Instructions for taxpayers

TaxPack 2009

To help you complete your tax return
1 July 2008 – 30 June 2009

Lodge online.
- Use *e-tax* to prepare and lodge your tax return online.
- Most refunds are issued within 14 days.
- Go to **www.ato.gov.au**

You may also need the separate publication *TaxPack 2009 supplement* – see page 3.

Lodge your tax return by 31 October 2009.

NAT 0976–6.2009

Australian Government
Australian Taxation Office

Commissioner's foreword

***TaxPack 2009* is a guide to help you correctly complete your 2009 tax return. We have tried to make it easier to use, and for most people it will provide all you need to know to fill in your tax return.**

Be assured that if you do your best to fill in your tax return correctly, you will not be subject to any penalties if you get these things wrong.

Nevertheless, please take care in ensuring that the information you provide to us is as complete and accurate as you can make it.

If you have access to the internet, you can prepare and lodge your tax return online using *e-tax.* It's fast, free and easy, and most refunds are issued within 14 days. It also provides more extensive information than contained in this guide and allows you to automatically include on your tax return some information that we already know about you.

We also have a range of services that can assist you when completing your tax return. The inside back cover provides details about how you can access these services and how you can contact us.

Michael D'Ascenzo

Michael D'Ascenzo
Commissioner of Taxation

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Thanks to the staff of the Tax Office, tax professionals and members of the community who contributed to *TaxPack 2009*.

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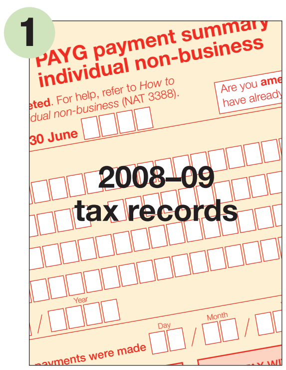
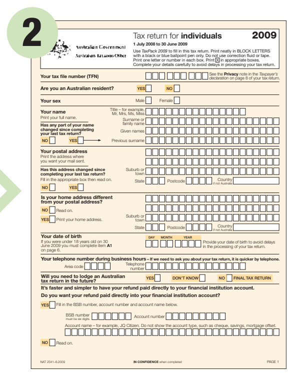
How to complete your tax return using *TaxPack 2009*

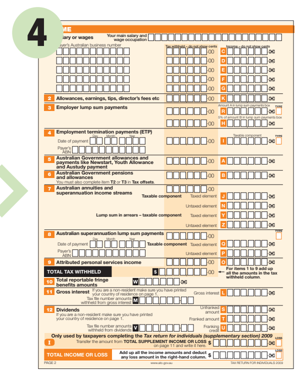


Gather together your tax records.



Complete page 1 of your tax return.

Read the relevant *TaxPack* questions.



Complete the rest of your tax return.

DO YOU NEED TO LODGE A TAX RETURN?

If you are not sure whether you need to lodge a tax return, go to our website at **www.ato.gov.au/individuals** select '**Lodge your tax return**', and use the **Do you need to lodge a tax return?** tool to work it out online. You can also refer to **Do you need to lodge a tax return?** on page 99.

USING *TAXPACK 2009*

There have been some changes since *TaxPack 2008*. To see if any apply to you, check the **What's new this year?** section on page 4.

We have redesigned *TaxPack 2009* to make it less complex and easier for you. *TaxPack 2009* aims to provide more direct instructions to complete your tax return. We have developed it in consultation with users of previous *TaxPack*, *Short tax return* and *Retirees TaxPack*. It includes the best features of these products.

TaxPack 2009 has a **Special circumstances and glossary** section. This section defines the more complex tax terms and circumstances. You need to refer to it only if you require further information.

To read any of the publications referred to in *TaxPack* go to our website, or see the inside back cover to find out how to obtain a printed copy.

More information

If you are looking for more information, including who can help you with your tax return, where to send your tax return, and what to do if you had made a mistake, see pages 112–15.

Keeping records

To make tax time easier for you, start keeping your records now for next year. Remember, in most cases you need to keep your written evidence for five years from 31 October 2009. For more information, refer to **Record keeping and written evidence** on pages 102–3.

COMPLETING YOUR TAX RETURN

Step 1

Gather together all your income tax documents for the 2008–09 income year, for example, your payment summaries, pension or superannuation statements, termination or lump sum notifications and health insurance details.

Step 2

Complete your personal details on page 1 of your tax return. For more information, refer to page 5.

Step 3

Read the questions in *TaxPack 2009* and see if they apply to you. If a question applies to you, follow the step-by-step instructions to help you to complete your tax return.

Step 4

Write the information on your tax return and go to the next question.

TAX TIPS

- The Index at the back of *TaxPack 2009* may help you to find information that is relevant to your circumstances.
- Refer to the checklist on page 95 before you lodge your tax return.
- Make sure you complete item **M2**; it is compulsory for all taxpayers.

Will you need *TaxPack 2009 supplement*?

You might need *TaxPack 2009 supplement* which contains questions that are not included in *TaxPack 2009*. Check the list below of questions covered in *TaxPack 2009 supplement* to see whether you need it to complete your tax return.

INCOME

13 Income from partnerships and trusts
14 Personal services income (PSI)*
15 Net income or loss from business*
16 Deferred non-commercial business losses*
17 Net farm management deposits or withdrawals
18 Capital gains* (from all sources including shares, real estate and other property)
19 Foreign entities
20 Foreign source income and foreign assets or property, including foreign source pension or annuity
21 Rent
22 Bonuses from life insurance companies and friendly societies
23 Forestry managed investment scheme income
24 Other income – that is, income not listed elsewhere

DEDUCTIONS

D10 Australian film industry incentives*
D11 Deductible amount of undeducted purchase price of a foreign pension or annuity
D12 Personal superannuation contributions (generally for the self-employed)
D13 Deduction for project pool
D14 Forestry managed investment scheme deduction
D15 Other deductions – that is, deductions not claimable at items **D1** to **D14** or elsewhere on your tax return

TAX OFFSETS

T8 Superannuation contributions on behalf of your spouse
T9 Zone or overseas forces
T10 20% tax offset on net medical expenses over the threshold amount (the threshold for 2009 is $1,500)
T11 Parent, spouse's parent or invalid relative
T12 Landcare and water facility
T13 Net income from working – supplementary section
T14 Entrepreneurs tax offset
T15 Other tax offsets

ADJUSTMENT

A3 Amount on which family trust distribution tax has been paid

CREDIT FOR INTEREST ON TAX PAID

C1 Credit for interest on early tax payments

If you need *TaxPack 2009 supplement*, you can get a copy from most newsagents from 1 July to 31 October 2009. Copies are also available all year from our Publications Distribution Service (see the inside back cover) and shopfronts.

Questions marked * have a related publication which you must read before you can complete the item on your tax return.

What's new this year?

EDUCATION TAX REFUND

The Government has introduced the education tax refund which allows eligible parents to claim a refund on some education expenses for their children who are undertaking primary or secondary school studies. It also allows independent students under 25 years old who are undertaking primary or secondary school studies to claim a refund on some of their education expenses. See question **T6**.

FAMILY TAX BENEFIT

The 2008 Federal Budget removed the option of claiming family tax benefit (FTB) payments through the tax system.

From 1 July 2009, the Tax Office will not accept any FTB claims, including current and prior year claims.

You will need to apply to the Family Assistance Office (FAO) to claim FTB for the year 1 July 2008 to 30 June 2009 and future years.

FIRST HOME SAVER ACCOUNTS

From 1 October 2008, if you are eligible, you can open a first home saver account. The Australian Government may make an annual contribution to your account based on the amount you have contributed to the account. You do not pay tax on earnings on the account. You do not need to declare income from this account anywhere on your tax return. If you are not required to lodge a tax return, you will need to lodge a first home saver account – notification of eligibility.

HECS-HELP BENEFIT

The Government has introduced a HECS-HELP benefit which is available to:

- mathematics and science graduates who completed their natural and physical science course in or after second semester 2008, and are employed in specified related occupations
- early childhood education teachers who work in specified locations including regional or remote areas, Indigenous Australian communities or areas of high socio-economic disadvantage.

For information on eligibility, go to our website at **www.ato.gov.au** and enter 'HECS-HELP benefit 2009' in the 'Search for' box at the top of the page.

MEDICARE LEVY SURCHARGE THRESHOLDS

The Medicare levy surcharge thresholds for the 2008–09 and later income years have been increased to $70,000 for a single person and $140,000 for families. See question **M2**.

SAME SEX COUPLES – DEATH BENEFITS DEPENDANT

For 2008–09 and later income years the definitions of spouse and child have been changed for the purposes of defining who is a death benefits dependant for employment termination payments and Australian superannuation lump sum payments. See questions **4**, **8** and the **Special circumstances and glossary** section.

SMALL BUSINESS AND GENERAL BUSINESS TAX BREAK

A small business and general business tax break for business in the form of an additional tax deduction is now available for new investments in eligible tangible depreciating assets. Conditions apply. See *Business and professional items 2009* (NAT 2543).

UPPER INCOME LIMIT FOR CERTAIN TAX OFFSETS

Changes have been made to the tax law to restrict the availability of certain tax offsets to individuals whose taxable income does not exceed $150,000. For example, this restriction applies to the spouse, child-housekeeper or housekeeper tax offset. The instructions for each tax offset question explain whether, and how, the restriction applies to the tax offset.

SPECIAL ARRANGEMENTS FOR PEOPLE AFFECTED BY BUSHFIRES AND FLOODS

We have special arrangements in place for people affected by the recent natural disasters, such as the Queensland and northern New South Wales floods, and the Victorian bushfires.

If your tax records were lost or destroyed, we can help you to reconstruct them, and make reasonable estimates where necessary.

We have set up a dedicated emergency support infoline to assist you – phone **1300 304 975** and one of our officers will discuss your situation and the best way we can help.

Other ways we can help are:

- we can fast track refunds
- we can give you extra time to pay debts – without interest charges
- we can give you more time to meet activity statement, income tax and other lodgment obligations – without penalties
- we can help you if you are experiencing serious hardship.

Completing page 1 of your tax return

It is important that you complete page 1 of your tax return accurately to avoid delaying your notice of assessment. We have provided explanations below for the tax-related items so that you can complete these sections correctly.

If you are not sure whether you have to lodge a tax return see page 99 for more information.

YOUR TAX FILE NUMBER

You must write your tax file number (TFN) in the boxes provided. It is shown on your payment summary, as well as on your last notice of assessment. If you are new to the tax system and don't have a TFN, phone the Individual Infoline on **13 28 61**.

ARE YOU AN AUSTRALIAN RESIDENT?

You must print **X** in the **YES** box if you were an Australian resident for tax purposes for all or part of 2008–09. If you were not an Australian resident for tax purposes during any part of 2008–09 print **X** in the **NO** box.

Generally, we consider you to be an Australian resident for tax purposes if:

- you have always lived in Australia or you have come to Australia and live here permanently
- you have been in Australia continuously for six months or more, and for most of that time you worked in the one job and lived at the same place
- you have been in Australia for more than six months during 2008–09, unless your usual home is overseas and you do not intend to live in Australia
- you go overseas temporarily and you do not set up a permanent home in another country, or
- you are an overseas student who has come to Australia to study and are enrolled in a course that is more than six months long.

If you need help in deciding whether or not you are an Australian resident for tax purposes, you can go to the **Are you a resident?** tool on our website or phone the Individual Infoline.

Has your residency status changed?

If your residency status for tax purposes changed during 2008–09, that is, you were a resident for part of 2008–09, you will need to answer yes to this question and complete item **A2** on page 6 of your tax return. We need this information to work out your tax-free threshold.

WILL YOU NEED TO LODGE AN AUSTRALIAN TAX RETURN IN THE FUTURE?

This may be your last tax return if:

- your annual taxable income in the future will be below the tax-free threshold ($6,000 for 2009–10)
- your only source of income in the future will be an Australian Government pension
- you will become eligible for the senior Australians tax offset in 2009–10, and your taxable income is below the threshold for lodging a tax return this year (for threshold levels and eligibility for 2008–09, see pages 63–5)
- you are moving overseas permanently, or
- you are 60 years old or older and your only source of income is from superannuation benefits (both lump sum and income streams) that have already been subject to tax in the superannuation fund.

Depending on your situation, print **X** in the **YES**, **NO** or **DON'T KNOW** box.

ELECTRONIC FUNDS TRANSFER FOR YOUR REFUND

It's faster and simpler to have your refund paid directly into your financial institution account.

If you want to use electronic funds transfer (EFT) to receive your tax refund, print **X** in the **YES** box at the question **Do you want your refund paid directly into your financial institution account?** and write the six-digit BSB number, account number and account name (also called account title) as shown on your account records.

Otherwise, print **X** in the **NO** box.

DECEASED ESTATE

Print DECEASED ESTATE on the top of page 1 of the tax return and at the question **Will you need to lodge an Australian tax return in the future?** print **X** in the **NO** box. The executor or administrator of the estate must sign the tax return on behalf of the deceased person and send it to us.

1 Income

Salary or wages

This question is about income from salary or wages from which tax was withheld. Income from salary or wages includes:

- salary and wages
- commissions
- bonuses
- income from part-time or casual work
- amounts for lost salary or wages paid under
  - an income protection policy
  - a sickness or accident insurance policy, or
  - a workers compensation scheme.

Did you earn income from salary or wages from which tax was withheld?

NO ☐ Go to question **2**.

YES ☐ Read below.

If your payment summary shows any allowances, include them at item **2 Allowances, earnings, tips, directors fees etc.**

ANSWERING THIS QUESTION

You will need your *PAYG payment summary – individuals non-business*, or a comparable statement such as a letter or signed statement from each employer or payer, showing the following details:

- gross income (shown as 'Gross payments' on your payment summary)
- total tax withheld, and
- the employer's or payer's Australian business number (ABN) or withholding payer number (WPN).

If you do not have all your payment summaries or comparable statements, contact your employer or payer. If you are unsuccessful in obtaining any of these, see page 102 about making a statutory declaration.

COMPLETING YOUR TAX RETURN

For the purposes of steps 1 to 5 'payment summary' includes comparable statements and statutory declarations.

Step 1

Print the occupation from which you earned most of your income from salary or wages under **Your main salary and wage occupation** at item **1**.

Be as specific as possible when you describe how you earned your salary and wages, for example, 'insurance clerk' rather than 'clerk', 'facilities manager' rather than 'manager', 'bar attendant' rather than 'student'. For public servants, provide work type, for example, 'call centre operator'.

If you have more than five payment summaries, go to step 5.

Step 2

Print the employer's or payer's ABN from each payment summary under **Payer's Australian business number** at item **1**.

Step 3

Write the total tax withheld shown on each payment summary under **Tax withheld** at the left of **C** to **G** item **1**.

Step 4

Write the gross payments amount shown on each payment summary under **Income** at **C** to **G** item **1**.

You have now completed this question; go to question **2**.

Step 5

If you have more than five payment summaries, follow steps 2 to 4 for your first four payment summaries. Then, for your remaining payment summaries, add up the total tax withheld and write the total at the left of **G** item **1**; add up the gross payment amounts and write the total at **G** item **1**. Leave the **Payer's Australian business number** for **G** blank.

HELPFUL HINTS

Do not attach your payment summaries and comparable statements to your tax return.

Make sure you keep all your records for five years. A shorter record-keeping period may apply in some situations (see **Record keeping and written evidence** on page 102).

Allowances, earnings, tips, directors fees etc

Income 2

This question is about payments of income from working. These may include:

- allowances
- payments from which tax was **not** withheld, including salary, wages, commissions, bonuses, income earned from part-time and casual jobs, and income from income protection, sickness and accident insurance policies
- tips, gratuities and payments for your services
- consultation fees and honoraria – payments for voluntary services
- jury attendance fees – do not include attendance fees if you paid the fees to your employer because you received your normal income while on jury duty. Do not include any travel and meal allowances that were included in the jury fees anywhere on your tax return.

Allowances include:

- car, travel and transport allowances, including reimbursements of car expenses calculated by reference to the distance travelled by the car, such as 'cents-per-kilometre' allowances
- award transport payments (paid under an industrial law or award that was in force on 29 October 1986)
- tool, clothing and laundry allowances
- dirt, height, site, first aid and risk allowances
- meal and entertainment allowances.

If you received a travel allowance or an overtime meal allowance paid under an industrial law, award or agreement you do not have to include it on your tax return if:

- it was not shown on your payment summary
- it does not exceed the Commissioner's reasonable allowance amount, and
- you spent the whole amount on deductible expenses.

If you choose not to include it you cannot claim a deduction for expenses incurred in relation to that allowance. For more information, see *Taxation Determination TD 2008/18 – Income tax: what are the reasonable travel and meal allowance expense amounts for 2008–09?*

Did you receive any of the above payments?

NO ☐ Go to question **3**.

YES ☐ Read below.

ANSWERING THIS QUESTION

You will need your payment summaries or comparable statements (or details of the payments that you received if they are not shown on a payment summary or comparable statement).

If you do not have all your payment summaries or comparable statements, contact your employer or payer. If you are unsuccessful in obtaining any of these, see page 102 about making a statutory declaration.

COMPLETING YOUR TAX RETURN

Step 1

Add up any tax withheld from these payments.

Do not include any amounts of tax withheld you have shown at other items, such as item **1**.

Write the amount under **Tax withheld** at the left of **K** item **2**.

Step 2

Add up all of these payments.

Do not include any amounts of income you have shown at other items, such as item **1**.

Write the amount under **Income** at **K** item **2**.

3 Income

Employer lump sum payments

This question is about any lump sum payments you received from your employer for unused annual leave or unused long service leave.

Did you receive any of these payments?

NO ☐ Go to question **4**.

YES ☐ Read below.

Do not include any employer lump sum payments in arrears or non-superannuation annuity payments shown at 'Lump sum E' on your payment summary. These amounts are dealt with at question **24 Other income** in *TaxPack 2009 supplement*. Similarly, 'lump sum payments in arrears' shown on your *PAYG payment summary – superannuation income stream* are dealt with at item **7 Australian annuities and superannuation income streams**.

Do not include payments for early retirement or genuine redundancy shown at 'Lump sum D' on your *PAYG payment summary – individual non-business* anywhere on your tax return, as they are not taxed.

ANSWERING THIS QUESTION

You will need your *PAYG payment summary – individual non-business* or a comparable statement from your payer showing an amount at 'Lump sum A' or 'Lump sum B' in the lump sum payments boxes.

If you do not have all your payment summaries or comparable statements, or if any of your comparable statements do not show the amount that is a 'Lump sum A' or a 'Lump sum B' contact your employer or payer. If you are unsuccessful in obtaining any of these, see page 102 about making a statutory declaration.

COMPLETING YOUR TAX RETURN

If you do not have any amounts shown at 'Lump sum A' on your payment summaries, go to step 4.

Amounts shown at 'Lump sum A' on your payment summary

Step 1
Add up the total tax withheld from lump sum A amounts shown on your payment summaries. Do not include any amounts of tax withheld you have included at any other item, such as item **1** or **2**.

Write the answer under **Tax withheld** at the left of **R** item **3**.

Step 2
Add up all lump sum A amounts on your payment summaries.

Write the answer at **R** item **3**.

Step 3
Print in the **TYPE** box at the right of **R**:

R if you left your job because of a genuine redundancy or invalidity, or under an early retirement scheme, or

T for all other situations.

Check with your payer if you are not sure.

If you do not have any amounts shown at 'Lump sum B' on your payment summaries, you have finished this question. Go to question **4**.

Amounts shown at 'Lump sum B' on your payment summary

Step 4
Add up the total tax withheld from lump sum B amounts shown on your payment summaries.
Do not include any amounts of tax withheld you have included at step 1 above or at any other item, such as item **1** or **2**.

Write the answer under **Tax withheld** at the left of **H** item **3**.

Step 5
Add up all lump sum B amounts on your payment summaries.

Divide the total by 20 to work out 5% of the amounts. Only 5% of these amounts is taxable.

Write the answer at **H** item **3**.

MORE INFORMATION

For more information, go to our website at **www.ato.gov.au** and enter 'Lump sum payments' in the 'Search for' box at the top of the page.

Employment termination payments (ETPs)

Income 4

This question is about employment termination payments (ETPs), which you received as a result of the termination of your employment.

These payments are shown on a *PAYG payment summary – employment termination payment*.

This item also includes:

- death benefit ETPs – these are certain payments made as a consequence of the cessation of a person's employment that you received due to that person's death (see page 110 for more information)
- foreign ETPs – these are certain ETPs received from overseas employment which were exempt from income tax under that country's law (see page 104 for more information)
- late termination payments – these are certain ETPs you received more than 12 months after you retired or ceased employment (see page 110 for more information)
- transitional termination payments – these are certain ETPs you were entitled to on 9 May 2006 (see page 110 for more information).

Do not show the following payments anywhere on your tax return:

- foreign termination payments – these are certain termination payments that were not exempt from income tax of the foreign country (see page 110 for more information)
- directed termination payments – these are transitional termination payments that can, at your request, be paid by your employer to a complying superannuation fund or to purchase a superannuation annuity
- ETPs you received as the trustee of a deceased estate (these payments must be shown on the trust tax return of the deceased estate).

Did you receive an ETP?

NO ☐ Go to question **5**.

YES ☐ Read below.

ANSWERING THIS QUESTION

You will need your *PAYG payment summary – employment termination payment*.

If you do not have all your payment summaries, contact your employer or payer. If you are unsuccessful in obtaining any of these, see page 102 about making a statutory declaration.

If you have received a foreign ETP, your foreign employer may not have issued you with a *PAYG payment summary – employment termination payment*. See page 104 for further instructions.

For information about **late termination payments**, **transitional termination payments**, **foreign termination payments**, **directed termination payments** and **death benefits dependants**, see page 110.

COMPLETING YOUR TAX RETURN

If you received two or more ETPs, go to step 5. Otherwise, read on.

Step 1

Write in the left column at item **4** the date of payment and your payer's Australian business number (ABN), as shown on your *PAYG payment summary – employment termination payment*.

Step 2

Write the total amount of tax withheld from your ETP, as shown on your *PAYG payment summary – employment termination payment*, under **Tax withheld** at the left of **I** item **4**.

Step 3
Write the taxable component of your ETP, as shown on your *PAYG payment summary – employment termination payment*, at **I** item **4**.

Step 4
Print the appropriate code letter for the payment type in the **TYPE** box at the right of **I** on your tax return. If none of the following apply to you, leave the box blank.

- **T** if you received a transitional termination payment
- **S** if you received an ETP in 2008–09 that was not a transitional termination payment or a death benefit ETP **and** you had received another such ETP in an earlier income year **for the same termination of employment**
- **D** if you received a death benefit ETP and you were a **death benefits dependant**
- **B** if you received a death benefit ETP in 2008–09 and you were **not** a death benefits dependant **and** you had received another death benefit ETP in an earlier income year **for the same termination of employment**
- **N** if you received a death benefit ETP and you were **not** a death benefits dependant, and code **B** does not apply.

You have now finished this question, go to question **5**.

Step 5
If you received two or more ETPs, you need to complete an *Employment termination payment schedule* (NAT 71744) using the information shown on your payment summaries. You can obtain a copy of the schedule from our website or by phoning our Individual Infoline (see the inside back cover).

Step 6
When you have completed the schedule, transfer the totals you have written on it to item **4** on your tax return. Write the total tax withheld under **Tax withheld** at the left of **I**, write the total taxable component at **I**, and print the code letter **M** in the **TYPE** box.

Do not write any date of payment or payer's ABN on your tax return.

Step 7
Attach your schedule to page 3 of your tax return and print **X** in the **YES** box at *Taxpayer's declaration* question **2a** on page 8 of your tax return.

MORE INFORMATION

For more information on ETPs, read *Employment termination payments* (NAT 70643) and *Employment termination payments – transitional arrangements* (NAT 70644).

Australian Government allowances and payments

This question is about the following Australian Government payments:

- parenting payment (partnered)
- Newstart allowance
- youth allowance
- mature age allowance
- partner allowance
- sickness allowance
- special benefit
- widow allowance
- Austudy payment
- exceptional circumstances relief payment or farm help income support
- interim income support payment
- education payment of any of the following when you were 16 years old or older
  - ABSTUDY living allowance
  - payment under the Veterans' Children Education Scheme
  - payment under the Military Rehabilitation and Compensation Act Education and Training Scheme 2004 – shown as 'MRCA Education Allowance' on your *PAYG payment summary – individual non-business*
- taxable Commonwealth education or training payments
- income support component from a Community Development Employment Project (CDEP) – shown as 'Community Development Employment Projects (CDEP) payments' on your *PAYG payment summary – individual non-business*
- CDEP scheme participant supplement
- Northern Territory CDEP transition payment
- equine workers hardship wage supplement payment.

Do not include any Australian Government allowances and payments that are not taxable – see **Amounts that you do not pay tax on** on pages 96–8.

Did you receive any of these payments?

NO ☐ Go to question **6**.

YES ☐ Read below.

ANSWERING THIS QUESTION

You will need:

- your *PAYG payment summary – individual non-business*, or
- a letter from the agency that paid your allowance or payment stating the amount you received.

If you have not received this information or you have lost it, contact the agency that paid you.

COMPLETING YOUR TAX RETURN

Step 1

Add up the tax withheld shown on each of your payment summaries and letters.

Write the total under **Tax withheld** at the left of **A** item **5**.

Step 2

Add up the income shown on each of your payment summaries and letters.

Write the total at **A** item **5**.

HELPFUL HINT

If you prepare your tax return online using *e-tax*, you can use the pre-filling service to download these payments directly to your tax return.

6 Income

Australian Government pensions and allowances

This question is about the following Australian Government payments:

- age pension
- bereavement allowance
- carer payment
- disability support pension, if you have reached age-pension age
- education entry payment
- parenting payment (single)
- widow B pension
- wife pension, if either you or your partner was of age-pension age
- age service pension
- income support supplement
- Defence Force income support allowance (DFISA) where the pension, payment or allowance to which it relates is taxable
- DFISA-like payment from the Department of Veterans' Affairs (DVA)
- invalidity service pension, if you have reached age-pension age
- partner service pension.

Do not include any Australian Government pensions or allowances that are not taxable – see **Amounts that you do not pay tax on** on pages 96–8.

Did you receive any of these payments?

NO ☐ Go to question **7**.

YES ☐ Read below.

ANSWERING THIS QUESTION

You will need:

- your *PAYG payment summary – individual non-business*, or
- a letter from the agency that paid your pension, allowance or payment stating the amount that you received.

If you have not received this information, or you have lost it, contact the agency that paid you.

COMPLETING YOUR TAX RETURN

Step 1

Add up the tax withheld shown on each of your payment summaries and letters.

Write the total under **Tax withheld** at the left of **B** item **6**.

Step 2

Add up the income shown on each of your payment summaries and letters.

Write the total at **B** item **6**.

TAX TIPS

You may be entitled to a tax offset on this income. Make sure you work through questions **T2 Senior Australians** and **T3 Pensioner** to see whether you are entitled to a tax offset.

HELPFUL HINT

If you prepare your tax return online using *e-tax*, you can use the pre-filling service to download these payments directly to your tax return.

Australian annuities and superannuation income streams

This question is about income you received from:

- **superannuation income streams** (including lump sum in arrears amounts). These are paid to you by Australian superannuation funds, retirement savings account (RSA) providers and life insurance companies. You may have received a *PAYG payment summary – superannuation income stream* showing such amounts
- **annuities**, also known as non-superannuation annuities. They may be paid to you by life insurance companies and friendly societies. You may have received a *PAYG payment summary – individuals non-business* showing such amounts.

If you received a taxable Australian superannuation lump sum payment, include it at item **8**.

Do not show the following amounts anywhere on your tax return:

- the taxed element of a superannuation income stream you received after you turned 60 years old (these amounts are tax free and not included in your taxable income)
- the taxed element of a superannuation income stream paid to you as the result of the death of another person who died at 60 years old or older (these amounts are tax free and not included in your taxable income).

Did you receive any of these payments?

NO ☐ Go to question **8**.

YES ☐ Read below.

ANSWERING THIS QUESTION

You will need:

- your *PAYG payment summary – individual non-business* showing the gross payment of any annuities
- your *PAYG payment summary – superannuation income stream*. Superannuation income stream benefits have two components which may be shown on your payment summary
  - a taxable component which includes
    - a taxed element, and
    - an untaxed element
  - a tax-free component. Do not show your tax-free component anywhere on your tax return.

You may also need a statement from your payer showing the deductible amount of the undeducted purchase price (UPP) of the annuity so you can work out the amount to include as income at this item. If you have not received this information or you have lost it, contact your payer to obtain a copy.

You may not have received a *PAYG payment summary – superannuation income stream* because your entire superannuation income stream was tax free. For example, you may not have received a payment summary if in 2008–09 your superannuation income stream contained only taxed elements received on or after you turned 60 years old.

COMPLETING YOUR TAX RETURN

Step 1: Tax withheld
Add up the tax withheld amounts on your payment summaries for your superannuation income streams and annuities.

Write the total in the left column under **Tax withheld** at item **7** on your tax return.

Step 2: Taxed element of taxable component
Add up the **taxed element** amounts that appear under the heading 'Taxable component' on your superannuation income stream payment summaries. Do not include any gross payments from annuities shown on a *PAYG payment summary – individual non-business* at this step. These are dealt with at step 4.

Write the total at **J** item **7**.

Step 3: Untaxed element of taxable component
Add up any **untaxed element** amounts that appear under the heading 'Taxable component' on your superannuation income stream payment summaries, and write the total at (a) in **worksheet 1** on the next page. If you did not receive any, write **0**.

Step 4: Annuities

If you did not receive any Australian annuities, write **0** at (b) in **worksheet 1** below and go to step 5.

If you received an annuity, your payer may have provided you with a statement showing the **deductible amount** of the UPP of your annuity. If you do not have details of the deductible amount, contact your payer for assistance. If your payer cannot tell you, phone the Superannuation Infoline (see the inside back cover).

Subtract the deductible amount from the gross amount of the annuity shown on your *PAYG payment summary – individual non-business*.

- If the answer is a negative amount then the amount is treated as if it was zero.
- If you had more than one annuity, repeat this step for each one.
- Add these amounts and write your total at (b) in **worksheet 1**.

Step 5: Total untaxed element

Add (a) and (b) in **worksheet 1**.

WORKSHEET 1

Working out the total of untaxed elements and annuity amounts

Total **untaxed element** amounts from superannuation income streams (from step 3)	$	(a)
Total amounts from annuities (from step 4)	$	(b)
Add (a) and (b).	$	(c)

Transfer the amount at (c) to **N** item **7**.

If you did not receive any superannuation income stream lump sums in arrears, go to question **8**.

Step 6: Taxed element of lump sums in arrears

Add up all the **taxed element** amounts that appear under the heading ‘Lump sum in arrears – taxable component’ on your superannuation income stream payment summaries.

Write the total at **Y** item **7**.

Step 7: Untaxed element of lump sums in arrears

Add up all the **untaxed element** amounts that appear under the heading ‘Lump sum in arrears – taxable component’ on your superannuation income stream payment summaries.

Write the total at **Z** item **7**.

LUMP SUMS IN ARREARS TAX OFFSET

You may be entitled to a tax offset if you received a superannuation income stream lump sum in arrears. However, you need to provide additional information.

- On a separate piece of paper:
  - print SCHEDULE OF ADDITIONAL INFORMATION – ITEM 7
  - print your name, address and tax file number
  - write the amount of the payment in arrears for each income year involved. For example, if you received $900 in 2008–09 as a lump sum in arrears, $600 of that lump sum could be due to you for 2006–07 and $300 for 2007–08. You would write **2006–07 $600** and **2007–08 $300**. If you do not have that information, contact the payer of your superannuation income stream.
- Sign your schedule and attach it to page 3 of your tax return.
- Print **X** in the **YES** box at *Taxpayer’s declaration* question **2a** on page 8 of your tax return.

TAX TIPS

You may be entitled to the:
- senior Australians tax offset – read question **T2** on pages 63–5 for more information
- superannuation income stream tax offset – read question **T4** on page 67 for more information.

Australian superannuation lump sum payments

This question is about Australian superannuation lump sum payments or superannuation death benefit payments you received, including those paid by:

- superannuation funds
- approved deposit funds
- retirement savings account providers
- life insurance companies.

It is also about any:

- amounts paid to you by the Tax Office in respect of the superannuation guarantee charge or the superannuation holding accounts special account
- payments you received from the unclaimed money registers.

Do not show on your tax return any:

- tax-free component (including any super co-contribution payment from the Tax Office to you)
- lump sum payments you received as a **death benefits dependant** (see the definition on page 110)
- taxed element of superannuation lump sum payment you received on or after your 60th birthday unless it is a death benefit superannuation lump sum payment paid to you as a non-dependant
- superannuation lump sum payment received as the trustee of a deceased estate (this payment must be shown on the trust tax return of the deceased estate)
- amounts released under a 'release authority' issued to you because of an excess contributions tax assessment
- amounts paid to you because you have a **terminal medical condition** (see the definition on page 111) as these amounts are tax free.

You need to complete this item if you received a *PAYG payment summary – superannuation lump sum* that shows a taxed or untaxed element.

Show lump sums you received from foreign superannuation funds at item **20** on your tax return (supplementary section).

Did you receive any of these payments?

NO ☐ Go to question **9**.

YES ☐ Read below.

ANSWERING THIS QUESTION

You will need your *PAYG payment summary – superannuation lump sum.*

If you have not received it, have lost it or think the details (such as the dependency status) on it are wrong, contact your payer. If you still cannot obtain it or cannot agree on the details, see page 102 about making a statutory declaration.

COMPLETING YOUR TAX RETURN

If you received more than one superannuation lump sum during the year, go to step 5. Otherwise, read on.

Step 1

Write in the left column at item **8** the date of payment and your payer's Australian business number (ABN), as shown on your *PAYG payment summary – superannuation lump sum*.

Step 2

Write the total amount of tax withheld, as shown on your payment summary, under **Tax withheld** at item **8**.

Step 3

Did you receive a death benefit lump sum payment when you were not a death benefits dependant of the deceased?

NO ☐ Go to step 4.

YES ☐ Print **N** in the **TYPE** box at item **8** on your tax return. Read below.

Step 4

The taxed element and untaxed element of your superannuation lump sum are on your payment summary.

