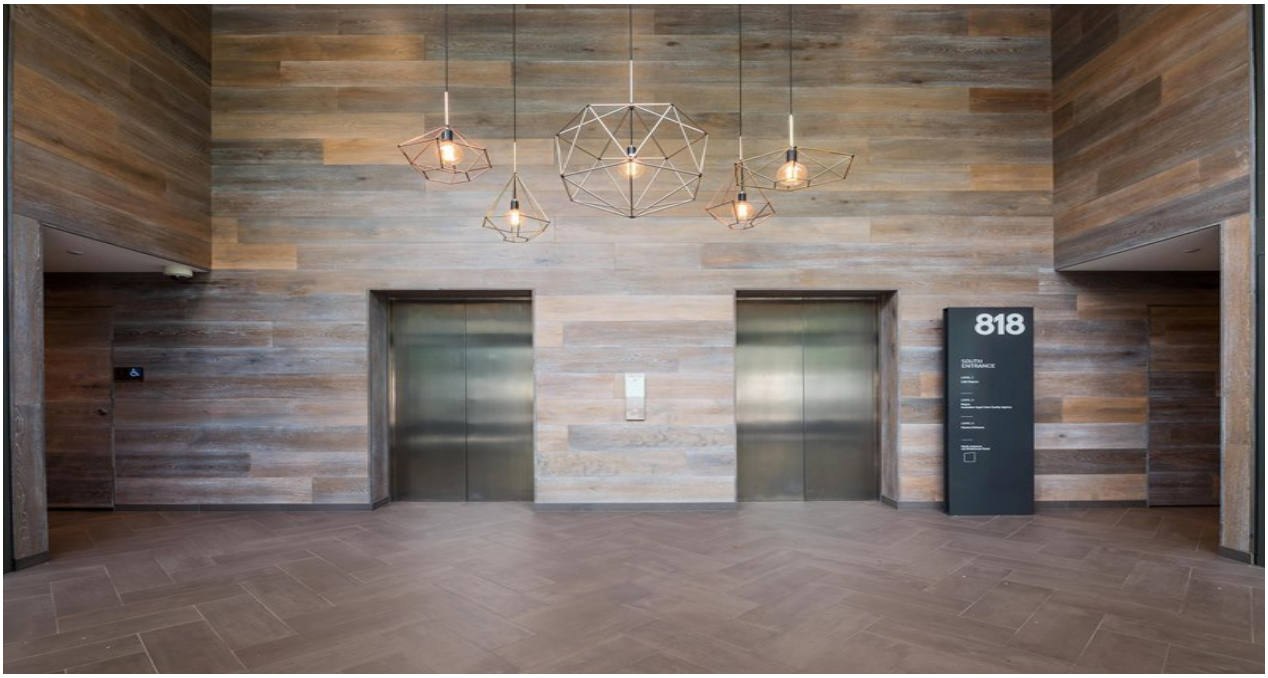


Melbourne Accountant from Infinity Solution Tax Plus Raises Concerns Over Inadequate Tax Cuts Amid Rising Costs

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Box Hill, Victoria - April 01, 2024 -
Sienna Jiang, the proprietor of Infinity Solution Tax Plus, a reputable accounting firm located in Box Hill, Melbourne, has articulated concerns about the adequacy of the slated tax reductions that are expected to be implemented from July 1, 2024. These tax adjustments, aimed at mitigating Australia's cost of living crisis amid an escalating inflation scenario, include modifications in tax rates and an upward revision of income thresholds for higher tax brackets. While acknowledging the tax reforms as a progressive move, Jiang believes they fall short of offering substantial relief to taxpayers.

The forthcoming alterations in the tax scheme are set to decrease the 19% tax rate to 16% and lower the 32.5% tax rate to 30%. Furthermore, the adjustments will escalate the income thresholds triggering higher tax rates; specifically, the threshold for the 37% tax rate will ascend from $120,000 to $135,000, and for the 45% rate, from $180,000 to $190,000. Although these modifications aim to alleviate some financial burdens, Jiang raises concerns that they might not be adequate to parallel the escalating cost of living, further intensified by soaring inflation rates.

A critical issue Jiang highlights is the non-indexation of the tax brackets to the Consumer Price Index (CPI) or Wage Price Inflation, which could allow annual adjustments in alignment with inflation rates. This fixed nature of the tax brackets signifies that the relief projected by the tax cuts might diminish over time as the economy continues to wrestle with inflation.

Jiang proposes, "Given the prevailing economic circumstances, it is imperative to index the tax brackets to the CPI or Wage Price Inflation annually. This measure would safeguard the continuing relevance and efficacy of the tax cuts in addressing the cost of living crisis."

Infinity Solution Tax Plus consistently strives to deliver expert tax advisory and accounting services to both individual and corporate clients. The firm's offerings extend beyond tax return preparation and bookkeeping to include strategic business consulting and tax advisory services, all geared towards enhancing financial stability and ensuring adherence to Australian tax regulations. Reflecting Jiang's concerns, Infinity Solution Tax Plus underscores the necessity of factoring inflation into tax policy formulation. Jiang further remarked, "The recent tax reductions represent a commendable stride; however, the potential benefits could be compromised if inflation adjustments are not considered."

As the discourse on tax reform progresses, Infinity Solution Tax Plus is committed to championing policies that bolster financial resilience and growth for its clientele and the wider community. The firm invites individuals and enterprises seeking insights on the impending tax adjustments to avail themselves of their customized advisory services. For further details on how Infinity Solution Tax Plus can support one's tax and accounting requisites, interested parties are encouraged to reach out to their office.

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