Supporting information

Information to help you complete your paper tax return or tax return supplement.

Amounts that you do not pay tax on 2018

Information about those amounts that you do not pay tax on.

Special circumstances and glossary 2018

Special circumstances affecting how your tax is calculated and a glossary of terms used in the tax return instructions.

Referred publications 2018

You may need to refer to some of these publications and rulings to prepare your 2018 tax return.

Checklist - tax return 2018

Complete the tax return checklist to avoid any delays when you lodge your paper tax return.

Checklist - Supplement 2018

Complete the supplementary checklist to make sure you have completed your supplementary tax return before lodgment.

CBS Australia takeover of Ten Network

Ten Network Holdings shareholders will need to account for a CGT event that occurred on 10 November 2017.

Domain separation from Fairfax Media

Fairfax Media separated Domain Holdings on 22 November 2017. Shareholders will need to account for a CGT event.

Restructure of Paladin Energy Limited

Paladin Energy Ltd shareholders will need to account for a CGT event that occurred on 1 February 2018.

Tabcorp - Tatts Scheme of Arrangement

Tatts shareholders will need to account for a CGT event that occurred on 17 December 2017.

Westfield Group - takeover by Unibail-Rodamco SE (2018)

Tax information for Westfield Group stapled security holders.

QC 80688

Amounts that you do not pay tax on 2018

Information about those amounts that you do not pay tax on.

Last updated 21 November 2018

On this page

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 income, non-assessable non-exempt income and other amounts that are generally not taxable 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 **13 28 61**.

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 and subsection 52-65(4) 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 paid under the *Veterans' Entitlements Act 1986* 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

For the meaning of age-pension age, see Special circumstances and glossary 2018.

Lump sum bereavement payments received as part of any of the payments in the previous list are exempt only up to the tax-free amount. Phone **13 28 61** to find out how much of your payment is exempt.

Exempt Australian Government education payments

- Allowances for students under 16 years old, including those allowances paid under ABSTUDY, the Assistance for Isolated Children Scheme and the Veterans' Children Education Scheme
- Australian-American Educational Foundation (Fulbright Commission) grant
- Commonwealth scholarships or bursaries provided to foreign students

- Commonwealth secondary education assistance
- Endeavour awards research fellowships or an Endeavour Executive Award
- Language, literacy and numeracy supplement
- Payments under the Military Rehabilitation and Compensation Act Education and Training Scheme 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
- The first $1,000 of an apprenticeship early completion bonus provided under a specified state or territory scheme for occupations with skill shortages

Other exempt Australian Government payments

- Amounts you received directly, or which are paid to a person on your behalf, under the National Disability Insurance Scheme for approved reasonable and necessary supports funded under your plan
- Australian Government disaster recovery payments
- Back to school bonus and single income family bonus paid under the *A New Tax System (Family Assistance) (Administration) Act 1999*
- Carer allowance paid under the *Social Security Act 1991*

- Child care benefit
- Child care 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' Entitlements Act 1986*
- 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*
- Education entry payment supplement under the *Social Security Act 1991*
- Energy supplement paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*
- Family tax benefit
- Household Assistance Package payments which include
  - Clean Energy Advance
  - Energy Supplement payments
  - Essential Medical Equipment payment
  - Low Income Supplement
  - Single Income Family Supplement
- Job commitment bonus paid under the *Social Security Act 1991*
- Loss of earnings allowance paid under the *Veterans' Entitlements Act 1986*
- Lump sum payment made under section 198N of the *Veterans' Entitlements Act 1986*

- Mobility allowance paid under the *Social Security Act 1991*
- Outer Regional and Remote (OR&R) payment made under the Better Start for Children with Disability initiative
- Outer Regional and Remote (OR&R) payment made under the Helping Children with Autism package
- Payment from the Thalidomide Australia Fixed Trust
- Payments to carers under the scheme determined under Schedule 4 to the *Social Security and Veterans' Entitlements Legislation Amendment (One-off Payments and Other Budget Measures) Act 2008*
- Payments under the scheme determined under Schedule 4 to *the Household Stimulus Package Act (No 2) 2009*
- Pension bonus and pension bonus bereavement payments under Part 2.2A of the *Social Security Act 1991* or Part IIIAB of the *Veterans' Entitlements Act 1986*
- Pharmaceutical allowances paid under the *Social Security Act 1991*
- Phone allowance paid under the *Social Security Act 1991*
- Prisoner of War Recognition Supplement payment under Part VIB of the *Veterans' Entitlements Act 1986*
- Quarterly pension supplement paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*
- Remote area allowance
- Rent assistance
- Stillborn baby payment paid by Centrelink
- The ex-gratia payment from the Australian Government, known as the Disaster Recovery Allowance for special category visa (subclass 444) holders for a disaster
  - that occurred in Australia during 2014-15 and future years, and
  - for which a determination under section 1061L of the *Social Security Act 1991* has been made