Write the taxed element amount at **Q** item **8**.

Write the untaxed element amount at **P** item **8**.

You have now finished this question. Go to question **9**.

Step 5
If you received two or more superannuation lump sums, you need to complete a *Superannuation lump sum schedule* (NAT 71743) using the information shown on your payment summaries. You can obtain a copy of the schedule from our website or by phoning the Individual Infoline (see the inside back cover).

Step 6
When you have completed the schedule, add up the total tax withheld, taxed elements and untaxed elements from each superannuation lump sum you received, and transfer these amounts to item **8** on your tax return.

Write the total tax withheld in the **Tax withheld** column.

Write the total taxed elements at **Q** and the total untaxed elements at **P**. Print the code letter **M** in the **TYPE** box.

Do not write any date of payment or payer's ABN on your tax return.

Step 7
Attach your schedule to page 3 of your tax return and print **X** in the **YES** box at *Taxpayer's declaration* question **2a** on page 8 of your tax return.

MORE INFORMATION

For more information about Australian superannuation lump sums, go to our website at **www.ato.gov.au** and enter 'How your super payout is taxed' or 'Understanding a death benefit paid from a super fund' in the 'Search for' box at the top of the page.

Attributed personal services income

Income 9

You must complete this item if you provided personal services and you:

- received a *PAYG payment summary – personal services attributed income* (NAT 3446), or
- had personal services income attributed to you.

If you provided personal services and payment was made to you as a sole trader, do not complete this item. You must answer question **14** in *TaxPack 2009 supplement* and complete item **P1** in the *Business and professional items schedule for individuals 2009* (NAT 2816).

Personal services income is income that is mainly a reward for your personal efforts or skills and is generally paid either to you or to a personal services entity (a company, partnership or trust).

If your personal services income is paid to a personal services entity, the income (less certain deductions relating to gaining or producing that income) is attributed to you unless:

- the personal services entity gained the income in the course of conducting a personal services business, or
- the income was promptly paid to you by the entity as salary.

Did you receive any attributed personal services income?

NO ☐ Go to question **10**.

YES ☐ Read below.

ANSWERING THIS QUESTION

You will need:

- your *PAYG payment summary – personal services attributed income* showing the amount of personal services income attributed to you and the total amount of tax paid or withheld
- details of any other personal services income attributed to you.

If you do not have all of your documents, contact the person who paid you.

COMPLETING YOUR TAX RETURN

Step 1

Write the total amount of tax withheld from the personal services income attributed to you under **Tax withheld** at the left of **O** item **9**.

Step 2

Write the total amount of personal services income attributed to you at **O** item **9**.

TAX TIPS

If the personal services entity has a net loss relating to your personal services income, no amount is attributed to you. However, you should read question **D15** in *TaxPack 2009 supplement* to claim a deduction for the loss.

MORE INFORMATION

You can find an explanation of the rules relating to the attribution of personal services income in *Taxation Ruling TR 2003/6: Income tax – attribution of personal services income*.

Total tax withheld

COMPLETING YOUR TAX RETURN

Step 1
Add up all the amounts in the **Tax withheld** column at items **1** to **9** on page 2 of your tax return.

Step 2
Write the total amount at **TOTAL TAX WITHHELD**.

HELPFUL HINTS

Tax offsets and tax withheld
If your tax offsets have changed since you last filled in a *Withholding declaration* (NAT 3093), you need to complete a new declaration.

Other amounts withheld
If you have to lodge activity statements:
- make sure you lodge all your activity statements before you lodge your tax return
- do not show pay as you go (PAYG) instalments anywhere on your tax return. These are automatically credited to you in your assessment.

10 Income

Total reportable fringe benefits amounts

This question is about reportable fringe benefits amounts that you received.

Do not show an amount at this item that is less than $3,738.

Did you receive any reportable fringe benefits amounts?

NO ☐ Go to question **11**.

YES ☐ Read below.

ANSWERING THIS QUESTION

You will need every *PAYG payment summary – individual non-business* you received that shows reportable fringe benefits.

COMPLETING YOUR TAX RETURN

Step 1
Add up the reportable fringe benefits amounts shown on your payment summaries.

If the amount shown on your payment summary is less than $3,738, you do not include it; but check with your employer that the amount is correct.

Step 2
Write the total at **W** item **10**. If your total is less than $3,738, leave **W** blank. Go to question **11**.

MORE INFORMATION

The total amount of reportable fringe benefits you show on your tax return is not included in your total income or loss. However, it will be used in determining your entitlement to or liability for:
- Medicare levy surcharge
- deductions for superannuation contributions
- super co-contributions
- mature age worker tax offset
- compulsory Higher Education Loan Programme repayments
- compulsory Student Financial Supplement Scheme repayments
- child support obligations
- certain government benefits.

For more information, read *Reportable fringe benefits – facts for employees* (NAT 2836).

This question is about interest paid or credited to you from any source in Australia, including accounts and term deposits held with financial institutions in Australia. This includes:

- interest the Tax Office paid or credited to you
- interest from children's accounts you opened or operated with funds that belonged to you or funds that you used as if they belonged to you. For more information about children's accounts, see *Taxation Ruling IT 2486 – Income tax: children's savings accounts* on our website.

Refer to *TaxPack 2009 supplement* if you have any of the types of interest listed below:

- distributions of interest you received, or were entitled to receive, from a partnership or trust (including a cash management trust, property trust, unit trust or other similar trust investment product) – see question **13**
- interest from a foreign source – see question **19**
- interest from the land transport facilities tax offset scheme or infrastructure borrowings scheme – see question **24**.

Was any interest paid or credited to you from any source in Australia?

NO ☐ Go to question **12**.

YES ☐ Read below.

ANSWERING THIS QUESTION

You will need:

- your statements, passbooks and other documentation from your financial institutions and other sources that show 2008–09 interest income
- any Tax Office notice of assessment or amended assessment you received during 2008–09 that shows interest on early payments or interest on overpayments.

Tax file number (TFN) amounts are amounts of tax withheld by financial institutions because you did not provide your TFN or Australian business number (ABN) to them. TFN amounts are shown on your statement or document as 'Commonwealth tax' or 'TFN withholding tax'. These amounts must be included as gross interest on your tax return.

Do not include any interest credited to a first home saver account, or included as part of a payment to you from such an account, at this item or anywhere else on your tax return.

If you were a non-resident when you received or were credited with the interest, see page 104 for information about non-resident withholding tax on these amounts.

If you had any joint accounts, show only your share of the interest. This will be half if you held the account equally with one other person. Keep a record of how you worked out your proportion if you and the other account holders did not share the amounts of interest equally.

COMPLETING YOUR TAX RETURN

Step 1
Add up the amounts of gross interest you received in 2008–09.

Step 2
Write the total amount of your gross interest at **L** item **11**. Do not show cents. If the total was less than $1, do not write anything.

Step 3
Add up all your TFN amounts but do not include any which have already been refunded to you, as shown on your statements. Write the total at **M** item **11**. Show cents.

12 Income

Dividends

This question is about dividends and distributions that were paid or credited to you by Australian companies that you had shares in. This includes:

- dividends applied under a dividend reinvestment plan
- dividends that were dealt with on your behalf
- bonus shares that qualify as dividends.

Your dividend statements will show the amounts and should show the payment dates.

Dividends include:

- distributions by a corporate limited partnership
- dividends paid by a corporate unit trust
- dividends paid by a public trading trust
- dividends paid by a listed investment company.

The following may also be included as dividends:

- earnings you received, or were credited with, on a non-share equity interest
- amounts you received from, or were credited by, a private company as a shareholder or an associate of a shareholder in the form of payments, loans or debts forgiven (these are generally unfranked dividends)
- amounts you received from, or were credited by, the trustee of a trust estate in the form of payments, loans or debts forgiven where a private company in which you were a shareholder, or an associate of a shareholder, had an unpaid present entitlement (or was going to have such an entitlement by a certain time) from the trust (these are generally unfranked dividends).

Do not include dividends paid under a demerger unless the company advised you to include them.

If you received, or were credited with, a dividend when you were not an Australian resident, see page 104.

Were you paid or credited with any dividends by Australian companies?

NO ☐ Go to **Income that you show on the supplementary section of the tax return** on page 22.

YES ☐ Read below.

ANSWERING THIS QUESTION

You will need your statements from each Australian company, corporate limited partnership, corporate unit trust, public trading trust and listed investment company that paid you dividends or made distributions to you between 1 July 2008 and 30 June 2009.

Statements may show:

- amounts of franked and unfranked dividends
- amounts of franking credits
- tax file number (TFN) amounts withheld from unfranked dividends.

Franking credits are amounts of tax paid by the company that are allocated to your dividend or distribution. You include them at this item and receive a credit on your tax assessment.

If within 45 days of buying the shares (90 days for certain preference shares), you either sold them or entered into an arrangement to reduce the risk of making a loss on them, you may not be entitled to claim the credit. Additionally, if you were under an obligation to make, or were likely to make, a related payment, you may not be entitled to claim the credit. See **holding period rule and related payments rule** on pages 105–6 for more information.

TFN amounts are amounts of tax withheld from dividends and some distributions by investment bodies because you did not provide your TFN or ABN to them. TFN amounts are shown on your dividend statement. These amounts must be included in the amount of unfranked dividends you write on your tax return.

If you had any shares in joint names, show only your proportion of the dividends. This would be half if you held the shares equally with one other person. Keep a record of how you worked out your proportion if you and the other joint owners did not own the shares equally.

COMPLETING YOUR TAX RETURN

If any of your statements do not show franked and unfranked portions of the dividend, include the total dividend amount at **T** item **12** when you complete step 2.

Step 1

Add up all the unfranked dividend amounts from your statements, including any TFN amounts withheld. Also include any other amounts that are treated as dividends.

Write the total amount at **S** item **12**.

Step 2

Add up all the franked dividend amounts from your statements, and any other franked dividends paid or credited to you.

Write the total amount at **T** item **12**.

Step 3

Add up the franking credit amounts that you are entitled to claim shown on your statements. Do not include them if the **holding period rule** or **related payments rule** prevents you from claiming them. See pages 105–6 for more information.

Write the total amount at **U** item **12**.

Step 4

Add up any TFN amounts withheld that have not been refunded to you.

Write the total amount at **V** item **12**. Show cents.

Keep your dividend statements. For more information on record keeping, refer to pages 102–3.

TAX TIPS

Refer to *TaxPack 2009 supplement* if any of the following apply to you:

- you received a distribution from a partnership or trust – see question **13**
- you carried on a business of trading in shares – see question **15**
- you sold, redeemed, cancelled or otherwise disposed of shares during the year (but did not carry on a business of trading in shares) – see question **18**
- you received dividends from a foreign company – see question **20**
- a New Zealand company paid you a dividend with Australian franking credits attached – see question **20**
- you received dividends or a distribution on which family trust distribution tax had been paid – see question **A3**.

MORE INFORMATION

For more information about shares, dividends and amounts treated as dividends, see *You and your shares 2009* (NAT 2632).

For information about capital gains tax, see *Guide to capital gains tax 2009* (NAT 4151).

I Income

Income that you show on the supplementary section of the tax return

You need to use *TaxPack 2009 supplement* if you had any of the following types of income or losses.

TYPES OF INCOME

- Partnership and trust distributions
- Personal services income (other than salary and wage income)*
- Income from a business (including one where you were self-employed)
- Income under a pay as you go (PAYG) voluntary agreement
- Income from which an amount was withheld because you did not quote your Australian business number
- Income received as an independent contractor under a labour hire arrangement
- Income you earned as a non-employee taxi driver – for example, a driver operating under a standard bailment agreement with an owner-operator
- Income from which an amount was withheld due to the operation of foreign resident withholding
- Income you deposited into a farm management account
- Income you withdrew from a farm management account
- A capital gain – for example, on disposal of a capital gains tax (CGT) asset
- A distribution from a foreign entity
- Income attributed to you from a controlled foreign company, foreign investment fund, foreign life policy or a transferor trust (foreign income)
- Income received from a foreign source, including foreign pensions and foreign employment income, and foreign dividends – for example, New Zealand dividends with Australian franking credits**
- Rent
- Bonuses from life insurance companies and friendly societies
- Forestry managed investment scheme income
- Other income not shown at items **1** to **12**

* Personal services income includes the following payments specified by regulation ('specified payments'):
  - income as a performing artist in a promotional activity
  - payment for tutorial services provided for the Indigenous Tutorial Assistance Scheme of the Department of Education, Employment and Workplace Relations
  - payment for translation and interpretation services for the Translating and Interpreting Service of the Department of Immigration and Citizenship.

'Other income' includes:

- discounts on shares, stapled securities or rights to acquire them under an employee share scheme
- lump sum payments in arrears (except those relating to superannuation – you show these at item **7**)
- foreign exchange gains
- royalties
- bonus amounts distributed from friendly society income bonds
- taxable scholarships, bursaries, grants and other educational awards
- benefits and prizes from investment-related lotteries and some game-show winnings
- income from your activities as a special professional, such as author of a literary, dramatic, musical or artistic work; an inventor; a performing artist; a production associate or an active sportsperson
- reimbursements of tax-related expenses or election expenses which you have claimed as a deduction
- an assessable balancing adjustment from the disposal, loss or destruction of any depreciating asset, including your car, for which you have claimed a deduction for decline in value
- payments from sickness and accident insurance policies other than those shown on your payment summary
- interest from the land transport facilities tax offset scheme or infrastructure borrowings
- gains from the disposal or redemption of traditional securities
- allowances or payments you received as a member of a local government council that you have not already shown at item **1** or **2**
- other taxable allowances or payments you received from Centrelink that are not shown at item **5** or **6**.

** You must also complete the supplementary section of the tax return if:
  - you own foreign assets (including an interest in a foreign life policy or foreign company or trust, or shares)
  - you have ever directly or indirectly caused the transfer of property (including money) or services to a non-resident trust estate.

Types of losses

- A business loss (including one when you were self-employed)
- A deferred non-commercial business loss
- A capital loss – for example, on disposal of a CGT asset
- Non-capital loss from the disposal or redemption of traditional securities

Did you have any of these types of income or losses?

NO Go to **Total income or loss**.

YES Read below.

ANSWERING THIS QUESTION

You can find the *Tax return for individuals (supplementary section) 2009* at the back of *TaxPack 2009 supplement*. If you don't have a copy of this supplement, you can get one from most newsagents during the lodgment period (1 July to 31 October 2009). Copies are also available all year from our Publications Distribution Service (see the inside back cover) and shopfronts.

If you had a business or personal services income, or deferred non-commercial losses, you will need to read the publication *Business and professional items 2009* (NAT 2543) then complete the *Business and professional items schedule for individuals 2009* (NAT 2816) and attach it to page 3 of your tax return.

COMPLETING YOUR TAX RETURN

After completing all details that are relevant to your circumstances on the *Tax return for individuals (supplementary section) 2009*, transfer the **TOTAL SUPPLEMENT INCOME OR LOSS** amount on page 11 to item **I** on page 2 of your *Tax return for individuals 2009*. If it is a loss, print **L** in the **LOSS** box beside it.

HELPFUL HINTS

If you were 55 years old or older on 30 June 2009, you may be entitled to the mature age worker tax offset. Certain income from the supplementary section will be used to calculate your net income from working. See question **T13 Net income from working – supplementary section** in *TaxPack 2009 supplement* for further information.

Total income or loss

Income

COMPLETING YOUR TAX RETURN

Go to **TOTAL INCOME OR LOSS** on page 2 of your tax return.

Step 1

Check that you have shown all your income.

Step 2

Add up all the amounts in the right-hand column of items **1** to **12** on page 2 of your tax return.

Step 3

If below item **12** you have no amount at **I** go to step 4, otherwise read on. If the amount at **I** is a loss you take it away from your total from step 2, otherwise add the amount at **I** to your total from step 2.

Step 4

Write your answer at **TOTAL INCOME OR LOSS**.

If your answer is a loss, print **L** in the **LOSS** box at the right of **TOTAL INCOME OR LOSS**.

Claiming deductions

You may be able to claim deductions for **work-related expenses** you incur while performing your job as an employee. You **incur** an expense in an income year when:

- you receive a bill or invoice for an expense that you are liable for and must pay (even if you don't pay it until after the end of the income year), or
- you do not receive a bill or invoice but you are charged and you pay for the expense.

These expenses include:

- car expenses, including fuel costs and maintenance
- travel costs
- clothing expenses
- education expenses
- union fees
- home computer and phone expenses
- tools and equipment expenses
- journals and trade magazines.

You may also be able to claim some deductions which are **not work related**. They are:

- interest and dividend deductions for investments
- deductions for gifts and donations
- a deduction for the cost of managing your tax affairs.

For more information and examples explaining the meaning of 'incurred', refer to *Taxation Ruling TR 97/7 – Income tax: section 8-1 – meaning of 'incurred' – timing of deductions*. This publication is available on our website. See the inside back cover to find out how to obtain a printed copy.

GOODS AND SERVICES TAX

If your expense includes an amount of goods and services tax (GST), the GST is part of the total expense and is therefore part of any deduction. For example, if you incurred union fees of $440 which included $40 GST, you claim a deduction for $440.

BASIC RULES

You must have incurred the expense in 2008–09.

The expense must not be private, domestic or capital in nature. For example, the costs of normal travel to and from work, and buying lunch each day are private expenses. If you incurred an expense that was both work related and private or domestic in nature, you can claim a deduction only for the work-related portion of the expense.

If you incurred an expense that was capital in nature you may be able to claim a deduction for the decline in value of the depreciating assets you acquired. See **Decline in value of a depreciating asset** on the next page.

If you incurred an expense for services paid in advance, read **Advance expenditure** on the next page to decide what part of the expense is deductible in 2008–09.

You cannot claim a deduction for an expense to the extent that:

- someone else paid the expense, or you were, or will be, reimbursed for the expense, and
- the payment or reimbursement is a fringe benefit (including an exempt benefit).

RECORD KEEPING FOR WORK-RELATED EXPENSES

You must be able to substantiate your claims for deductions with written evidence if the total amount of deductions you are claiming is greater than $300. The records you keep must prove the total amount, not just the amount over $300.

If the total amount you are claiming is $300 or less, you need to be able to show how you worked out your claims, but you do not need written evidence.

For more information on written evidence, see **Record keeping and written evidence** on pages 102–3.

ADVANCE EXPENDITURE

If you have prepaid an amount for a service costing $1,000 or more, and the service extends for a period of more than 12 months or beyond 30 June 2010 (such as a subscription to a journal relating to your profession), you can claim only the portion that relates to the 2008–09 income year. You can also claim the proportion of your pre-paid expenses from a previous year that relate to the 2008–09 income year. For more information, see *Deductions for prepaid expenses 2009* (NAT 4170).

ALLOWANCES

If you received an allowance that you showed at item **2** on your tax return, you may be able to claim a deduction for your expenses covered by the allowance but only to the extent that you actually incurred those expenses in producing your employment income and the basic rules discussed on the previous page are satisfied. For example, if you received a tools allowance of $500 and your tool expenses were $300, you include the whole amount of the allowance at item **2** on your tax return and claim a deduction of $300 at item **D5**.

DECLINE IN VALUE OF A DEPRECIATING ASSET

You may be able to claim a deduction for the decline in value of a depreciating asset which you held during the 2008–09 year to the extent that you used it to produce income that you show on your tax return.

A depreciating asset is an asset that has a limited effective life and can reasonably be expected to decline in value over the time it is used. Depreciating assets include items such as tools, reference books, computers and office furniture.

The decline in value of a depreciating asset is worked out on the basis of its effective life. You may either make your own estimates of its effective life or use the Commissioner's effective life determinations (see *Taxation Ruling TR 2008/4 – Income tax: effective life of depreciating assets* for assistance with both).

You may be able to claim an immediate deduction for the full cost of depreciating assets costing $300 or less provided certain conditions are met. For more information, see the *Guide to depreciating assets 2009*. This publication is available on our website. See the inside back cover to find out how to obtain a printed copy.

Car and travel expenses

'Work-related car expenses' and 'work-related travel expenses' are expenses you incur in the course of performing your job as an employee. You claim deductions for them at items **D1** and **D2**.

The deductions include the cost of trips between your home and your workplace if:
- you used your car because you had to carry bulky tools or equipment that you used for work and could not leave at your workplace (for example, an extension ladder or cello)
- your home was a base of employment – you started your work at home and travelled to a workplace to continue your work for the same employer
- you had shifting places of employment – you regularly worked at more than one site each day before returning home.

Work-related car and travel expenses also include the cost of trips:
- between two separate places of employment (for example, when you have a second job)
- from your normal workplace to an alternative workplace while you are still on duty and back to your normal workplace or directly home
- from your home to an alternative workplace and then to your normal workplace or directly home (for example, if you travel to a client's premises to work there for the day).

If the travel was partly private, you can claim only the work-related part.

You cannot claim normal trips between your home and your workplace, even if:
- you did minor work-related tasks at home or between home and your workplace
- you travelled between your home and workplace more than once a day
- you were on call
- there was no public transport near work
- you worked outside normal business hours
- your home was a place where you ran your own business and you travelled directly to a place of employment where you worked for somebody else.

Complete item **D1** for work-related expenses for a car you owned, leased or hired under a hire purchase agreement (and the expense is not a travel expense which you show at item **D2**).

Complete item **D2** for the following work-related car and travel expenses:
- expenses for vehicles with a carrying capacity of one tonne or more, or nine or more passengers (for example, utility trucks and panel vans)
- expenses for motorcycles
- short-term car hire
- public transport fares
- bridge and road tolls
- parking fees
- taxi fares
- petrol, oil and repair costs relating to work-related travel you did in a car owned or leased by someone else
- meal, accommodation and incidental expenses you incurred while away overnight for work.

AWARD TRANSPORT PAYMENTS

If you received an award transport payment that was paid under an industrial law or award in force on 29 October 1986, go to our website at **www.ato.gov.au** and enter 'Claiming a deduction for car expenses – award transport payments' in the 'Search for' box at the top of the page for information on how to claim it.

Work-related car expenses

Deductions **D1**

For information about what expenses you claim as car expenses (item **D1**) and what expenses you claim as travel expenses (item **D2**), and some examples of trips you can and cannot claim, see **Car and travel expenses** on the previous page.

This question is about work-related expenses you incurred as an employee for a car you:
- owned (even if it is not registered in your name)
- leased (even if it is not registered in your name), or
- hired under a hire purchase agreement.

Did you have any of these work-related car expenses?

NO ☐ Go to question **D2**.

YES ☐ Read below.

ANSWERING THIS QUESTION

You may need:
- written evidence for your car expenses – receipts, invoices or diary entries
- your car logbook and odometer records.

You can choose one of four methods to work out your car expenses. If you qualify to use more than one method, you can use whichever gives you the largest deduction or is most convenient. These methods are:
- cents per kilometre
- 12% of original value
- one-third of actual expenses
- logbook.

They are summarised on the following pages.

You must have the necessary evidence for the method you choose.

Each method requires you to know or estimate your business kilometres. Business kilometres are the kilometres you travelled in the car in the course of earning assessable income (includes work-related activities). For some examples of trips you can and cannot claim, see **Car and travel expenses** on the previous page.

We also have online calculators to assist you. Go to **www.ato.gov.au/calculators** and select the work-related expenses option.

Deductions for decline in value (depreciation)

You can claim a deduction for the decline in value of the car only if you owned it or hired it under a hire purchase agreement and use either the 'one-third of actual expenses' or the 'logbook' method.

If you leased a luxury car, see **Special circumstances and glossary** on page 106 for more information.

Remember:
- The car starts to decline in value from the day you first use it – even if you don't begin using it for work until a later time.
- You can claim a deduction only for a year in which you used the car for work.
- If you used the 'logbook' method and owned your car for only part of the year, you will need to apportion your deduction accordingly.

If you are claiming a deduction for the decline in value of a car, you should refer to the publication *Guide to depreciating assets 2009* (NAT 1996). To find out how to get a copy, see the inside back cover.

Was your car sold, disposed of, stolen or destroyed?

If you have been claiming deductions for your car and, during the income year, you sold or disposed of it, or it was stolen or destroyed, you may need to make a balancing adjustment. You do not need to make a balancing adjustment if you used only the 'cents per kilometre' or '12% of original value' method for calculating expenses for your car.

The publication *Guide to depreciating assets 2009* explains how to work out the amount of the balancing adjustment.

If you had a loss after making the adjustment, include your deduction for it at item **D5**. If you had a profit after making your adjustment, include it at item **24** on your tax return (supplementary section).

You also make a balancing adjustment if you:

- switched between the 'one-third of actual expenses' method and the 'logbook' method, or
- switched between the 'one-third of actual expenses' or 'logbook' method **and** the 'cents per kilometre' or '12% of original value' method.

To work out the amount of the balancing adjustment in these situations, contact the Tax Office or your recognised tax adviser.

COMPLETING YOUR TAX RETURN

If you have more than one car and you are claiming expenses under different methods, add the amounts you work out under each method and write the total at item **D1** on your tax return. Print the code letter for the method that gave you the largest amount in the **CLAIM TYPE** box beside the amount.

Method 1: Cents per kilometre

- Your claim is based on a set rate for each business kilometre.
- You can claim a maximum of 5,000 business kilometres per car per year.
- You do not need written evidence, but you need to be able to show how you worked out your business kilometres. See **Record keeping and written evidence** on pages 102–3 for more information.

Step 1
Multiply the total business kilometres travelled (maximum of 5,000 km per car) by the number of cents allowed for your car's engine capacity (see below).

RATES PER BUSINESS KILOMETRE

Engine capacity		Cents per kilometre
Ordinary engine	Rotary engine	
1.6 litre (1,600cc) or less	0.8 litre (800cc) or less	63 cents
1.601–2.6 litre (1,601–2,600cc)	0.801–1.3 litre (801–1,300cc)	74 cents
2.601 litre (2,601cc) and over	1.301 litre (1,301cc) and over	75 cents

Step 2
Divide your answer by 100 to work out the dollar amount you can claim.

Step 3
If you are claiming for more than one car using this method, repeat the steps above and add up all the amounts.

Step 4
Write the total at **A** item **D1**. Print the code letter **S** in the **CLAIM TYPE** box beside the amount.

Example

Joanne had a 2-litre ordinary engine car which she used to travel 300 km in performing her job during 2008–09. She claims a deduction of $222.

$$\frac{300 \text{ km} \times 74 \text{ cents}}{100} = \$222$$

Method 2: 12% of original value

- For you to use this method, your car must have travelled more than 5,000 business kilometres in the income year (or, if you used the car for only part of the year it would have travelled more than 5,000 business kilometres had you used it for the whole year – see step 1 below).
- Your claim is based on 12% of the original cost of your car, or 12% of its market value at the time you first leased it.
- The maximum deduction you can claim is 12% of the luxury car limit for the year you first used or leased the car. See page 106 for luxury car limits for the last 10 years.
- You do not need written evidence, but you need to keep a record of how you worked out your kilometres.

Step 1
If you owned or leased your car for the whole year, go to step 2.

If you owned or leased the car for part of the year, you will need to work out whether you can use this method. Firstly, work out the number of business kilometres travelled and multiply that number by 365. Then divide this amount by the number of days you had the car during the year. If your answer is more than 5,000 km you can use this method.

Step 2
Multiply the cost of the car or luxury car limit, whichever is less, by 0.12.

Step 3
Go to step 5 if you owned or leased the car for the whole year.

Step 4
If you had the car for part of the year, multiply the amount you worked out at step 3 by the number of days you had the car. Then divide by 365.

Step 5
Write the total at **A** item **D1**. Print the code letter **T** in the **CLAIM TYPE** box beside the amount.

Method 3: One-third of actual expenses

- Your car must have travelled more than 5,000 business kilometres in the income year (or, if you used the car for only part of the year it would have travelled more than 5,000 business kilometres had you used it for the whole year – see step 1 below).
- You claim one-third of all your car expenses, including private costs (but excluding capital costs, such as the purchase price, the principal on any money borrowed to buy your car and the cost of any improvements).
- For fuel and oil costs, you can keep receipts to work out the amounts or you can estimate them based on odometer records that show readings from the start and the end of the period you had the car during the year.
- You need written evidence for all the other expenses for the car as well as records that show the car's engine capacity, make, model and registration number.

You may need to show how you worked out your business kilometres and any estimates you made.

Step 1
If you owned or leased your car for the whole year, go to step 2.

If you owned or leased the car for part of the year, you will need to work out whether you can use this method. Firstly, work out the number of kilometres travelled and multiply that number by 365. Then divide this amount by the number of days you had the car during the year. If your answer is more than 5,000 km you can use this method.

Step 2
Add up your total expenses for fuel and oil, registration, insurance, loan interest, repairs and maintenance, the decline in value or lease payments and any other costs of running your car. See page 27 to work out the amount to show here for decline in value.

Step 3
Divide the total expenses by 3.

Step 4
Write the amount at **A** item **D1**. Print the code letter **O** in the **CLAIM TYPE** box beside the amount.

Method 4: Logbook

- Your claim is based on the business use percentage of the expenses for the car.
- Expenses include running costs and decline in value but not capital costs, such as the purchase price of your car, the principal on any money borrowed to buy it and any improvement costs. If you need to work out the decline in value of your car, see page 27.
- To work out your business use percentage, you need a logbook and the odometer readings for the logbook period (see below).
- You can claim fuel and oil costs based on either your actual receipts or you can estimate the expenses based on odometer records that show readings from the start and the end of the period you had the car during the year.
- You need written evidence for all other expenses for the car.

Your business use percentage is the percentage of kilometres you travelled in the car for work during the year divided by the total kilometres travelled by the car during the year.

If the pattern of your car use changed during the year, make a reasonable estimate of your business use percentage for the whole of 2008–09, taking into account your logbook, odometer and other records, any variations in the pattern of use of your car and any changes in the number of cars you used in the course of earning your income.

Logbook period

Your logbook is valid for five years. If this is the first year you are using this method, you must have kept a logbook during 2008–09. It must cover at least 12 continuous weeks. If you started using your car for work-related purposes less than 12 weeks before the end of the year, you can extend the 12-week period into 2009–10. (If you are using the logbook method for two or more cars, the logbook for each car must cover the same period.)

If you established your business use percentage using a logbook from an earlier year, you need to keep that logbook and maintain odometer records. You also need to keep a logbook if we told you in writing to keep one.

Your logbook must show:

- when the logbook period starts and ends, and the odometer readings at these times
- the total number of kilometres the car travelled during the logbook period
- the number of kilometres travelled for work during the logbook period based on the journeys recorded for the period
- the business use percentage for the period.

Entries in the logbook for each business trip must be made at the end of the journey (or as soon as possible afterwards) and show the:

- date the journey began and ended
- odometer readings at the start and end of the journey
- kilometres travelled on the journey
- reason for the journey.

Your records must also show the make, model, engine capacity and registration number of the car.

Step 1
Work out the total kilometres travelled during the logbook period and how many of these were business kilometres. Divide the business kilometres by the total kilometres travelled. This is your business use percentage.

Step 2
Add up your total expenses. (See page 27 to work out the amount to include for decline in value.)

Step 3
Multiply the amount at step 2 by your business use percentage from step 1 (or if the pattern of use of the car has changed then use the reasonable estimate you made).

Step 4
Write the amount at **A** item **D1**. Print the code letter **B** in the **CLAIM TYPE** box beside the amount.

MORE INFORMATION

For more information, see:

- *Taxation Ruling TR 95/34 – Income tax: employees carrying out itinerant work – deductions, allowances and reimbursements for transport expenses*
- *Deduction for transport between workplaces* on our website
- *Guide to depreciating assets 2009* (NAT 1996) for decline in value of a car
- *Law Administration Practice Statement PS LA 1999/2 – Calculating car expense deductions where the car is jointly owned, jointly leased or jointly hired under a hire purchase agreement (but is not owned, leased or hired by a partnership)*.

Work-related travel expenses

Deductions **D2**

For information about what expenses you claim as car expenses (item **D1**) and what expenses you claim as travel expenses (item **D2**), and some examples of trips you can and cannot claim, see **Car and travel expenses** on page 26.

This question is about travel expenses you incur that are directly related to your work as an employee. They include:

- public transport – including air travel and taxi fares
- bridge and road tolls, parking fees and short-term car hire
- meal, accommodation and incidental expenses you incur while away overnight for work
- expenses for motor cycles and vehicles with a carrying capacity of one tonne or more, or nine or more passengers – such as utility trucks and panel vans
- actual expenses – such as any petrol, oil and repair costs – you incur to travel in a car that is owned or leased by someone else.

If your employer provided a car for you or your relatives' exclusive use and you or your relatives were entitled to use it for non-work purposes, you cannot claim a deduction for work-related expenses for its direct operation, such as petrol, oil and repairs. This is the case even if the expenses relate directly to your work. However, you can claim expenses such as parking and bridge and road tolls for work-related use of the car.

Reasonable allowance amounts

If your travel allowance was not shown on your payment summary and was equal to or less than the reasonable allowance amount for your circumstances, you do not have to include the allowance at item **2** provided that you have fully spent it on deductible work-related travel expenses and you do not claim a deduction for these expenses.

Did you have any work-related travel expenses?

NO ☐ Go to question **D3**.

YES ☐ Read below.

ANSWERING THIS QUESTION

You must have written evidence for the whole of your claim.

If you wish to claim meal, accommodation and incidental expenses you incurred while away overnight for work, use the table on page 106 to determine what evidence you need. For more information, see **What is written evidence** on page 102.

COMPLETING YOUR TAX RETURN

Step 1
Add up all your deductible travel expenses.

Step 2
Write the total amount at **B** item **D2**.

TAX TIPS

Make sure you keep accurate records of travel to make future claims.

MORE INFORMATION

For information on:

- shifting places of employment, see *Taxation Ruling TR 95/34 – Income tax: employees carrying out itinerant work – deductions, allowances and reimbursements for transport expenses* on our website, or see the inside back cover to find out how to obtain a printed copy
- reasonable allowance amounts, see *Taxation Determination TD 2008/18 – Income tax: what are the reasonable travel and overtime meal allowance expense amounts for 2008–09?*. Read this determination together with *Taxation Ruling TR 2004/6 – Income tax: substantiation exception for reasonable travel and overtime meal allowance expenses*.

