



[Home \(/\)](#) / [Ministers \(/ministers\)](#) / [The Hon Dr Jim Chalmers MP \(/ministers/jim-chalmers-2022\)](#)
/ [Media releases \(/ministers/jim-chalmers-2022/media-releases\)](#)
/ Albanese Government's cost-of-living tax cuts to roll out from July 1

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Albanese Government's cost-of-living tax cuts to roll out from July 1

Joint media release with

Anthony Albanese MP
Prime Minister of Australia

Senator Katy Gallagher
Minister for Finance
Minister for Women

The Albanese Labor Government's cost-of-living tax cuts today passed the Senate.

We want Australians to earn more and keep more of what they earn and our bigger tax cuts for more taxpayers will help make that happen.

Labor's legislation will deliver a tax cut for every taxpayer, and more tax relief for more people to help with the cost of living.

The legislation that passed the House of Representatives on the 15th of February and passed the Senate today is all about relief and reform – more relief for workers and better reform for our economy.

The *Treasury Laws Amendment (Cost of Living Tax Cuts) Bill 2024* will give a tax cut to every taxpayer in a way that doesn't add to inflation or burden the budget.

Labor's legislation cuts two rates and lifts two thresholds and is the best way to provide more tax relief to more people and return bracket creep where it has the most impact.

The legislation ensures that **from 1 July 2024**:

- The 19 per cent tax rate reduces to 16 per cent (for incomes between \$18,200 and \$45,000).

- The 32.5 per cent tax rate reduces to 30 per cent (for incomes between \$45,000 and the new \$135,000 threshold).
- The threshold above which the 37 per cent tax rate applies increases from \$120,000 to \$135,000.
- The threshold above which the 45 per cent tax rate applies increases from \$180,000 to \$190,000.

The legislation means all 13.6 million taxpayers will receive a tax cut – 2.9 million more than would have benefited from Scott Morrison's plan from five years ago – and 11.5 million taxpayers (84 per cent of taxpayers) will receive a bigger tax cut.

It means that 5.8 million women (90 per cent of female taxpayers) will now receive a bigger tax cut. Nurses, teachers, and truckies are some of the most likely to benefit with more than 95 per cent of those taxpayers getting a bigger tax cut.

Today the *Treasury Laws Amendment (Cost of Living – Medicare Levy) Bill 2024* to increase the Medicare levy low-income thresholds for 2023–24 also passed in the Senate.

Implementing the Albanese Government's cost-of-living tax cuts and changes to the Medicare levy will ensure that more people get more help to ease the pressure they are under.

Cutting taxes for middle Australia is a central part of our economic plan – along with getting wages moving again, bringing inflation under control and driving fairer prices for Australian consumers.

Quotes attributable to Prime Minister, Anthony Albanese:

"Every Australian taxpayer will receive a tax cut this year – not just some.

"Our tax cuts are good for middle Australia, good for women, good for helping with cost-of-living pressures, good for labour supply and good for the economy.

"Labor's tax cuts are not the beginning of our actions on cost of living – and they will not be the end.

"They fit together with everything we are doing to build a stronger economy across the board."

Quotes attributable to Treasurer, Jim Chalmers:

"Our cost-of-living tax cuts are legislated, locked-in and will roll out from July 1.

"With real wages increasing, Australians are earning more, and now they will get to keep more of what they earn, because of our bigger tax cuts for more taxpayers.

"This is a big win for working families, a big win for women and a big win for middle Australia.

"We want Australians to earn more and keep more of what they earn and our bigger tax cuts for more taxpayers will help make that happen."

Quotes attributable to Minister for Finance and Minister for Women, Katy Gallagher:

“Labor’s tax cuts are putting more money back in the pockets of Australian women.

“From July 1, 90 per cent of working women will receive a bigger tax cut.


“Under the Albanese Government Australian women can earn more and keep more of what they earn.


“We’re continuing to drive economic equality, as a way to continue to strive for gender equality in Australia.”



The Hon Dr Jim Chalmers MP

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