

Flood Levy Fact Sheet

Length of time the flood levy will be in place

The Government will apply a flood levy to help fund reconstruction in flood affected areas. The flood levy will apply to individual's taxable income only in the 2011-12 financial year.

Amount of the flood levy

A levy of 0.5 per cent will be applied on that part of an individual's income between \$50,001 and \$100,000 and a levy of 1.0 per cent will be applied on that part of the taxpayer's taxable income above \$100,000. No levy is payable where the person has income of \$50,000 or less.

For example, for someone who has an income of \$80,000 this means the cost of the levy to them will be \$2.88 per week.

Taxable Income (\$pa)	Levy Amount Per Week* (\$)
15,000	0
20,000	0
25,000	0
30,000	0
35,000	0
40,000	0
45,000	0
50,000	0
55,000	0.48
60,000	0.96
65,000	1.44
70,000	1.92
75,000	2.40
80,000	2.88
90,000	3.85
100,000	4.81
110,000	6.73
120,000	8.65
130,000	10.58
140,000	12.50
150,000	14.42
160,000	16.35
170,000	18.27
180,000	20.19
200,000	24.04
250,000	33.65
300,000	43.27

Exemption from the flood levy

Where the person has received an Australian Government Disaster Recovery Payment in relation to a flood event in 2010-11 they will be exempt from the levy.

Payment of the flood levy

Taxpayers will not have to do anything extra to pay the levy. People will make their levy payments through the tax taken out of their regular pay in the same way that people pay the Medicare levy. This will help prevent taxpayers from receiving a tax bill at the end of the financial year.

Pay As You Go (PAYG) Instalment taxpayers will have the levy charged in their PAYG instalments. People who received an Australian Government Disaster Recovery Payment can seek a variation to their instalment payment so that they don't have to pay the levy. The ATO is also investigating the possibility of automating PAYG Instalment amounts so that people who don't have to pay the levy are not charged an amount in their PAYG instalments.

Employees who are exempt from the levy ask their employer to not have the levy withheld from their regular pay with other tax withheld. Alternatively, at the end of the year the ATO will assess taxpayers' tax liability taking into account the exemption from the levy.

Impact on businesses

Businesses will need to apply a new withholding schedule to their employees to withhold levy payments.

Businesses will not be required to pay the levy. The levy will be applied to individual taxpayers.