D3 Deductions

Work-related clothing, laundry and dry-cleaning expenses

This question is about expenses you incur as an employee for work-related:
- protective clothing
- uniforms
- occupation-specific clothing, and
- laundering and dry-cleaning of clothing listed above.

You can claim the cost of a work uniform that is distinctive – such as one that has your employer's logo permanently attached to it – and it must be either:
- a **non-compulsory uniform** that your employer has registered with AusIndustry – check with your employer if you are not sure – or
- a **compulsory uniform** that can be a set of clothing or a single item that identifies you as an employee of an organisation. There must be a strictly enforced policy making it compulsory to wear that clothing at work. Items may include shoes, stockings, socks and jumpers where they are an essential part of a distinctive compulsory uniform and the colour, style and type are specified in your employer's policy.

You can also claim the cost of:
- **occupation-specific clothing** which allows people to easily recognise that occupation – such as the checked pants a chef wears when working – and which are not for everyday use
- **protective clothing and footwear** to protect you from the risk of illness or injury, or to prevent damage to your ordinary clothes, caused by your work or work environment. Items may include fire-resistant clothing, sun protection clothing, safety-coloured vests, non-slip nurse's shoes, steel-capped boots, gloves, overalls, aprons, and heavy duty shirts and trousers (but not jeans). You can claim the cost of protective equipment, such as hard hats and safety glasses at item **D5**.

You can claim the cost of renting, repairing and cleaning any of the above work-related clothing.

You cannot claim the cost of purchasing or cleaning plain uniforms or clothes, such as black trousers, white shirts, suits and stockings, even if your employer requires you to wear them.

Did you have any work-related clothing, laundry or dry-cleaning expenses?

NO ☐ Go to question **D4**.

YES ☐ Read below.

ANSWERING THIS QUESTION

You will need:
- receipts, invoices or other written evidence, and
- any diary records of your laundry costs, if you need written evidence – see pages 102–3 for more information on written evidence.

You must have written evidence for your laundry and dry-cleaning expenses if:
- in the case of laundry expenses, the amount of your claim is greater than $150, and
- your total claim for work-related expenses exceeds $300 – the $300 does not include car and meal allowance, award transport payments allowance and travel allowance expenses.

If you did washing, drying or ironing yourself, you can use a reasonable basis to calculate the amount, such as $1 per load for work-related clothing, or 50 cents per load if other laundry items were included. For more information about written evidence, see pages 102–3.

COMPLETING YOUR TAX RETURN

Step 1

Add up all your deductible work-related clothing, laundry and dry-cleaning expenses.

You can also use the work-related uniform expenses calculator at **www.ato.gov.au/calculators** to add up your claim and then go to step 2.

Step 2
Write the total at **C** item **D3**.

Step 3
Select the code letter that describes the main type of clothing you are claiming for:

N non-compulsory work uniform
C compulsory work uniform
S occupation-specific clothing
P protective clothing.

Print the letter in the **CLAIM TYPE** box at the right of **C** item **D3**.

MORE INFORMATION

For more information on work-related clothing, laundry and dry-cleaning expenses, see:

- *Taxation Ruling TR 98/5 – Income tax: calculating and claiming a deduction for laundry expenses*
- *Taxation Ruling TR 97/12 – Income tax and fringe benefits tax: work-related expenses: deductibility of expenses on clothing, uniform and footwear*
- *Taxation Ruling TR 2003/16 – Income tax: deductibility of protective items*
- *Taxation Ruling TR 94/22 – Income tax: implications of the Edwards case for the deductibility of expenditure on conventional clothing by employees*
- *Taxation Determination TD 1999/62 – Income tax: what are the criteria to be considered in deciding whether clothing items constitute a compulsory corporate uniform/wardrobe for the purposes of paragraph 30 of Taxation Ruling TR 97/12?.*

D4 Deductions

Work-related self-education expenses

This question is about self-education expenses that are related to your work as an employee, and that you incur when you undertake a course to get a formal qualification from a school, college, university or other place of education.

To claim a deduction, you must have met one of the following conditions when you incurred the expense:

- the course maintained or improved a skill or specific knowledge required for your then current work activities,
- you could show that the course was leading to, or was likely to lead to, increased income from your then current work activities, or
- other circumstances existed which established a direct connection between the course and your then current work activities.

You cannot claim a deduction for self-education for a course that:

- relates only in a general way to your current employment or profession, or
- will enable you to get new employment.

Example

Louis is a computer science student. His studies are focused on system analysis, software design and programming. Louis also works at the university laboratory installing computers. His course and job are only very generally related. The work only requires a low level of computer knowledge which Louis already had before starting his employment.

The high-level professional skills Louis acquires from the course are well beyond the skills required for his current employment. Consequently Louis cannot claim a deduction for his course because it:

- does not maintain or improve his specific knowledge or skills in his current job
- relates in only a general way to his current employment, and
- will enable him to get new employment.

If when you incurred your expenses you satisfied the conditions necessary to claim a deduction, you can claim the following:

- your tuition fees payable under FEE-HELP (FEE-HELP provides assistance to eligible fee-paying students who are not supported by the Commonwealth to pay tuition fees)
- your tuition fees payable under VET FEE-HELP [VET FEE-HELP provides assistance to eligible full-fee paying students undertaking vocational education and training (VET) accredited courses with an approved VET provider]
- self-education expenses you paid with your OS-HELP loan (OS-HELP is a loan to cover expenses for eligible Commonwealth supported students who wish to undertake study overseas towards their Australian higher education award)
- the cost of your meals during temporary overnight absences from home to participate in self-education
- your other expenses such as textbooks, stationery, student union and course fees, and the decline in value of your computer (apportioned depending on private use and use for self-education)
- expenses for your travel in either direction between
  – your home and your place of education
  – your workplace and place of education.

  Only the first leg of the trip is deductible if you went from home to your place of education and then to work, or the other way around.

You cannot claim contributions you, or the Australian Government, make under HECS-HELP or repayments you make under the Higher Education Loan Programme (HELP) or the Student Financial Supplement Scheme (SFSS).

Do not include at this item deductions for the cost of:

- formal education courses provided by professional associations
- seminars, education workshops or conferences connected to work.

Include them at item **D5 Other work-related expenses**.

Did you have any of these expenses?

NO ☐ Go to question **D5**.

YES ☐ Read below.

ANSWERING THIS QUESTION

To complete this item you will need written evidence. Read **What is written evidence** on page 102.

You can use the self-education expenses calculator at **www.ato.gov.au/calculators** to work out your claim, then go to step 4 under **Completing your tax return** on page 36. Otherwise, follow the instructions on the next page.

To work out the deduction you can claim at this item for car and travel expenses, you need to read question **D1 Work-related car expenses** on pages 27–30 and question **D2 Work-related travel expenses** on page 31.

COMPLETING YOUR TAX RETURN

To complete this item, you must add up your self-education expenses under the following categories because, in working out what you can claim, certain costs are reduced by $250.

WORKSHEET

Category		Your amount
A	General expenses that are deductible. These include textbooks, stationery, student union fees, course fees and public transport fares. Also include car expenses (other than the decline in value of a car) worked out under the 'logbook' or 'one-third of actual expenses' method. For more information, read question **D1 Work-related car expenses** on pages 27–30.	$
B	Deductions for the decline in value of depreciating assets used for self-education, including computers and cars for which you are claiming deductions under the 'logbook' or 'one-third of actual expenses' method	$
C	Expenses for repairs to items of equipment used for self-education	$
D	Car expenses related to your self-education for which you are claiming deductions under the 'cents per kilometre' or '12% of original value' method. (If you have included deductions for the decline in value of or repairs to your car under category B or C, you cannot claim car expenses under this category.)	$
E	Self-education expenses that are not deductible. These expenses are: ■ private costs, including non-deductible travel and childcare costs, and ■ capital costs, like the purchase price of a desk or computer. Do not include contributions you made under HECS-HELP or repayments under HELP or SFSS.	$

Use the amounts you have written in the worksheet above to complete the steps that follow.

Step 1

If you had any category A expenses, go to step 2. Otherwise, read on.

Add B, C and D. $ (f)

Transfer the amount at (f) to **D** item **D4**. Go to step 4.

Step 2

Add C, D and E. $ (g)

If the amount at (g) is less than $250, go to step 3. Otherwise, read on.

Add A, B, C and D. $ (h)

Transfer the amount at (h) to **D** item **D4**. Go to step 4.

Step 3

Take the amount at (g) away from $250.	$	(i)
Take the amount at (i) away from your category A amount. If the result is zero or less, write **0** at (j).	$	(j)
Add B, C and D.	$	(k)
Add (k) and (j).	$	(l)

Transfer the amount at (l) to **D** item **D4**.

Step 4

Select from the list below the code letter that best describes your self-education.

K At the time you incurred the expense the study maintained or improved a skill or specific knowledge required for those work activities.

I At the time you incurred the expense you could show that the study was leading to, or was likely to lead to, increased income from those work activities.

O At the time you incurred the expense, other circumstances existed which established a direct connection between your self-education and your work activities as an employee.

Step 5

Print your code letter (**K**, **I** or **O**) from step 4 in the **CLAIM TYPE** box at the right of **D** item **D4**.

MORE INFORMATION

For more information, see:

- *Guide to depreciating assets 2009* (NAT 1996) about deductions for decline in value, balancing adjustments and immediate deductions for certain depreciating assets
- *Taxation Ruling TR 98/9 – Income tax: deductibility of self-education expenses*.

TAX TIP

To make working out your deductions easier next year, start keeping your records now. For more information about record keeping, see pages 102–3.

Other work-related expenses

Deductions **D5**

This question is about any other work-related expenses you incurred as an employee and have not already claimed, including:

- union fees and subscriptions to trade, business or professional associations
- overtime meal expenses, provided that:
  - you received a genuine overtime meal allowance from your employer that was paid under an industrial law, award or agreement (see **More Information** on the next page),
  - you have included the amount of the meal allowance as income at item **2**, and
  - if your claim was more than $23.60 per meal, you have written evidence, such as receipts or diary entries, that shows the cost of the meals.

  An amount for overtime meals that has been included as part of your normal salary or wages – for example, under a workplace agreement – is not considered to be an overtime meal allowance
- professional seminars, courses, conferences and workshops
- reference books, technical journals and trade magazines
- tools and equipment and professional libraries – you may be able to claim an immediate deduction for an item that cost $300 or less. Otherwise, you claim a deduction for the decline in value of an item over its effective life. See *Guide to depreciating assets 2009* (NAT 1996) for more information
- items that protect you from the risk of injury or illness posed by your work or your work environment, such as hard hats, safety glasses and sunscreens (but not protective clothing and footwear, which you claim at item **D3**)
- computers – you can claim the work-related proportion of the following
  - the decline in value of a computer
  - any repair costs, and
  - the interest on money borrowed to buy the computer.

  You may need to make a balancing adjustment if you no longer own or use the computer and you previously claimed a deduction for its decline in value. See *Guide to depreciating assets 2009* for more information
- internet expenses – you can claim the work-related proportion of your Internet access charges
- phone expenses – work-related phone calls, and if you can show you were on call or were regularly required to phone your employer or clients while away from your workplace you can claim the work-related proportion of your phone rental
- home office expenses – you can claim the work-related part of the decline in value of your office furniture and fittings. You can also claim the work-related part of your heating, cooling, lighting and cleaning costs. (You cannot generally claim a deduction for occupancy expenses such as rent, rates, mortgage interest and insurance.) You can either keep a diary of the details of your actual costs and your work-related use of the office or use a fixed rate of 26 cents per hour for heating, cooling, lighting and the decline in value of furniture in your home office. You can use the home office expenses calculator at **ato.gov.au/calculators** to work out your claim.

You cannot claim any deduction for the decline in value of laptops, portable printers, personal digital assistants, calculators, mobile phones, computer software, protective clothing, briefcases and tools of trade primarily for use in your employment if the item was provided to you by your employer, or some or all of the cost of the item was paid or reimbursed by your employer, and the benefit was exempt from fringe benefits tax.

Did you have any other work-related expenses?

NO ☐ Go to question **D6**.

YES ☐ Read below.

ANSWERING THIS QUESTION

You will need some of the following:

- your *PAYG payment summary – individual non-business*
- statements from your bank, building society or credit union
- receipts, invoices or written evidence from your supplier or association
- other written evidence (see pages 102–3).

If your total claim for all work-related expenses exceeds $300, you must have written evidence. See **What is written evidence** on page 102.

COMPLETING YOUR TAX RETURN

Step 1

Add up all the expenses that you can claim at this item.

To work out the amount you can claim for depreciating assets, see *Guide to depreciating assets 2009*.

Step 2

Write the total amount at **E** item **D5**.

MORE INFORMATION

For more information, see:

- *Guide to depreciating assets 2009* (NAT 1996) for information on decline in value and balancing adjustments
- *Taxation Ruling TR 93/30 – Income tax: deductions for home office expenses*
- *Taxation Ruling TR 2004/6 – Income tax: substantiation exception for reasonable travel and overtime meal allowance expenses*
- *Law Administration Practice Statement PS LA 2001/6 – Home office expenses: diaries of use and calculation of home office expenses*
- *Law Administration Practice Statement PS LA 2005/7 – Substantiation of deductions claimed by individual taxpayers for work and car expenses incurred in the course of earning non-business and non-investment income.*

These publications are available on our website, or see the inside back cover to find out how to obtain a printed copy.

Low-value pool deduction

This question is about claiming a deduction for the decline in value of **low-cost** and **low-value** assets you used in the course of producing income you show on your tax return, by allocating them to what is called a **low-value pool**. (Claims for deduction for the decline in value of assets are dealt with at other questions.)

Low-cost assets are depreciating assets that cost less than $1,000.

Low-value assets are depreciating assets that are not low-cost assets but which, on 1 July 2008, had been written off to less than $1,000 under the diminishing value method.

You can have only one low-value pool. Once you choose to allocate a low-cost asset to a low-value pool, you must allocate to the pool all other low-cost assets you start to hold in that year and in future years.

Assets that you can allocate to a low-value pool include assets that you use:

- in your work as an employee (see questions **D1** to **D5**), or
- to gain rental income (see question **21** in *TaxPack 2009 supplement*).

However, if you claim the deduction at this item, do not claim it at items **D1** to **D5** and **21**.

The following cannot be included in a low-value pool:

- assets you have previously claimed deductions for using the prime cost method
- assets that cost $300 or less for which you can claim an immediate deduction
- assets for which you deduct amounts under the simplified depreciation rules for small business entities – for more information, see *Business and professional items 2009* (NAT 2543)
- horticultural plants
- a portable electronic device (such as a mobile phone, personal digital assistant or laptop computer), computer software, protective clothing, a briefcase or a tool of trade, which is primarily for use in your employment, if your employer provided it, paid for it or reimbursed you for any of its cost, and the benefit was exempt from fringe benefits tax.

If your low-value pool contains only assets used in business, do not include your deduction here, but include it instead at item **P8** on the *Business and professional items schedule for individuals 2009* (NAT 2816).

Did you allocate assets to a low-value pool in 2008–09 or in a previous year?

NO ☐ Go to question **D7**.

YES ☐ Read below.

ANSWERING THIS QUESTION

When you allocate an asset to a low-value pool, you must make a reasonable estimate of the percentage that you will use the asset to produce your assessable income over its effective life (for a low-cost asset) or remaining effective life (for a low-value asset). This estimate is called your **taxable use percentage** for the asset.

You work out your low-value pool deduction using a diminishing value rate. A rate of 37.5% is generally applied to the pool balance. However, a rate of 18.75%, or half the normal pool rate, is applied to the **taxable use percentage** of:

- the cost of each low-cost asset you allocate to the pool this income year
- any additional capital costs (such as improvements) you incur this income year for assets you allocated to the pool in an earlier income year and for low-value assets you allocate to the pool this income year.

Read **example 1**, then use **worksheet 1** to work out your deduction.

Example 1

Edward bought a printer for $600 in 2008–09. His employer did not pay or reimburse any of the cost of the printer. He decided to allocate it to a low-value pool. He estimated that over its effective life the printer would be used 40% of the time to produce his assessable income as an employee.

$600 × 40% is $240. Therefore, Edward will write **$240** at (e) in **worksheet 1**.

This is the first year of Edward's low-value pool.

Edward previously claimed deductions under the diminishing value method for a laptop computer he had purchased for $1,500. His employer did not pay or reimburse any of the cost of the computer. The laptop's opening adjustable value on 1 July 2008 was $900. Edward estimates that he will use it solely to produce his assessable income for its remaining effective life. Edward allocates the laptop to the pool in 2008–09 as it is now a low-value asset.

WORKSHEET 1

Low-value pool deduction

	Edward	You	
The closing balance of the pool for 2007–08. If you did not have a low-value pool in 2007–08, write **0** at (a).	$0	$	(a)
For each **low-value asset** allocated to the pool in 2008–09, multiply its opening adjustable value (on 1 July 2008) by your taxable use percentage for the asset. Add up the amounts and write the total at (b).	$900	$	(b)
Add (a) and (b).	$900	$	(c)
Multiply (c) by 0.375.	$337	$	(d)
For each **low-cost asset** allocated to the pool in 2008–09, multiply its cost (including additional capital costs incurred in 2008–09, such as improvements) by your taxable use percentage for the asset. Add up the amounts and write the total at (e).	$240	$	(e)
For each ■ asset allocated to the pool in a prior income year, and ■ low-value asset allocated to the pool in 2008–09 for which you incurred additional capital costs (such as improvements) in 2008–09, multiply the costs by your taxable use percentage for the asset. Add up the amounts and write the total at (f).	$0	$	(f)
Add (e) and (f).	$240	$	(g)
Multiply (g) by 0.1875.	$45	$	(h)
Add (d) and (h).	**$382**	$	(i)

The amount at (i) is the total low-value pool deduction. Edward will show **$382** at **K** item **D6** on his tax return.

COMPLETING YOUR TAX RETURN

Step 1

Using **worksheet 1**, work out your total low-value pool deduction. Transfer the amount you worked out at (i) to **K** item **D6**.

Step 2

You will need the closing pool balance for 2008–09 to calculate your low-value pool deduction for next year. Use **worksheet 2** to work out the closing balance.

Some common events, such as the sale or disposal of an asset in the low-value pool, or the asset's loss or destruction result in a 'balancing adjustment event'. If there has been a balancing adjustment event for an asset in the pool, you must reduce the closing pool balance. To do this, you multiply the asset's termination value (generally any proceeds, including any insurance payout, from the event) by your taxable use percentage for the asset. Your closing pool balance is reduced by the amount that results from this multiplication. There is space for you to include this amount in **worksheet 2**. If this amount is more than the closing pool balance, you reduce the closing pool balance to nil and include the excess amount as income at item **24** on your tax return (supplementary section).

Keep a record of your 2008–09 closing pool balance for next year's tax return.

MORE INFORMATION

For more information, see *Guide to depreciating assets 2009* (NAT 1996). This publication is available on our website, or see the inside back cover to find out how to obtain a printed copy.

WORKSHEET 2

Closing balance for 2008–09

	Edward	You	
Transfer amount from (a) in **worksheet 1**.	$0	$	(j)
Transfer amount from (b) in **worksheet 1**.	$900	$	(k)
Transfer amount from (e) in **worksheet 1**.	$240	$	(l)
Transfer amount from (f) in **worksheet 1**.	$0	$	(m)
Add (j), (k), (l) and (m).	$1140	$	(n)
Transfer amount from (i) in **worksheet 1**.	$382	$	(o)
Take (o) away from (n).	$758	$	(p)
For each pool asset subject to a balancing adjustment event in 2008–09, multiply its termination value by your taxable use percentage for the asset (see step 2 above). Add up the amounts and write the total at (q).	$0	$	(q)
Take (q) away from (p). This is your closing pool balance for 2008–09.	**$758**	$	(r)

D7 Deductions

Interest and dividend deductions

This question is about expenses you incurred in earning any interest you declared at item **11**, and any dividend and similar investment income you declared at item **12**.

You must also complete this item if you had a listed investment company (LIC) capital gain amount in your dividends.

Your expenses may include:

- bank or other financial institution account-keeping fees for accounts held for investment purposes
- management fees, and fees for investment advice relating to changes in the mix of your investments
- interest charged on money borrowed to purchase shares or similar investments
- costs relating to managing your investments, such as travel and buying specialist investment journals or subscriptions.

Show any expenses incurred in earning trust and partnership distributions at **X** and **Y** item **13** on your tax return (supplementary section).

Do not show expenses in earning foreign source interest or dividends at this item. They are taken into account at item **20** or **D15** on your tax return (supplementary section).

Do you have any interest and dividend deductions?

NO ☐ Go to question **D8**.

YES ☐ Read below.

ANSWERING THIS QUESTION

You will need:

- your bank or financial institution statements or passbooks
- your dividend statements showing any LIC capital gain amount. (Show dividends received from a LIC at item **12**.)

You cannot claim account-keeping fees on a first home saver account.

If you had any joint accounts or investments, show only your share of the expenses. This will be half if you held the account or investment equally with one other person. Keep a record of how you worked out your proportion if you and the other investors or account holders did not share the expenses equally.

If you borrowed money to purchase assets for your private use and income-producing investments, you can claim only the portion of the interest expenses relating to those investments.

Interest on investments under a capital protected borrowing may not be fully deductible. For more information go to **www.ato.gov.au** and enter 'About capital protected products and borrowings' in the 'Search for' box.

You can also claim a proportion of the decline in value of your computer based on the percentage of your total computer use that related to managing your investments.

You cannot claim expenses you were charged for drawing up an investment plan unless you were carrying on an investment business, in which case you would claim any expenses at item **P8** on the *Business and professional items schedule for individuals 2009* (NAT 2816).

If you were an Australian resident when a LIC paid you a dividend and the dividend included a LIC capital gain amount, you can claim a deduction of 50% of the LIC capital gain amount. The LIC capital gain amount will be shown separately on your dividend statement.

If you incurred particular types of expenses, such as interest on borrowed money, relating to certain overseas investments (or investments in Australia if you were a foreign resident) your claims may be affected by the thin capitalisation rules. These rules may apply if your deductions combined with those of your associates are more than $250,000 for 2008–09. For more information go to **www.ato.gov.au** and enter 'Thin capitalisation' in the 'Search for' box.

COMPLETING YOUR TAX RETURN

Step 1
Add up all your deductions for this item.

Step 2
Write the total amount at **I** item **D7**.

MORE INFORMATION

For more information, see:

- *You and your shares 2009* (NAT 2632)
- *Guide to depreciating assets 2009* (NAT 1996) if you are claiming a deduction for the decline in value of your computer.

This question is about gifts or donations you made. You can claim a deduction for:

- voluntary gifts of $2 or more made to an approved organisation
- a net contribution of more than $150 to an approved organisation for a fund-raising event (see page 107 for further conditions)

Approved organisations include:

- certain organisations or charities which provide help in Australia
- some overseas aid funds
- school building funds
- some environmental or cultural organisations.

You can also claim a deduction for:

- a donation to an approved organisation of shares listed on an approved stock exchange valued at $5,000 or less
- making an approved cultural bequest
- a donation to a prescribed private fund
- entering into a conservation covenant.

Your receipt will usually indicate whether or not you can claim a deduction for the gift. If you are not sure, you can check with the organisation. If you are still not sure, go to **www.abn.business.gov.au** or phone us to find out if the organisation is an approved organisation.

You cannot claim a deduction for a gift or donation if you received something in return (for example, raffle tickets or dinner) except in certain fund-raising events – see page 107.

Legislation has been introduced into Parliament to remove the deduction for contributions of $2 or more to political parties and independent candidates and members of parliament. At the time of printing these instructions this amendment had not become law. Go to our website at **www.ato.gov.au** for up-to-date information before claiming a deduction for such contributions.

Did you make a gift or donation?

NO ☐ Go to question **D9**.

YES ☐ Read below.

BUSHFIRE AND FLOOD DONATIONS

If you made one or more donations of $2 or more to bucket collections conducted by an approved organisation for bushfire and flood victims, you can claim a tax deduction equal to your contribution without a receipt provided the contribution does not exceed $10. If you used the web or phone to make a donation over $10, your web receipt or credit card statement is sufficient. If you donated through third parties, such as banks and retail outlets, the receipt they issued to you is also sufficient. If you contributed through 'workplace-giving' (see below), your payment summary shows the amount you donated.

ANSWERING THIS QUESTION

If you made donations during the year to an approved organisation through your employer's payroll system (known as 'workplace-giving'), you still need to record the total amount of your donations at this item. Your payment summary or other written statement from your employer showing the donated amount is sufficient evidence to support your claim. You do not need to have a receipt.

If you made donations in a joint name, include only your share.

See page 107 for more information about the rules for:

- gifts of property, such as land and artworks
- deductions for contributions to fund-raising events
- gifts of shares valued at $5,000 or less.

For more information about the rules and what records to keep go to our website at **www.ato.gov.au** and enter 'Making tax deductible donations' in the 'Search for' box:

- for cultural, environmental and heritage property gifts
- for cultural bequests
- when entering into conservation covenants
- if you choose to spread over five years your deduction for certain types of gifts.

COMPLETING YOUR TAX RETURN

Step 1
Add up the amounts of all gifts and donations you are entitled to claim.

Step 2
Write the total at **J** item **D8**.

MORE INFORMATION

For more information, see:

- *Taxation Ruling TR 2005/13 – Income tax: tax deductible gifts – what is a gift*
- *Law Administration Practice Statement PS LA 2002/15 – Evidence for making of a gift by a taxpayer who participates in a workplace-giving program.*

D9 Deductions

Cost of managing tax affairs

This question is about:
- expenses you incurred* in managing your tax affairs, including fees paid to a recognised tax adviser for doing your tax return
- the cost for advice relating to family tax benefit (FTB) claims lodged through the tax system
- an interest charge the Tax Office imposed on you
- amounts the Tax Office charged to you for underestimating a varied goods and services tax (GST) instalment or pay as you go (PAYG) instalment
- expenses for complying with your legal obligations relating to another person's tax affairs.

* You **incur** an expense in the income year when:
- you receive a bill or invoice for an expense that you are liable for and must pay (even if you don't pay it until after the end of the year)
- you do not receive a bill or invoice but you are charged and you pay for the expense.

Did you incur any expenses relating to managing your tax affairs?

NO ☐ Go to **Deductions that you show on the supplementary section of the tax return**.

YES ☐ Read below.

ANSWERING THIS QUESTION

The cost of managing your tax affairs can include:
- the preparation and lodgment of your tax return and activity statements
- travel to obtain tax advice from a recognised tax adviser
- appeals made to the Administrative Appeals Tribunal or courts in relation to your tax affairs
- obtaining a valuation needed for a deductible donation of property or for a deduction for entering into a conservation covenant.

Expenses relating to the preparation and lodgment of your tax return and activity statements include costs associated with:
- buying tax reference material
- lodging your tax return through a registered tax agent
- obtaining tax advice from a recognised tax adviser
- dealing with the Tax Office about your tax affairs.

Fees paid to a recognised tax adviser are deductible in the year you incur them. A recognised tax adviser is a registered tax agent, barrister or solicitor. A list of registered tax agents can be found at **www.tabd.gov.au** or you can check with the Tax Agents' Board on **1300 362 829**.

You cannot claim for the cost of tax advice given by a person who is not a recognised tax adviser.

You can claim a deduction for an interest charge imposed by the Tax Office on:
- the late payment of taxes and penalties
- the amount of any increase in your tax liability as a result of an amendment to your assessment
- the amount of any increase in other tax liabilities, such as GST or PAYG amounts.

The expense is deductible in the year you incur the interest charge.

However, you cannot claim tax shortfall and other penalties for failing to meet your obligations.

You can claim amounts the Tax Office imposed on you for underestimating a varied GST or PAYG instalment.

You can claim any costs you incurred in complying with your legal obligations relating to another person's tax affairs. This includes:
- complying with the PAYG withholding obligations – for example, where you withheld tax from a payment to a supplier because the supplier did not quote an Australian business number
- providing information requested by the Tax Office about another taxpayer.

COMPLETING YOUR TAX RETURN

Step 1
Add up the costs of managing your tax affairs.

Step 2
Write the total at **M** item **D9**.

Deductions that you show on the supplementary section of the tax return

You need to use *TaxPack 2009 supplement* if you had any of the following types of deductions:

- Australian film industry incentives
- the deductible amount of the undeducted purchase price of a foreign pension or annuity
- personal superannuation contributions
- certain capital expenditure directly connected with a project
- forestry managed investment scheme deductions
- election expenses for local, territory, state or federal candidates
- certain deductible capital expenditure you had not claimed in full before ceasing a primary production business
- non-capital losses incurred on the disposal or redemption of a traditional security
- insurance premiums paid for income protection, sickness and accident cover
- deductible foreign exchange losses
- interest you incurred on money borrowed to invest under the land transport facilities tax offset scheme or infrastructure borrowings scheme
- debt deductions you have not claimed elsewhere that you incurred in earning assessable income or in earning certain foreign non-assessable non-exempt income
- amounts deductible under the five-year write-off for certain business-related capital expenditure under section 40-880 of the *Income Tax Assessment Act 1997* (sometimes known as the black hole expenditure rule)
- small business pool deductions for depreciating assets that you allocated to a pool under the former simplified tax system (STS) provisions, and you no longer carry on any business
- a deduction for the net personal services income loss of a personal services entity that related to your personal services income
- United Medical Protection Limited (UMP) support payments.

Did you have any of the above deductions?

NO ☐ Go to **Total deductions**.

YES ☐ Read below.

ANSWERING THIS QUESTION

You can find the *Tax return for individuals (supplementary section) 2009* at the back of *TaxPack 2009 supplement*. If you don't have a copy of this supplement, you can get one from most newsagents during the lodgment period (1 July to 31 October 2009). Copies are also available all year from our Publications Distribution Service (see the inside back cover) and shopfronts.

COMPLETING YOUR TAX RETURN

Step 1

Complete the details at the top of page 9 on your *Tax return for individuals (supplementary section) 2009*. Use *TaxPack 2009 supplement* to complete the **DEDUCTIONS** section on page 11 of your tax return (supplementary section).

Step 2

Transfer the amount you wrote at **TOTAL SUPPLEMENT DEDUCTIONS** on page 11 of your tax return (supplementary section) to **D** on page 3 of your tax return.

Deductions

Total deductions

COMPLETING YOUR TAX RETURN

Go to **TOTAL DEDUCTIONS** on page 3 of your tax return.

Step 1

Check that you have shown all your deductions.

Step 2

Add up the deductions you claimed at items **D1** to **D9** and **D** on page 3 of your tax return. If you did not use the *Tax return for individuals (supplementary section)* you will not have an amount at **D**.

Step 3

Write the answer at **TOTAL DEDUCTIONS** on your tax return.

Subtotal

COMPLETING YOUR TAX RETURN

If you show **income** at **TOTAL INCOME OR LOSS** on page 2 of your tax return:

- take away the amount at **TOTAL DEDUCTIONS** from the amount at **TOTAL INCOME OR LOSS**; write the result at **SUBTOTAL**
- if the amount at **SUBTOTAL** is less than zero, print **L** in the **LOSS** box at the right of the amount.

If you show a **loss** at **TOTAL INCOME OR LOSS** on page 2 of your tax return:

- add the amount at **TOTAL DEDUCTIONS** to the amount at **TOTAL INCOME OR LOSS**
- write the result at **SUBTOTAL**, and print **L** in the **LOSS** box at the right of the amount.

Tax losses of earlier income years

Losses L1

This question is about tax losses from earlier income years for which you may be able to claim a deduction in 2008–09.

Did you have any of these losses?

NO ☐ Go to **TAXABLE INCOME OR LOSS**.

YES ☐ Read below.

Refer to *TaxPack 2009 supplement* if you have any of the following:
- capital losses – see question **18**
- expenses and losses in relation to earning foreign source income – see question **20**
- deferred non-commercial business losses from a prior year
  - for partnership activities – see question **13**, or
  - for sole trader activities – see question **P8** in *Business and professional items 2009* (NAT 2543).

ANSWERING THIS QUESTION

Complete this item only if:
- you have a tax loss from an earlier income year which you have not claimed as a deduction, or
- you had foreign losses in the 1998–99 to 2007–08 income years which you have not claimed as a deduction.

In either case, you may have a tax loss at item **L1** this year which you may be able to claim as a deduction. You have to complete this item whether or not you are able to claim a deduction for the loss this year.

You will need to go to **www.ato.gov.au** or to *e-tax* to work out the amount of your tax losses to complete item **L1** if any of the following apply:
- you had foreign losses in the 1998–99 to 2007–08 income years which you have not claimed as a deduction in a previous income year
- you showed a loss at **TAXABLE INCOME OR LOSS** on your 2008 tax return and
  - you are a foreign resident and have exempt income from Australian sources or exempt film income, or
  - you made a film loss for 2008–09, that is, your film deduction for the year exceeds the sum of your assessable film income and net exempt film income for the year.

If you became bankrupt before 1 July 2008, or were released from debts under an arrangement entered into under the bankruptcy laws before 1 July 2008, you generally cannot claim a deduction for tax losses incurred before you became bankrupt or were released from the debts.

If you have tax losses from more than one earlier income year you should generally deduct the earliest losses first.

To complete this item on your tax return you will need records of your tax losses from earlier income years.

COMPLETING YOUR TAX RETURN

The amount of tax losses from earlier years that you write at **Q** and **R** at item **L1** is the amount of tax losses you carried forward from 2007–08 less the amount of your net exempt income for 2008–09.

You need to separate your losses into primary production losses and non-primary production losses. Primary production activities are described in *Information for primary producers 2009* (NAT 1712) which is available on our website at **www.ato.gov.au**

Part A – Losses carried forward from earlier income years

Use **worksheet 1** to work out what to write at **Q** and **R** at item **L1**.

Step 1

Write at (a) in **worksheet 1** the total amount of tax losses you have available from earlier years. Do not include non-primary production losses from 1988–89 or earlier years.

Separate the amount at (a) into your losses from primary production and from non-primary production. Write the amounts at (b) and (c) respectively.

Step 2
Write at (d) the total of your exempt income for 2008–09, if any (see pages 96–8 to find out what amounts are exempt income).

Step 3
Write at (e) the total expenses (other than capital expenses) incurred in earning your exempt income. This amount should also include any foreign tax payable on your exempt income.

