



ESTATE TAX GUIDE

2024-25

RESIDENT TAX RATES

Adult individuals and deceased estates for first 3 years

TAXABLE INCOME	TAX PAYABLE
0 - \$18,200	Nil
\$18,201 - \$45,000	16% on excess over \$18,200
\$45,001 - \$135,000	\$4,288 + 30% for each \$1 over \$45,000
\$135,001 - \$190,000	\$31,228 + 37% for each \$1 over \$135,000
\$190,001 and over	\$51,638 + 45% for each \$1 over \$190,000

Testamentary trusts and deceased estates after 3 years

TAXABLE INCOME	TAX PAYABLE
0 - \$416	Nil
\$417 - \$611	50% on excess over \$416
\$612 - \$45,000	Entire amount from \$0 taxed at 16%
\$45,001 - \$135,000	\$7,200 + 30% on excess over \$45,000
\$135,001 - \$190,000	\$34,200 + 37% on excess over \$135,000
\$190,001 and over	\$54,550 + 45% on excess over \$190,000

Medicare levy applies to testamentary trusts (but not to estates) at 2%.

DO YOU NEED TO LODGE PERSONAL RETURNS FOR THE DECEASED?

The legal personal representative of a deceased person is responsible for lodging any outstanding tax returns and paying any liabilities owing to the ATO. This would include reviewing the deceased's personal tax obligations prior to finalising the estate.

For smaller and less complex estates, refer to PCG 2018/4 published on the ATO legal database regarding the liability of a legal personal representative of a deceased person.

DO YOU NEED TO LODGE AN ESTATE TAX RETURN?

An estate tax return would generally be required for a year of income, if any of the following apply:

- an estate TFN has been issued by the ATO
- all executors are non-residents
- in any of the first 3 years after date of death the net income of the estate is more than \$18,200
- the deceased passed away more than 3 years ago
- the estate received franked dividends
- tax was withheld on estate income
- the estate made capital gains for example, as a result of the sale of estate assets
- the estate carried on a business
- a beneficiary is presently entitled to estate income
- one or more beneficiaries is a non-resident.

MINOR BENEFICIARIES

Where a minor beneficiary is presently entitled to trust or estate income, the trustee is required to pay tax on their behalf on their share of net income. The beneficiary may also need to lodge a personal income tax return for example, if they have income from other sources or to claim any franking credit refund. They will receive a credit for any tax paid by the trustee.

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LUMP SUM SUPERANNUATION DEATH BENEFITS TAX RATES

COMPONENT	DEPENDANT	NON-DEPENDANT
Taxable element – taxed	Tax-free	The lower of marginal tax rate or 15%
Taxable element – untaxed	Tax-free	The lower of marginal tax rate or 30%
Tax-free	Tax-free	Tax-free

WHO IS A DEATH BENEFITS DEPENDANT?

For tax purposes, a 'death benefits dependant' of a person who has died is:

- the spouse or former spouse of the deceased
- a child of the deceased aged under 18
- any other person with whom the deceased had an interdependency relationship just before they died
- any other person who was financially dependant on the deceased person just before they died.

DEATH BENEFITS EMPLOYMENT TERMINATION PAYMENT

COMPONENT	DEPENDANT	NON-DEPENDANT
Taxable element – up to ETP cap*	Tax-free	Taxed at maximum rate of 30%
Taxable element – over ETP cap*	Taxed at 45%	Taxed at 45%
Tax-free	Tax-free	Tax-free

* 2024-25 ETP cap amount: \$245,000

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FOREIGN RESIDENT TAX RATES

Income for individuals, estates and testamentary trusts not subject to withholding tax

TAXABLE INCOME	TAX PAYABLE
0 - \$135,000	30c for each \$1
\$135,001 - \$190,000	\$40,500 + 37c for each \$1 over \$135,000
\$190,001 and over	\$60,850 + 45c for each \$1 over \$190,000

Medicare levy does not apply.

Note: If a non-resident beneficiary is presently entitled to trust income or specifically entitled to capital gains, the trustee may be required to pay tax on their behalf at non-resident rates. A separate notice of assessment will be raised against the trustee on behalf of the non-resident beneficiary. The beneficiary will also be required to lodge their own income tax return.

TAX RATES FOR THE INCOME YEAR ENDING 30 JUNE 2024

From 1 July 2020 to 30 June 2024, the rates for resident adult individuals and deceased estates for the first 3 years were:

TAXABLE INCOME	TAX PAYABLE
0 - \$18,200	Nil
\$18,201 - \$45,000	Nil + 19% on excess over \$18,200
\$45,001 - \$120,000	\$5,092 + 32.5% on excess over \$45,000
\$120,001 - \$180,000	\$29,467 + 37% on excess over \$120,000
\$180,001 and over	\$51,667 + 45% on excess over \$180,000



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