

## Who pays tax... and how much?

Individual taxable income (\$)	Number of people		Tax paid	
	(000)	%	(\$m)	%
Zero	237	7%	0	0%
1 - 10,000	440	14%	263	1%
10,000 - 20,000	851	26%	2,199	8%
20,000 - 30,000	381	12%	1,746	7%
30,000 - 40,000	352	11%	2,401	9%
40,000 - 50,000	318	10%	3,071	12%
50,000 - 60,000	197	6%	2,549	10%
60,000 - 70,000	148	5%	2,432	9%
70,000 - 80,000	100	3%	2,018	8%
80,000 - 90,000	50	2%	1,212	5%
90,000 - 100,000	35	1%	977	4%
100,000 - 150,000	78	2%	2,953	11%
150,000+	45	1%	4,108	16%
All	3,232	100%	25,929	100%

This table includes tax on New Zealand Superannuation and major Social Welfare benefits, but excludes ACC levies and anyone who is under 15. Data are projected for the year ended June 2008.

### Statutory tax scale from 1 April 2000

19.5c per \$1 on income up to \$38,000

33c per \$1 on income between \$38,000 and \$60,000

39c per \$1 on income over \$60,000

### With low-income rebate, effective rates are:

15c per \$1 on income up to \$9,500

21c per \$1 on income between \$9,500 and \$38,000

33c per \$1 on income between \$38,000 and \$60,000

39c per \$1 on income over \$60,000

The statutory tax scale shows the rates before the application of the low-income rebate. Effective rates are what you actually pay.

## KiwiSaver

From 1 July 2007

- One-off \$1,000 kickstart when opening a KiwiSaver account
- A minimum of 4% of gross salary for contributions through the workplace
- Member's contributions matched with a tax credit of up to \$20 per week per saver (\$1,040 per year)
- Annual \$40 per account fee subsidy
- Employer matching contributions will be tax-free up to 4% of the employee's gross salary

From 1 April 2008

- Employers must match employees' KiwiSaver contributions up to 1% of their gross salary, increasing each year to 4% from 1 April 2011
- Employer's contributions reimbursed through a matching tax credit of up to \$20 per week per employee (\$1,040 per year)

Note: Some of the above extend to complying superannuation funds. Special rules may apply for existing superannuation schemes.

### Family assistance for working families (\$/week)

Family annual income before tax (\$)	Number of children under 13			
	One	Two	Three	Four
...	...	...	...	...
30,000	142	199	256	328
40,000	118	175	232	304
50,000	84	141	198	270
60,000	43	100	157	229
70,000	3	60	117	189
80,000	0	25	82	154
90,000	0	0	42	114
100,000	0	0	2	74
110,000	0	0	0	39
Family Tax Credit cut-off point	56,000	71,000	84,500	99,500
In-Work Tax Credit cut-off point	71,000	86,000	101,000	119,000

Source: <https://interact2.ird.govt.nz/forms/famcalc2008>. Family assistance is in two parts, Family Tax Credit (FTC) and In-Work Tax Credit (IWTC). This assumes family income type is salary and wage, and the family works the required hours to receive IWTC. For more information please visit: [www.workingforfamilies.govt.nz](http://www.workingforfamilies.govt.nz)

## Average incomes

Average individual wage earnings:	(\$)
- full-time earner (works for more than 30 hours per week)	46,002
Average family gross income:	(\$)
- couple with children	92,882
- couple with no children	74,637
- sole parent	31,615
- single person	28,803
Includes benefits and other non-wage income for year ended June 2008.	

### What is the full-year cost of . . . ?

	(\$m)
\$1 a week increase (in the hand) to NZ Super	26
\$1 a week increase (in the hand) to other benefits	15
\$1 billion increase in government debt	58

### How does a 1% change in growth affect tax?

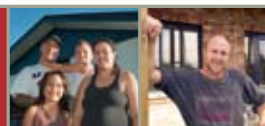
Tax source:	(\$m)
- wages and salaries	250
- taxable business profits	125
- spending by households	115

Estimated effect on a full year's revenue of a one-percentage point change in the growth of the income or spending source in 2007/08.

### How does a 1% change in tax rate affect tax?

	(\$m)
Top individual rate (current rate = 39%)	150
Upper middle rate (current rate = 33%)	130
Lower middle rate (current rate = 21%)	390
Bottom rate (current rate = 15%)	220
Company tax rate (current rate = 33%)	200
GST rate (current rate = 12.5%)	685

Estimated effect on full year's revenue of a one-percent change in tax rate. This allows for interaction between tax types, but makes no allowance for feedback effects from the economy.