Step 4
Take (e) away from (d) and write the answer at (f). If (e) is more than (d), write **0** at (f).

Step 5
If (f) is more than (a), you do not have any losses you can claim at this item. Leave item **L1** blank and go to **TAXABLE INCOME OR LOSS** on page 51. Otherwise, take (f) away from (a) and write the answer at (g).

Step 6
- If you have an amount at (b) but not at (c), take (f) away from (b) and write the answer at (h).
- If you have an amount at (c) but not at (b), take (f) away from (c) and write the answer at (i).
- If you have amounts at both (b) and (c), you choose how much of (f) to take from each of (b) and (c).

You cannot have a negative amount at (h) or (i), and the total of (h) and (i) must equal (g).

WORKSHEET 1

	Total losses	Primary production losses	Non-primary production losses	
Total tax losses from earlier years	$			(a)
Primary production losses from earlier years		$		(b)
Non-primary production losses from earlier years			$	(c)
Exempt income for 2008–09	$			(d)
Expenses relating to your exempt income	$			(e)
Net exempt income for this year Take (e) away from (d).	$			(f)
Total prior year losses available for use this year Take (f) away from (a).	$			(g)
Take (f) away from (b) (primary production losses available for use).		$		(h)
Take (f) away from (c) (non-primary production losses available for use).			$	(i)

You cannot have a negative amount at (h) or (i). The total of (h) and (i) must equal (g).

Step 7
Transfer the amount at (h) to **Q** item **L1**.

Step 8
Transfer the amount at (i) to **R** item **L1**.

Step 9
If the amount at **SUBTOTAL** on page 3 of your tax return is a loss, go to step 19 in the next column. Otherwise, read on.

Part B – Losses claimed in this income year

The following steps will help you work out what to write at **F** and **Z** at item **L1** if the amount at **SUBTOTAL** is **not** a loss.

Step 10
If the amount at **SUBTOTAL** is more than or equal to the amount at (g) in **worksheet 1**, go to step 17. Otherwise, read on.

Step 11
If the amount at **SUBTOTAL** is more than or equal to the amount at **Q** item **L1**, go to step 14.

Otherwise, transfer the amount at **SUBTOTAL** to **F** item **L1**.

Step 12
Take the amount at **F** away from the amount at **Q** item **L1**.

The answer is the amount of primary production losses you carry forward to 2009–10. Keep a record of it for next year.

Step 13
The amount at **R** item **L1** is the amount of non-primary production losses you carry forward to 2009–10. Keep a record of it for next year.

You have now finished this question. Go to **TAXABLE INCOME OR LOSS** on page 51.

Step 14
Transfer the amount at **Q** item **L1** to **F** item **L1**.

Step 15
Take the amount at **F** item **L1** away from the amount at **SUBTOTAL**. Write the answer at **Z** item **L1**.

Step 16
Take the amount at **Z** item **L1** away from the amount at **R** item **L1**.

The answer is the amount of non-primary production losses you carry forward to 2009–10. Keep a record of it for next year.

You have no primary production losses to carry forward to 2009–10.

You have finished this question. Go to **TAXABLE INCOME OR LOSS** on page 51.

Step 17
Transfer the amount you wrote at **Q** item **L1** to **F** item **L1**.

Step 18
Transfer the amount you wrote at **R** item **L1** to **Z** item **L1**.

You have no primary production losses or non-primary production losses to carry forward to 2009–10. You have finished this question. Go to **TAXABLE INCOME OR LOSS** on page 51.

Part C – If the amount at SUBTOTAL is a loss

Step 19
If the amount you wrote at **SUBTOTAL** is a loss leave **F** and **Z** at item **L1** blank.

Step 20
Use **worksheet 2** to work out the primary production losses you carry forward to 2009–10 and the non-primary production losses you carry forward to 2009–10.

Make sure you show any losses as negative amounts in **worksheet 2**. Amounts you write at (t), (u), (v) and (w) may be losses. If so, show them as negative amounts.

WORKSHEET 2		
Amount from **SUBTOTAL** This amount is a loss, show it as a negative amount.	– $	(p)
Amount from item **D8** on page 3 of your tax return	$	(q)
Amount from item **D12** on page 11 of your tax return (supplementary section)	$	(r)
Add (q) and (r).	$	(s)
Add (s) which is either zero or positive to (p) which is negative. If (t) is positive, go to step 23.	$	(t)
Amount from **Net primary production distribution** item **13** on page 9 of your tax return (supplementary section)	$	(u)
Amount from **B** item **15** on page 10 of your tax return (supplementary section)	$	(v)
Add (u) and (v).	$	(w)

If (w) is a loss and is the same or a greater loss than (t), write the amount from (t) at (x).
If (w) is a loss and is a smaller loss than (t), write the amount from (w) at (x).
Otherwise, write **0** at (x).
	$	(x)

If (w) is a loss and is the same or a greater loss than (t) write **0** at (y).
If (w) is a loss and is a smaller loss than (t), take (w) away from (t) and write the answer at (y).
If (w) is not a loss, write the amount from (t) at (y).
	$	(y)

Step 21
If the amount at (x) is zero, then the amount at **Q** item **L1** is the amount of primary production losses you carry forward to 2009–10. Keep a record of it for next year.

If the amount at (x) is not zero, then add the amount at (x) to the amount at **Q** item **L1**. When adding these two amounts ignore the fact that they are both negative amounts. The answer is the amount of primary production losses you carry forward to 2009–10. Keep a record of it for next year.

Step 22
If the amount at (y) is zero, then the amount at **R** item **L1** is the amount of non-primary production losses you carry forward to 2009–10. Keep a record of it for next year.

If the amount at (y) is not zero, then add the amount at (y) to the amount at **R** item **L1**. When adding these two amounts ignore the fact that they are both negative amounts. The answer is the amount of non-primary production losses you carry forward to 2009–10. Keep a record of it for next year.

You have finished this question. Go to **TAXABLE INCOME OR LOSS** on the next page.

Step 23
The amount at **Q** is your primary production losses you carry forward to 2009–10.

The amount at **R** is your non-primary production losses you carry forward to 2009–10.

Keep a record of them for next year.

Taxable income or loss

This question is about your total taxable income or loss. How you complete it will depend on whether you completed **F** or **Z** at item **L1 Tax losses of earlier income years** on page 3 of your tax return.

Have you completed F or Z at item L1?

NO ☐ Go to **No prior year losses** below.

YES ☐ Go to **Deducting your losses** below.

COMPLETING YOUR TAX RETURN

No prior year losses

Transfer the amount you have shown at **SUBTOTAL** on page 3 of your tax return to **$ TAXABLE INCOME OR LOSS**.

If the amount at **$ TAXABLE INCOME OR LOSS** is less than zero, print **L** in the **LOSS** box. Keep a record of this amount to work out your tax losses of earlier income years for next year.

You have now completed this section. Go to **Dependants and separate net income (SNI)** on the next page.

Deducting your losses

Add up the amounts at **F** and **Z** at item **L1** and take the total away from the amount you have written at **SUBTOTAL**. Write the answer at **$ TAXABLE INCOME OR LOSS** on your tax return.

You cannot have a loss at **$ TAXABLE INCOME OR LOSS** if you had amounts at **F** or **Z**. This is because **F** and **Z** are losses of earlier income years that you are able to deduct from your 2008–09 net income.

TAX TIP

If the amount at **TAXABLE INCOME OR LOSS** on your tax return is a loss – that is, you have printed **L** in the **LOSS** box – this may not be the amount you show as losses carried forward from earlier income years at item **L1** on next year's tax return. Adjustments will have to be made to take into account any exempt income, deductions for gifts or donations (item **D8**) or personal superannuation contributions (item **D12** on the supplementary section of your tax return). Phone the Individual Infoline (see the inside back cover) for more information.

Dependants and separate net income (SNI)

WHO IS A DEPENDANT?

A dependant can be:

- your spouse – married or de facto (see the definition of spouse on page 93)
- your parent or your spouse's parent
- a student under 25 years old who is studying full time at school, college or university
- a child – including your stepchild or adopted child – who is under 21 years old and not a student
- a child-housekeeper – your child of any age who works full time keeping house for you
- an invalid relative – your child, brother or sister – who is 16 years old or older and
  - receives a disability support pension or a special needs disability support pension
  - receives a rehabilitation allowance under the *Social Security Act 1991* and immediately before they were eligible to receive that allowance they were eligible for an invalid pension under that Act, or
  - has a certificate from a Commonwealth-approved doctor certifying a continuing inability to work.

A dependant needs to be an Australian resident for tax purposes (see page 5). A spouse, student or child will be treated as a resident if they have always lived in Australia or they came to live in Australia permanently, unless they have set up a permanent home outside Australia.

You can claim a tax offset for a dependant only if you were an Australian resident for tax purposes and your taxable income was $150,000 or less.

Did you have dependants waiting to migrate to Australia?

If your spouse and dependent children were overseas in 2008–09, they are considered to be your dependants for tax offset purposes if you were taking the steps necessary for their migration in a timely manner.

WHAT IS MAINTAINING A DEPENDANT?

You maintained a dependant if any of the following applied:

- you and your dependant lived in the same house
- you gave your dependant food, clothing and lodging
- you helped them to pay for their living, medical and educational costs.

If you had a spouse for the whole income year and your spouse worked at any time during the year, we still consider you to have maintained your spouse – as a dependant – for the whole income year.

We consider you to have maintained a dependant even if the two of you were temporarily separated – for example, due to holidays or because they were overseas.

If you maintained a dependant for only part of the year, you may need to adjust your claim.

WHAT IS SEPARATE NET INCOME?

Separate net income (SNI) includes income and other specified amounts that your dependant earned or received in 2008–09 while you maintained them. SNI earned by your dependant may affect any claim you are entitled to.

Income included in SNI

- Salary and wages
- Termination payments representing unused annual leave and long service leave
- Pensions, including Australian annuities and superannuation income streams (other than any tax-free component shown on your dependant's *PAYG payment summary – superannuation income stream*) and exempt pensions listed on page 96.
  If your dependant has not received a statement about their superannuation payment then the fund paying the superannuation income stream will be able to tell them the gross amount of the income stream and what proportion is the tax-free component.
- Interest and dividend income – but not the franking credit attached to franked dividends
- Business, trust and rental income

- Veterans' Affairs payments and most Centrelink payments, including parenting payment (partnered), carer payment, remote area allowance and the language, literacy and numeracy supplement
- Any net capital gain for the income year
- Any maintenance payments your spouse received for their own support after divorce or separation – even though your spouse may not need to declare such income on their tax return
- The maintenance or accommodation component of a scholarship paid by the Commonwealth or a state, except where that component is paid for helping to educate isolated children under 16 years old

Income not included in SNI

- The following Australian Government payments:
  - baby bonus (formerly maternity payment)
  - child care benefit
  - child care tax rebate
  - child disability assistance
  - family tax benefit (FTB)
  - maternity immunisation allowance
  - carer allowance (but carer payments **are** included in SNI)
  - the 2008 one-off payment to carers who received a carer payment, wife pension, partner service pension, carer service pension or carer allowance (paid under the *Social Security Act 1991*)
  - payments to carers under the scheme determined under Schedule 4 to the *Social Security and Veterans' Affairs Legislation Amendment (One-off Payments and Other Budget Measures) Act 2008*
  - the 2008 one-off $500 payment to older Australians (paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*)
  - payments to older Australians under a scheme determined under Schedule 2 to the *Social Security and Veterans' Affairs Legislation Amendment (One-off Payments and Other Budget Measures) Act 2008*
  - economic security strategy payment to families, back to school bonus and single income family bonus paid under the *A New Tax System (Family Assistance) (Administration) Act 1999*
  - economic security strategy payment to families under the scheme determined under Schedule 4 to the *Social Security and Other Legislation Amendment (Economic Security Strategy) Act 2008*
  - training and learning bonus or farmers hardship bonus paid under the *Social Security Act 1991*
  - education entry payment supplement under the *Social Security Act 1991*
  - payments under the scheme determined under Schedule 4 to the *Household Stimulus Package Act (No. 2) 2009*
  - the tax bonus paid under the *Tax Bonus for Working Australians Act 2009*
  - the ex-gratia payment known as 'Income recovery subsidy for the Victorian bushfires of January and February 2009'
  - the ex-gratia payment known as 'Income recovery subsidy for the North Queensland floods of January and February 2009'
- Baby bonus tax offset
- Franking credits attached to franked dividends
- The value or amount of any non-government scholarship received in connection with the education of a dependent child or student
- The value or amount of any Commonwealth or state assistance provided for school fees, the purchase of textbooks or travelling expenses
- Lump sum severance or retirement payments of a capital nature, or amounts paid as compensation for losing a job, including the full amount of a genuine redundancy payment or early retirement scheme payment
- Any maintenance payments your spouse received for support of their dependent children
- Amounts received under the incentive payments scheme relating to certain private health insurance policies
- Japanese internment compensation payments made under the *Compensation (Japanese Internment) Act 2001* or the *Veterans' Entitlements Act 1986*
- Interest or other earnings credited to a first home saver account
- Government contributions credited to a first home saver account

What can reduce SNI?

In calculating SNI, your dependant's income can be reduced by:

- any expenses they incurred in 2008–09 in earning their income which they could claim as a deduction
- net child care expenses they incurred in 2008–09 because they were working – that is, the amount paid by the dependant less any cash rebates (for example, child care benefit and rebates provided by an employer or union)
- their expenses for travel during 2008–09 to and from child care because they were working
- their expenses for travel during 2008–09 to and from work
- expenses they incurred in 2008–09 in conducting a business activity that resulted in a deferred non-commercial business loss, even if they did not lodge a tax return.

Where any of the above expenses include car expenses, we accept a calculation of the expense based on a rate per kilometre multiplied by the actual number of kilometres travelled – see the 'cents per kilometre' method described on page 28. When using this method, the 5,000 km limit does not apply for the purpose of calculating your dependant's SNI.

Your dependant must be able to demonstrate that they actually incurred the expenses which reduced their SNI.

What doesn't reduce SNI?

Your dependant's SNI cannot be reduced by:

- amounts they paid for gifts, donations or tax agent fees
- tax withheld, superannuation contributions or losses brought forward from 2007–08 or earlier years
- self-education expenses that would not be tax deductible because their only income was from Austudy, Youth Allowance or work that was not connected with self-education
- a capital loss or net capital losses.

HOW MUCH SNI CAN YOUR DEPENDANT EARN?

For some of your claims relating to dependants, the amount you may be entitled to will be affected by their SNI. For example, some tax offsets are reduced by $1 for every $4 of SNI over $282 that your dependants earned in 2008–09. We explain at each question the amount of SNI your dependants can earn before your claim is affected.

Spouse (without dependent child or student), child-housekeeper or housekeeper

The following definitions will help you determine whether you are eligible for this tax offset.

- A **spouse** can be married or de facto (see the definition of spouse on page 93).
- A **housekeeper** is someone who kept house for you full time and also cared for your dependent children, students or invalid relatives, or your dependent spouse who received a disability support pension.
- A **child-housekeeper** is your child, adopted child or stepchild who kept house for you full time. A child who is a full-time student or a full-time employee is not considered to keep house full time.

Keeping house means more than simply child-minding or performing domestic duties. It includes having some responsibility for the general running of the household.

Shared care

You had shared care if you, and your spouse if you had one, cared for your child for some of the income year, and someone else, such as a former spouse, cared for the child for the rest of the income year.

If you received family tax benefit Part B as part of a shared-care arrangement, you will need to know your **FTB shared-care percentage** to calculate your spouse offset. Your FTB shared-care percentage is usually not the same as your 'Shared care percentage' which appears on correspondence you have received from the Family Assistance Office (FAO).

If you do not know your **FTB shared-care percentage**, contact the FAO – see page 112.

Did you have a dependent spouse, child-housekeeper or housekeeper for any part of the year?

NO ☐ Go to question **T2**.

YES ☐ Read below.

ANSWERING THIS QUESTION

If you had a dependent spouse, read on. If you had a child-housekeeper, go to part B. If you had a housekeeper, go to part C. If you are claiming a combination of these tax offsets, work through the relevant parts in order.

Part A – Dependent spouse

You cannot claim this tax offset if your taxable income for 2008–09 was more than $150,000 or your spouse's **separate net income (SNI)** for the year was $8,918 or more (see pages 52–4 for information about SNI).

You can claim a dependent spouse tax offset for any period in 2008–09 that you had a spouse and you met **all** these conditions:

- you maintained your spouse – see **What is maintaining a dependant?** on page 52
- your spouse was a resident – if you are not sure, read **Are you an Australian resident?** on page 5
- you were a resident at any time during 2008–09
- neither you nor your spouse (during any period they were your spouse) was eligible for family tax benefit (FTB) Part B or was eligible for it only at the shared-care rate.

The maximum spouse tax offset you can claim is $2,159.

If you are entitled to claim a dependent spouse tax offset, go to part A of **Completing your tax return** on the next page.

Part B – Child-housekeeper

You cannot claim a tax offset if your taxable income for 2008–09 was more than $150,000 or you had a child-housekeeper for the whole year and their **separate net income (SNI)** for the year was $7,318 or more, or $8,714 or more if you had another dependent child or student (see pages 52–4 for information about SNI).

You can claim a child-housekeeper tax offset for any period in 2008–09 that you had a child-housekeeper and you met **all** these conditions:

- you maintained your child-housekeeper – see **What is maintaining a dependant?** on page 52
- your child-housekeeper was a resident – if you are not sure, read **Are you an Australian resident?** on page 5
- you were a resident at any time in 2008–09

- you were not eligible for a dependent spouse tax offset under part A
- you were not eligible for FTB Part B or were eligible for it only at the shared-care rate.

The maximum child-housekeeper tax offset you can claim is $1,759, or $2,108 if you had another dependent child or student.

If you are entitled to claim a child-housekeeper tax offset, go to part B of **Completing your tax return** on page 58.

Part C – Housekeeper

You cannot claim this tax offset if your taxable income for 2008–09 was more than $150,000.

A housekeeper is a person who worked **full time** keeping house for you and cared for:

- a child of yours under 21 years old, irrespective of the child's SNI
- any other child under 21 years old (including a student under 21 years old) who was your dependant and whose SNI was less than $1,786
- your invalid relative who was your dependant (see page 52) and for whom you can claim a dependant tax offset – if you are not sure, you will need to read question **T11** in *TaxPack 2009 supplement* – or
- your spouse who received a disability support pension.

Keeping house means more than simply child-minding or performing domestic duties. It includes having some responsibility for the general running of the household.

You are eligible for the housekeeper tax offset for any period during which you had a housekeeper (who kept house for you wholly in Australia), provided you were an Australian resident at any time during 2008–09 and you:

- did not have a spouse and
  - were **not** entitled to claim a child-housekeeper tax offset under part B, and
  - were **not** eligible for FTB Part B or were eligible for it only at the shared-care rate

or

- had a spouse who received a disability support pension and you were **not** entitled to claim a child-housekeeper tax offset under part B

or

- had a spouse who did not receive a disability support pension and
  - you were not entitled to claim a dependent spouse tax offset under part A or a child-housekeeper tax offset under part B
  - neither you nor your spouse was eligible for FTB Part B or were eligible for it only at the shared-care rate, and
  - special circumstances applied – for example,
    - your spouse deserted you and your children, and you did not enter into a de facto relationship
    - you had a child with a severe mental disability who required constant attention
    - your spouse suffered from an extended mental illness and was medically certified as being unable to take part in the care of your children.

Where you consider that special circumstances applied, you will need to complete this item and provide additional information. Print SCHEDULE OF ADDITIONAL INFORMATION – ITEM T1 PART C on the top of a separate piece of paper, print your name, address and tax file number and explain your situation. Sign your schedule and attach it to page 3 of your tax return. Print **X** in the **YES** box at *Taxpayer's declaration* question **2a** on page 8 of your tax return. If we do not consider special circumstances applied, we will advise you.

The maximum housekeeper tax offset you can claim is $1,759, or $2,108 if you had more than one dependent child or student.

If you are entitled to claim a housekeeper tax offset, go to part C of **Completing your tax return** on page 61.

COMPLETING YOUR TAX RETURN

Part A – Dependent spouse

If you are eligible to claim the dependent spouse tax offset, use **worksheet 1** to work out the amount.

Step 1
Complete **worksheet 1**.

If you had more than one dependent spouse during the year you will need to go through the worksheet for each spouse.

WORKSHEET 1

Working out your dependent spouse tax offset

If you had a dependent spouse for the whole year and neither of you were eligible for FTB Part B at any time during the year, write $2,159 at (d), then continue from there.		
If you had a dependent spouse for only part of the year and neither of you were eligible for FTB Part B during that period, work out the number of days you had a spouse and multiply this number by $5.92. Write the amount at (a).	$	(a)
If you or your spouse was eligible for FTB Part B at any time during the year, for the period you had a dependent spouse, work out the number of days that **neither** of you were eligible for FTB Part B. Multiply this number by $5.92. Write the amount at (b).	$	(b)
If you or your spouse was eligible for FTB Part B at a shared-care rate at any time during the year, work through (p) to (s) below for the period you had a dependent spouse. (If your FTB shared-care percentage changed during the year, work through (p) to (s) for each period it was different.)		
■ Work out the number of days that you or your spouse was eligible for FTB Part B and write the answer at (p).	(p)	
■ Multiply the number of days from (p) by $5.92 and write the answer at (q).	$ (q)	
■ Take your FTB shared-care percentage away from 100% and write the answer at (r).	% (r)	
■ Multiply the amount from (q) by the percentage from (r) and write the answer at (s).	$ (s)	
Write the amount from (s) at (c). If your FTB shared-care percentage changed during the year, add up the amounts from (s) and write the total at (c).	$	(c)
Add (a), (b) and (c). Write the answer at (d). The amount at (d) is your maximum dependent spouse tax offset. It cannot be more than $2,159.	$	(d)
If your spouse's SNI for the period you are claiming the spouse tax offset was less than $286, the amount at (d) is your spouse tax offset. Write this amount at (f) and go to step 3. If your spouse's SNI was $286 or more for the period you are claiming a spouse tax offset, deduct $282 from their SNI and divide the remaining amount by 4. Round this down to the nearest dollar. Write the answer at (e).	$	(e)
Take (e) away from (d). Write the answer at (f).	$	(f)

Step 2

If you also want to claim:

- a child-housekeeper tax offset, go to part B of **Answering this question** on pages 55–6, or
- a housekeeper tax offset, go to part C of **Answering this question** on page 56.

Otherwise read on.

Step 3

The amount at (f) is your dependent spouse tax offset. Write this amount at **P** item **T1** on page 4 of your tax return.

Step 4

Print **S** in the **CLAIM TYPE** box at the right of **P** item **T1**.

Step 5

Complete **Spouse details – married or de facto** on pages 6–7 of your tax return. Provide relevant details, including your spouse's SNI at **R**. If your spouse did not have any SNI, write **0**.

Part B – Child-housekeeper

If you are eligible to claim a child-housekeeper tax offset, use **worksheet 2** to work out your tax offset amount.

Step 1

To claim for the child-housekeeper tax offset, you must first determine which column to use in **worksheet 2**.

If you had a child (other than the child-housekeeper) under 21 years old, or a student under 25 years old, whose SNI was $1,786 or more, do not count them as a dependant when completing this worksheet.

If your child-housekeeper's SNI was less than $8,714 and you had:

- another dependent child under 21 years old or
- a student under 25 years old

whose SNI was less than $1,786, use **column 2**.

If the dependent child or student (who is not your child-housekeeper) was your dependant for only part of 2008–09, and their SNI was less than the total of $282 plus $28.92 for each week you maintained them, use the **column 2** daily rate. Otherwise, use the **column 1** daily rate.

If you did not have another dependent child under 21 years old or student under 25 years old, and your child-housekeeper's SNI was

- less than $7,318, use **column 1**
- $7,318 or more, you don't qualify for the tax offset.

WORKSHEET 2

Working out your child-housekeeper tax offset

	Column 1	Column 2
	No other dependent child or student	**With another dependent child or student**
Daily rate	$4.82	$5.78
If you had a child-housekeeper for the whole year and you **were not** eligible for FTB Part B at any time during the year, write: ■ **$1,759** at (d) if you use **column 1**, or ■ **$2,108** at (d) if you use **column 2**. Then continue from there.		
If you had a child-housekeeper for only part of the year and you **were not** eligible for FTB Part B at any time during that period: ■ work out how many days during the year you had a child-housekeeper ■ multiply this number by the appropriate daily rate ■ write the answer at (a) in the appropriate column.	$ (a)	$ (a)
If you were eligible for FTB Part B at any time during the year: ■ work out how many days during the year you had a child-housekeeper and you were not eligible for FTB Part B ■ multiply this number by the appropriate daily rate ■ write the answer at (b) in the appropriate column.	$ (b)	$ (b)
If you were eligible for FTB Part B at the shared-care rate at any time during the year, work through (p) to (s) below. (If your FTB shared-care percentage changed during the year, work through (p) to (s) for each period it was different.) ■ Work out the number of days you had a child-housekeeper and you were eligible for FTB Part B at the shared-care rate. Write the answer at (p). (p) ■ Multiply the number of days from (p) by the appropriate daily rate. Write the answer at (q). $ (q) ■ Take your FTB shared-care percentage away from 100% and write the answer at (r). % (r) ■ Multiply the amount from (q) by the percentage from (r) and write the answer at (s). $ (s) Write the amount from (s) at (c) in the appropriate column. If your FTB shared-care percentage changed during the year, add up the amounts from (s) and write the total at (c).	$ (c)	$ (c)

Working out your child-housekeeper tax offset (continued)		
	Column 1	Column 2
	No other dependent child or student	**With another dependent child or student**
Add (a), (b) and (c). Write the answer at (d). The amount at (d) is your maximum child-housekeeper tax offset. It cannot be more than $1,759 if it is in **column 1** or $2,108 if it is in **column 2**.	$ (d)	$ (d)
Write your child-housekeeper's SNI for the period you are claiming a child-housekeeper tax offset at **V** item **T1** on page 4 of your tax return. Do not show cents. If your child-housekeeper did not have any SNI, write **0**. If your child-housekeeper's SNI was less than $286, the amount at (d) is your child-housekeeper tax offset. Write this amount at **P** item **T1** on page 4 of your tax return, then go to step 4. If your child-housekeeper's SNI was $286 or more for the year then deduct $282 from their SNI for the year (or for the period you are claiming a child-housekeeper's tax offset if this is not for the whole year) and divide the amount remaining by 4. Write the answer in the appropriate column at (e).	$ (e)	$ (e)
Take (e) away from (d). Write the answer in the appropriate column at (f).	$ (f)	$ (f)

Step 2
If you also want to claim a housekeeper tax offset go to part C of **Answering this question** on page 56.

Otherwise add the amount at (f) from **worksheet 2** to the amount at (f) from **worksheet 1** if you used it.

Step 3
Write your total from step 2 at **P** item **T1** on page 4 of your tax return.

Step 4
Print one of the following code letters in the **CLAIM TYPE** box at the right of **P** item **T1**:

W if you are claiming a child-housekeeper tax offset and you had **no** dependent child or student (you used column 1)

H if you are claiming a child-housekeeper tax offset and you had a dependent child or student (you used column 2)

C if you are claiming a spouse tax offset for part of the year and a child-housekeeper tax offset for another part of the year.

Part C – Housekeeper

If you are eligible to claim a housekeeper tax offset, use **worksheet 3** to work out your tax offset amount.

Step 1
Complete **worksheet 3**.

WORKSHEET 3		
Working out your housekeeper tax offset		
	Column 1	Column 2
	No dependent child or student	**With a dependent child or student**
Daily rate	$4.82	$5.78
If you are eligible for a housekeeper tax offset for the whole year **and**: ■ neither you nor your spouse (during any period they were your spouse) was eligible for FTB Part B at any time during the year, or ■ your spouse received a disability support pension for the whole year write **$1,759** at (d) if you use **column 1** or **$2,108** if you use **column 2**. Then continue from there.		
If you are eligible for a housekeeper tax offset for the whole year but do not meet the above rules: ■ work out the total number of days during the year that – **neither** you nor your spouse (during any period they were your spouse) was eligible for FTB Part B, or – **either** you or your spouse (during any period they were your spouse) was eligible for FTB Part B, but your spouse was receiving a disability support pension ■ multiply the number of days by the appropriate daily rate ■ write the answer at (a) in the appropriate column.	$ (a)	$ (a)
If you are eligible for a housekeeper tax offset for only part of the year: ■ work out the number of days during that part of the year that: – **neither** you nor your spouse (during any period they were your spouse) was eligible for FTB Part B, or – **either** you or your spouse (during any period they were your spouse) was eligible for FTB Part B, but your spouse was receiving a disability support pension ■ multiply the number of days by the appropriate daily rate ■ write the answer at (b) in the appropriate column.	$ (b)	$ (b)

Working out your housekeeper tax offset (continued)

		Column 1	Column 2
		No dependent child or student	**With a dependent child or student**
Daily rate		$4.82	$5.78
If, for any period during the year, you did not have a spouse receiving a disability support pension and you are eligible for a housekeeper tax offset, work through (p) to (s) below. (If your FTB shared-care percentage changed during the year, work through (p) to (s) for each period it was different).			
■ Work out the number of days during that period that you or your spouse (during any period they were your spouse) was eligible for FTB Part B at a shared-care rate. Write the answer at (p).	(p)		
■ Multiply the number of days from (p) by the appropriate daily rate. Write the answer at (q).	$ (q)		
■ Take your FTB shared-care percentage away from 100% and write the answer at (r).	% (r)		
■ Multiply the amount from (q) by the percentage from (r) and write the answer at (s).	$ (s)		
Write the amount from (s) at (c) in the appropriate column. If your FTB shared-care percentage changed during the year, add up the amounts from (s) and write the total at (c).		$ (c)	$ (c)
Add (a), (b) and (c). Write the answer at (d). The amount at (d) is your housekeeper tax offset. It cannot be more than $1,759 in **column 1** or $2,108 in **column 2**.		$ (d)	$ (d)

Step 2

Add the amount at (d) from **worksheet 3** to the amounts at (f) from **worksheets 1** and **2** if you used them.

Write your total at **P** item **T1** on page 4 of your tax return.

Step 3

Print one of the following code letters in the **CLAIM TYPE** box at the right of **P** item **T1**:

W if you are claiming a housekeeper tax offset and you had **no** dependent child or student

H if you are claiming a housekeeper tax offset and you had a dependent child or student

C if you are claiming a dependent spouse tax offset for part of the year and a child-housekeeper tax offset for another part of the year or a spouse tax offset and a housekeeper tax offset for the same period.

Senior Australians (includes age pensioners, service pensioners and self-funded retirees)

You can claim the senior Australians tax offset only if you meet all the following conditions relating to:

- age
- income
- eligibility for Australian Government pensions.

If you have a spouse you also need to work out whether they were eligible.

You cannot claim this tax offset if you were in jail for the whole of 2008–09.

You may not get the senior Australians tax offset even if you meet all the eligibility conditions as the amount of the tax offset is based on your individual taxable income, not your combined taxable income if you have a spouse.

ANSWERING THIS QUESTION

Condition 1 – Age

You meet this condition if, on 30 June 2009, you were:

- a male
  - aged 65 years old or older, or
  - veteran or war widower aged 60 years or more who met the veteran pension age test

or

- a female
  - aged 63 years and 6 months old or older, or
  - veteran or war widow aged 58 years and 6 months old or older who met the veteran pension age test.

To find out whether you meet the veteran pension age test, go to **More information** on page 65.

Do you meet **condition 1**?

YES ☐ Read **condition 2**.

NO ☐ You are not eligible for this tax offset. Go to question **T3**.

Condition 2 – Income

You meet this condition if **any** of the following applied to you in 2008–09.

- You did not have a spouse, and your taxable income was less than **$46,707**.
- You had a spouse, and the combined taxable income* of you and your spouse was less than **$74,992**.
- At any time during the year you and your spouse had to live apart due to illness or because one of you was in a nursing home, and the combined taxable income* of you and your spouse was less than **$87,840**.

* **Combined taxable income** includes your spouse's share of any net income of a trust which the trustee was liable to pay tax on because your spouse was under a legal disability – such as under 18 years old on 30 June 2009, was a bankrupt or was a person who was declared legally incapable because of a mental condition.

Do you meet **condition 2**?

YES ☐ Read **condition 3**.

NO ☐ You are not eligible for this tax offset. Go to question **T3**.

Condition 3 – Eligibility for Australian Government pensions and similar payments
You meet this condition if **any** of the following three criteria applied to you in 2008–09.

A You received an Australian Government age pension from Centrelink, or a pension, allowance or benefit from the Department of Veterans' Affairs (DVA) at any time during 2008–09.

If **A** applied to you, you meet this condition. Go to **Completing your tax return**. Otherwise, read on.

B You were eligible for an Australian Government age pension during 2008–09 but did not receive it because you did not make a claim or because of the application of the income test or the assets test, and you satisfy one of the following:
- you have been an Australian resident for age-pension purposes for either 10 continuous years or for more than 10 years of which five years were continuous
- you have a qualifying residence exemption (because you arrived in Australia as a refugee or under a special humanitarian program)
- you are a woman who was widowed in Australia (at a time when both you and your late partner were Australian residents), you have made a claim for the age pension and you had two years residence immediately before your claim
- you received a widow B pension, widow allowance, mature age allowance or partner allowance immediately before turning age-pension age
- you would qualify under an international social security agreement.

If **B** applied to you, you meet this condition. Go to **Completing your tax return**. Otherwise, read on.

If you need assistance in determining your eligibility for a social security or Centrelink pension only, phone Centrelink on **13 23 00**. For all other enquiries relating to the senior Australians tax offset, phone our Individual Infoline (see the inside back cover).

C You were eligible for a pension, allowance or benefit from Veterans' Affairs during 2008–09 but did not receive it because you did not make a claim or because of the application of the income test or the assets test, and you satisfy either of the following:
- you are a veteran with eligible war service, or
- you are a Commonwealth veteran, allied veteran or allied mariner with qualifying service.

If you are not sure whether you were eligible for a payment, you can get further information from the DVA website or by phoning Veterans' Affairs.

If **C** applied to you, you meet this condition.

Do you meet **condition 3**?

YES ☐ Go to **Completing your tax return** below.

