2025–26 at a glance

$2,200.40
Refund for 2025–26

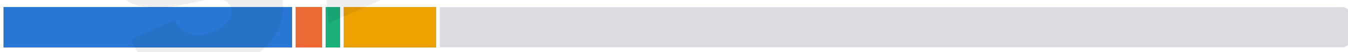
$109,770 Taxable income	**$23,719** Income tax	**$2,195** Medicare levy
23.6% Average tax rate	**30%** Tax rate on the last dollar earned	

How taxable income is worked out

Salary	+$118,000
Other income	+$2,420
Rental property loss	−$7,800
Deductions	−$2,850
Taxable income	**$109,770**

Taxable income is the amount tax is worked out on. Other income: interest $420, dividends $1,400, franking credits $600. Rental property: rent $28,600, costs claimed $36,400.

Where the $109,770 went



Income tax	$23,719 · 21.6%
Medicare levy	$2,195 · 2.0%
Medicare levy surcharge	$1,098 · 1.0%
Study loan repayment	$7,586 · 6.9%
Left after tax and repayments	$75,172 · 68.5%

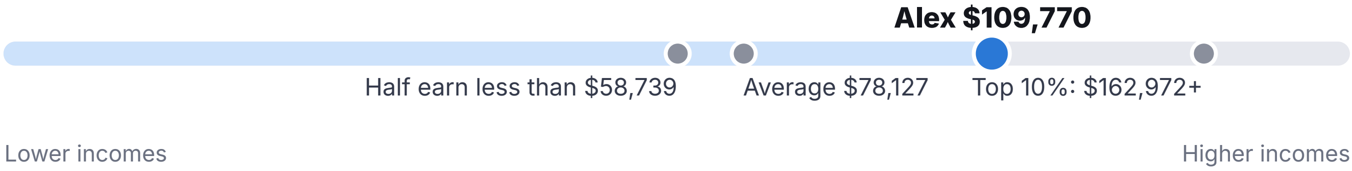
Working from home: 320 hours at 70c an hour, a deduction of $224.

How does Alex compare with other taxpayers?

Compared with all 13.2 million Australian taxpayers, using the ATO's latest figures (2023–24).

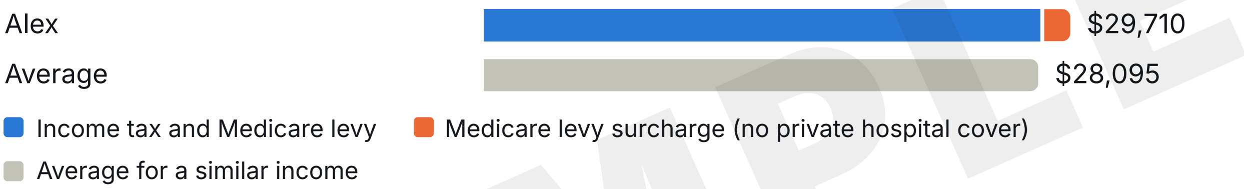
Income

Alex earns more than 74% of Australian taxpayers.



Tax

Alex paid $1,615 more tax than the average person on a similar income.



Deductions

Alex claimed $1,951 less in deductions than the average person on a similar income.

A similar income here means taxable income of $108,198 to $110,369. The ATO's figures are for 2023–24, so Alex's tax is worked out at 2023–24 rates to compare like with like. Source: Australian Taxation Office, Taxation Statistics 2023–24, licensed under Creative Commons Attribution 2.5 Australia.

How does Alex compare with people on a similar income?

People who earned $108,198 to $110,369 in 2023–24.

72% have private hospital cover	19% own a rental property	12% have a study loan
Alex: not covered	**Alex: owns one**	**Alex: owes $21,400**
	Their average result: a loss of $2,580. Alex's: a loss of $7,800.	Their average balance: $30,356.

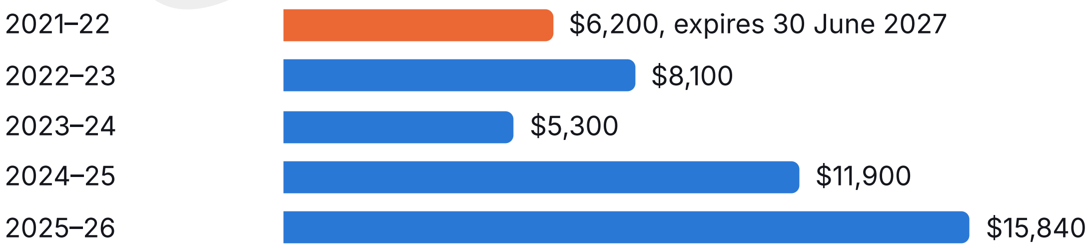
Super

Alex has $142,000 in super.

Compared with people whose taxable income was $45,001 to $120,000. The ATO publishes super balances by income, not by age.

Unused before-tax super cap

Alex has $47,340 of unused cap from earlier years. $6,200 of it expires on 30 June 2027.



Source: Australian Taxation Office, Taxation Statistics 2023–24, licensed under Creative Commons Attribution 2.5 Australia.

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What does 2026–27 look like?

An estimate for the year to 30 June 2027, based on the assumptions at the bottom of this page.

$113,186
Taxable income
Up $3,416 on last year

$26,740
Income tax and Medicare levy
Up $826 on last year

$2,346
Refund
Up $146 on last year

	2025–26	2026–27 (ESTIMATE)
Salary	$118,000	$121,776
Deductions	$2,850	$3,210
Taxable income	$109,770	$113,186
Income tax	$23,719	$24,476
Medicare levy	$2,195	$2,264
Medicare levy surcharge	$1,098	$1,132
Study loan repayment	$7,586	$7,719
Tax taken from pay	$36,198	$37,336
Result	**Refund $2,200**	**Refund $2,346**

What this estimate assumes

- Pay rises 3.2%, in line with the Wage Price Index, June quarter 2026 (ABS).
- Work-related expenses are $1,000, the new standard deduction from 2026–27. It replaces the $640 claimed in 2025–26.
- Everything else stays as it was in 2025–26.
- Tax taken from pay follows the ATO's 2026–27 tax tables.
- The 2026–27 Medicare levy low-income threshold isn't out yet, so the 2025–26 figure is used.