- 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
- Training and learning bonus under the *Social Security Act 1991*
- Utilities allowance paid under the *Social Security Act 1991*
- Veterans supplement paid under 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
- F-111 deseal/reseal ex-gratia lump sum payments
- Pay and allowances for part-time service in the Australian Naval, Army or Air Force Reserve
- Payments under the Defence Abuse Reparation Scheme
- 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 amounts of interest paid by the Commonwealth on unclaimed money and property
- Certain annuities and lump sums which are paid to an injured person under a structured settlement
- Certain distributions from a pooled development fund
- Certain distributions from an early stage venture capital limited partnership

- 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' Entitlements Act 1986*
- Your share of certain profits or gains arising from disposal of investments by a venture capital limited partnership (VCLP), an early stage venture capital limited partnership (ESVCLP) or an Australian venture capital fund of funds (AFOF)

Non-assessable non-exempt income

The most common types of non-assessable non-exempt income are:

- 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

- 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
- amounts on which family trust distribution tax has been paid (see question **A5** in *Individual tax return instructions supplement 2018*)
- genuine redundancy payments and early retirement scheme payments shown as ‘Lump sum D’ amounts on your payment summary
- government super contributions
- National Rental Affordability Scheme payments or non-cash benefits paid (whether directly or indirectly, such as through an NRAS consortium of which you are a member) by a state or territory

government or a relevant body established under a state or territory law

- that part of the taxable component of a death benefit ETP below the 2017–18 cap of $200,000 paid to a dependant
- the taxed element of a death benefit superannuation income stream paid from an account-based pension 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 they received the benefit
- the taxed element of a superannuation income stream or lump sum paid from an account-based pension received by a person 60 years old or older
- the tax-free component of a superannuation benefit paid from an account based pension
- the tax-free component of an employment termination payment (ETP).

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 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.

See also:

- Foreign income exemption for temporary residents – introduction

Other amounts that you do not pay tax on

You do not pay tax on most child support and spouse maintenance payments.

There are other amounts that are also not generally considered to be taxable such as **lotto wins** and **inheritances**. For more information see Amounts not included as income.

QC 54199

Special circumstances and glossary 2018

Special circumstances affecting how your tax is calculated and a glossary of terms used in the tax return instructions.

Last updated 13 December 2018

Special circumstances

Non-resident withholding tax

Gross interest (question 10)

If you were a foreign resident include at item **10** any interest that you received in 2017–18 while you were an Australian resident.

Do not include at item **10** any interest paid or credited to you when you were a foreign resident if withholding tax was deducted.

If withholding tax was not deducted, on a separate piece of paper:

- print **Schedule of additional information – Item 10**
- print your name, address and tax file number
- provide details of amounts of interest you received while you were a foreign resident if withholding tax was not deducted.

Attach your schedule to page 3 of your tax return. Print **X** in the **Yes** box at **Taxpayers' declaration** question **2** on page 10 of your tax return.

We will advise you of the amount of withholding tax you have to pay on this interest.

Dividends (question 11)

Do not include at item **11** any dividend income paid or credited to you during the period you were a foreign resident, if:

- the dividend was fully franked, or
- the dividend was not fully franked, but either
  - the dividend statement shows the unfranked amount to be conduit foreign income, or
  - withholding tax was (or should have been) withheld from the unfranked amount.

You need to provide details of any dividend:

- that was paid or credited to you during any period you were a foreign 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 11**
- print your name, address and tax file number

- provide details of the dividend.

Attach your schedule to page 3 of your tax return. Print **X** in the **Yes** box at **Taxpayers' declaration** question **2** on page 10 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 (question 4)

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*.

A foreign ETP is different from a foreign termination payment (FTP).

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 **Foreign exchange rates** or phone **13 28 61**.

- 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 (ETP) 2018). You must provide a valid code for each payment.