NO ☐ You are not eligible for this tax offset. Go to question **T3**.

COMPLETING YOUR TAX RETURN

Step 1
Work out which of the following code letters applied to your circumstances.

SENIOR AUSTRALIANS TAX OFFSET CODE LETTERS	
If at any time during 2008–09, you were single, separated or widowed, use	**A**
If you and your spouse ■ were **both** eligible for the senior Australians tax offset, and ■ at any time in 2008–09 'had to live apart due to illness' or lived apart because one of you was in a nursing home, use	**B**
If your spouse was **not** eligible for the senior Australians tax offset, and at any time in 2008–09 you and your spouse lived apart due to illness or because one of you was in a nursing home, use	**C**
If you and your spouse lived together and you were **both** eligible for the senior Australians tax offset, use	**D**
If you and your spouse lived together, but your spouse was **not** eligible for the senior Australians tax offset, use	**E**

'Had to live apart due to illness' refers to situations where you and your spouse did not live together because one or both of you have an indefinitely continuing illness or infirmity and, as a result your combined living expenses were increased.

If only one code letter above applied, go to step 2.

If **more than one** code letter applied, use the first code letter in the list on the previous page that applied to you, **except** as shown in the following table.

If both **A** and **B** applied, and your spouse's taxable income was less than $18,334, use	**B**
If both **A** and **C** applied, and your spouse received an Australian Government payment listed at question **6,** and your spouse's taxable income was less than $18,640, use	**C**
If both **A** and **D** applied, and your spouse's taxable income was less than $12,494, use	**D**
If both **A** and **E** applied, and your spouse received an Australian Government payment listed at question **6,** and your spouse's taxable income was less than $13,140, use	**E**

Step 2
Print your code letter in the **TAX OFFSET CODE** box at **N** item **T2**.

We will work out the amount of your tax offset. If you want to work it out, you can use the senior Australians and pensioner tax offset calculator at **www.ato.gov.au/calculators**

Step 3
If you or your spouse was a veteran, war widow or war widower, read on and work out your **veteran code letter**; otherwise, go to step 4.

Select the code letter that applies to you.

VETERAN CODE LETTERS	
If you were a veteran, war widow or war widower, use	**V**
If your spouse was a veteran, war widow or war widower, use	**W**
If both **V** and **W** apply to you, use	**X**

If a veteran code letter applies to you, print the code letter in the **VETERAN CODE** box at **Y** item **T2**. Otherwise, leave it blank.

Step 4
If your senior Australians tax offset code letter is **B**, **C**, **D** or **E**, you must read pages 93–4 and complete **Spouse details – married or de facto** on pages 6–7 of your tax return.

Any unused portion of tax offset
If you are eligible for the senior Australians tax offset and your spouse is eligible for either the senior Australians tax offset or pensioner tax offset, and one of you does not fully use your tax offset, the unused portion may be available for transfer to the other person. We will work this out automatically and transfer any entitlement.

MORE INFORMATION
You meet the **veteran pension age test** if one of the following applied to you and you were eligible for a pension, allowance or benefit under the *Veterans' Entitlements Act 1986*.

- You have eligible war service – that is, service in World War I or World War II or operational service as a member of the Australian Defence Force.
- You are a Commonwealth or allied veteran who served in a conflict in which the Australian Defence Force was engaged during a period of hostilities – that is, World War I or World War II, or in Korea, Malaya, Indonesia or Vietnam.
- You are an Australian or allied mariner who served during World War II.
- You are the war widow or widower of a former member of the Australian Defence Force.

'Pension, allowance or benefit' includes:
- disability pension
- service pension, and
- white or gold Repatriation health cards for treatment entitlements.

If you are not sure if you meet the veteran pension age test, visit the DVA website at **www.dva.gov.au** or phone Veterans' Affairs on **13 32 54**.

T3 Tax offsets

Pensioner

Did you show an Australian Government pension or allowance at item 6 on your tax return?

NO ☐ Go to question **T4**.

YES ☐ Read below.

If you have already claimed a tax offset at item **T2**, go to question **T4**, because you cannot also claim this tax offset.

COMPLETING YOUR TAX RETURN

Step 1
Work out which of the following code letters applied to your circumstances.

PENSIONER TAX OFFSET CODE LETTERS	
If, at any time during 2008–09, while you were receiving an Australian Government pension or allowance listed at question **6**:	
you were single, widowed or separated, use	**S**
you and your spouse lived together, use	**P**
you and your spouse 'had to live apart due to illness' or you lived apart because one of you was in a nursing home, use	**I**

'Had to live apart due to illness' refers to situations in which you were paid a pension at a higher rate because you and your spouse did not live together in your home due to illness. If you are not sure, check with Centrelink or the Department of Veterans' Affairs.

If only **one** code letter above applied, go to step 2.

If more than one code letter applied, use the following code letter.

If both **P** and **I** applied to you, use	**I**
If **S**, **P** and **I** all applied to you, use	**J**
If both **S** and **I** applied to you, use	**J**
If both **S** and **P** applied to you, use	**Q**

Step 2
Print your pensioner tax offset code letter in the **TAX OFFSET CODE** box at **O** item **T3**.

We will work out the amount of your tax offset. If you want to work it out, you can use the senior Australians and pensioner tax offset calculator at **www.ato.gov.au/calculators**

Step 3
If you or your spouse was a veteran, war widow or war widower, you need to work out your **veteran code**. Select the code letter that applies to you.

VETERAN CODE LETTERS	
If you were a veteran, war widow or war widower, use	**V**
If your spouse was a veteran, war widow or war widower, use	**W**
If both **V** and **W** apply to you, use	**X**

If a veteran code letter applies to you, print the code letter in the **VETERAN CODE** box at **T** item **T3**. Otherwise, leave it blank.

Step 4
If your pensioner tax offset code letter was **S**, go to question **T4**.

Step 5
If your pensioner tax offset code letter was **P**, **I**, **J** or **Q**, you must read pages 93–4 and complete **Spouse details – married or de facto** on pages 6–7 of your tax return.

ANY UNUSED PORTION OF TAX OFFSET

If you are eligible for the pensioner tax offset and your spouse is eligible for either the senior Australians tax offset or pensioner tax offset, and one of you does not fully use your tax offset, the unused portion may be available for transfer to the other person. We will work this out automatically and transfer any entitlement.

Australian superannuation income stream

Tax offsets T4

If you have shown income from an Australian superannuation income stream at item **7** on your tax return, you may be entitled to a tax offset equal to 15% of the taxed element or 10% of the untaxed element of your superannuation income stream benefit.

The tax offset amount will be shown on your *PAYG payment summary – superannuation income stream*.

You are not entitled to a tax offset for the taxed element of any superannuation income stream you received before you turned 55 years old unless the superannuation income stream was either:

- a disability superannuation benefit, or
- a death benefit income stream.

You are not entitled to a tax offset for the untaxed element of any superannuation income stream received before you turned 60 years old unless the superannuation income stream is a death benefit income stream and the deceased died after they turned 60 years old.

Did you receive an Australian superannuation income stream shown on a *PAYG payment summary – superannuation income stream?*

NO ☐ Go to question **T5**.

YES ☐ Read below.

ANSWERING THIS QUESTION

You will need:

- your *PAYG payment summary – superannuation income stream* which should show the amount of the tax offset.

Contact your payer if you:

- did not receive a payment summary or you lost your payment summary
- think you qualify for this tax offset and the payment summary does not show it
- disagree with the amount shown on your payment summary.

Alternatively, refer to page 108 for further instructions if you are entitled to a tax offset and your *PAYG payment summary – superannuation income stream* does not show a tax offset amount.

COMPLETING YOUR TAX RETURN

Step 1
Add up the tax offsets that are either shown on a superannuation income stream payment summary or worked out by you.

Step 2
Write the total at **S** item **T4**.

MORE INFORMATION

For more information on how this tax offset is worked out, see **Special circumstances and glossary** on page 108.

T5 Tax offsets

Private health insurance

You can claim a private health insurance tax offset if you paid a premium for a complying private health insurance policy or your employer paid this premium on your behalf.

Your health insurance policy is complying if:

- it is provided by a registered health insurer
- it provides hospital or general (also known as 'extras') cover or combined hospital and general cover, and
- it meets other complying private health insurance policy requirements – if you are not sure your health insurer can tell you if your policy meets these conditions.

The Private Health Insurance Administration Council website at **www.phiac.gov.au** can tell you if your insurer is a registered health insurer.

Did you, or your employer on your behalf, pay a premium for a complying private health insurance policy?

NO ☐ Go to question **T6**.

YES ☐ Read below.

Check the statements from all of the health insurers you paid premiums to. If the amounts at **G** on your statements are $0, you have already received your full entitlement and you do not need to complete this item. Go to question **T6**.

If you have an amount greater than $0 at **G**, read below.

ANSWERING THIS QUESTION

You will need a statement from your registered health insurer.

If you did not receive a statement, contact your insurer. If you do not have a statement because your employer paid the premium, contact your insurer or employer.

If you cannot get a statement from your health insurer, or if your statement shows a total amount expected to be paid during the year which is different to the total amount actually paid (for example, you did not make one of the expected payments), you will need to calculate your tax offset yourself. Go to **www.ato.gov.au** and search for 'Private health insurance rebate', then select 'Calculating your rebate'. Use one of the two worksheets to help you work out what you can claim.

You cannot claim this tax offset for premiums paid if you have already claimed a private health insurance rebate for them, either as reductions in your premiums through the health insurer or as cash or cheque rebates from Medicare.

COMPLETING YOUR TAX RETURN

Step 1

Add up all the amounts shown at **G** on your statements.

Step 2

Deduct any cash or cheque rebates you received from Medicare for your private health insurance premiums.

Step 3

If the result from step 2 is $0 or a negative amount, you have already received your full entitlement.

If the result from step 2 is greater than $0, write the amount at **G** item **T5**.

If you and another person made payments for the same policy (for example, from a joint bank account) you can each claim the proportion of the amount you worked out at step 2 that reflects the amount of the premiums that you paid.

Education tax refund

THIS IS A NEW QUESTION.

You may be eligible for the education tax refund (ETR) if you, or your partner, incurred eligible education expenses between 1 July 2008 and 30 June 2009 for the primary or secondary school studies (at school, home or TAFE) of:

- a child, or
- yourself, if you were an independent student under 25 years old.

For the purpose of this question, your **partner** is a person of the opposite sex:

- with whom you are legally married or in a marriage-like relationship
- from whom you are not permanently separated, and
- who is not blood-related or under the age of consent.

You **incur** an expense in the income year when:

- you receive a bill or invoice for an expense that you are liable for and must pay (even if you don't pay it until after the end of the year), or
- you do not receive a bill or invoice but you are charged and you pay for the expense.

For you to be eligible to claim the ETR for an expense for a student, the expense must be an **eligible education expense**, and when the expense was incurred:

- you must have met **one** of the four conditions below, and
- the student must have met the schooling requirement.

See:

- page 70 for a list of **eligible education expenses**
- page 70 for **schooling requirement**
- below for information on the four **conditions**.

Do you want to claim the ETR?

NO ☐ Go to question **T7**.

YES ☐ Read below.

You must meet one of the four following conditions for **each** student for whom you want to claim the ETR.

CONDITION 1: RECEIVING FAMILY TAX BENEFIT (FTB) PART A

On the day you or your partner incurred the expense in respect of the child, were you eligible to receive FTB Part A for that child?

If you are not sure whether you were eligible to receive FTB Part A for that child, contact the Family Assistance Office (see page 112).

YES ☐ Go to **Schooling requirement** on the next page.

NO ☐ Read **Condition 2: receiving payments other than FTB**.

CONDITION 2: RECEIVING PAYMENTS OTHER THAN FTB

You met this condition if, on the day you or your partner incurred the expense in respect of the child, that child was not your **FTB child** (see the definition on page 74) only because one of these payments was paid for the child[1]:

- a social security pension or benefit
- a Labour Market Program payment, or
- a prescribed educational scheme payment.

Did you meet this condition?

YES ☐ Go to **Schooling requirement** on the next page.

NO ☐ Read **Condition 3: child stops school**.

[1] These payments include:
- Youth Allowance
- disability support pension
- ABSTUDY living allowance
- payments under the Veterans' Children Education Scheme
- payments under the scheme to provide education and training under the *Military Rehabilitation and Compensation Act 2004*.

If you are not sure whether a payment for the child is one of these types of payment, contact the payer.

CONDITION 3: CHILD STOPS SCHOOL

You can meet this condition for the child only if:

- on the day you or your partner incurred the expense in respect of the child, the child was 16 years or older and met the schooling requirement
- the child was not undertaking primary or secondary school studies on 30 June 2009, and
- you would have satisfied condition 1 or 2 for the child on the day the expense was incurred if the child had earned no income in the 2008–09 income year.

If all these criteria are satisfied the Commissioner will accept that you have met condition 3 when you or your partner incurred the expense.

Did you meet this condition?

YES ☐ Go to **Schooling requirement** in the next column.

NO ☐ Read **Condition 4: independent student**.

CONDITION 4: INDEPENDENT STUDENT

You met this condition if, on the day you incurred the expense, you were under 25 years old and:

- you were receiving a social security pension or benefit, a Labour Market Program payment or a prescribed educational scheme payment[1]
- you met the independence requirements for the payment
- you were an Australian resident (under the *Social Security Act 1991*) or a special category visa holder (under the *Migration Act 1958*)
- you were residing in Australia, and
- no one else, such as your parent or an approved care organisation, was entitled to the ETR for you.

Did you meet this condition?

YES ☐ Go to **Schooling requirement** in the next column.

NO ☐ You are not eligible for this tax offset. Go to question **T7**.

[1] These payments include:
- Youth Allowance
- disability support pension
- ABSTUDY living allowance
- payments under the Veterans' Children Education Scheme
- payments under the scheme to provide education and training under the *Military Rehabilitation and Compensation Act 2004*.

If you are not sure whether a payment for the child is one of these types of payment, contact the payer.

SCHOOLING REQUIREMENT

If the student was enrolled or registered in a primary or secondary school course (at school, at home or at TAFE) and attended that course, or received the home schooling, for at least one day:

- between 1 July 2008 and 31 December 2008, then they met the schooling requirement for every day in that period
- between 1 January 2009 and 30 June 2009, then they met the schooling requirement for every day in that period
- in each of those two six-month periods, then they met the schooling requirement for the whole year.

Did the student meet the schooling requirement?

NO ☐ You are not eligible for this tax offset. Go to question **T7**.

YES ☐ Read below.

EDUCATION EXPENSES

The following are **eligible education expenses** if they relate directly to the education of the student for whom you are claiming the ETR:

- laptops, home computers, repair and associated running costs
- computer-related equipment, such as printers, USB flash drives, as well as disability aids to assist in the use of computer equipment for students with special needs, repair and associated running costs
- home internet connection, including the costs of establishing and maintaining it
- computer software – for example, word processing, spreadsheet and presentation software
- school textbooks and other paper-based school learning material, including prescribed textbooks, associated learning materials, study guides and stationery
- tools of trade, such as tools required to complete a school-based apprenticeship.

The following are **not eligible expenses** for the ETR:

- school fees
- school uniform expenses
- student attendance at school excursions and camps
- tutoring costs
- sporting equipment
- musical instruments
- library book fees

- building levies
- school subject levies
- school photos
- donations
- tuckshop expenses
- waiting list fees
- transport
- membership fees
- computer games and consoles.

You cannot claim for an expense, or that part of an expense:

- that is tax deductible
- that is subject to another tax offset, or
- for which you received or are entitled to receive a reimbursement or payment under a Commonwealth benefit, grant or subsidy.

Were the expenses you want to claim eligible education expenses?

YES ☐ Go to **Answering this question** below.

NO ☐ You are not eligible for this tax offset. Go to question **T7**.

ANSWERING THIS QUESTION

Use the following steps and worksheets to calculate your ETR, or go to **www.ato.gov.au** and use the ETR calculator there.

If you are an independent student go to **Completing worksheet 1**.

Before you can work out how much you can claim, you need to know whether you had an FTB agreed percentage or an FTB shared-care percentage for the child.

If both you and your partner met condition 2 or 3, you can make a written agreement with your partner stating which of you will claim the ETR. Otherwise, you will each have to claim half the ETR.

You have to use the ETR calculator at **www.ato.gov.au** if:

- you had an FTB shared-care or FTB agreed percentage that changed during the year
- you met condition 1 for a child during part of the income year and you met condition 2 or 3 for the same child during another part of the income year, or
- you and your partner met condition 2 or 3 unless
  - you had a written agreement that one of you would claim the ETR for every day in the year, or
  - you did not have a written agreement at all.

Completing worksheet 1

Complete **worksheet 1** to work out the maximum ETR you can claim (your ETR limit).

If you were an independent student, use any column in the worksheet and disregard any instruction that relates to a child.

If you have more than five children for whom you want to claim ETR, use a separate piece of paper to continue your calculations.

Step 1

For a student who attended secondary school on a day during 2008–09, write **$750** at (a). For a student who attended only primary school during 2008–09, write **$375** at (a).

Step 2

Write at (b), for each student, the number of **eligible days** – that is, days when:

- you met any of the four conditions on pages 69–70 with respect to the student **and**
- the student met the schooling requirement.

If both of the above dot points are satisfied for the whole income year, write **365** at (b).

Step 3

- If you met condition 4, write **1** at (c).
- If you met condition 1 and had an FTB agreed percentage, write this percentage at (c) as a decimal (for example, write **0.65** not 65%).
- If both you and your partner met condition 2 or 3, and you do not have a written agreement with your partner, your agreed percentage is 50%. Write **0.5** at (c).
- Otherwise, your agreed percentage is 100%. Write **1** at (c).

Step 4

- If you met condition 4, write **1** at (d).
- If you and your partner **did not share the care** of the child with someone else, write **1** at (d).
- If you met condition 1, write your FTB shared-care percentage for the child at (d) as a decimal.
- If you met condition 2 or 3, work out the number of days that the child was with you and your partner during 2008–09 that were also eligible days (see step 2). Divide that number by the number of eligible days at (b) and write the answer at (d).

WORKSHEET 1

Working out your ETR limit

	Child 1	Child 2	Child 3	Child 4	Child 5	
Amount from step 1	$	$	$	$	$	(a)
Number of eligible days						(b)
Agreed percentage						(c)
Shared-care percentage						(d)
Multiply (b), (c) and (d).						(e)
Divide (e) by 365 (round to two decimal places).						(f)
Multiply (a) by (f).	$	$	$	$	$	(g)
Add up all the amounts at (g) and round up to the next dollar.					$	(h)

The amount at (h) is your ETR limit.

Work out the total eligible expenses you can claim ETR for

Step 5
If you were an independent student, add up all your eligible expenses and write the total at (p) in **worksheet 2**. Ignore rows (j) to (o) and complete (q). Go to step 7.

If you were single for the whole income year and you did not share the care of the child, add up all the eligible expenses that you incurred when you met condition 1, 2 or 3. Write the total at (p) in **worksheet 2**. Ignore rows (j) to (o) and complete (q). Go to step 7.

Otherwise, read on.

Step 6
Add up all the eligible expenses that you and your partner incurred when you met condition 1. Write the total at (j) in **worksheet 2**.

Write at (k) in **worksheet 2** your FTB agreed percentage from (c) in **worksheet 1**.

Add up and write at (m) in **worksheet 2** all the eligible expenses that you and your partner incurred when:
- you both met condition 2 or 3, and
- you did not have a written agreement with your partner identifying who would claim ETR.

Add up and write at (o) in **worksheet 2** all the eligible expenses that you and your partner incurred when:
- you both met condition 2 or 3, and
- you had a written agreement with your partner that you would claim the ETR.

WORKSHEET 2

Working out the total expenses you can claim ETR for		
Your expenses under condition 1	$	(j)
Your FTB agreed percentage		(k)
Multiply (j) by (k).	$	(l)
Your expenses under condition 2 or 3 without a written agreement	$	(m)
Divide (m) by 2.	$	(n)
Your expenses under condition 2 or 3 with a written agreement	$	(o)
Add (l), (n) and (o).		(p)
Divide (p) by 2 and round up to the next dollar.		(q)

The amount at (q) is the maximum amount of eligible education expenses you may claim.

Work out the amount of your ETR

Step 7
Transfer the amount from (h) in **worksheet 1** or (q) in **worksheet 2**, whichever is less, to **L** item **T6**.

If you transferred the amount from (q) in **worksheet 2** to **L** item **T6**, go to step 9. Otherwise, read on.

Work out the excess eligible expenses you can carry forward to 2009–10

Step 8

WORKSHEET 3

Working out the excess eligible expenses		
Transfer (q) from **worksheet 2**.	$	(q)
Transfer (h) from **worksheet 1**.	$	(h)
Take (h) away from (q).	$	(s)
Multiply (s) by 2.	$	(t)

If the amount at (t) in **worksheet 3** is less than the amount at (p) in **worksheet 2**, then the amount at (t) is the amount you carry forward and include in your total eligible education expenses when working out your ETR for 2009–10, providing you are still eligible to claim ETR in that year. Keep a record of the amount at (t).

If the amount at (t) in **worksheet 3** is greater than the amount at (p) in **worksheet 2**, then the amount at (p) is the amount you carry forward and include in your total eligible education expenses when working out your ETR for 2009–10, providing you are still eligible to claim ETR in that year. Keep a record of the amount at (p).

Number of students

Step 9
Add up the number of primary school students you are claiming ETR for and write the answer at **W** item **T6**.

Step 10
Add up the number of secondary school students you are claiming ETR for and write the answer at **X** item **T6**.

DEFINITION OF FTB CHILD

A child will be your 'FTB child' on a day when:
- the following criteria are met, and
- the child is not prevented from being your FTB child by the negative test (see the next column).

There may be other situations in which a child will be your FTB child. If in doubt, contact the FAO.

Basic criteria

- The child must be in your care for 35% of the time or more (see negative test).
- You must be an Australian resident or a special category visa holder and the child must be:
  - an Australian resident, or
  - a special category visa holder residing in Australia, or
  - living with you.
- The child must not be your partner or, if the child is under 16 years old they would not be your partner if they were over the age of consent in your state or territory.
- The child, or someone on their behalf, must not receive any social security pension or benefit or Labour Market Program payment for the child.
- The child must be under 25 years old.

Contact the FAO about the following situations when a child might still be your FTB child:
- The child is taken out of your care without your consent.
- You or the child are not in Australia.
- The child is under 18 years old and from another relationship of your partner.

Age-based criteria

If the **child is under 18 years old**, **one** of the following criteria must be met:
- You are legally responsible (or jointly legally responsible with another person) for the day-to-day care, welfare and development of the child.
- You are a person with whom the child is supposed to live or spend time with under a family law order, registered parenting plan or parenting plan that is in force for the child.
- The child is not in the care of anyone legally responsible for their day-to-day care, welfare and development.

If the **child is 5 years old or older and under 16 years old**, and they are not studying full time or engaged in a course of primary education, their adjusted taxable income (ATI) must be less than $12,287.

If the **child is 16 years old or older and under 21 years old**:
- their ATI must be less than $12,287, and
- the child, or someone on their behalf, must not receive any payments under a prescribed educational scheme for the child.

If the **child is 21 years old or older and under 25 years old**:
- the child must be undertaking full time study
- their ATI must be less than $12,287, and
- the child, or someone on their behalf, must not receive any payments under a prescribed educational scheme for the child.

For an explanation of ATI and its components, go to the 'Family assistance guide' at **http://www.fahcsia.gov.au/guides_acts/fag/faguide-3/faguide-3.2.html**

The negative test

If you satisfy the criteria above for a child on a day, that child is your 'FTB child' on that day unless **all** of the following conditions apply:
- the child is also an FTB child of one or more other people with whom you share the care of the child
- you made a claim for FTB in respect of the child for all or part of the income year
- you are not the partner of someone in respect of whom the child is an FTB child, and
- the FAO has determined that you care for the child for less than 35% of the time.

If all the conditions above apply, the child is not your 'FTB child'.

Baby bonus

If you had a baby before 1 July 2004 or gained legal responsibility for a child before 1 July 2004, you can claim the baby bonus until the child turns five years old.

To claim the baby bonus on your tax return you must have claimed it previously for this child (and not because your spouse transferred their entitlement to you).

If you are transferring your eligibility for the baby bonus to your spouse for the 2008–09 income year, this question does not apply to you.

Are you eligible to claim the baby bonus here?

NO ☐ Go to **Tax offsets that you show on the supplementary section of the tax return**.

YES ☐ Read below.

You should transfer your eligibility for the baby bonus to your spouse only if your spouse was your spouse for the whole claim period and they would get a higher baby bonus amount than you. For more information, visit our website or phone the Individual Infoline (see the inside back cover).

ANSWERING THIS QUESTION

You make a claim for the baby bonus at this item only if:

- you claimed the baby bonus in a previous year (but not because your spouse transferred their entitlement to you)
- you are claiming for the same child this year, and
- you are required to lodge a tax return for 2008–09.

If you do not meet these conditions, you need to get *Baby bonus instructions and claim 2009* (NAT 6580), complete the claim and lodge it with your tax return. If you are not required to lodge a tax return for 2008–09, you can lodge your baby bonus claim on its own by using *e-tax* or completing and lodging the claim form.

COMPLETING YOUR TAX RETURN

To complete this item, you need to work through the following steps using **worksheet 1** to determine the number of days that you were eligible to claim the baby bonus for 2008–09.

WORKSHEET 1		
Number of baby bonus days		
Maximum number of eligible days		(a)
Days in the care of another person		(b)
Adjusted number of eligible days		(c)

Step 1

Write at (a) in **worksheet 1** the number of days in 2008–09 that **all** of the following applied to you at the same time:

- you had legal responsibility for and care of the child
- the child was under five years old, and
- you were an Australian resident (see page 5).

Example

Danielle is an Australian resident for tax purposes. She had legal responsibility for and care of Mitchell for the full year. Mitchell's fifth birthday was on 20 September 2008. Danielle would write **81** at (a), the number of days from 1 July to 19 September.

Bereavement

If your child died during the year but before their fifth birthday, write **365** at (a) in **worksheet 1**. Go to step 6.

Child's fifth birthday on 1 July 2008

If your child turned five years old on 1 July 2008 and the income year you gained legal responsibility for the child is also your base year and you did not transfer your eligibility in your base year, write at (a) the number of days from the date you became legally responsible to 30 June of your base year. Go to step 6.

Step 2

Did the legal responsibility for your child change (for example, through a court order) during 2008–09?

NO ☐ Go to step 6.

YES ☐ Go to step 3.

Step 3

Did another person (including your spouse) have legal responsibility for and care of your child during any of the days you have written at (a) in **worksheet 1**?

NO ☐ Go to step 6.

YES ☐ Write at (b) in **worksheet 1** the total number of days that this applied. Go to step 4.

Step 4

Has this person been eligible for the baby bonus for another child (but not where a spouse transferred their eligibility to the person)?

NO ☐ Go to step 5.

YES ☐ In **worksheet 1** take (b) away from (a), then write the answer at (c). Go to step 6.

Step 5

In the following list, are you listed after the person referred to in step 3?

- Natural mother
- Adoptive mother
- Any other woman
- Natural father
- Adoptive father
- Any other man

NO ☐ Go to step 6.

YES ☐ In **worksheet 1** take (b) away from (a), then write the answer at (c). Go to step 6.

Step 6

The number of days for which you can claim the baby bonus is the number at (c) in **worksheet 1**. If you have nothing at (c), use the number at (a).

Write the number of days you can claim the baby bonus at **H** item **T7**.

If your child died during 2008–09 but before their fifth birthday, print **B** in the **CODE** box at the right of **H** item **T7**.

Tax offsets that you show on the supplementary section of the tax return

You need to use *TaxPack 2009 supplement* if you were entitled to any of the following tax offsets:

- tax offset for superannuation contributions on behalf of your spouse
- tax offset for living in a remote or isolated area of Australia
- tax offset for serving overseas as a member of the Australian Defence Force or a United Nations armed force
- tax offset for net medical expenses over the threshold amount
- tax offset for maintenance of your parent, spouse's parent or invalid relative
- landcare and water facility tax offset brought forward from an earlier year
- mature age worker tax offset
- entrepreneurs tax offset
- tax offset for interest from the land transport facilities tax offset scheme or infrastructure borrowings scheme
- tax offset for performing work or services in the Joint Petroleum Development Area (JPDA)
- foreign income tax offset, which you claimed at item **20**.

Were you entitled to any of the above tax offsets?

NO ☐ Go to **Total tax offsets**.

YES ☐ Read below.

ANSWERING THIS QUESTION

You can find the *Tax return for individuals (supplementary section) 2009* at the back of *TaxPack 2009 supplement*. If you don't have a copy of this supplement, you can get one from most newsagents during the lodgment period (1 July to 31 October 2009). Copies are also available all year from our Publications Distribution Service (see the inside back cover) and shopfronts.

COMPLETING YOUR TAX RETURN

Step 1

Complete the details at the top of page 9 on your *Tax return for individuals (supplementary section) 2009*. Use *TaxPack 2009 supplement* to complete the **TAX OFFSETS** section on page 12 of your tax return (supplementary section).

Step 2

Transfer the amount you wrote at **TOTAL SUPPLEMENT TAX OFFSETS** on page 12 of your tax return (supplementary section) to **T** on page 4 of your tax return.

Total tax offsets

COMPLETING YOUR TAX RETURN

Step 1
Check that you have claimed all the tax offsets you are eligible for.

Step 2
Add up all the tax offset amounts you claimed at items **T1**, **T4**, **T5**, **T6** and **T** on your tax return. (We work out the amounts at items **T2**, **T3** and **T7** automatically.)

Step 3
Write the total amount at **U TOTAL TAX OFFSETS** on page 4 of your tax return.

Mature age worker tax offset

If you were an Australian resident aged 55 years or older on 30 June 2009 and you have received certain income from working, you may be eligible for the mature age worker tax offset.

If you have net income from working as a result of amounts that you show at items in the supplementary section of the tax return, you will need to complete item **T13 Net income from working – supplementary section** so we can work out your mature age worker tax offset entitlement.

Adjustments that you show on the supplementary section of the tax return

COMPLETING YOUR TAX RETURN

Did you receive a distribution during 2008–09 on which family trust distribution tax has been paid?

YES ☐ Read question **A3** on page s66 in *TaxPack 2009 supplement*. You may be entitled to an adjustment.

NO ☐ Read on.

Did you make a payment to the Tax Office more than 14 days before the due date for payment?

YES ☐ Read question **C1** on page s67 in *TaxPack 2009 supplement*. You may be able to claim credit for interest on early payments.

NO ☐ Go to **Private health insurance policy details** on the next page.

Private health insurance policy details

You need to complete this item if you claimed a tax offset at item **T5 Private health insurance** or you were directed to provide this information at question **M2 Medicare levy surcharge**.

Did you have private health insurance at any time from 1 July 2008 to 30 June 2009?

NO ☐ Go to question **M1**.

YES ☐ Read below.

You must complete item **M2 Medicare levy surcharge** – it is compulsory.

ANSWERING THIS QUESTION

You will need your statements from your registered health insurers.

If you did not receive a statement, contact your insurer. If you do not have a statement because your employer paid the premium, contact your insurer or employer.

You may have been covered by a family policy even though you or your employer did not pay the premium. You can complete this item showing the type of cover you had under that policy.

COMPLETING YOUR TAX RETURN

Use the information shown on your statements to complete your tax return.

If you had more than three policies, go to step 4.

Step 1

Print the identification code of each of your health insurers at **B Health insurer ID** on page 4 of your tax return.

Step 2

Write each of your private health insurance membership numbers at **C Membership number**.

Step 3

In the **Type of cover** box, print the code letter from each of your statements. If you don't have a statement, print the code letter from the table in the next column that best describes the type of health insurance cover you had.

TYPE OF COVER	CODE LETTER
General cover, also known as 'extras'	A
Hospital cover	H
Combined hospital and general cover	C

If you changed your health cover during the year, print the code letter that gave you the highest level of cover.

You have finished this question. Go to question **M1**.

Step 4

If you had more than three policies during the year, complete steps 1 to 3 for the first three policies. Then, on a separate piece of paper, print SCHEDULE OF ADDITIONAL INFORMATION – PRIVATE HEALTH INSURANCE POLICY DETAILS. Print your name, address and tax file number, and list the health insurer's ID code, your membership number and the type of cover for each of the other policies you held. Sign your schedule and attach it to page 3 of your tax return. Print **X** in the **YES** box at *Taxpayer's declaration* question **2a** on page 8 of your tax return.

TAX TIPS

To check if your health insurer is a registered private health insurer, visit the Private Health Insurance Administration Council website at **www.phiac.gov.au**

M1 Medicare levy

Medicare levy reduction or exemption

This question is about whether you qualify for a Medicare levy reduction or exemption. Australian residents are subject to a Medicare levy of 1.5% of their taxable income unless they qualify for a reduction or exemption.

If you are not an Australian resident, you are exempt from the Medicare levy.

A Medicare levy reduction is based on your taxable income. A Medicare levy exemption is based on specific categories. You need to consider your eligibility for a reduction or an exemption separately.

The first part of this question deals with Medicare levy reduction. If you are not eligible for a reduction, you will be directed to read the exemption section to see if you qualify for a Medicare levy exemption.

Part A – Medicare levy reduction

ANSWERING THIS QUESTION

Your eligibility for a reduction of your Medicare levy is based on your and your spouse's taxable income and your circumstances.

For the definition of spouse, see page 93.

TABLE 1

Medicare levy thresholds for an individual

Category	Lower threshold	Upper threshold
If you were eligible for the senior Australians tax offset (see question **T2**)	$28,867	$33,961
If you were eligible for the pensioner tax offset (see question **T3**)	$25,299*	$29,763*
All other taxpayers	$17,794*	$20,934*

* At the time of printing *TaxPack 2009* these amounts had not become law.

Even if you meet all the eligiblity conditions for the senior Australians tax offset you may not get it as the amount of the tax offset is based on your individual taxable income, not your combined taxable income if you had a spouse. If you do not get it, you will not get a Medicare levy reduction.

For this question, your taxable income excludes the taxed element of certain superannuation lump sums you received during 2008–09 while you were between 55 and 59 years old (see **Reduced taxable income to take account of certain superannuation lump sums** on page 85).

WHERE DO YOU FIT?

