

Flood Levy Questions and Answers.

How much will the flood levy be?

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 they 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

*Weekly outcomes are derived by dividing the total levy amount for the year by 52 for individuals who are liable for the levy.

Why do I have to pay the flood levy?

Australia will be undertaking an unprecedented rebuilding program and requires widespread support. The levy will only apply for the 2011-12 financial year to all taxpayers who have an income of \$50,001 or more and who have not received an Australian Government Disaster Recovery Payment in relation to a flood event in 2010-11. The levy is not applied to businesses.

Do I have to pay the flood levy if I am a low-income earner?

No. Only those people who have an income of \$50,001 or more will have the levy applied to them if they have not received an Australian Government Disaster Recovery Payment in relation to a flood event in 2010-11.

How will I have to pay the flood 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.

When will I have to pay the flood 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.

I was affected by flooding - do I have to pay the flood levy?

Those people who have received a payment for a flood event in 2010-11 will be exempt from the payment. Only those floods recognised through the Australian Government Disaster Recovery Payment are eligible for an exemption from the levy.

I think I am exempt - do I have to do anything to make sure I don't pay the flood levy?

Employees who are exempt from the levy can 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 reconcile taxpayers' tax liabilities taking into account the exemption from the levy.

How much revenue will the flood levy raise?

The Treasury has estimated that the levy will raise \$1.8 billion.

How many people will be exempt from the flood levy?

Those people who have received an Australian Government Disaster Recovery Payment in relation to a flood event in 2010-11 will be exempt. Because not all affected people have yet made claims a precise number is not known. At this stage claims have been received for around 250,000 adults.

How much of a burden will the flood levy be for businesses?

The levy will be applied to individual taxpayers. Businesses will not be required to pay the levy. However businesses with employees will need to apply a new withholding schedule to withhold levy payments from employees' wages.