- Attach your schedule to page 3 of your tax return.
- Print **X** in the **Yes** box at **Taxpayers' declaration** question **2** on page 10 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 (ETP) 2018**.

Dividends and franking credits (questions 11 and D8)

Dividend washing integrity rule

The dividend washing integrity rule prevents you from claiming franking credits where you have received a dividend as a result of dividend washing.

Dividend washing occurs where you, or an entity connected to you, claim two sets of franking credits by:

- selling shares that are held on the Australian Securities Exchange (ASX) and have become 'ex-dividend', and then
- purchasing some substantially identical shares using a special ASX trading market.

When the dividend washing integrity rule applies, you are not entitled to claim the franking credits for the second dividend. However, if your interest in the second parcel of shares exceeds the interest in the first parcel, you may be entitled to claim a portion of the franking credits for the additional shares. For more information, see **Dividend washing rule**.

The dividend washing integrity rule does not apply if:

- you are an individual, and
- you received no more than $5,000 in franking credits during 2017–18.

However, the dividend washing integrity rule applies where dividends flow indirectly to you through your interest in a trust or partnership.

If you are claiming franking credits at item **11**, certain rules apply. Read the following to check that you are entitled to claim the credits.

You must be a 'qualified person' to be entitled to a franking credit in respect of a dividend. To be a qualified person you must satisfy the holding period rule and the related payments rule.

Holding period rule

To be able to claim the franking credits the **holding period rule** requires you to hold shares 'at risk' for at least 45 days (90 days for certain preference shares).

When working out the number of days you held the shares at risk, 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 generally 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 (the small shareholder exemption), and
- the related payments rule does not apply to you.

In determining whether the holding period rule is satisfied for the prescribed minimum period, no account is taken of any days on which you entered into an arrangement to materially 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 **11** but do not include any franking credit amount at **U** item **11** for that dividend.

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 effectively had no interest in a dividend because you were under an obligation to make, or were likely to make, a related payment to another party for the dividend and you did not hold your shares 'at risk' for at least 45 days (90 days for certain preference shares).

When working out the number of days you held the shares 'at risk', 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).

A related payment includes you, or your associate, 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 2018** (NAT 2632).

Australian superannuation lump sum payments (question 8)

Tables 1A to 2C set out the maximum tax rates that apply to superannuation lump sum payments made by complying superannuation funds. The Medicare levy is additional where applicable. You may find this useful in completing items **8**, **M1** and **M2**.

Any lump sum in arrears amounts paid after 1 July 2017 must be included in your assessable income regardless of the period the income stream payment relates to.

Tables 1A and 1B: Death benefit

Table 1A: Death benefit paid to death benefits dependant (of any age)

Element	Amount	Tax rate
Tax free component	Whole	Tax free
Taxed element	Whole	Tax free
Untaxed element	Whole	Tax free

Table 1B: Death benefit paid to non-death benefits dependant (of any age)

Element	Amount	Tax rate
Tax free component	Whole	Tax free
Taxed element	Whole	15%
Untaxed element	Whole	30%

Tables 2A to 2C: Superannuation lump sum (other than death benefit)

Table 2A: Under the preservation age at the time of payment

Element	Amount	Tax rate
Tax free component	Whole	Tax free
Taxed element	Whole	20%
Untaxed element	Up to the untaxed-plan cap amount, $1,445,000 (see Note 1)	30%
Untaxed element	Over the untaxed-plan cap amount, $1,445,000 (see Note 1)	45%

Table 2B: Preservation age to 59 years of age at the time of payment

Element	Amount	Tax rate
Tax free component	Whole	Tax free

Taxed element	Up to the low rate cap amount, $200,000 (see Note 2)	Tax free
Taxed element	Over the low rate cap amount, $200,000 (see Note 2)	15%
Untaxed element	Up to the low rate cap amount, $200,000 (see Note 2)	15%
Untaxed element	Over the low rate cap amount, $200,000 (see Note 2) and up to the untaxed-plan cap amount, $1,445,000 (see Note 1)	30%
Untaxed element	Over the untaxed-plan cap amount, $1,445,000 (see Note 1)	45%

Table 2C: 60 years of age or older at the time of payment

Element	Amount	Tax rate
Tax free component	Whole	Tax free
Taxed element	Whole	Tax free
Untaxed element	Up to the untaxed-plan cap amount, $1,445,000 (See Note 1)	15%
Untaxed element	Over the untaxed-plan cap amount, $1,445,000 (see Note 1)	45%

Note 1: For 2017–18, the untaxed-plan cap amount is a maximum of $1.445 million, but it could be less for you if you have previously received another superannuation lump sum with an untaxed element from the same superannuation fund. For more information on how we work out your untaxed-plan cap amount, see How tax applies to your super.