Where Alex's 2026–27 tax goes

Social security and welfare	$10,340 · 37.1%	Debt interest and other costs	$5,463 · 19.6%
Health	$4,571 · 16.4%	Education	$1,923 · 6.9%
Defence	$1,728 · 6.2%	Everything else	$3,846 · 13.8%

An estimated $27,871 of income tax, Medicare levy and surcharge, split by the 2026–27 Budget's spending shares.

What if…

Each question changes one thing and shows what happens under current rules. Figures are 2026–27 estimates.

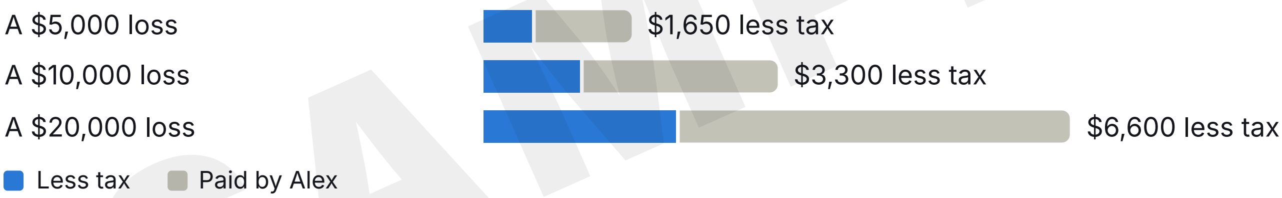
What if Alex had private hospital cover?

Without cover, Alex pays a surcharge of about $1,132 a year. The cheapest basic hospital cover in NSW costs $1,032 a year.

With cover held for the whole year, the surcharge is $0. For a single, the excess must be $750 or less. Price: CHOICE, cheapest Basic hospital policy by state, singles under 65, premiums after the rebate, $750 excess (updated 22 June 2026). Some policies add a daily co-payment.

What does a rental loss do to Alex's tax?

Every $1,000 of rental loss cuts Alex's tax by $330. The other $670 comes out of Alex's pocket.



From 1 July 2027 this changes for established homes bought after 7:30pm AEST on 12 May 2026: the loss no longer cuts tax on salary. It carries forward, to be used against rental income or a later gain on residential property. New builds keep the current rules.

For scale: interest on an average new investor loan ($708,000 at 6.4%) comes to $45,312 a year.

How much could Alex borrow?

The 6-times-income line

Banks treat a home loan of 6 times income or more as high debt. For Alex, that's $913,176. Alex's current loan is $415,000, leaving $498,176 below that line.

Since February 2026, banks can make only 1 in 5 new home loans at this level (APRA). Loans for new builds are exempt. Income used: $152,196, which is salary, interest, dividends and rent before tax (2026–27 estimate).

What a lender's test allows

The more Alex spends each month, the less a lender's test allows.

Repayments are tested at 9.24%, which is the loan's 6.24% plus the 3% buffer APRA requires, over 30 years. Income counted: salary, interest and dividends, plus 80% of rent, after income tax, the Medicare levy and study loan repayments. Current loan repayments at the tested rate: $3,517 a month. Each lender runs its own numbers, so this is a guide, not a loan offer.

Average new home loan

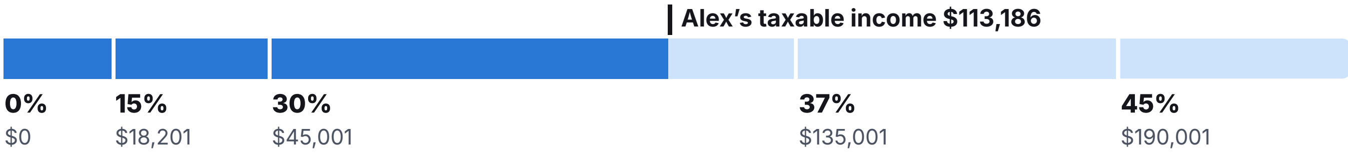
ABS Lending Indicators, June quarter 2026. The ABS doesn't publish loan sizes by income.

What if interest rates change?

At the current 6.24%, interest on Alex's loan over the next year is about $25,710. Each 1% rise adds about $4,152.

Tax rates and thresholds for 2026–27

Tax rates



Each band shows a tax rate and the income where it starts. The dark part is the income taxed at that rate.

Where Alex sits against each threshold

	THRESHOLD	ALEX	DIFFERENCE
The 37% tax rate starts	$135,000	$113,186	$21,814 below
Low income tax offset ends	$66,667	$113,186	$46,519 above
Medicare levy surcharge starts (singles)	$105,000	$120,986	$15,986 above
Study loan repayments start	$69,528	$120,986	$51,458 above
Extra 15% tax on super contributions (Division 293)	$250,000	$135,146	$114,854 below
Before-tax super contributions cap	$32,500	$14,160	$18,340 below

The black line on each bar marks the threshold.

Key dates

30 June 2027	End of the 2026–27 financial year
30 June 2027	Unused super cap from 2021–22 expires
1 July 2027	Negative gearing and capital gains rules change

This report is general information prepared from figures supplied for the 2025–26 income year. It is not a tax return or a notice of assessment. Figures for 2026–27 are estimates based on the assumptions shown with the outlook.

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