Your circumstance	What to do
Your taxable income is equal to or less than your lower threshold amount.	You do not have to pay the Medicare levy. Do not write anything at item **M1** on your tax return. Go to question **M2**.
Your taxable income is greater than your lower and less than or equal to your upper threshold amounts.	You pay only part of the Medicare levy. We will work it out. Go to part B to see if you qualify for an exemption.
Your taxable income is over your upper threshold amount, and you are single with no dependants.	You do not qualify for a reduction. You may still qualify for an exemption. Go to part B.
Your taxable income is over your upper threshold amount but you: ▪ had a spouse (married or de facto) ▪ had a spouse that died during the year, and you did not have another spouse before the end of the year ▪ are entitled to a child-housekeeper or housekeeper tax offset at item **T1**, or ▪ you were a sole parent at any time during 2008–09 and you had **sole care** (see definition on next page) of one or more dependent children.	You may be eligible for a Medicare levy reduction based on family taxable income. ▪ First work out your **Family taxable income** using **worksheet 1** on the next page. ▪ Then use **worksheet 2** on page 82 to work out your **family taxable income limit**.

Definition of sole care

'Sole care' means that you alone had full responsibility, on a day-to-day basis, for the upbringing, welfare and maintenance of a child or student. You are not considered to have sole care if you are living with a spouse (married or de facto) unless special circumstances exist. Generally, for special circumstances to exist, you must be financially responsible for the dependent child or student and have sole care without the support that a spouse normally provides.

Situations where special circumstances may arise include:

- You were married at any time during 2008–09 but during the year you separated from, or were deserted by, your spouse and for that period you were not in a de facto relationship.
- Your spouse was in prison for a sentence of at least 12 months.
- Your spouse is medically certified as being permanently mentally incapable of taking part in caring for the child or student.

If you are not sure whether special circumstances apply, phone the Individual Infoline (see the inside back cover).

Working out your number of dependent children

Dependent children are those who, in 2008–09, were maintained by you, lived in Australia, and whose separate net incomes (see pages 52–4) were under the following limits:

Categories of dependent children	Separate net income
Full-time student under 25 years old at a school, college or university	$1,786
The first child under 21 years old who is not a full-time student	$1,786
Each additional child under 21 years old who is not a full-time student	$1,410

If you had a spouse on 30 June 2009 or your spouse died during 2008–09 and you did not have another spouse before the end of the year, count all your dependent children.

If you were single or separated on 30 June 2009, count only the number of dependent children for whom you received the family tax benefit (FTB) during all or part of 2008–09. Count them even if you received only the rental assistance component of FTB Part A and you shared the care of the dependent child.

Write the number of dependent children you had during 2008–09 at (g) in **worksheet 2** on the next page.

Family taxable income

Family taxable income is the combined income of you and your spouse (including a spouse who died during the year), or your taxable income if you were a sole parent.

WORKSHEET 1

Family taxable income

Your taxable income from **TAXABLE INCOME OR LOSS** on page 3 of your tax return	$	(a)
Your spouse's taxable income from **TAXABLE INCOME OR LOSS** on page 3 of their tax return (if applicable)	$	(b)
Add (a) and (b).	$	(c)
Any relevant amounts of superannuation lump sums that you or your spouse received (see the fourth paragraph under **Answering this question** on the previous page)	$	(d)
Take (d) away from (c). This is your **family taxable income**.	$	(e)

Working out your family taxable income limit

Your Medicare levy is reduced if your family taxable income is equal to or less than the following limits.

WORKSHEET 2

Family taxable income limit		
Basic family taxable income limit (print **X** with applicable box)		
If you were eligible at item **T2**	☐ $49,411	
All other taxpayers	☐ $35,323*	(f)
Number of dependent children (if applicable)		(g)
Multiply (g) by $3,243.*	$	(h)
Family taxable income limit Add the appropriate amount from (f) to the amount at (h).	$	(i)

* At the time of printing *TaxPack 2009* these amounts had not become law.

Is your family taxable income at (e) in worksheet 1 equal to or less than your family taxable income limit at (i) in worksheet 2?

YES ☐ You are entitled to a reduction. Go to step 1 below.

NO ☐ You do not qualify for a reduction. Go to part B in the next column to see if you qualify for an exemption.

COMPLETING YOUR TAX RETURN – MEDICARE LEVY REDUCTION

Step 1

If you had a spouse on 30 June 2009, or your spouse died during the year and you did not have another spouse before the end of the year, write your spouse's taxable income at **O Spouse's 2008–09 taxable income**, in **SPOUSE DETAILS** on page 7 of your tax return. If your spouse had no taxable income, write **0**.

Step 2

Write the number of your dependent children [from (g) in **worksheet 2**] at **Y** item **M1** on page 5 of your tax return. If you had none, write **0**.

We work out the reduction for you, based on your spouse details and number of dependent children.

Read on to see if a Medicare levy exemption applies to you for all or part of 2008–09.

Part B – Medicare levy exemption

ANSWERING THIS QUESTION

You may qualify for an exemption from paying the Medicare levy if you were in any of the following three exemption categories at any time in 2008–09. These categories are:

- medical
- foreign residents and residents of Norfolk Island
- not entitled to Medicare benefits.

If you do not fit into one of the exemption categories, leave **V** and **W** item **M1** blank and go to question **M2**.

For the Medicare levy exemption (but not the reduction), **dependant** means an Australian resident you maintained who was:

- your spouse
- your child under 21 years old, or
- your child, 21 to 24 years old, who was receiving full-time education at a school, college or university and whose separate net income was less than $1,786.

See **What is maintaining a dependant?** and **What is separate net income?** on pages 52–4.

If the parents of a child lived separately or apart for all or part of the income year and the child was a dependant of each of them, the child is treated as an equal dependant of each parent (irrespective of the number of days the child was in each parent's care). However, where a parent receives family tax benefit Part A for the child, including receiving only the rental assistance component, the child is a dependant of that parent for the number of days the child was in their care.

Category 1: Medical

You are in this exemption category and can claim a full or half exemption if:

- **one** of the following applied during all or part of 2008–09:
  - – you were a **blind pensioner**
  - – you received **sickness allowance** from Centrelink

– you were entitled to full free medical treatment for all conditions under **Defence Force** arrangements or **Veterans' Affairs** Repatriation Health Card (Gold Card) or repatriation arrangements,

and

- during the period you met that condition, you also met **one** of the following conditions:

Condition	Exemption that applies
You had no dependants.	Full
Each of your dependants (including your spouse if you had one) either: ■ was in one of the exemption categories, or ■ had to pay the Medicare levy.	Full
You had dependent children who were not in an exemption category but who were also dependants of your spouse, and your spouse either: ■ had to pay the Medicare levy, or ■ met at least one of the **category 1** medical conditions and you have completed a **family agreement** (see the next column) stating that your spouse will pay the half levy for your joint dependants.	Full
You had at least one dependant (for example, a spouse) who: ■ was not in an exemption category, and ■ did not have to pay the Medicare levy (for example, because their taxable income was below the lower Medicare levy threshold (see **table 1**).	Half

Condition	Exemption that applies
You were single or separated and you: ■ had a dependent child who was not in a Medicare levy exemption category, and ■ were entitled to family tax benefit Part A or the rental assistance component of family tax benefit Part A for that child, and ■ were in a shared-care arrangement. Then exemption from the Medicare levy is on the following basis:	
■ Number of days that you **have care** of your dependent child	Half
■ Number of days that you **do not have care** of your dependent child	Full
You had a spouse who met at least one of the **category 1** medical conditions and you had a child who: ■ was not in an exemption category, and ■ was dependent on both of you. In this case, either you or your spouse can claim a full exemption and the other can claim a half exemption by completing a **family agreement** (see below).	Full or Half

If you were in this exemption category, go to step 1 on the next page.

Family agreements

You may **only** complete a **family agreement** if both you and your spouse would have to pay the Medicare levy were it not for your exemption category status. You do not need to send this agreement to us. Keep it with your records.

FAMILY AGREEMENT
We agree that the half Medicare levy exemption in respect of our dependants for the 2008–09 year will be claimed as follows.
Name of person claiming the **full** exemption
Name of person claiming the **half** exemption
Your signature
Your spouse's signature

Category 2: Foreign residents and residents of Norfolk Island

If you were a foreign resident or a resident of Norfolk Island for the full year, you can claim a full exemption for the year (365 days).

If you were a foreign resident or a resident of Norfolk Island for only part of the year, you can claim a full exemption for that period if:

- you did not have any dependants for that period **or**
- all your dependants were in an exemption category for that period.

If you were in this exemption category, go to step 1 in the next column.

Category 3: Not entitled to Medicare benefits

You can claim a **full** exemption for any period for which you have a **certificate** from the Medicare Levy Exemption Certification Unit of Medicare Australia showing you were not entitled to Medicare benefits because you were a temporary resident for Medicare purposes and either:

- you did not have any dependants for that period **or**
- all your dependants were in an exemption category for that period.

A letter from Medicare is not sufficient. For more information on how to apply for an exemption certificate as a temporary resident, contact Medicare Australia on **1300 300 271** or visit their website at **www.medicareaustralia.gov.au**

You also qualify for a full exemption under this category if:

- you were a member of a **diplomatic mission** or consular post in Australia (or a member of such a person's family and you were living with them)
- you were not an Australian citizen
- you do not ordinarily live in Australia, and either:
  - you did not have any dependants for that period, or
  - all your dependants were in an exemption category for that period.

If you were in this exemption category, go to step 1 below.

If you were not in any of the above exemption categories

Leave **V** and **W** item **M1** blank. You have finished this question. Go to question **M2**.

COMPLETING YOUR TAX RETURN – MEDICARE LEVY EXEMPTION

Step 1

Use the information in the categories above to work out whether you qualify for a full exemption or a half exemption and to determine how many dependent children you had during the year.

Step 2

Work out the number of days for which you can claim a full exemption and the number of days for which you can claim a half exemption.

The maximum total number of days you can claim is 365. If you have overlapping qualifying periods, count the days in those overlapping periods only once. If a full exemption period overlaps a part exemption period, count the overlapping days as a full exemption period.

Step 3

Write the number of days you were covered for a full exemption at **V** item **M1**.

Write the number of days you were covered for a half exemption at **W** item **M1**.

If you were a temporary resident for Medicare purposes and have a **certificate** from the Medicare Levy Exemption Certification Unit of Medicare Australia (see category 3) print **C** in the **CLAIM TYPE** box. If you do not fall within this category leave the **CLAIM TYPE** box blank.

We will work out your exemption entitlement.

Step 4

If you had a spouse at any time in 2008–09, you must complete **Spouse details – married or de facto** on pages 6–7 of your tax return.

TAX TIPS

If you would like to work out the amount of Medicare levy you have to pay, go to **www.ato.gov.au/calculators** and use the Medicare levy calculator (under 'Medical').

Reduced taxable income to take account of certain superannuation lump sums

For Medicare levy purposes, your taxable income excludes the taxed element of a superannuation lump sum, other than a death benefit, that you received when you were 55 to 59 years old that does not exceed your low-rate cap for 2008–09. For 2008–09, the low-rate cap is $145,000, but it could be less if you received superannuation lump sums in previous years (see **table 1** on page 105 and the definition of low-rate cap on page 111 for more information).

Example

Bill received a superannuation lump sum of $100,000 in 2007–08 and $80,000 in 2008–09, both of which consisted entirely of a taxed element. He was between 55 and 59 years old when he received both payments. In order to work out if he is below the relevant threshold, Bill subtracts $45,000 from his 2008–09 taxable income. This is because his low-rate cap was reduced by $100,000 in 2007–08. Bill's taxable income for Medicare levy purposes is not further reduced by the amount he received in excess of his low-rate cap – that is, $35,000.

M2 Medicare levy

Medicare levy surcharge

THIS QUESTION IS COMPULSORY.

The Medicare levy surcharge (MLS) is in addition to the Medicare levy. The surcharge rate is 1% of your taxable income (including your total reportable fringe benefits).

You may have to pay the MLS if you or your dependants (including your spouse, even if they had their own income) did not have an appropriate level of private patient hospital cover for the whole of 2008–09 and your income was above a certain amount.

An appropriate level of private patient hospital cover is cover provided by an insurance policy issued by a registered health insurer for hospital treatment in Australia. However, if you took out your policy after 24 May 2000 it does not provide an appropriate level of cover if it has an excess of more than:

- $500 for a policy covering only one person
- $1,000 for all other policies.

Excess is the amount you pay before your health insurer pays for any claims you make.

General cover (formerly called ancillary cover) or 'extras' is not private patient hospital cover because it covers only items such as optical, dental, physiotherapy or chiropractic treatment.

If you have health cover but are not sure whether or not it is at the appropriate level, your registered health insurer can tell you.

Dependants

For this question, a dependant includes:

- your spouse, even if they worked during 2008–09 or had their own income
- your children (under 21 years old and full-time students 21 to 24 years old), regardless of their income.

They must have been Australian residents and you must have contributed to their maintenance. To read about what is considered maintaining a dependant, see page 52.

If you had private patient hospital cover during 2008–09, you will need a statement from your health insurer showing the number of days you and your dependants were covered by an appropriate level of health cover. If you do not have this statement, contact your health insurer.

For the 2008–09 income year:

For the purposes of this question, if you were covered by a health insurance policy that provided private patient hospital cover during any part of the period 1 July to 31 December 2008 and you continued to be covered by that policy on 1 January 2009, then the law treats you as having held private patient hospital cover for the whole of the period 1 July to 31 December 2008.

Were you and all your dependants, including your spouse, covered by an appropriate level of private patient hospital cover for the whole of 2008–09?

YES ☐ Go to **step 5** on page 90.

NO ☐ Read below.

ANSWERING THIS QUESTION

If you do not have an appropriate level of private patient hospital cover, you may be liable for MLS. Whether or not you are liable to pay MLS depends on:

- your income for MLS purposes (called your **MLS income**), and
- your **combined MLS income**, if you had a spouse for the whole of 2008–09 or your spouse died in 2008–09.

Complete **worksheet 1** on the next page to determine your MLS income.

WORKSHEET 1		
Your MLS income		
Your taxable income (from **TAXABLE INCOME OR LOSS** on page 3 of your tax return)	$	(a)
Your reportable fringe benefits amount (from **W** item **10** on your tax return)	$	(b)
Amount on which family trust distribution tax has been paid (from **X** item **A3** on the supplementary section of your tax return)	$	(c)
Add (a), (b) and (c).	$	(d)
If you were 55 to 59 years old, the taxed element of certain superannuation lump sums you received during 2008–09 (see **Superannuation lump sums and MLS income** on page 90)	$	(e)
Take (e) away from (d). This is your **MLS income**.	$	(f)

If you had any exempt foreign employment income and a taxable income of $1 or more, complete this item as if the exempt income were added to your taxable income.

If you did not have a spouse, go to **Exemption categories** in the next column.

If you had a spouse, complete the worksheet in the next column to work out your combined MLS income.

Write at (j) any net income of a trust that the trustee was liable to pay tax on because your spouse was under a legal disability. Examples of a legal disability include: being a bankrupt, being declared legally incapable because of a mental condition or being under 18 years old on 30 June 2009. Do not include any amount that has already been included in your spouse's taxable income.

Write at (k) the total amount of distributions to your spouse:
- on which family trust distribution tax has been paid, and
- which your spouse would have had to show as assessable income if the tax had not been paid.

WORKSHEET 2		
Your combined MLS income		
Your MLS income from (f) in **worksheet 1**	$	(g)
Your spouse's taxable income (from **TAXABLE INCOME OR LOSS** on page 3 of their tax return)	$	(h)
Your spouse's reportable fringe benefits amount (from **W** item **10** on their tax return)	$	(i)
Your spouse's share of the net income of a trust that the trustee is liable to pay tax on	$	(j)
Distributions to your spouse on which family trust distribution tax has been paid	$	(k)
Add (g), (h), (i), (j) and (k).	$	(l)
If your spouse was 55 to 59 years old, the taxed element of certain superannuation lump sums your spouse received during 2008–09 (see **Superannuation lump sums and MLS income** on page 90)	$	(m)
Take (m) away from (l). This is your **combined MLS income**.	$	(n)

Exemption categories

If you do not have private patient hospital cover and you fit in one of the following categories, you are exempt from MLS for the whole of 2008–09.

TABLE 1	
Exemption categories	
Your MLS income was **$70,000 or less**, and: ■ you were single without a dependent child for the whole of 2008–09, or ■ you were single without a dependent child for part of 2008–09 and your spouse did not die during the year.	☐
You were single with a dependent child and your MLS income was **$140,000 or less** (plus $1,500 for each dependent child after the first).	☐
You had a spouse (with or without dependent children), and your combined MLS income was **$140,000 or less** (plus $1,500 for each dependent child after the first). If your spouse died in 2008–09 and you did not have another spouse before the end of the year, you are treated as having had a spouse for the whole of 2008–09.	☐
You and all your dependants (including your spouse, if any) were in a Medicare levy exemption category for the whole of 2008–09 (see question **M1**).	☐
Your combined MLS income was above the limit, but your MLS income was **equal to or less than $17,309**.	☐

Your spouse shows a foreign lump sum payment on the supplementary section of their tax return.

If you are liable for MLS only because your spouse has shown a lump sum payment in arrears at item **20 Foreign source income and foreign assets or property** or item **24 Other income** on the supplementary section of their tax return, you may be entitled to a tax offset up to the amount of MLS you have to pay. We will calculate the tax offset for you.

You will need to provide additional information. Print SCHEDULE OF ADDITIONAL INFORMATION – ITEM M2 on the top of a separate piece of paper.

Print your name, address, tax file number and the name and address of your spouse. Explain that your spouse received a lump sum payment in arrears. Sign your schedule and attach it to page 3 of your tax return. Print **X** in the **YES** box at *Taxpayer's declaration* question **2a** on page 8 of your tax return.

What if your circumstances changed during the year?

If you had a new spouse or you separated from your spouse, or you became or ceased to be a sole parent, both the single and the family surcharge thresholds may apply to you for different periods.

You need to work out whether you were liable for MLS for any period during 2008–09 that you:

- were single (that is, you had no spouse or dependent children) – apply the single surcharge threshold of $70,000 to your MLS income
- had a spouse or any dependent children – apply the family surcharge threshold of $140,000, plus $1,500 for each dependent child after the first, to your MLS income.

To help you work out whether you were liable for MLS for the different periods, see the example below.

Example 1: Spouse for part of the year

Michael and Michelle were married for seven years, but on 12 October 2008 they separated and each stayed single. They did not have private patient hospital cover at any time during 2008–09.

Michelle and Michael had no dependent children, but they were dependants of each other for MLS purposes until they separated.

Michael's MLS income was $65,000 and Michelle's was $80,000. In previous years they had used their **combined** income to assess their MLS liability. They now have to use their **individual** MLS income.

Michael and Michelle are considered to be a family for the period 1 July to 12 October 2008 (104 days), so the family MLS threshold of $140,000 applies to **each of them** for that period. This means:

- Michelle is not liable for MLS for this period because her $80,000 MLS income was less than $140,000
- Michael is not liable for MLS for this period because his $65,000 taxable income for MLS purposes was less than $140,000.

Michael and Michelle were single for the period 13 October 2008 to 30 June 2009, so the single person MLS threshold of $70,000 applies for that period:

- Michelle is **liable** to pay MLS for this period because her $80,000 MLS income exceeded $70,000
- Michael is **not liable** for MLS for this period because his $65,000 MLS income was less than $70,000.

Michelle and Michael complete their tax returns at **A** item **M2** by writing the number of **days that they were not liable for MLS** in 2008–09:

- Michelle writes **104** – the number of days in the first period when she was not liable for MLS
- Michael writes **365** because he was not liable for MLS in 2008–09.

Single person covered for part of the year

If you were single and only got cover after 31 December 2008 use the following example to help you work out how many days you are liable to pay the surcharge.

Example 2: Part-year private patient hospital cover

Jacinta is not married and had no dependants. In 2008–09 she had an MLS income of $76,000. She was not in a Medicare levy exemption category at any time during the year.

Jacinta took out private patient hospital cover on 15 January 2009. Because Jacinta's MLS income was above the single surcharge threshold of $70,000 and she did not have private patient hospital cover for the full year she will have to pay MLS for the part of the year that she did not have private patient hospital cover.

Jacinta will **not** have to pay MLS for the time she had private patient hospital cover, that is, 15 January 2009 to 30 June 2009 (167 days).

Jacinta will write the number of days in 2008–09 that she is **not** liable for MLS (**167**) at **A** item **M2** on her tax return and complete **Private health insurance policy details** on page 4 of her tax return.

Family covered for part of the year

If some members of your family were covered by private patient hospital cover for the whole year and other members of your family had cover only after 31 December 2008, use the following example to help you work out how many days you are liable to pay the surcharge.

Example 3: Part-year liability

Jill and Kevin have been married for a number of years. They have three dependent children. Jill, Kevin and their children were not in a Medicare levy exemption category at any time during the year. Jill and the children were covered by private patient hospital cover for the full income year. Kevin had his name added to the policy on 10 January 2009.

Jill and Kevin had a combined MLS income of $152,000. The family surcharge threshold for Jill and Kevin is $143,000 (that is, $140,000 plus twice $1,500). Because not everyone was covered for the full period 1 July 2008 to 9 January 2009 and their combined MLS income exceeds the family surcharge threshold, Jill and Kevin are **both liable** for MLS for this period (193 days). Jill and Kevin would both write the number of days that they were **not** liable for MLS (**172**) at **A** item **M2** on their tax returns and complete **Private health insurance policy details** on page 4 of their tax returns.

COMPLETING YOUR TAX RETURN

Step 1

If you or any of your dependants (including your spouse) did not have private patient hospital cover or only had cover for part of the year, print **X** in the **NO** box at the right of **E** item **M2**.

Step 2

If you were in an exemption category (see **table 1** on page 88), print **X** in the **YES** box to the left of 'You do not have to pay the surcharge' and write **365** at **A** item **M2**. You have now finished this question. Go to question **A1**.

If you were not in an exemption category, print **X** in the **NO** box to the left of 'You may have to pay the surcharge'. Read on.

Write at **A** item **M2** the number of **days for which you do not have to pay MLS**.

If you do **not** have to pay MLS for the whole period 1 July 2008 to 30 June 2009, write **365** at **A** item **M2**. This applies also when you took out an appropriate level of private patient hospital cover before 1 January 2009 and maintained that cover from 1 January 2009 until 30 June 2009.

If you have to pay MLS for:
- the whole period 1 July 2008 to 30 June 2009, write **0** at **A** item **M2**
- part of the period 1 July 2008 to 30 June 2009, write at **A** item **M2** the number of **days for which you do not have to pay MLS**. For example, if you took out an appropriate level of private health insurance after 31 December 2008, you would write the number of days that you had that cover.

Write the number of dependent children you had during 2008–09 at **D** item **M2**.

Step 3
If you had a spouse during 2008–09 and you or any of your dependants (including your spouse) were not covered by private patient hospital cover for the full year, complete **Spouse details – married or de facto** on pages 6–7 of your tax return.

If your spouse's taxable income included a superannuation lump sum that was shown at (m) in **worksheet 2**, print SCHEDULE OF ADDITIONAL INFORMATION – ITEM M2 SPOUSE'S TAXABLE INCOME on a separate piece of paper. Print your name, address and tax file number. Write the amount shown at (m) in **worksheet 2**. Sign your schedule and attach it to page 3 of your tax return. Print **X** in the **YES** box at *Taxpayer's declaration* question **2a** on page 8 of your tax return.

Step 4
If you had private patient hospital cover for any part of the year, you must complete **Private health insurance policy details**. See page 79.

You have now finished this question. Go to question **A1**.

Step 5
If you and all your dependants (including your spouse) had an appropriate level of private patient hospital cover for the whole of 2008–09, print **X** in the **YES** box at the right of **E** item **M2**. Make sure you also complete your **Private health insurance policy details**; see page 79. You have now finished this question. Go to question **A1**.

TAX TIPS

If you would like to work out the amount of Medicare levy surcharge you have to pay, go to **www.ato.gov.au/calculators** and use the Medicare levy calculator (under 'Medical').

Superannuation lump sums and MLS income [for worksheet 1 (step e) and worksheet 2 (step m)]
For Medicare levy surcharge purposes your MLS income and your combined MLS income exclude the taxed element of a superannuation lump sum, other than a death benefit, that you received when you were 55 to 59 years old that does not exceed your low-rate cap amount for 2008–09. For 2008–09 the low-rate cap amount is $145,000, but it could be less for you if you had received certain superannuation lump sums in previous years (see **table 1** on page 105 and the definition of **low-rate cap** on page 111 for further information).

Example
Bill received a superannuation lump sum of $100,000 in 2007–08 and $80,000 in 2008–09, both of which consisted entirely of a taxed element. He was between 55 and 59 years old when he received both payments. Bill's wife Mary received a superannuation lump sum of $50,000 that consisted entirely of a taxed element in 2008–09 when she was 56 years old.

In order to work out his MLS income using **worksheet 1**, Bill subtracts $45,000 from the amount worked out at step (d) in that worksheet. Bill will take into account only $45,000 because his low-rate cap was reduced by $100,000 in 2007–08. Therefore, the amount he received in excess of his low-rate cap – that is, $35,000 – cannot be taken into account at step (e) in **worksheet 1**.

In order to work out his combined MLS income (using **worksheet 2**), Bill subtracts $50,000 from the amount worked out at step (l) in that worksheet.

If you were under 18 years old on 30 June 2009, you must complete this item or you may be taxed at a higher rate than necessary.

Were you under 18 years old on 30 June 2009?

NO ☐ Go to question **A2**.

YES ☐ Read below.

ANSWERING THIS QUESTION

To complete this item on your tax return you must determine whether one of the following categories applied to you on **30 June 2009**.

- You:
  - were working full time or had worked full time for three months or more in 2008–09 (ignoring full-time work that was followed by full-time study), **and**
  - intended to work full time for most or all of 2009–10 and not study full time in 2009–10.
- You were entitled to a disability support pension or a rehabilitation allowance, or someone was entitled to a carer allowance to care for you.
- You were permanently blind.
- You were disabled and were likely to suffer from that disability permanently or for an extended period.
- You were entitled to a double orphan pension, and you received little or no financial support from your relatives.
- You were unable to work full time because of a permanent mental or physical disability, and you received little or no financial support from your relatives.

COMPLETING YOUR TAX RETURN

Step 1

If you were in any of the above categories on 30 June 2009, all your income will be taxed at normal rates. Write **0** at **J** item **A1**. Then print the code letter **A** in the **TYPE** box at the right of **J**. You have now finished this question. Go to question **A2**.

Otherwise, read on.

Step 2

Add up any of the following income amounts which you have shown on your tax return:

- employment income
- taxable pensions or payments from Centrelink or the Department of Veterans' Affairs
- a compensation, superannuation or pension fund benefit
- income from a deceased person's estate
- income from property transferred to you as a result of another's death or family breakdown, or to satisfy a claim for damages for an injury you suffered
- income from your own business
- income from a partnership in which you were an active partner
- net capital gains from the disposal of any of the property or investments referred to above
- income from investment of amounts referred to above.

Step 3

Add up all your deductions that relate to the income from step 2 (see the **Deductions** section on pages 24–46). Take away the total of those deductions from the total income you worked out at step 2.

Step 4

Write the amount from step 3 at **J** item **A1**. This amount is taxed at normal rates. If you do not have any of the income listed at step 2 or the amount from step 3 is nil, write **0** at **J** item **A1**.

Step 5

Print the code letter **M** in the **TYPE** box at the right of **J** item **A1**.

TAX TIPS

If you received a distribution from a trust, read question **13 Partnerships and trusts** on pages s2–6 in *TaxPack 2009 supplement*.

A2 Adjustments

Part-year tax-free threshold

If you were not an Australian resident for the whole 2008–09 year, we use the information you show at this item on your tax return to work out your tax-free threshold.

If you are not sure whether you are an Australian resident, read **Are you an Australian resident?** on page 5.

In 2008–09 did you:
- **become an Australian resident, or**
- **stop being an Australian resident?**

NO ☐ Go to **Spouse details – married or defacto** on the next page.

YES ☐ Read below.

COMPLETING YOUR TAX RETURN

If you became an Australian resident in 2008–09

Step 1
Write the date you became an Australian resident for tax purposes in the **Date** box at item **A2**.

Step 2
Write the number of months that you were an Australian resident in 2008–09 (counting the first month during which you became a resident) at **N** item **A2**. For example, if you became a resident in November 2008 and remained a resident for the rest of the income year, you would write **8**.

If you stopped being an Australian resident in 2008–09

Step 1
Write the date you stopped being an Australian resident for tax purposes in the **Date** box at item **A2**.

Step 2
Write the number of months from 1 July 2008 to when you stopped being an Australia resident (counting the month in which you stopped being a resident) at **N** item **A2**. For example, if you stopped being a resident in September 2008, you would write **3**.

Spouse details – married or de facto

You must complete this section if you had a spouse during 2008–09 and:

- you consent to use part or all of your 2009 tax refund to repay your spouse's Family Assistance Office (FAO) debt, or
- you completed any of the following items:

T1 Spouse (without dependent child or student) tax offset
T2 Senior Australians tax offset
T3 Pensioner tax offset
M1 Medicare levy reduction or exemption
M2 Medicare levy surcharge, and you printed **X** in the **NO** box at **E**
T8 Superannuation contributions on behalf of your spouse (on the tax return, supplementary section)

In 2008–09, did you have a spouse and fit into any of the categories in the previous column?

NO ☐ Go to **Checklist** on page 95.

YES ☐ Read below.

Your spouse is your husband or wife to whom you are legally married, or a person who lives with you on a genuine domestic basis as your husband or wife. It does not include someone who is the same sex as you.

For 2009–10 and later years, a spouse will also include a person of the same sex who is in a relationship with you that is registered under a prescribed state or territory law or who you live with on a genuine domestic basis as a couple.

ANSWERING THIS QUESTION

You will need:

- your spouse's *PAYG payment summary – individual non-business*
- the relevant distribution statements, if any, for trust income and family trust distribution tax.

If you had more than one spouse during 2008–09, complete this section with the details for your spouse on 30 June 2009, or your latest spouse.

COMPLETING YOUR TAX RETURN

Step 1

Print your spouse's name in the boxes provided on page 6 of your tax return.

Step 2

Write your spouse's date of birth at **K** and print **X** in the relevant box for your spouse's sex.

Step 3

If you had a spouse for the full year, 1 July 2008 to 30 June 2009, print **X** in the **YES** box at **L**.

If you did not have a spouse for the full year, print **X** in the **NO** box at **L** and write the dates you had a spouse between 1 July 2008 and 30 June 2009 at **M** and **N**.

Step 4

If you completed items **T1**, **T2**, **T3**, **M1** or **M2** on your tax return, or item **T8** in the supplementary section, follow the instructions below.

If you have completed	you need to complete
item **T1**	**R**
item **T2** or **T3**	**O**, **T**, **P** and **Q**
item **M1** (**V** or **W**)	**O**
item **M1** (**Y** only)	**O** – if you had a spouse on 30 June 2009
item **M2** and you printed **X** in the **NO** box at **E**	**O**, **T**, **U** and **S** – if you had a spouse for all of 2008–09 or your spouse died during the year
item **T8**	**O** and **S**

Label O
Write at **O** your spouse's 2008–09 taxable income. If this amount is zero, write **0**. This amount can usually be obtained from your spouse's tax return or notice of assessment. If your spouse does not have to lodge a tax return, provide an estimate of their taxable income.

Label T
Write at **T** any amount of net income of a trust that the trustee was liable to pay tax on because your spouse was under a legal disability, for example, they were a bankrupt, were a person who was declared legally incapable because of a mental condition or were under 18 years old on 30 June 2009. (Do not include any amount that has already been included in your spouse's taxable income, for example, under label **O**.) If this amount is zero, write **0**. Check the trust distribution statements.

Label U
Write at **U** distributions to your spouse on which family trust distribution tax has been paid which they would have had to show as assessable income if the tax had not been paid. If this amount is zero, write **0**. Check the trust distribution statements.

Label S
Add up the reportable fringe benefits amounts shown on your spouse's payment summaries, and write the total at **S**. If this amount is zero, write **0**.

Label P
Write at **P** the amount of Australian Government pensions and allowances that your spouse received in 2008–09 (not including exempt pension income). If this amount is zero, write **0**. Australian Government pensions and allowances are listed on page 12.

Label Q
Write at **Q** the amount of any exempt pension income that your spouse received in 2008–09. Make sure you include only your spouse's exempt pension income. If this amount is zero, write **0**. Exempt income is listed on page 96.

Label R
Write at **R** your spouse's 2008–09 separate net income. If this amount is zero, write **0**. See pages 52–4 for information on separate net income.

If you cannot find out any of the amounts required, you may make a reasonable estimate.

Step 5
If you do **not** consent to use part or all of your 2009 tax refund to repay any FAO debt of your spouse, print **X** in the **NO** box. You have finished this section.

If you do consent, read below.

Answer yes to this question only if **all** of the following apply to you.
- You were the spouse of a family tax benefit (FTB) claimant or the spouse of a child care benefit claimant on 30 June 2009 and your income was taken into account in their claim.
- Your spouse has given you authority to quote their customer reference number (CRN) on your tax return (if your spouse does not know their CRN, they can contact the FAO).
- Your spouse has a debt due to the FAO or expects to have an FAO debt for 2009.
- You expect to receive a tax refund for 2009.
- You consent to use part or all of your refund to repay your spouse's FAO debt.

If you consent, print **X** in the **YES** box. You must complete your spouse's CRN at **Z**, and sign and date the consent.

Checklist

To avoid any delay in the processing of your tax return, use the pre-addressed envelope provided with your *TaxPack 2009*, or use the following address:

Australian Taxation Office
GPO Box 9845
IN YOUR CAPITAL CITY

Do not replace the words IN YOUR CAPITAL CITY with the name of your capital city and its postcode.

