

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Treasury Portfolio
Budget Estimates 2014
3 June to 5 June 2014

Department/ Agency: Treasury

Question: BET 3689

Topic: Family Payment Reform – Better targeting of Family Tax Benefit Part B

Reference: Transferred from the Department of Social Services - 1 July 2014

Senator: Brown

Question:

3689. Please explain how people currently eligible for the Dependent (Invalid and Carer) Tax Offset will be effected?

Answer:

3689. The eligibility threshold for the Dependent (Invalid and Carer) Tax Offset (DICTO) is based on the income limit for Family Tax Benefit Part B. When this income limit is decreased from \$150,000 to \$100,000, taxpayers with income between these amounts will become ineligible for the DICTO.

When the DICTO is claimed in respect of a spouse, the income test is based on the adjusted taxable income of the taxpayer. When the DICTO is claimed in respect of a dependant other than a spouse, the income test is based on the combined adjusted taxable income of both the taxpayer and their spouse.