Note 2: For 2017–18, the low-rate cap amount is a maximum of $200,000, but it could be less if you received any superannuation lump sums in a prior income year that counted towards your entitlement to a superannuation lump sum tax offset or, if before July 2007, you received an eligible termination payment after your 55th birthday. For more information on how we work out your low-rate cap amount, see **How tax applies to your super**.

Also, see Glossary in respect of the low-rate cap amount and untaxed-plan cap amount.

Leased luxury cars (question D1)

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 began had a market value of more than the '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 the logbook method. For more information on the logbook method, read **D1**.

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 3: Car limits for the past 10 years

Year	Limit
2017–18	$57,581
2016–17	$57,581
2015–16	$57,466
2014–15	$57,466
2013–14	$57,466

2012–13	$57,466
2011–12	$57,466
2010–11	$57,466
2009–10	$57,180
2008–09	$57,180

Work-related travel expenses (question D2)

Tables 4 and **5** outline the evidence you need to keep to claim overnight travel expenses.

Table 4: Travel expense records – domestic travel

Condition	Written evidence	Travel diary (See note)
If you did not receive a travel allowance and the travel is less than 6 nights in a row	Yes	No
If you did not receive a travel allowance and the travel is 6 or more nights in a row	Yes	Yes
If you received a travel allowance, your claim does not exceed the reasonable allowance amount and the travel is less than 6 nights in a row.	No	No
If you received a travel allowance, your claim does not exceed the reasonable allowance amount and the travel is 6 or more nights in a row.	No	No
If you received a travel allowance, your claim exceeds the reasonable allowance	Yes	No

amount and the travel is less than 6 nights in a row.		
If you received a travel allowance, your claim exceeds the reasonable allowance amount and the travel is 6 or more nights in a row.	Yes	Yes

Note: A travel diary is a document in which you record the nature, dates, places, times and duration of your activities and travel.

Table 5: Travel expense records – overseas travel

Condition	Written evidence	Travel diary (See note 1)
If you did not receive a travel allowance and the travel is less than 6 nights in a row	Yes	No
If you did not receive a travel allowance and the travel is 6 or more nights in a row	Yes	Yes
If you received a travel allowance, your claim does not exceed the reasonable allowance amount and the travel is less than 6 nights in a row.	No (See note 2)	No
If you received a travel allowance, your claim does not exceed the reasonable allowance amount and the travel is 6 or more nights in a row.	No (See note 2)	Yes (See note 3)
If you received a travel allowance, your claim exceeds the reasonable allowance amount and the travel is less than 6 nights in a row.	Yes	No

If you received a travel allowance, your claim exceeds the reasonable allowance amount and the travel is 6 or more nights in a row.	Yes	Yes (See note 3)

Notes

1. A travel diary is a document in which you record the nature, 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 but not for food, drink and incidentals.
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 (question D9)

The following information is about different types of gifts or donations for which you may be able to claim a deduction at item **D9**. If you obtained a valuation of a deductible donation of property, you may be able to claim a deduction for the cost of that valuation under **D10**.

Gifts of property

You can claim a deduction for a gift of property (such as land, artwork or memorabilia) to an eligible 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 Commissioner 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 Commissioner valued it at more than $5,000, the amount deductible is the value of the property as determined by the Commissioner.

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

Commissioner 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, see **Donating under the Cultural Gifts Program**.

For more information about property valuations, phone **13 28 61** or go to ato.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 Deductions for contributions relating to fund-raising events).

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 Commissioner 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
- 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.

Contributions and gifts to registered political parties and independent candidates and members

You can claim a deduction for contributions or gifts to registered political parties, independent members of parliament (state or Commonwealth) or independent candidates in an election for parliament. Contributions must be $2 or more. The contribution or gift must be of money or property that you purchased during the 12 months before making the contribution or gift. If it is property, the amount deductible is the market value of the property at the time of the donation or the amount you paid for the property, whichever is less.

If the total of all your contributions and gifts to **political parties** during the year is greater than $1,500 then the maximum amount you can deduct is $1,500. A separate deduction limit of $1,500 applies if the total of all your contributions and gifts to **independent** candidates or independent members of parliament for the year exceeds $1,500.