CHECK THAT YOU HAVE…

- ☐ written your tax file number
- ☐ filled in all your personal details, including your date of birth, correctly
- ☐ filled in the appropriate details for electronic funds transfer if you want to have your refund paid directly into a financial institution account
- ☐ filled in the code boxes, if you were asked to do so, at items **3**, **4**, **8**, **I**, **TOTAL INCOME OR LOSS**, **D1**, **D3**, **D4**, **SUBTOTAL**, **TAXABLE INCOME OR LOSS**, **T1**, **T2**, **T3**, **T7**, **M1** and **A1**
- ☐ completed item **M2** – this is **compulsory** for all taxpayers
- ☐ if required, completed pages 9–12 of the tax return (supplementary section) and worked through the checklist on page s68 in *TaxPack 2009 supplement*
- ☐ written totals at:
  TOTAL TAX WITHHELD
  TOTAL INCOME OR LOSS
  TOTAL DEDUCTIONS
  SUBTOTAL
  TAXABLE INCOME OR LOSS
  TOTAL TAX OFFSETS
- ☐ completed **Spouse details – married or de facto** if required
- ☐ completed your spouse's details and provided your signature on page 7 of your tax return if you have consented to offset part or all of your tax refund against your spouse's Family Assistance Office debt
- ☐ if you were under 18 years old on 30 June 2009, completed item **A1** – this is **compulsory** (if it is not completed, you may be taxed at a higher rate than necessary)
- ☐ read **Self-assessment – it's your responsibility** on pages 112–13
- ☐ read, completed, signed and dated the *Taxpayer's declaration* on page 8 of your tax return; failure to do so will result in it being returned to you and penalties for late lodgment may be applied
- ☐ attached copies of all documents or schedules which *TaxPack 2009* tells you to attach
- ☐ attached pages 9–12 of your tax return (supplementary section) to page 8, if you had to complete these pages
- ☐ attached your *Baby bonus claim 2009* to page 8 of your tax return if you are claiming the baby bonus for the first time
- ☐ kept copies of your tax return, all attachments and relevant papers for your own records.

When can you expect your notice of assessment?
Our standard processing time for tax returns posted to us is six weeks. If you lodged your tax return online using *e-tax*, our standard processing time is two weeks.

Write the date you lodged your tax return here:

If you lodged your tax return by post, add seven weeks to work out when to expect your notice of assessment and write the date here:

HOW WE WORK OUT YOUR TAX

If you want to work out your tax refund or debt go to **www.ato.gov.au/calculators**

INCOME

minus

ALLOWABLE DEDUCTIONS

equals

TAXABLE INCOME

TAX ON TAXABLE INCOME

minus

TAX OFFSETS

equals

NET TAX PAYABLE

plus

HELP AND SFSS REPAYMENTS

plus

MEDICARE LEVY AND SURCHARGE

minus

TAX CREDITS AND REFUNDABLE TAX OFFSETS

equals

REFUND OR AMOUNT OWING

Amounts that you do not pay tax on

You might have received amounts that you do not need to include as income on your tax return. We classify them into three different categories:

- **exempt income**
- **non-assessable non-exempt income**
- some **other amounts** that are not taxable and do not affect any calculation on your tax return.

The most common types of exempt and non-assessable non-exempt income are listed below. If you are not sure whether a payment you have received is exempt income, non-assessable non-exempt income or is another type of amount that is not taxable, phone the Individual Infoline.

EXEMPT INCOME

Exempt Australian Government pensions, allowances and payments

- Carer adjustment payment (CAP)
- Carer payment where:
  - **both** the carer **and** the care receivers are under age-pension age, or
  - the carer is under age-pension age and any of the care receivers has died
- Defence Force income support allowance (DFISA) payable to you on a day when the whole of your social security pension or benefit, which is also payable to you on that day, is exempt from income tax under section 52-10 of the *Income Tax Assessment Act 1997*
- Disability support pension paid by Centrelink to a person who is under age-pension age
- Double orphan pension
- Invalidity service pension where the veteran is under age-pension age
- Partner service pension where either:
  - the partner (excluding the non-illness separated spouse of a veteran) and the veteran are under age-pension age and the veteran receives an invalidity service pension, or
  - the partner is under age-pension age and the veteran has died and was receiving an invalidity service pension at the time of death
- Veterans' Affairs disability pension and allowances, war widows and war widowers pension
- Wife pension where both the recipient and their partner are under age-pension age, or the recipient is under age-pension age and their partner has died

Lump sum bereavement payments received as part of any of the above payments are exempt only up to the tax-free amount. Phone the Individual Infoline (see the inside back cover) to find out how much of your payment is exempt.

Exempt Australian Government education payments

- Allowances for students under 16 years old, including the Austudy payment and those allowances paid under ABSTUDY, Youth Allowance, the Assistance for Isolated Children Scheme and the Veterans' Children Education Scheme
- Apprenticeship wage top-up
- The first $1,000 of an apprenticeship early completion bonus provided under a specified state or territory scheme for occupations with skill shortages
- Australian–American Educational Foundation grant
- Commonwealth scholarships or bursaries provided to foreign students
- Commonwealth secondary education assistance
- Commonwealth Trade Learning Scholarship
- Language, literacy and numeracy supplement
- Endeavour awards research fellowships or an Endeavour Executive Award
- Payments under the Military Rehabilitation and Compensation Act Education and Training Scheme 2004 for eligible young persons whose eligibility was determined under:
  - paragraph 258(1)(a) of the *Military Rehabilitation and Compensation Act 2004* and the eligible young person was under 16 years old, or
  - paragraph 258(1)(b) of the *Military Rehabilitation and Compensation Act 2004*
- Pensioner education supplement and fares allowance paid by Centrelink
- Rent assistance paid to Austudy recipients
- Some scholarships and bursaries received by full-time students
- Supplementary allowances for students paid under the Assistance for Isolated Children Scheme

Other exempt Australian Government payments

- Australian Government disaster recovery payments
- Baby bonus paid by Centrelink
- Carer allowance paid under the *Social Security Act 1991*
- Child care benefit
- Child care tax rebate
- Child disability assistance under Part 2.19AA of the *Social Security Act 1991*
- DFISA bonus and DFISA bonus bereavement payment under Part VIIAB of the *Veterans' Entitlement Act 1986*
- Family tax benefit
- F-111 deseal/reseal ex-gratia lump sum payments

- Farm household support payments that have been converted to a grant that were paid before 3 October 2008
- Loss of earnings allowance paid under the *Veterans' Entitlements Act 1986*
- Lump sum pension bonus paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*
- Maternity immunisation allowance
- Maternity payment paid before 3 October 2008
- Mobility allowance paid under the *Social Security Act 1991*
- Open employment incentive bonus under the *Handicapped Persons Assistance Act 1974* paid before 3 October 2008
- Economic security strategy payment to families under the *A New Tax System (Family Assistance) (Administration) Act 1999* or under the scheme determined under Schedule 4 to the *Social Security and Other Legislation Amendment (Economic Security Strategy) Act 2008*
- Economic security strategy payment under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986* or under the scheme determined under Schedule 4 to the *Social Security and Other Legislation Amendment (Economic Security Strategy) Act 2008*
- Back to school bonus and single income family bonus paid under the *A New Tax System (Family Assistance) (Administration) Act 1999*
- Training and learning bonus under the *Social Security Act 1991*
- Farmers hardship bonus under the *Social Security Act 1991*
- Education entry payment supplement under the *Social Security Act 1991*
- Payments under the scheme determined under Schedule 4 to the *Household Stimulus Package Act (No. 2) 2009*
- The ex-gratia payment from the Australian Government known as 'Income recovery subsidy for the Victorian bushfires of January and February 2009'
- The ex-gratia payment from the Australian Government known as 'Income recovery subsidy for the North Queensland floods of January and February 2009'
- Payments from the Australian Government under the incentive payments scheme relating to certain private health insurance policies
- Payments to carers under the scheme determined under Schedule 4 to the *Social Security and Veterans' Affairs Legislation Amendment (One-off Payments and Other 2008 Budget Measures) Act 2008*
- The 2008 one-off $1,000 payment to carers who received a carer payment, wife pension, partner service pension or carer service pension (paid under the *Social Security Act 1991*)
- The 2008 one-off $600 payment to carer allowance recipients for each eligible care receiver (paid under the *Social Security Act 1991*)
- Payments to older Australians under the scheme determined under Schedule 2 to the *Social Security and Veterans' Affairs Legislation Amendment (One-off Payments and Other 2008 Budget Measures) Act 2008*
- The 2008 one-off $500 payment to older Australians (paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*)
- Pension bonus and pension bonus bereavement payments under Part 2.2A of the *Social Security Act 1991* or Part IIIAB of the *Veterans' Entitlement Act 1986*
- Pharmaceutical allowances paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*
- Phone allowance paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*
- Remote area allowance
- Rent assistance (excluding the rental assistance of the farm help support paid on or after 3 October 2008)
- Seniors concession allowance paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*
- Sugar industry exit grant where you complied with the condition of the grant not to own or operate any agricultural business within five years after receiving the grant
- Tobacco industry exit grant where you complied with the condition of the grant not to own or operate any agricultural business within five years after receiving the grant
- Utilities allowance paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*

Exempt Australian Defence Force and United Nations payments

- Certain pay and allowances for Australian Defence Force personnel – your employer will advise you if an amount is exempt
- Compensation payments for impairment or incapacity resulting from service with a United Nations armed force

- Compensation payments made under the *Military Rehabilitation and Compensation Act 2004*, except those that are income-related payments
- Pay and allowances for part-time service in the Australian Naval, Army or Air Force Reserve
- Some allowances paid to Australian Defence Force personnel who served in prescribed overseas areas – your employer will advise you if an allowance is exempt

Other exempt payments

- Certain annuities and lump sums which are paid to an injured person under a structured settlement
- Mortgage and rent relief scheme payments paid before 3 October 2008
- Certain distributions from an early stage venture capital limited partnership
- Certain distributions from a pooled development fund
- Certain payments relating to persecution during the Second World War
- Certain profits or gains from disposal of shares in a pooled development fund
- Japanese internment compensation payments made under the *Compensation (Japanese Internment) Act 2001* or the *Veterans' Entitlement Act 1986*

NON-ASSESSABLE NON-EXEMPT INCOME

The most common types of non-assessable non-exempt income are:

- the tax-free component of an employment termination payment (ETP)
- that part of the taxable component of a death benefit ETP paid to a dependant below the 2008–09 cap of $145,000
- the tax-free component of a superannuation benefit
- the taxed element of a superannuation income stream or lump sum received by a person 60 years old or older
- the taxed element of a death benefit superannuation income stream paid to a death benefit dependant where
  - the deceased was 60 years old or older at the time of their death, or
  - the recipient was 60 years old or older when the benefit was received
- a tax-free superannuation lump sum benefit paid to a person with a terminal medical condition existing at the time when the lump sum was received or within 90 days after its receipt
- National Rental Affordability Scheme payments or non-cash benefits paid by a state or territory government or a relevant body established under a state or territory law
- a superannuation lump sum death benefit received by:
  - a dependant, or
  - someone who is not a dependant but received the benefit because of the death of a member of the Australian Defence Force or an Australian police force (including Australian Protective Services) who died in the line of duty
- genuine redundancy payments and early retirement scheme payments shown as 'Lump sum D' amounts on your payment summary
- amounts on which family trust distribution tax has been paid (see question **A3** on page s66 in *TaxPack 2009 supplement*)
- interest or other earnings credited to a first home saver account that you hold or a payment to you from such an account
- government contributions paid under the *First Home Saver Account Act 2008*
- super co-contributions
- the tax bonus paid under the *Tax Bonus for Working Australians Act 2009*.

Tax-free income for temporary residents

If you are a temporary resident your foreign income is non-assessable non-exempt income, except income you earn from your employment overseas for short periods while you are a temporary resident.

You are a temporary resident if:

- you hold a temporary visa granted under the *Migration Act 1958*
- you are not an Australian resident within the meaning of the *Social Security Act 1991*, and
- your spouse (if you have one) is not an Australian resident within the meaning of the *Social Security Act 1991*.

If, at any time on or after 6 April 2006, you have been an Australian resident for tax purposes but not a temporary resident, you will not be entitled to the temporary resident exemptions from that time, even if you later held a temporary visa.

For further information, see the electronic publication *Foreign income exemption for temporary residents – introduction*. It is available on our website at **www.ato.gov.au**

OTHER AMOUNTS THAT YOU DO NOT PAY TAX ON

You do not pay tax on most child support and spouse maintenance payments.

Do you need to lodge a tax return?

If any of the following applies to you then you must lodge a tax return.

REASON 1

During 2008–09, you were an Australian resident and you:

- paid tax under the pay as you go (PAYG) withholding or instalment system, or
- had tax withheld from payments made to you.

REASON 2

You were eligible for the senior Australians tax offset (see pages 63–5) **and** your taxable income (not including your spouse's) was more than:

- **$28,867** if you were single, widowed or separated at any time during the year
- **$27,600** if you had a spouse but one of you lived in a nursing home or you had to live apart due to illness (see the definition of **Had to live apart due to illness** on page 66), or
- **$24,680** if you lived with your spouse for the full year.

REASON 3

You were not eligible for the senior Australians tax offset but you received a payment listed at question **5** on page 11 **and** other taxable payments which when added together made your taxable income more than **$14,000**.

REASON 4

You were not eligible for the senior Australians tax offset but you received an Australian Government pension, allowance or payment listed at question **6** on page 12 **and** your taxable income was more than:

- **$25,299** if you were single, widowed or separated at any time during the year
- **$24,272** if you had a spouse but one of you lived in a nursing home or you had to live apart due to illness
- **$21,692** if you lived with your spouse for the full year.

REASON 5

You were not eligible for the senior Australians tax offset **and** you did not receive a payment listed at question **5** or **6** on pages 11 and 12, but your taxable income exceeded:

- **$6,000** if you were an Australian resident for tax purposes for the full year
- **$2,666** if you were under 18 years old at 30 June 2009 and your income was not salary or wages
- **$1** if you were a non-resident and you had income taxable in Australia which did not have non-resident withholding tax withheld from it, or
- **your part-year tax-free threshold amount** if you became or stopped being an Australian resident for tax purposes. Go to **www.ato.gov.au** and search for 'Part-year tax-free threshold amount' to work out your threshold amount or phone the Individual Infoline on **13 28 61**.

OTHER REASONS

You must lodge a tax return if any of the following applied to you.

- You were either a liable parent or a recipient parent under a child support assessment **unless**:
  - your taxable income was less than $18,808 **and**
  - you received Australian Government pensions, allowances or payments listed at questions **5** and **6** on pages 11–12 for the whole of the period 1 July 2008 to 30 June 2009.
- You had a reportable fringe benefits amount on your *PAYG payment summary – individual non-business*.
- You were entitled to the private health insurance tax offset – see question **T5** on page 68.
- You carried on a business.
- You made a loss or you can claim a loss you made in a previous year.
- You were 60 years old or older and you received an Australian superannuation lump sum that included an untaxed element.
- You were under 60 years old and you received an Australian superannuation lump sum that included a taxed element or an untaxed element.
- You were entitled to a distribution from a trust or you had an interest in a partnership **and** the trust or partnership carried on a business of primary production.

- You were an Australian resident for tax purposes and you had exempt foreign employment income and $1 or more of other income. (Pages s20–6 in *TaxPack 2009 supplement* explain what is meant by 'exempt foreign employment income'.)
- You are a special professional covered by the income averaging provisions. These provisions apply to authors of literary, dramatic, musical or artistic works; inventors; performing artists; production associates and active sportspeople.
- You received income from dividends or distributions exceeding $6,000 (or $416 if you were under 18 years old on 30 June 2009) **and** you had:
  - franking credits attached, or
  - amounts withheld because you did not quote your tax file number or Australian business number to the investment body.
- You made personal contributions to a complying superannuation fund or retirement savings account and will be eligible to receive a super co-contribution for these contributions.

Deceased estate

If you are looking after the estate of someone who died during 2008–09, consider all the above reasons on their behalf, and if a tax return is not required complete *Non-lodgment advice 2009* on the next page and send it to us. If a tax return is required, see page 5 for more information.

Franking credits

If you don't need to lodge a tax return for 2008–09, you can claim a refund of franking credits by using the publication *Refund of franking credits instructions and application for individuals 2009* (NAT 4105) and lodging your claim by mail or phone on **13 28 65**.

However, you cannot lodge it by phone if you are also lodging a claim for **baby bonus** or an application for **education tax refund**. In that case you must send all your claims to us together in one envelope, or you could use *e-tax*.

Baby bonus

If you don't need to lodge a tax return for 2008–09 you can lodge your baby bonus claim on its own:

- online using *e-tax* which has a separate baby bonus application – go to **www.ato.gov.au** for more information, or
- by using the publication *Baby bonus instructions and claim 2009* (NAT 6580) and lodging your claim by mail or phone on **13 28 65**.

However, you cannot lodge it by phone if you are also lodging an application for a **refund of franking credits** or for the **education tax refund**. In that case you must send all your claims to us together in one envelope, or you could use *e-tax*.

Education tax refund

If you don't need to lodge a tax return for 2008–09, you can claim your education tax refund by completing the application *Education tax refund for individuals 2009* (NAT 72621) and lodging it by mail or phone on **13 28 65**.

However, you cannot lodge it by phone if you are also lodging a **claim for baby bonus** or an **application for a refund of franking credits**. In that case you must send all your claims to us together in one envelope, or you could use *e-tax*.

First home saver account

If you had a first home saver account in 2008–09 and believe you are entitled to a first home saver account government contribution, you must lodge either:

- an income tax return, or
- a notification of eligibility if you are not required to lodge an income tax return and you were an Australian resident for at least part of the income year. You can find this form on our website at **www.firsthomesaver.gov.au**

If you have read all the above information and know that you do not have to lodge a tax return, you should complete the non-lodgment advice on the next page and send it to us unless one of the following applies to you:

- You have already sent us a tax return, non-lodgment advice, form or letter telling us that you do not need to lodge a tax return for all future years.
- You are lodging an application for a refund of franking credits for 2009.
- You are lodging a baby bonus claim for 2009.
- You are lodging an application for an education tax refund for 2009.
- Your only income was from an allowance or payment listed at question **5** on page 11 **or** you received a pension, payment or an allowance listed at question **6** on page 12 and your taxable income was less than the relevant amount in
  - **reason 2** (if you are eligible for the senior Australians tax offset), or
  - **reason 3** or **4** (the agencies that paid you have provided information for us to determine that you do not need to lodge a tax return).

Australian Government
Australian Taxation Office

Non-lodgment advice 2009

1 July 2008 to 30 June 2009

Print neatly in BLOCK LETTERS with a black or blue ballpoint pen only. Do not use correction fluid or tape.

Your tax file number

We are authorised by the *Taxation Administration Act 1953* to request you to quote your tax file number (TFN). It is not an offence not to quote your TFN. However, your TFN helps us to identify your tax records correctly.

Your date of birth DAY MONTH YEAR

Your name

Title (for example, Mr, Mrs, Ms, Miss)

Surname or family name

Given names

Your postal address

Suburb or town

State Postcode Country if not Australia

Have you changed your postal address since your last tax return?

NO

YES Print the address on your last notice of assessment or the address you last told us about.

Suburb or town

State Postcode Country if not Australia

Your phone number during business hours – if it is convenient

Area code Phone number

Reason for not lodging a tax return

I will not have to lodge a tax return for 2008–09 because none of the reasons listed on pages 99–100 apply.

I will not have to lodge a tax return for future years because:

I declare that the information I have given on this non-lodgment advice is true and correct. See the privacy notes on pages 114–15.

Signature

Date DAY MONTH YEAR

The tax law imposes heavy penalties for giving false or misleading information.

Use the pre-addressed envelope provided with *TaxPack 2009* to send us your non-lodgment advice by 31 October 2009. If you are not using the pre-addressed envelope, see page 113 for more information and the address to use.

Record keeping and written evidence

Understanding the rules about record keeping and having the right evidence is an important part of meeting your tax obligations. The following information is referred to in various questions and will help you understand what you must do to have the correct written evidence.

LATE, LOST OR WRONG PAYMENT SUMMARIES FROM YOUR PAYER

If you do not have all of your payment summaries or other documents, or if any document is wrong, contact your payer. Ask your payer to give you a signed copy of your payment summary, or a letter or signed statement showing the correct details.

If you are unable to get your payment summaries, statements or letters from your payer, you will need to complete a *Statutory declaration* (NAT 4135) and keep it with your tax records.

This statutory declaration needs to show the name of your payer, the amounts of tax withheld, the amounts of gross payments you earned and the periods covered by the missing documents.

You will need a separate statutory declaration for each payer from whom you have no documents. To help estimate your income you can use the gross pay estimator available on our website at **www.ato.gov.au** along with payslips or bank statements.

NAT 4135 is available on our website or to find out how to get a printed copy, see the inside back cover.

TAXPAYERS SUBJECT TO A SHORTER RETENTION PERIOD

If you qualify as an individual with simple tax affairs you need to keep your payment summaries and, if applicable, your family agreement from question **M1** for two years from the date the Commissioner gives you a notice of assessment. To check whether you qualify for this shorter record-keeping period, refer to our website at **www.ato.gov.au**

WRITTEN EVIDENCE FOR DEDUCTIONS

What is written evidence?

Written evidence can be any of the following.

- A document from a supplier of goods or services, showing:
  - the name of the supplier
  - the amount of the expense
  - the nature of the goods or services (if it is not shown, you may write it on the document before you lodge your tax return)
  - the date the expense was incurred
  - the date of the document.
- Another document or combination of documents containing the information listed in the dot point in the previous column.
  - If you use a combination of documents, the dates of the documents are not required, but they need to show the date you incurred the expense.
  - These other documents can be in written or electronic form. They include:
    - bank and other financial institution statements
    - credit card statements
    - BPAY reference numbers, also called receipt or transaction numbers
    - email receipts
    - your *PAYG payment summary – individual non-business* (this could show, for example, your total union fees)
    - paper or electronic copies of documents, which must be true and clear reproductions of the originals.
- Evidence you have recorded yourself:
  - for expenses of $10 each or less (provided the total of these expenses is not more than $200)
  - when you have been unable to obtain written evidence (for example, for toll or parking fees where you cannot get a receipt)

  Evidence you have recorded yourself must show the five items listed in the first dot point in the previous column.

Your documentation must be in English unless you incurred the expense outside Australia.

Thermal paper receipts fade after a short time and are not sufficient evidence if they cannot be read. Make sure you photocopy any thermal paper receipts that you have as written evidence.

For more information, see *Law Administration Practice Statement PS LA 2005/7 – Substantiation of deductions claimed by individual taxpayers for work and car expenses incurred in the course of earning non-business and non-investment income*.

Records you need to keep

Specific written evidence rules apply to claims for:

- car expenses
- meal allowance expenses
- award transport payments allowance expenses
- travel allowance expenses.

These rules are explained at the relevant questions.

For all other claims:

- you must have written evidence to prove your claims when the total of these claims for work-related expenses exceeds $300. The records you keep must prove the total amount, not just the amount over $300

- when the total of these claims is $300 or less, you do not need written evidence; you can make reasonable estimates. We may ask you to tell us how you worked out your claim and explain why your claim is reasonable, based on the requirements of your occupation.

Do not send in your receipts or other records with your tax return unless we request you to do so in writing.

Extra information for some occupations

There are summaries of tax rulings for 16 occupations on our website:

- *Airline employees* (NAT 2331)
- *Australian Defence Force members* (NAT 2321)
- *Building workers* (NAT 2324)
- *Cleaners* (NAT 2328)
- *Factory workers* (NAT 2329)
- *Hairdressers* (NAT 2320)
- *Hospitality industry employees* (NAT 2326)
- *Journalists* (NAT 2782)
- *Lawyers* (NAT 2327)
- *Nurses* (NAT 2319)
- *Performing artists* (NAT 2325)
- *Police officers* (NAT 2316)
- *Real estate employees* (NAT 2323)
- *Shop assistants* (NAT 2322)
- *Teachers* (NAT 2317)
- *Truck drivers* (NAT 2318)

ELECTRONIC RECORDS

We recommend that, if you store your records electronically, you make a back-up copy to ensure the evidence is easily accessible if the original becomes inaccessible or unreadable (for example, where a compact disk, floppy disk or hard drive is corrupted).

HOW LONG YOU NEED TO KEEP YOUR RECORDS

For work-related expenses you must keep your written evidence for five years from 31 October 2009 or from the date on which you lodge your tax return, whichever is later. If, at the end of this period, you are in a dispute with us that relates to a work expense, you must keep the relevant records until the dispute is resolved.

For depreciating assets, you must keep records for the entire period over which you claim deductions for the decline in value of those assets. You must keep your records for a further five years from the date of your last claim. For example, if this year is your last claim year, the five years start from 31 October 2009 or from the date on which you lodge your 2009 tax return, whichever is later. This period is extended if, when the five years end, you are in a dispute with us that relates to a depreciating asset.

For capital gains and capital losses, you must keep records relating to your ownership and all the costs of acquiring and disposing of the asset for five years after the date you dispose of it or otherwise cease to own it.

If you have a capital loss, you should generally keep your records of the capital gains tax (CGT) event that resulted in the loss for the longer period of either:

- five years from the year in which the loss was made, or
- four years from the date of the assessment for the income year in which the capital loss is fully applied against capital gains.

If you have lost your records or they have been destroyed, phone the Individual Infoline (see the inside back cover) to find out what you can do.

WHY YOU NEED TO KEEP YOUR RECORDS

We will work out your refund or tax debt using the information you provide on your tax return. We may ask for more information or audit this information at a later date. You need to keep your records to prove your deduction claims in case we audit you.

DON'T LEAVE IT TOO LATE!

Did you:

- purchase or inherit any shares
- receive any shares as part of a divorce settlement, or as a gift or donation
- receive ownership interests under a demerger
- participate in a dividend reinvestment plan
- participate in an employee share scheme?

If you did, start keeping or updating your records now. Incomplete records could mean paying more tax than you need to when you dispose of your shares. For further information about shares and other assets that attract CGT, including what records you need to keep, see *Guide to capital gains tax 2009* (NAT 4151). This publication is available on our website.

Special circumstances and glossary

This section is a public ruling in accordance with Division 358 of Schedule 1 to the *Taxation Administration Act 1953* for individuals who use it reasonably and in good faith to complete their 2009 personal income tax return.

This means that if we state the law incorrectly in this section, or our advice on the application of the law in this section is incorrect and as a result you do not pay enough tax, we will not ask you to pay the extra tax.

NON-RESIDENT WITHHOLDING TAX

Gross interest

If you were a non-resident include at item **11** any interest that you received in 2008–09 while you were a resident of Australia.

Do not include at item **11** any interest paid or credited to you when you were a non-resident if withholding tax was deducted.

If withholding tax was not deducted, on a separate piece of paper:

- print SCHEDULE OF ADDITIONAL INFORMATION – ITEM 11
- print your name, address and tax file number
- provide details of amounts of interest you received while you were a non-resident if withholding tax was not deducted.

Sign the schedule and attach it to page 3 of your tax return. Print **X** in the **YES** box at *Taxpayer's declaration* question **2a** on page 8.

We will advise you of the amount of withholding tax you have to pay on this interest.

Dividends

Do not include at item **12** any dividend income paid or credited to you during the period you were a non-resident, if:

- the dividend was fully franked, or
- the dividend was not fully franked, but either
  - withholding tax was (or should have been) withheld from the unfranked amount, or
  - the dividend statement shows the unfranked amount to be conduit foreign income.

You need to provide details of any dividend

- that you received during any period you were a non-resident
- that was not fully franked and was not declared to be conduit foreign income, and
- on which you have not paid withholding tax.

On a separate piece of paper:

- print SCHEDULE OF ADDITIONAL INFORMATION – ITEM 12
- print your name, address, tax file number
- provide details of the dividend.

Sign your schedule and attach it to page 3 of your tax return. Print **X** in the **YES** box at *Taxpayer's declaration* question **2a** on page 8 of your tax return.

We will work out the amount of withholding tax you have to pay on the dividends and advise you of the amount.

FOREIGN EMPLOYMENT TERMINATION PAYMENTS

An employment termination payment (ETP) that you received due to termination of your employment overseas is a foreign employment termination payment (foreign ETP):

- where you were an Australian resident for the period of your employment
- where the payment was exempt from income tax under that country's laws, and
- whether or not your foreign employer has an Australian business number (ABN) or has given you a *PAYG payment summary – employment termination payment*.

Note: A foreign ETP is different from a foreign termination payment (FTP); see the definition on page 110.

Instructions for foreign ETPs

You need to convert your foreign ETPs into Australian dollars before you can complete item **4**. For information about exchange rates and how to convert foreign payments, go to our website or phone the Individual Infoline (see the inside back cover).

- Then on a separate piece of paper:
  - print SCHEDULE OF ADDITIONAL INFORMATION – ITEM 4
  - print your name, address and tax file number
  - for each foreign ETP, print the name of the payer and the foreign country in which you were employed, and write the amount of the payment
  - for each foreign ETP, print the appropriate code letter (from those listed at step 4 in question **4 Employment termination payments** on page 10) or print NO CODE LETTER APPLIES.
- Sign your schedule and attach it to page 3 of your tax return.
- Print **X** in the **YES** box at *Taxpayer's declaration* question **2a** on page 8 of your tax return.

You will need to include the total amount of these foreign ETPs in the amount you show at **I** item **4** on your tax return.

Go to step 1 in question **4 Employment termination payments** on page 9.

AUSTRALIAN SUPERANNUATION LUMP SUM PAYMENTS

Table 1 sets out the tax rates that apply to superannuation lump sum payments. You may find this useful in completing items **8**, **M1** and **M2**.

DIVIDENDS AND FRANKING CREDITS

If you are claiming franking credits at item **12**, certain rules apply. Read the following to check that you are entitled to claim the credits.

Holding period rule

The **holding period rule** requires you to hold shares 'at risk' for at least 45 days (90 days for preference shares) to be able to claim the franking credits. When working out the number of days, do not count the day on which you acquired the shares and the day on which you disposed of the shares (or you entered into an arrangement to reduce the risk of making a loss on them).

This rule applies to shares bought on or after 1 July 1997.

Even if you do not hold the shares at risk for the required period you may still be entitled to claim the franking credits if:

- your total direct and indirect franking credit entitlement for the income year, including any entitlement you may have through a trust or partnership, is not above $5,000, and
- the **related payments rule** does not apply to you.

The holding period rule may also apply if, within the holding period, you entered into an arrangement to reduce the risk of making a loss on your shares, such as through derivatives, hedges, options and futures.

If you do not satisfy the holding period rule, include the franked amount of the dividend at **T** item **12** but do not include any franking credit amount at **U** item **12** for that dividend.

TABLE 1

Tax rates applicable to the taxable components of superannuation lump sums
The Medicare levy is additional where applicable.

	Your age at the time of payment	**Taxed element**		**Untaxed element**	
		Amount	**Tax rate**	**Amount**	**Tax rate**
Death benefit paid to:					
– dependant	Any age	Whole	Tax free	Whole	Tax free
– non-dependant	Any age	Whole	15%	Whole	30%
Superannuation lump sum (other than death benefit)					
	Under 55 years old	Whole	20%	Up to $1,045,000	30%
				Over $1,045,000	45%
	55 to 59 years old	Up to $145,000*	0%	Up to $145,000*	15%
		Over $145,000*	15%	Over $145,000* up to $1,045,000	30%
				Over $1,045,000	45%
	60 years and over	Whole	Tax free	Up to $1,045,000	15%
				Over $1,045,000	45%

* The low-rate cap could be less than $145,000 if before July 2008 you received an eligible termination payment or superannuation lump sum after your 55th birthday.

Related payments rule
The **related payments rule** applies to arrangements entered into after 7.30pm (Australian Eastern Standard Time) on 13 May 1997. Broadly, it applies to you if you were under an obligation to make, or were likely to make, a related payment for a dividend and you did not hold your shares 'at risk' for at least 45 days (90 days for preference shares).

A related payment includes you, or an associate of yours, doing something under an arrangement that has the effect of passing the benefit of the dividend to someone else.

If either the holding period rule or related payments rule is likely to affect you, see *You and your shares 2009* (NAT 2632).

LEASED LUXURY CARS

If you leased a luxury car and wish to claim a deduction at item **D1** or **D2**, the following information about luxury cars will help you.

A leased luxury car is a leased car that at the time the lease begins cost more than the 'luxury car limit' that applied in the relevant income year.

You can claim a deduction for the decline in value of a leased luxury car (but not for other leased cars). The car can be new or second-hand. You must use either the:
- 'one-third of actual expenses' method, or
- 'logbook' method.

When claiming a deduction for decline in value, the initial value that you use for the car is the limit that applied in the income year in which the lease began.

TABLE 2

Luxury car limits for the past 10 years

2008–09	$57,180	2003–04	$57,009
2007–08	$57,123	2002–03	$57,009
2006–07	$57,009	2001–02	$55,134
2005–06	$57,009	2000–01	$55,134
2004–05	$57,009	1999–2000	$55,134

WORK-RELATED TRAVEL EXPENSES

Table 3 outlines the evidence you need to keep to claim overnight travel expenses.

TABLE 3

Travel expense records

	Domestic travel		Overseas travel	
	Written evidence	**Travel diary[1]**	**Written evidence**	**Travel diary[1]**
If you did not receive a travel allowance:				
travel less than 6 nights in a row	Yes	No	Yes	No
travel 6 or more nights in a row	Yes	Yes	Yes	Yes
If you received a travel allowance and your claim does not exceed the reasonable allowance amount:				
travel less than 6 nights in a row	No	No	No[2]	No
travel 6 or more nights in a row	No	No	No[2]	Yes[3]
If you received a travel allowance and your claim exceeds the reasonable allowance amount:				
travel less than 6 nights in a row	Yes	No	Yes	No
travel 6 or more nights in a row	Yes	Yes	Yes	Yes[3]

1 A travel diary is a document in which you record the dates, places, times and duration of your activities and travel.
2 Written evidence is required for overseas accommodation expenses regardless of the length of the trip.
3 Members of international aircrews do not have to keep a travel diary if they limit their claim to the amount of the allowance received.

RULES FOR CERTAIN TYPES OF GIFTS OR DONATIONS

The following information is about different types of gifts or donations for which you may be able to claim a deduction at item **D8**.

Gifts of property

You can claim a deduction for a gift of property (such as land, artwork or memorabilia) to an approved organisation if:

- you purchased the property within 12 months of making the gift, or
- you purchased the property more than 12 months before you made the gift and the Australian Valuation Office (AVO) valued it at more than $5,000.

