

Question 22 (3 marks)

The table shows the income tax rates for the 2020–2021 financial year.

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<i>Taxable income</i>	<i>Tax payable on this income</i>
0 – \$18 200	Nil
\$18 201 – \$45 000	19 cents for each \$1 over \$18 200
\$45 001 – \$120 000	\$5092 plus 32.5 cents for each \$1 over \$45 000
\$120 001 – \$180 000	\$29 467 plus 37 cents for each \$1 over \$120 000
\$180 001 and over	\$51 667 plus 45 cents for each \$1 over \$180 000

William has a gross annual salary of \$84 000. He has allowable tax deductions of \$900 for home-office equipment and \$474 for union fees. William must also pay a Medicare Levy of 2% of his taxable income.

Calculate the total tax payable by William including the Medicare Levy.

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Do NOT write in this area.