You cannot claim a deduction for a political gift or contribution of $2 or more (including membership fees) to registered political parties, independent candidates and members of an Australian legislature if you make the gift or contribution in the course of carrying on a business.

The contribution must be to a political party that is registered under Commonwealth, state or territory electoral laws.

The contribution to an independent candidate or independent members must be to a candidate for election to, or member of, the Commonwealth Parliament, a state or territory parliament

An independent candidate is an individual whose candidature in an election for parliament is not endorsed by a registered political party. An independent member is a member of parliament who is not a member of a registered political party.

Australian superannuation income stream tax offset (questions 7 and T2)

If you are completing item **T2** and your payment summary does not show the tax offset amount, where you are 59 years or younger and you do not have a death benefit income stream where the deceased was aged 60 or older at the time of death, then follow the steps below to complete the item. If you are 60 years old or older or you have a death benefit income stream where the deceased was aged 60 or older at the time of death, read question T2.

Completing your tax return

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 **Tables 6A to 6C**.

Worksheet 1: Working out the amount of your tax offset taxed element only (pre 60 income)

Row	Calculation	Amount
a	The amount of any taxed element of your superannuation income stream benefit paid to you for which you are entitled to a tax offset	$
b	Relevant percentage from **Tables 6A to 6C**	%
c	Multiply row **a** by row **b**.	$

Tables 6A to 6C: Percentages used to work out your Australian superannuation income stream tax offset

Table 6A: Death benefit income stream

Age of the deceased at date of death	Your age at date of each payment	Taxed element	Untaxed element
Under 60 years	Under 60 years	15%	0%
Under 60 years	60 years or older	Not applicable	Limited – read question T2.
60 years or older	Any age	Not applicable	Limited – read question T2.

Table 6B: Disability superannuation benefit income stream

Your age at date of each payment	Taxed element	Untaxed element
Under 60 years	15%	0%
60 years or older	Not applicable	Limited – read question T2.

Table 6C: All other income streams

Your age at date of each payment	Taxed element	Untaxed element
Under preservation age	0%	0%

Preservation age to 59 years	15%	0%
60 years or older	Not applicable	Limited – read question T2.

If your circumstances in the above tables changed during 2017–18, for example, because you turned 60 years old during the year, then a different percentage of tax offset may apply to the amounts of the superannuation income stream you received before and after your birthday; read question T2.

If you have any *PAYG payment summary – superannuation income stream* that shows tax offset amounts, and you were under 60 years old at the end of the period, add up these amounts and the amount from row **h** in worksheet 1. Write the total amount at **S** item **T2** on your tax return. Do not show cents.

Tax-free government pensions or benefits that are taken into account in the income tests (question IT3)

If you receive any of the government pensions or benefits listed below, you must include at **IT3** the part of those pensions and benefits that are exempt from tax. In some cases, all of your pension or benefit could be exempt from tax, and in other cases only part of it might be.

Do not include any part of these pensions and benefits that is a bereavement payment, pharmaceutical allowance, rent assistance or remote area allowance, or language, literacy and numeracy supplement.

- Disability support pension paid by Centrelink to a person who is under age-pension age
- Wife pension where both the recipient and their partner are under age-pension age or the recipient is under the age-pension age and their partner has died
- Carer payment under Part 2.5 of the *Social Security Act 1991* (note this is not the carer allowance under Part 2.19 of the *Social Security Act 1991*)
- Pension for defence, peacekeeping or war-caused death or incapacity or any other pension granted under Part II or Part IV of

the *Veterans' Entitlement Act 1986*

- Invalidity service pension where the veteran is under age-pension age
- Partner service pension where either
  - the partner and the veteran are under the age-pension age and the veteran is receiving an invalidity service pension, or
  - the partner is under age-pension age, the veteran has died and was receiving an invalidity service pension at the time of death
- Income support supplement paid under Part IIIA of the *Veterans' Entitlements Act 1986*
- Defence Force income support allowance 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*
- A special rate disability pension under Part 6 of Chapter 4 of the *Military Rehabilitation and Compensation Act 2004*
- A payment of compensation under section 68, 71 or 75 of the *Military Rehabilitation and Compensation Act 2004*
- A payment of the weekly amount mentioned in paragraph 234(1)(b) of the *Military Rehabilitation and Compensation Act 2004* (including a reduced weekly amount because of a choice under section 236 of that Act) or of a lump sum mentioned in subsection 236(5) of that Act

If you are not sure, for the purpose of this question, whether a government pension or benefit you have received is a tax-free government pension or benefit, phone **13 28 61**.

