

\$1,080 tax offset extended

Up to 10.2 million workers will continue to benefit from a \$1,080 tax offset for a further year as the government locks in the low and middle-income tax offset for the 2021–22 financial year.

The LMITO (low middle income tax offset) provides individuals with taxable incomes between \$48,000 and \$90,000 with a maximum offset of \$1,080. Taxpayers earning less than \$37,000 will see a benefit of up to \$255.

Those earning between \$90,000 and \$126,000 will see the offset phase out at a rate of 3 cents a dollar.

This offset is not a permanent feature of the tax system; it is designed as a stimulus measure and has been extended for another year at this stage during ongoing economic uncertainty.