

## Personal tax cuts

The new Government has passed legislation to implement its pre-election policy in respect of personal tax cuts.

The new tax scales will be as follows:

### Current (from 1 Oct 2008)

\$0 - \$14,000	12.5%
\$14,001 - \$40,000	21%
\$40,001 - \$70,000	33%
\$70,001 +	39%

### From 1 April 2009

\$0 - \$14,000	12.5%
\$14,001 - \$48,000	21%
\$48,001 - \$70,000	33%
\$70,001 +	38%

### From 1 April 2010

\$0 - \$14,000	12.5%
\$14,001 - \$50,000	21%
\$50,001 - \$70,000	33%
\$70,001 +	37%

### From 1 April 2011

\$0 - \$14,000	12.5%
\$14,001 - \$50,000	20%
\$50,001 - \$70,000	33%
\$70,001 +	37%

For someone on the average wage of \$44,000, the saving will be around \$30 per week from 1 April 2009 (rising to \$47 by 2011), while someone earning \$100,000 will be around \$50 per week better off initially.

These tax scales are also supplemented by the new Independent Earner Tax Credit of \$10 per week (rising to \$15 from 2010) for those earning \$24,000 to \$44,000 per annum who are not receipt of benefits, family assistance or New Zealand superannuation.

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