

**SENATE EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION
LEGISLATION COMMITTEE**

**2006-2007 BUDGET SENATE ESTIMATES HEARING
29TH AND 30TH MAY 2006
EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO**

QUESTIONS ON NOTICE

Outcome 3: Increased workforce participation

Output Group 3.1: Working age policy

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Question Number: W065-07

Question:

Senator Wong asked in writing:

What will be the impact of the 2006-07 Federal Budget on effective marginal tax rates (EMTRs) faced by people moving from welfare to work after 1 July 2006?

Answer:

EMTRs will generally be lowered as a result of the increase in the Low Income Tax Offset from \$235 to \$600 a year, and the reduction in the shade-in rate of the medicare levy from 20 per cent to 10 per cent.