

Income Tax

1. Calculate the amount of tax payable for each person. Use the tax brackets below to help.

Tax Brackets for 2025/26 Financial Year

Tax Bracket	Taxable income	Tax on this income
1	\$0 – \$18,200	Nil
2	\$18,201 – \$45,000	$(\text{Taxable Income} - 18,200) \times 0.16$
3	\$45,001 – \$135,000	$(\text{Taxable Income} - 45,000) \times 0.30 + 4,288$
4	\$135,001 – \$190,000	$(\text{Taxable Income} - 135,000) \times 0.37 + 31,288$
5	\$190,001 and over	$(\text{Taxable Income} - 190,000) \times 0.45 + 51,638$

- a. Income: \$33,000 Deductions: \$1,000 d. Income: \$150,000 Deductions: \$6,000
- b. Income: \$49,000 Deductions: \$2,000
- c. Income: \$70,500 Deductions: \$3,000 e. Income: \$191,000 Deductions: \$0
2. Charlise earned \$77,300 as a professional mermaid, with allowable tax deductions of \$4,238. Find Charlise's tax payable.
3. August earned \$123,850 one year as a real estate agent. They claimed tax deductions of \$4,926.
- (i) Find the tax payable.
- (ii) Find the weekly income after tax (assuming 52 weeks in a year).
4. For each of the following people, determine:
- Taxable income
 - Tax payable
 - Net annual income
 - Weekly income after tax (assume 52 weeks/year)
- a. Gross: \$61,200 Deductions: \$1,800 c. Gross: \$44,000 Deductions: \$400
- b. Gross: \$138,000 Deductions: \$2,250
5. Mila's employer pays \$210 tax per week on their behalf. Their gross income is \$78,400 and deductions total \$3,400.
- (i) Find Mila's taxable income.
- (ii) Calculate how much tax they should pay for the year.
- (iii) Has too much or too little tax been paid? By how much?
6. Peter earns \$191,000 and complains that they pay "almost half of their money in tax".
- (i) Calculate how much tax should be paid by Peter.
- (ii) Calculate the effective rate of tax (effective rate = tax paid \div income).
- (iii) Does Peter pay almost half of their income in tax?