income-tax-cut/\)](/general/new-legislation/in-detail/direct-taxes/income-tax-for-individuals/targeted-personal-income-tax-cut/)

Norfolk Island

On 1 July 2016, Australia's tax and superannuation laws came into effect for residents of Norfolk Island.

Residents of Norfolk Island will have to determine if they are required to lodge an income tax return and pay tax on income they receive from Norfolk Island.

Find out about:

- [Norfolk Island tax and super \(/General/Norfolk-Island-tax-and-super/\)](/General/Norfolk-Island-tax-and-super/)

The Business Services Wage Assessment Tool Payment Scheme

The Business Services Wage Assessment Tool (BSWAT) Payment Scheme provides a one-off lump sum payment to eligible employees. The payment is for employees, whose pay was worked out using the tool while working for an Australian disability enterprise (ADE) between 1 January 2004 and 28 May 2014.

The scheme is administered by the Department of Social Services. If you have received the BSWAT Payment Scheme lump sum this year, you may need to lodge a paper tax return. This will depend on how much income you received during the financial year. If you do need to lodge a tax return you may be eligible to claim the lump sum in arrears tax offset to reduce the tax that you have to pay.

Find out about:

- [BSWAT Payment Scheme \(/individuals/people-with-disability/in-detail/income-tax/the-bswat-payment-scheme---what-it-means-for-you/\)](/individuals/people-with-disability/in-detail/income-tax/the-bswat-payment-scheme---what-it-means-for-you/)

Temporary budget repair levy

The Temporary Budget Repair Levy was introduced from 1 July 2014. The levy is payable at a rate of 2% of each dollar of a taxpayer's taxable income over \$180,000.

In some cases, the levy is payable even if you have a taxable income of \$180,000 or less.

If the levy applies to your income, it will generally appear on your Notice of Assessment you receive after you lodge your 2017 tax return.

This is the last year that the levy will be imposed.

Find out about:

- [Temporary budget repair levy \(/individuals/income-and-deductions/in-detail/temporary-budget-repair-levy/\)](#)

Private health insurance

The income thresholds used to calculate the Medicare levy surcharge (MLS) and the Private health insurance (PHI) rebate remain frozen at the 2014–15 levels.

Freezing the thresholds may result in individuals, whose incomes are just below each threshold, moving into a higher threshold sooner if their income increases. This means, if you:

- have PHI, your PHI rebate percentage entitlement may decrease
- do not have the appropriate level of private patient hospital cover, you may have to pay the MLS
- paid the MLS in the previous year, your MLS rate may increase.

If you have a pay increase, you may wish to contact your insurer to nominate a different rebate tier to ensure that the correct rebate tier is applied.

Find out about:

- [Medicare Levy Surcharge \(/Individuals/Medicare-levy/Medicare-levy-surcharge/\)](#)

The sharing economy

The sharing economy is a way of connecting buyers and sellers, usually via an app or website.

If you earn money from odd jobs, such as transporting passengers or renting out a room or house, that money is assessable income and you need to declare it on your tax return.

No matter what you are doing in the sharing economy it's important to consider your tax obligations.

Find out about:

- [The sharing economy \(/General/Ride-sourcing-and-tax/\)](#)

MyTax replaces e-tax

MyTax replaces e-tax this year. MyTax is the quick, easy, safe and secure way to prepare and lodge your tax return online. It has been upgraded to do everything e-tax could do, plus more.

You can use myTax even if you have investments, rental properties or capital gains, or if you run a small business.

MyTax is a more streamlined, efficient and personalised service that's easy to use and will save you time when lodging online.

It's web-based, so you don't need to download anything and you can lodge on a range of devices – computer, phone or tablet.

MyTax pre-fills information provided to us by employers, banks and other government agencies – making it easier to complete your tax return.

Find out about:

- [Lodge online \(/Individuals/Lodging-your-tax-return/Lodge-online/\)](/Individuals/Lodging-your-tax-return/Lodge-online/)

See more:

- [What's new for small business \(/business/small-business-entity-concessions/what-s-new-for-small-business/\)](/business/small-business-entity-concessions/what-s-new-for-small-business/)

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If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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