

Give Them a break

Many of us were left wondering why the last Federal Budget gave greater tax breaks to higher income earners when we would have preferred to see the money spent on overseas aid, public education, hospitals or other social services.

The Taverner Poll published in The Age on May 16 found that "62% of those who will receive the tax cuts would be prepared to give the money up for more spending on services". This provides us with a unique opportunity to direct government expenditure to where we, as individuals, would like it to go.

Once you have calculated your actual tax break, you can either pass it on via a donation to an organisation of your choice or get together with your colleagues and employer to establish a "Workplace Giving" scheme. Workplace Giving allows employees to donate money on a regular basis to one or more deductible selected charities directly through their pay and receive their tax deduction as they go. For more information look up "PAYG Withholding Guide No. 3 – A guide to Workplace Giving" on the Tax Office website at www.ato.gov.au.

The Taverner Poll published in The Age on May 16 found that
"62% of those who will receive the tax cuts would be prepared to give the money up for more spending on services".

By donating to our own selected charities, we will see the money being spent on the types of services we would like to see improved. The fact that such donations are usually tax deductible is an added bonus as this forces an extra contribution to the selected service from the Federal Government. (i.e. that the Government would otherwise collect from us as income tax).

(Personal income tax thresholds will be raised from 1 July 2004. For example, someone on \$80,000 will receive a tax cut of \$1,095. If they donate this amount to a tax deductible charity, its tax deductibility will still increase their net salary by \$515. Certainly a win/win situation for both the tax payer and the charity!).