If you purchased the property within 12 months of making the gift, the amount deductible is the market value of the property at the time of the gift or the amount you paid for the property, whichever is less. If you purchased the property more than 12 months before you made the gift and the AVO valued it at more than $5,000, the amount deductible is the value of the property as determined by the AVO.

You cannot claim a deduction for a gift of property if you did not purchase it (for example, you inherited or won the property) unless the AVO has valued it at more than $5,000.

If you have made a gift of property under the Cultural Gifts Program the rules described above do not apply to you. For more information on working out whether you can claim a deduction for a gift under this program, read the publication *Cultural Gifts Program and tax deductible gifts* (NAT 8236) or phone the Individual Infoline (see the inside back cover).

For more information about property valuations, phone the AVO on **1300 356 780**, fax **1300 357 267** or visit their website at **www.avo.gov.au**

Receiving a benefit

Generally, you cannot claim a deduction for a donation if you received something in return (for example, a raffle ticket, dinner or a reduction in your child's school fees) other than tokens like lapel badges and stickers that promote the organisation. This rule does not apply to certain fund-raising events (see the next column).

Deductions for contributions relating to fund-raising events

You can claim a deduction for contributions to approved organisations that relate to fund-raising events where you received a minor benefit for your contribution, provided that:

- the contribution meets certain conditions, and
- the benefit you received does not exceed a specified limit.

A fund-raising event includes a fete, ball, gala show, dinner, performance or similar event.

You can claim a deduction if you made:

- a contribution of money or property to attend or participate in (or for the right to attend or participate in) a fund-raising event, or
- a contribution of money to purchase goods or services at a charitable auction.

Your contribution must meet the following conditions.

- It was made to an approved organisation.
- If it was money, it was more than $150.
- If it was property, you had either:
  - purchased it within 12 months of making the contribution, and both the market value on the day of the contribution and the purchase price were more than $150, or
  - owned it for more than 12 months and the AVO valued it at more than $5,000.
- If it was publicly listed shares, the value was more than $150 and less than or equal to $5,000.
- The fund-raising event was held in Australia.
- The GST-inclusive market value of the minor benefit you received for your contribution must have been worth no more than $150 or 20% of the value of the contribution, whichever is less. The receipt from the approved organisation will show the market value of the minor benefit you received.

Your deduction is the value of your contribution that satisfies the conditions set out above **less** the GST-inclusive market value of the minor benefit you received. Both of these amounts appear on your receipt.

There is no limit to the number of deductions you can claim for successful bids to purchase goods or services at a charitable auction, provided the above conditions are met.

Gifts of shares valued at $5,000 or less

You can claim a deduction for a gift of shares to an approved organisation if:

- the shares were held in a company that was listed on an approved Australian stock exchange on the day the gift was made
- you acquired the shares at least 12 months before making the gift ('acquired' includes purchased, inherited, won or received as a gift or a bonus)
- the parcel of shares had a market value of $5,000 or less on the day you made the gift
- the parcel of shares was valued at $2 or more.

You cannot claim a deduction for shares that are suspended from trading (other than a mere trading halt).

Gifts of shares held in different companies are separate gifts even if given at the same time.

A deduction is also available to you where you contribute the shares in return for a right permitting you or another individual to attend or participate in a particular fund-raising event in Australia. The gift must satisfy the rules for contributions to fund-raising events (see the previous page), the market value of the shares on the day they are contributed must be more than $150 but less than or equal to $5,000, and the market value of the right to attend or participate in the fund-raising event must not exceed 20% of the value of the shares or $150, whichever is less.

Be aware that capital gains tax applies when you make a gift of shares.

AUSTRALIAN SUPERANNUATION INCOME STREAM TAX OFFSET

If you are completing item **T4** and your payment summary does not show the tax offset amount, follow the steps below to complete the item.

Completing your tax return

Step 1

For each *PAYG payment summary – superannuation income stream* that does not show a tax offset amount, you can work out your tax offset amount by multiplying the taxed element and the untaxed element of the taxable component shown on each of those payment summaries by the relevant percentage shown in **table 4** on the next page.

WORKSHEET 1

Working out the amount of your tax offset

The amount of your superannuation income stream benefit paid to you before your 55th or 60th birthday for which you are entitled to a tax offset	$	(a)
Relevant percentage from **table 4**	%	(b)
Multiply (a) by (b).	$	(c)
The amount of your superannuation income stream benefit paid to you on or after your 55th or 60th birthday for which you are entitled to a tax offset	$	(d)
Relevant percentage from **table 4**	%	(e)
Multiply (d) by (e).	$	(f)
Add (c) and (f).	$	(g)
Add up the tax offset amounts you have worked out at step (g) for each income stream.	$	(h)

TABLE 4				
Percentages used to work out your Australian superannuation income stream tax offset				
Income stream	**Age of the deceased**	**Your age at date of each payment**	**Taxed element**	**Untaxed element**
Death benefit	Under 60 years old	Under 60 years old	15%	0%
		60 years old and older	Tax free*	10%
	60 years old and older	Any age	Tax free*	10%
Disability superannuation benefit	Not applicable	Under 60 years old	15%	0%
		60 years old and older	Tax free*	10%
All other income streams	Not applicable	Under 55 years old	0%	0%
		55–59 years old	15%	0%
		60 years old and older	Tax free*	10%

*The tax offset does not apply because this is non-assessable non-exempt income, that is, tax-free income.

Step 2
If you did not turn 55 or 60 years old during 2008–09, go to step 3.

If you turned 55 or 60 years old during the 2008–09 income year, a different percentage of tax offset may apply to the superannuation income stream you were receiving before and after your birthday.

You can ask your payer what amounts of your superannuation income stream attract a tax offset, or you can use **worksheet 1** on the previous page to work out the amount of your tax offset.

Use steps (a) to (g) in **worksheet 1** to work out the amount of your tax offset for each element of the superannuation income stream you received. If you received more than one superannuation income stream, repeat steps (a) to (g) for each of those income streams.

Step 3
If you have any *PAYG payment summary – superannuation income stream* that show tax offset amounts, add up these amounts and the amount from (h) in **worksheet 1** on the previous page. Write the total amount at **S** item **T4** on your tax return. Do not show cents.

GLOSSARY

The following definitions are for key terms in questions **4** and **8**.

Foreign termination payment (FTP)

If you think you received a foreign termination payment (discussed at question **4**), the following description will help you decide what to do.

An FTP is a payment that you receive as a result of the termination of overseas employment or service, where the payment:

- relates only to a period of employment when you were a foreign resident, or
- is not exempt from income tax in the foreign country and you were an Australian resident during the period of the employment or service, and the payment was received as a result of the termination of your
  - employment in a foreign country where the foreign earnings were exempt from Australian tax for the period of employment, or
  - qualifying service on an approved project and the eligible foreign remuneration was exempt from Australian tax during the period of service.

The payment is not an FTP if it is a superannuation benefit paid from a superannuation fund, retirement savings account or an approved deposit fund or if it is a payment of a pension or an annuity.

Do not show FTPs anywhere on your tax return.

Late termination payment

A late termination payment is a lump sum payment – similar to employment termination payments (ETPs) referred to in question **4** – which you received more than 12 months after the time you retired or ceased employment.

A late termination payment is treated as an ETP where:

- legal action was commenced about your entitlement to the ETP or about the amount of the ETP within 12 months of the termination of your employment, or
- the payment was made by a person who was appointed within 12 months of the termination of your employment as a liquidator, receiver or trustee in bankruptcy for the employer.

If these conditions are not met, and you received the payment more than 12 months after termination of your employment, then you must show the amount of the payment at item **1** on your tax return.

Transitional termination payment

A transitional termination payment is a payment to which transitional arrangements apply. Transitional arrangements apply to an ETP:

- made to you on or after 1 July 2007, and
- to which you were entitled on 9 May 2006 under
  - a written contract
  - an Australian or foreign law (or an instrument under such a law), or
  - a workplace agreement under the *Workplace Relations Act 1996*.

The contract, law or agreement should specify the amount of the payment or a way to work out the specific amount of the payment.

For more information, see the electronic publication *Employment termination payments – transitional arrangements* available on our website.

Directed termination payment

A directed termination payment is a transitional termination payment that can, at your request, be paid by your employer to a complying superannuation fund or be used to purchase a superannuation annuity.

Do not show directed termination payments anywhere on your tax return.

Death benefit Employment Termination payment

A death benefit ETP is a lump sum payment which is paid to you because you are the beneficiary of a person who has died. If the ETP was paid to you as the trustee of a deceased estate, you must show the ETP on the tax return of the deceased estate, not on your personal tax return.

If you received a death benefit ETP from a deceased person's employer, the information provided on your *PAYG payment summary – employment termination payment* will depend on whether you were a **death benefits dependant** (see the definition below).

If you were a death benefits dependant, the payment summary will show only the taxable components of the ETP over $145,000. If you were not a death benefits dependant, the payment summary will show the entire taxable component of the ETP.

Death benefits dependant

You are a death benefits dependant of the deceased if, at the time they died, you were:

- the surviving spouse
- a former spouse
- a child of the deceased and you were under 18 years old
- any other person who was financially dependent on the deceased, or
- any other person in an **interdependency relationship** with the deceased (see the definition on the next page).

For question **8**, you are also a death benefits dependant when you receive a superannuation lump sum payment because a member of the Australian Defence Force or of an Australian police force, including the Australian Protective Service, died in the line of duty.

If you disagree with the dependency status shown on your payment summary, you should discuss it with the payer.

For the purposes of the definition of death benefits dependant the following apply:

- **Spouse** of the deceased includes:
  - a de facto partner (whether of the same or opposite sex) with whom the deceased was in a relationship that was registered under a prescribed law of a state or territory
  - another person (whether of the same or opposite sex) who lived with the deceased on a genuine domestic basis in a relationship as a couple.
- **Child** of the deceased includes:
  - an adopted child, stepchild or ex-nuptial child of the deceased
  - a child of the deceased's spouse
  - someone who is a child of the deceased within the meaning of the *Family Law Act 1975* (for example, a child who is considered to be a child of a person under a state or territory court order giving effect to a surrogacy agreement).

Interdependency relationship

An interdependency relationship exists if there is a close personal relationship between two people who live together and:

- one or both provide for the financial, domestic and personal support of the other, or
- the reason they do not provide financial, domestic and personal support is because one of them suffers from a physical, intellectual or psychiatric disability.

Terminal medical condition

You have a terminal medical condition if both the following circumstances are met:

- two registered medical practitioners (with at least one being a specialist practising in the area related to the illness or injury) have certified that you suffer an illness or have incurred an injury that is likely to result in your death within a 12-month period
- each of the certificates is less than 12 months old.

Superannuation lump sum payments paid to you are tax free if you have a **terminal medical condition** and, at the time of payment, or within 90 days of receiving payment, you have the required medical certificates stating that you have a terminal medical condition. You should not have received a PAYG payment summary for these payments.

If you received such a payment and tax was withheld, you can get a refund of the tax.

For information about how to get the refund and for further information about these payments, see *Accessing your super if you have a terminal medical condition* (NAT 72437) on our website at **www.ato.gov.au**

Low-rate cap for taxable components of superannuation lump sum payments

This concession applies only to superannuation lump sums paid to you when you are 55 to 59 years old, that is, when you have reached your preservation age (55 years) but before you turn 60 years old.

The low-rate cap is the maximum amount of taxable components (taxed and untaxed elements) that can be taxed at a concessional lower rate.

For 2008–09, the low-rate cap is $145,000, but it could be less for you if before July 2008 you received a superannuation lump sum after your 55th birthday.

The low-rate cap is a 'lifetime' limit. This means that the **taxed element** and **untaxed elements** of **all** superannuation lump sum payments that you receive when you are 55 to 59 years old will be taxed at a concessional rate until their total reaches the low-rate cap amount. Payments you receive in excess of the low-rate cap will be taxed at the tax rate shown in **table 1** on page 105.

Consequently, for 2008–09 the maximum amount for which you can be taxed at a concessional rate is $145,000 less any amount to which the concessional tax rate has previously been applied.

Untaxed-plan cap for untaxed elements

The untaxed-plan cap is the maximum amount of the untaxed elements of your superannuation lump sum payments which will be subject to concessional tax rates.

For 2008–09, the untaxed-plan cap is $1.045 million. The cap is indexed.

There is a separate untaxed-plan cap for each superannuation fund you have. This means that, for each fund, the untaxed elements which make up your superannuation payments will be taxed at a concessional rate until these untaxed elements reach the untaxed-plan cap amount ($1.045 million plus future indexed increases). Amounts above this limit are taxed at the top marginal rate.

If you roll over an amount from one superannuation fund to another, any untaxed element that is part of that amount will count towards the untaxed-plan cap for the fund from which the amount was rolled over.

Important information

OUR COMMITMENT TO YOU

We are committed to providing you with guidance which is practical and easy to use and we make every effort to ensure that our publications are correct.

If you follow our guidance in *TaxPack 2009* and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest.

If you make an honest mistake in trying to follow *TaxPack 2009* and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest.

If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

IF YOU NEED MORE HELP

You can visit our website at **www.ato.gov.au** for information on anything that you read in *TaxPack 2009*. You can use the tools and calculators on our website to help you complete your tax return.

You can phone us on **13 28 61** if you need assistance with a question in *TaxPack 2009* or *TaxPack 2009 supplement*. We can offer a more personalised service if you provide your tax file number (TFN) and have your last notice of assessment with you when you phone us.

Tax Office shopfronts

If you would like to visit us and speak to us in person, phone the Individual Infoline on **13 28 61** for an appointment.

For our shopfront addresses go to our website and enter 'shop fronts' in the 'Search for' box at the top of the page.

Hearing or speech impairment

If you are deaf or have a hearing or speech impairment, you can phone the Tax Office through the **National Relay Service** (NRS).

- If you are a TTY user, phone **13 36 77** and ask for the Tax Office number you want. If you need a Tax Office 1800 free call number, phone **1800 555 677** and ask for the Tax Office number you want.
- If you are a Speak and Listen (speech to speech relay) user, phone **1300 555 727** and ask for the Tax Office number you want. If you need a Tax Office 1800 free call number, phone **1800 555 727** and ask for the Tax Office number you want.
- If you are an internet relay user, connect to the NRS (**www.relayservice.com.au**) and ask for the Tax Office number you want.

RULINGS

If you have a complex query about your tax affairs, you can ask us for a private ruling that will relate to your particular circumstances. To do this, either contact us or complete a *Private ruling application form (not for tax professionals)* (NAT 13742) which is available on our website.

You can also apply for an oral ruling from us over the phone on a simple non-business tax enquiry that relates to your own tax affairs or the tax affairs of someone for whom you are the legal personal representative.

PUBLICATIONS REFERRED TO IN *TAXPACK 2009*

We will sometimes refer you to other publications that will help you to complete your tax return. They are available on our website or to find out how to get printed copies, see the inside back cover.

HOW TO CONTACT THE FAMILY ASSISTANCE OFFICE (FAO)

For advice on family tax benefit, you can contact the FAO by any of the following means.

- Visit their website at **www.familyassist.gov.au**
- Phone **13 61 50** between 8.00am and 8.00pm (local time), Monday to Friday.
- Visit your nearest FAO. Offices are located in Medicare offices and Centrelink customer service centres.
- Phone **13 12 02** if you don't speak English well.
- Use a teletypewriter (TTY) service **1800 810 586** if you have a hearing or speech impairment (this service is only available via a teletypewriter).

SELF-ASSESSMENT

It's your responsibility

Under our system of self-assessment we prepare *TaxPack 2009*, *TaxPack 2009 supplement* and other tax-time publications annually to provide you with the information and guidance you need to complete your tax return. It is your responsibility to lodge a tax return that is signed, complete and correct. We then use the information on your tax return to issue your notice of assessment. We do not take responsibility for checking that details on your tax return are correct – that is your responsibility.

We may not initially adjust claims on your tax return, but at a later date we may check some of the details on your tax return more thoroughly. Under the law, we are generally allowed two years (depending on your circumstances – see **Amendment period** below) to review your tax return and if necessary increase or decrease the amount of tax payable.

Amendment period

If you are among the majority of taxpayers, your income tax affairs for a particular income year will be considered finalised two years after the Commissioner issues your notice of assessment (for more information, go to **www.ato.gov.au/notices**). However, some taxpayers will have a four-year amendment period.

Who can complete your tax return?

You can get someone else to complete your tax return for you.

- A **family member or friend** can help you but they cannot charge you a fee. You must still sign it and you are still legally responsible for the accuracy of the information.
- **Tax Help** is a free service provided by community volunteers trained to help people on low incomes prepare their tax returns.

LODGE YOUR TAX RETURN BY 31 OCTOBER 2009

You have until 31 October 2009 to lodge your tax return, unless we have allowed you to lodge it late, or you have a later due date when a registered tax agent prepares your tax return.

If you cannot lodge your tax return by 31 October 2009 contact us as soon as possible, and certainly before 31 October 2009, to find out whether you can lodge at a later date.

As 31 October 2009 is a Saturday, you have until Monday, 2 November to lodge your tax return without incurring a penalty.

Failure to lodge on time penalty

We may apply a penalty for failure to lodge on time if you lodge your tax return late.

Generally, we apply a penalty of $110 for every 28 days (or part thereof) your tax return is overdue, to a maximum of $550. We may apply the penalty even where there is no tax payable. However, our policy is not to apply a penalty where:

- you lodge your tax return voluntarily, and
- no tax is payable.

WHERE TO SEND YOUR TAX RETURN

Within Australia

If you decide to lodge a paper tax return, you can use the pre-addressed envelope provided to send it to us, or send it to:

Australian Taxation Office
GPO Box 9845
IN YOUR CAPITAL CITY

Do not replace the words IN YOUR CAPITAL CITY with the name of your capital city and its postcode – they are not needed because of a special agreement with Australia Post.

From overseas

You can lodge your tax return online using *e-tax* – go to **www.ato.gov.au** for more information. Most refunds are issued within 14 days and you have the option to use the pre-filling service which downloads information reported to the Tax Office directly to your tax return.

Alternatively, you can lodge a paper tax return and use the pre-addressed envelope to send it to us. Change the address by crossing out **IN YOUR CAPITAL CITY** and replacing it with **SYDNEY NSW 2001, AUSTRALIA**.

It will assist us if you cross out the barcode above the address.

IF YOU MADE A MISTAKE OR NEED TO AMEND YOUR TAX RETURN

If you realise that you did not include something on your tax return that you should have, or you made a mistake, you need to correct it as soon as possible by requesting an amendment.

To request an amendment, write a letter to us. In the letter provide:

- your name, address, phone number and tax file number
- the year shown on the tax return you want to amend – for example, 2009
- the tax return item number and description affected by the change
- the amount of income or deductions to be added or taken away, if relevant
- the amount of tax offsets to be increased or decreased, if relevant
- the relevant claim type code, if applicable to the item being changed
- an explanation of why you made the mistake
- any additional information, if applicable, to the item being changed, and
- a signed and dated declaration – 'I declare that all the information I have given in this letter, including any attachments, is true and correct.'

It is very important that your letter explains why you made the mistake or the reason for the change, so that we can correctly assess any penalty or interest charge.

Post your letter and attachments to:

Australian Taxation Office
GPO Box 5056
Sydney NSW 2001

Keep a copy for your records.

Do not send another tax return unless we ask you to.

If, after lodging your tax return, you voluntarily tell us that you made a mistake and an amendment will result in you paying more tax, the amount of penalty that may otherwise have been imposed will, in most cases, be reduced. In most cases you must lodge your request for an amendment within two years of the date the Commissioner issued your notice of assessment.

YOUR NOTICE OF ASSESSMENT

A notice of assessment is an itemised account of the amount of tax you owe on your taxable income. We send you a notice of assessment after you have sent us your tax return.

When you receive your notice of assessment, you should make sure that everything is correct. For more information about items on your notice of assessment, visit our website at **www.ato.gov.au/individuals** or phone one of our infolines listed on the inside back cover.

How long do you have to wait for your assessment?

Our standard processing time for tax returns posted to the Tax Office is six weeks. If you lodged your tax return online using *e-tax*, our standard processing time is two weeks.

Wait seven weeks before phoning to check on our progress with your paper tax return. If you lodged online using *e-tax*, wait three weeks.

After that time you can use the automated self-help service on **13 28 65** (available 24 hours a day, every day) to check the progress of your tax return. You will need to key in your TFN using your phone keypad.

YOUR RIGHT TO COMPLAIN

If you are dissatisfied with a particular decision we have made, or with one of our services or actions, you have the right to complain.

We recommend that you first try to resolve the issue with the tax officer you have been dealing with, or phone the number you have been given.

If you are not satisfied, talk to the tax officer's manager.

If you are still not satisfied, phone our complaints line on **1800 199 010**.

You can also make a complaint:

- by writing to:
  Complaints
  Australian Taxation Office
  Locked Bag 40
  Dandenong VIC 3175
- online at **www.ato.gov.au**
- by sending a FREEFAX on **1800 060 063**.

THE COMMONWEALTH OMBUDSMAN

If you are not satisfied with our decisions or actions, you can raise the matter with the Commonwealth Ombudsman.

The Commonwealth Ombudsman's office can investigate most complaints relating to tax administration and may recommend that we provide a solution or remedy to your problem. Investigations are independent, private, informal and free of charge.

You can contact the Commonwealth Ombudsman's office by:

- visiting their website at **www.ombudsman.gov.au**
- phoning **1300 362 072**
- sending an email to **ombudsman@ombudsman.gov.au** or
- writing to:
  The Commonwealth Ombudsman
  GPO Box 442
  Canberra ACT 2601

THE PRIVACY COMMISSIONER

The Privacy Commissioner receives complaints under the *Privacy Act 1988* and the tax file number guidelines issued under the Act. You can contact the Privacy Commissioner by:

- visiting their website at **www.privacy.gov.au**
- phoning the privacy hotline on **1300 363 992** or
- writing to:
  The Privacy Commissioner
  GPO Box 5218
  Sydney NSW 2001

PRIVACY AND ACCESS TO INFORMATION

Collecting your tax information

We are authorised by the *Taxation Administration Act 1953* to ask for your TFN. It is not an offence not to provide your TFN. However, your assessment may be delayed if you do not provide your TFN.

We are authorised by the tax laws, including the *Income Tax Assessment Act 1936*, the *Income Tax Assessment Act 1997* and the *A New Tax System (Australian Business Number) Act 1999* to ask for the other information on this tax return. We need this information to help us to administer the tax laws.

Who can we give your tax information to?

We can give your tax information to some government agencies specified in the tax law, for example:

- benefit payment agencies such as Centrelink, the Department of Education, Employment and Workplace Relations, and the Department of Families, Housing, Community Services and Indigenous Affairs
- law enforcement agencies such as state and federal police
- other agencies such as the Child Support Agency (CSA) and the Australian Bureau of Statistics.

This disclosure is usually to check eligibility for government benefits, for law enforcement purposes or for collecting statistics. The CSA may use the information you give us to assess or collect child support. If you receive a refund cheque with your notice of assessment, we also provide details of your refund to the Reserve Bank of Australia to assist in clearing your cheque. Information you provide on your tax return may also be used to update the Australian Business Register (ABR).

We can also disclose your information in performing our duties under the tax law. Otherwise we can only give your information to you or someone appointed to act for you.

Australian Business Register

The Commissioner of Taxation is the Registrar of the ABR. We may use information you provide on your tax return to update the ABR. For example we may use the information to update your trading name, industry classification and main business address.

To help business and government interact more easily the Registrar may disclose information from the ABR to other Commonwealth, state, territory and local government agencies.

You can find details of the government agencies regularly receiving information from the ABR on the internet at **www.abr.gov.au** or you can phone **13 28 66** between 8:00am and 6:00pm Monday to Friday and ask for a list of agencies to be emailed, faxed or posted to you.

These agencies may use ABR information for purposes authorised by their legislation or for carrying out their other functions. Examples of possible uses include registration, reporting, compliance, validation and updating of databases.

How do we protect your tax information?

The tax laws contain secrecy provisions that prohibit any officer of the Tax Office (including employees and contractors) or any other government agency from improperly accessing or disclosing any information you provide on your tax return. These provisions only allow officers to disclose your tax information in the performance of their duties and in certain other specified circumstances.

In addition, the *Privacy Act 1988* protects personal information held by federal government agencies. It also protects TFNs, no matter who holds them.

Asking about your assessment

If you phone

When you phone we will ask you to provide your TFN and other information to confirm your identity, for example, details from a recent notice of assessment.

If you want a representative to phone us on your behalf, you must first authorise us, usually in writing, to discuss your information with them. When the person contacts us, they will need to quote your written authority and provide information to prove their identity.

This requirement is to protect your privacy.

If you write

Provide your TFN, full name, address and phone number, if it is convenient. Remember to sign the letter.

Accessing your tax returns and other documents

To obtain your tax return and other documents, for example, payment summaries and notices of assessment, we suggest you first phone the Individual Infoline on **13 28 61**. In some circumstances this information may be provided free of charge, but usually there is a charge to cover the time and expense involved in getting the information for you.

Keep copies of your tax returns, as a request for a copy from us may involve a charge.

Do you need more information?

If you need more information about how the law protects your personal information or have any concerns about how we have handled your personal information, phone the Individual Infoline.

Index

This is a combined index containing references to both *TaxPack 2009* and *TaxPack 2009 supplement*. Page numbers preceded by 's' refer to *TaxPack 2009 supplement*.

P

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More information

PUBLICATIONS

To get publications, taxation rulings, practice statements and forms referred to in *TaxPack 2009* you can:

- **visit our website www.ato.gov.au/publications**
- **phone our Publications Distribution Service 1300 720 092**
  Before you phone, check whether there are other publications you might need – this will save you time and help us. For each publication you order, quote the full title printed in *TaxPack 2009*.
  An automated self-help publications ordering service is available 24 hours a day, every day where you know the title of the publication. Alternatively, you can speak to an operator between 8.00am and 6.00pm Monday to Friday.
- **visit a Tax Office shopfront**.
  See page 112 for more information.

YOU CAN VISIT OUR WEBSITE

You can visit our website at **www.ato.gov.au** for information on anything that you read in *TaxPack 2009*.

You can use the tools and calculators on the website to help you complete your tax return.

INFOLINES

If you have an enquiry about your tax, phone the relevant infoline below. Make sure you have *TaxPack 2009* handy when you phone us.

We can offer a more personalised service if you provide your tax file number (TFN) and have your last notice of assessment with you when you phone us.

If you require access to your Tax Office records you will be asked to prove your identity by providing your TFN and either details from your last notice of assessment or some personal details.

Our infolines are open Monday to Friday 8.00am to 6.00pm except where otherwise indicated. Our automated services are available 24 hours a day, every day of the year.

You can find a list of our infolines in your White Pages.

Phoning from overseas

If you are phoning us from overseas, phone **+61 2 6216 1111** during our business hours, 8.30am to 4.45pm (Australian Eastern Standard or daylight-saving time) Monday to Friday. Note that our infoline numbers may not work from all countries.

You can also fax us: **+61 2 6216 2830**

Individual Infoline 13 28 61

Phone between 8.00am and 6.00pm Monday to Friday. You can enquire about the following subjects from this service:

- *e-tax* – our free online tax preparation and lodgment software
- pay as you go (PAYG), including instalment activity statements
- student loan schemes (HELP and SFSS)
- capital gains, rental income, foreign income and other questions in *TaxPack 2009 supplement*
- notice of assessment
- your income tax account, such as personal details, payment arrangements and lost refund cheques, lodgment and queries about questions in *TaxPack 2009*
- binding oral advice.

Business Infoline 13 28 66

Complaints 1800 199 010
Fax (FREECALL) **1800 060 063**

EFT Infoline 1800 802 308
For enquiries about direct deposit of your tax refund

Family Assistance Office (FAO) 13 61 50

Superannuation Infoline 13 10 20

Aboriginal and Torres Strait Islander Infoline 13 10 30
Specialises in helping Indigenous clients with their personal tax matters

Tax Office personal self-help 13 28 65
Our automated phone service is available 24 hours a day, every day, so you can:

- check the progress of your refund
- find lost superannuation
- make an arrangement to pay a tax debt
- lodge your application for a refund of franking credits
- lodge your application for a baby bonus
- lodge your application for the education tax refund.

Note: Although providing your TFN is voluntary, you need to quote your TFN to use these self-help services (except publications ordering).

People with a hearing, speech or vision impairment
If you have a hearing or speech impairment, see page 112.

If you have a vision impairment you can prepare your tax return on your personal computer and lodge online using *e-tax* which is available on our website. You will need the internet and screen reader or screen magnification software. We recommend that you use a Microsoft Windows operating system.

We have available free audio and e-text versions of *TaxPack 2009* and *TaxPack 2009 supplement*. To get copies of these phone: **13 28 61**

To report tax evasion confidentially
Phone (FREECALL) **1800 060 062**

Fax (FREECALL) **1800 804 544**

Go to our website **www.ato.gov.au/reportevasion**

Mail Locked Bag 6050, Dandenong VIC 3175

If you do not speak English well and need help from the Tax Office, phone the Translating and Interpreting Service (TIS) on 13 14 50. TIS staff can assist with interpreting in over 120 languages.

Arabic
إذا كنت لاتجيد التحدث باللغة الإنجليزية وكنت في حاجة إلى مساعدة من مكتب الضرائب، الرجاء الاتصال بخدمة الترجمة الخطية والشفهية (TIS) علي الرقم 50 14 13.

Chinese
如果你的英语说得不好而需要税务局的帮助，请拨打13 14 50 联系翻译及传译服务处。

Dari
اگر لسا ن انگلیسی را خوب گپ نمیزنید و به کمک اداره ما لیا ت احتیا ج دارید، به اداره خد ما ت ترجما ن کتبی و شفا هی به نمبر ۱۳۱۴۵۰ تیلفو ن کنید.

Dinka
Naa cï ye jam në thoŋ ë Dïŋëlïth apath ku gör koony tënë mäktäb de tɛk, ke yï yub Kïdïma de Tarjama ku Wɛ̈rëthok (TIS) Tälapun:
13 14 50.

Greek
Αν δεν μιλάτε καλά Αγγλικά και χρειάζεστε βοήθεια από την Εφορία, τηλεφωνήστε την Υπηρεσία Μεταφραστών και Διερμηνέων (TIS) sto 13 14 50.

Croatian
Ako imate poteškoća s engleskim, a potrebna vam je pomoć Poreznog ureda, nazovite Službu prevoditelja i tumača (Translating and Interpreting Service – TIS) na 13 14 50.

Japanese
英語でお困りの方で、国税庁のサポートが必要な場合は、翻訳通訳サービス(TIS) 13 14 50 にお電話ください。

Italian
Se non parlate bene l’inglese e vi serve aiuto dall’Ufficio delle imposte, telefonate al Servizio traduzioni e interpreti (TIS) al numero 13 14 50.

Khmer
ប្រសិនបើលោកអ្នកមិនសូវចេះនិយាយភាសាអង់គ្លេសទេ ហើយត្រូវការជំនួយពីការិយាល័យពន្ធដារ សូមទូរសព្ទ័ទៅកិច្ចបំរើបកប្រែភាសា (TIS) តាមលេខ 13 14 50។

Korean
영어를 잘하지 못하지만 국세청으로부터 도움을 받고자 한다면, 번역 및 통역 서비스 (TIS) 13 14 50 번으로 전화하십시오.

Macedonian
Ако не зборувате добро англиски и ви треба помош од Даночната управа, телефонирајте во Службата за писмено и усмено преведување (Translating and Interpreting Service - TIS) на 13 14 50.

Persian
اگر بخوبی انگلیسی صحبت نمیکنید و به کمک اداره ما لیا ت نیا ز دارید، به اداره خد ما ت ترجمه کتبی و شفا هی به شما ره ۱۳۱۴۵۰ تلفن فرما ئید.

Russian
Если Вы недостаточно хорошо говорите по-английски, и Вам требуется помощь Налоговой Службы, позвоните в Службу Переводов (TIS) по телефону 13 14 50.

Serbian
Ако не говорите добро енглески и треба вам помоћ од Пореске управе (Tax Office), назовите Службу преводилаца и тумача (TIS) на 13 14 50.

Spanish
Si no habla bien inglés, y necesita ayuda de la Oficina de Impuestos, llame al Servicio de Interpretación y Traducción (TIS) al 13 14 50.

Thai
หากท่านพูดภาษาอังกฤษได้ไม่คล่อง และต้องการความช่วยเหลือจากกรมสรรพากร กรุณาติดต่อฝ่ายบริการล่ามและแปลภาษา (Translating and Interpreting Service - TIS) ที่หมายเลข 13 14 50.

Turkish
İyi İngilizce konuşamıyorsanız ve Vergi Dairesi’nden yardıma ihtiyacınız varsa, 13 14 50 numaralı telefondan Yazılı ve Sözlü çeviri Servisi’ni (TIS) arayın.

Vietnamese
Nếu quí vị không nói rành tiếng Anh và cần sự giúp đỡ của Văn Phòng Thuế Vụ, xin gọi cho Dịch Vụ Thông Ngôn và Phiên Dịch (TIS) ở số 13 14 50.

Tax Help

If you want to complete your own tax return or your claim for a refund of franking credits but think you may need some assistance, then Tax Help may be the answer.

We train and support this network of community volunteers to help taxpayers.

Tax Help is a free and confidential service for people on low incomes.

To find out where your nearest Tax Help centre is, phone the Individual Infoline on **13 28 61**.

TaxPack in accessible formats for the vision impaired

TaxDAISY

A disk containing *TaxPack 2009* and *TaxPack 2009 supplement* in audio format for use in a DAISY player

DAISY stands for Digital Accessible Information System and is a digital talking book that may contain sound and text. DAISY books can be read on a portable digital playback device or on a computer with DAISY software.

TaxCD

Audio summaries of *TaxPack 2009* and *TaxPack 2009 supplement* on CD

TaxDisk

TaxPack 2009 and *TaxPack 2009 supplement* on disk formatted for computers with screen reader and speech synthesiser software

All these are available free from the Tax Office – phone **13 28 61**.

E-tax 2009

Prepare your tax return on a computer, using screen reader software, and lodge online. Download *e-tax* from the Tax Office website at **www.ato.gov.au**