17 May 2007

Budget  
2007

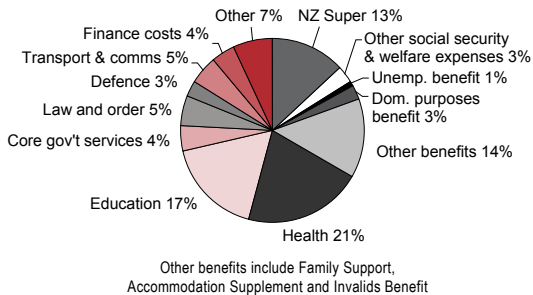
# Key Facts for Taxpayers



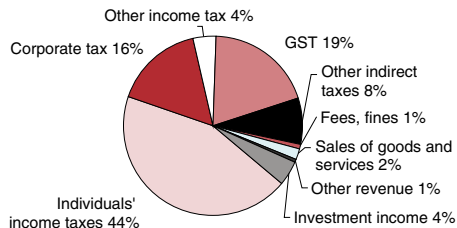
Hon Dr Michael Cullen  
Minister of Finance



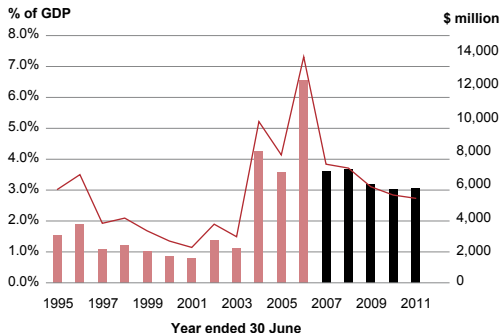
## Core Crown Expenses in 2007/08 – \$56.1 billion



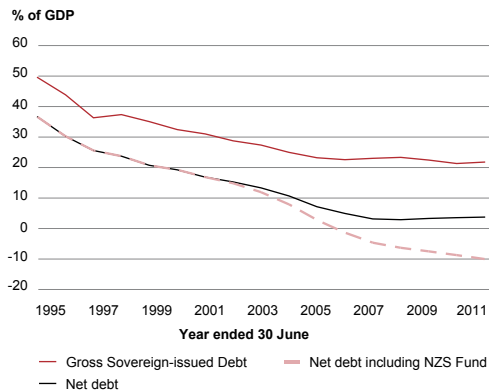
## Core Crown Revenue in 2007/08 – \$59.4 billion



## Government Operating Balance



## Gross and Net Government Debt

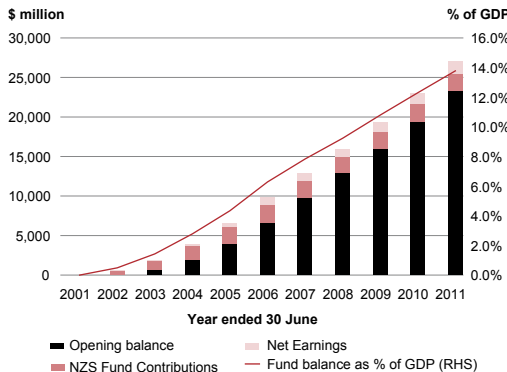


## Government 2007/08 Key Fiscal Aggregates

	\$ billion	% GDP
Core Crown revenue	59.4	34.3%
Core Crown expenses	56.1	32.4%
Revenues	76.9	44.4%
Operating balance	6.4	3.7%
Net worth	96.0	55.4%
Gross Sovereign-issued debt	40.4	23.3%
Net core Crown debt	4.7	2.7%

Net worth and debt as at 30 June 2008. Net core Crown debt is gross debt less financial assets, apart from New Zealand Superannuation Fund assets.

## New Zealand Superannuation Fund



## What Government owns and owes

	\$ billion
<b>Total Crown assets as at 30 June 2008</b>	
Cash, marketable securities, etc	68.4
Property, plant and equipment	96.0
Other	22.9
<b>Total assets</b>	<b>187.3</b>
<b>Total Crown liabilities as at 30 June 2008</b>	
Borrowings - sovereign guaranteed	33.2
Borrowings - non-sovereign guaranteed	13.2
Provision for GSF pension liability	8.4
Provision for ACC outstanding claims	19.0
Other	17.5
<b>Total liabilities</b>	<b>91.3</b>
<b>Assets less liabilities (Crown balance)</b>	<b>96.0</b>

Expenses and revenue are on a core Crown basis and so exclude CEs (Crown entities) and SOEs. Assets and liabilities involve the total Crown and include CEs/SOEs, with flows between them eliminated.

Further Budget 2007 information is available on:  
<http://www.treasury.govt.nz/budget2007>  
 This includes information about the macroeconomy.

Ready reckoner for tax rate and base changes:  
<http://www.treasury.govt.nz/readyreckoner>