

Personal tax cuts

The New Zealand Government has passed legislation to implement its pre-election policy in respect of personal tax cuts. However, the Government has since signalled that further personal tax cuts are unlikely.

The new tax scales from 1 April 2009 for individuals are as follows:

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

For someone on the average wage of \$44,000, the saving will be around \$30 per week from 1 April 2009, 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 for those earning \$24,000 to \$44,000 per annum who do not receive benefits, family assistance or New Zealand superannuation.

The corporate tax rate remains at 30% and the tax rate for trusts remains at 33%.

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