Glossary

Capped defined benefit income streams

Capped defined benefit income streams include:

- lifetime pensions, regardless of when they start

- lifetime annuities that existed and were in retirement phase prior to 1 July 2017
- life expectancy pensions and annuities that existed and were in retirement phase prior to 1 July 2017
- market-linked pensions and annuities that existed and were in retirement phase prior to 1 July 2017.

Due to commutation restrictions, transfer balance cap rules apply differently to capped defined benefit income streams. Instead, a defined benefit income cap will limit the amount of tax-free income you can receive from one of those accounts.

Generally for 2017–18, the defined benefit income cap is $100,000.

If you are 60 years old or older (or a death benefit dependant and the deceased died at 60 years old or older) and your superannuation income stream benefits paid from capped defined benefit income streams exceeds your defined benefit income cap, you may have additional tax liabilities:

- If the total of your tax free components and taxed element amounts exceeds your defined benefit income cap, 50% of the excess will be taxed at your current marginal rate. Untaxed element amounts are excluded from this calculation. If you are under 60 years old only superannuation income stream benefits from capped defined benefit income streams you receive as a death benefits dependant where the deceased dies at age 60 years old or older are included in this calculation.
- If you receive untaxed element amounts and the total of your superannuation income streams benefits from capped defined benefit income streams exceeds your defined benefit income cap, the 10% tax offset that applies to your untaxed element amounts will be reduced by an amount that is 10% of that excess. If you are under 60 years old only superannuation income stream benefits from capped defined benefit income streams you receive as a death benefits dependant where the deceased dies at age 60 years old or older are included in this calculation.

See also:

- Changes to taxation of defined benefit income streams
- New transfer balance cap for retirement phase accounts

Child

Child includes:

- your adopted child, stepchild or ex-nuptial child
- a child of your spouse, and
- someone who is your child 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).

Death benefit employment termination payment (ETP) (question 4)

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.

If you were a death benefits dependant, the payment summary will show only the taxable components of the ETP over $200,000. If you were not a death benefits dependant, the payment summary will show the entire taxable component of the ETP.

Death benefits dependant (questions 4, 7 and 8)

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.

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 another person (of any sex):

- with whom the deceased was in a relationship that was registered under a prescribed law of a state or territory
- not legally married to the deceased person, 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).

Defined benefit income cap

This is the amount of certain superannuation income stream benefits an individual can receive from capped defined benefit income streams before being subject to additional income tax.

For 2017–18, the defined benefit income cap is $100,000 (the $1.6 million general transfer balance cap divided by 16), though this may be reduced in certain circumstances, including if you:

- are receiving a capped defined benefit income stream and turn 60 years old part-way through the year, and therefore begin receiving concessional tax treatment for that income
- start a capped defined benefit income stream with concessional tax treatment for the first time part-way through the year

- start receiving a capped defined benefit income stream that was a death benefit income stream with concessional tax treatment part-way through the year.

In future financial years, the defined benefit income cap will be indexed in line with the general transfer balance cap.

Death benefit income stream (questions 7 and T2)

A death benefit income stream is a superannuation income stream paid to you as a death benefits dependant of a deceased member.

Dependant (questions T4 and T5)

A **dependant** must be an Australian resident for tax purposes. A dependant can be:

- your spouse
- a child who is under 21 years old (see above) and is not a student
- a student under 25 years old who is studying full time at school, college or university
- an invalid or an invalid carer.

If you want to claim a tax offset for your dependants you may need to work out your and your dependants' adjusted taxable income (ATI) for the relevant period to determine:

- whether you are eligible for a tax offset, and
- the amount of the tax offset you are entitled to.

For more information, see Adjusted taxable income (ATI) for you and your dependants 2018.

Foreign termination payment (FTP) (question 4)

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 received in consequence of the termination of your employment in a foreign country and the payment relates only to a period of employment when you were a foreign resident, or

- was not exempt from income tax in the foreign country, you were an Australian resident during the period of the employment or service, and you received the payment 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 engagement.

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.

Foreign termination payments are non-assessable non-exempt income, that is, tax-free income. Do not show them anywhere on your tax return.

Indeterminate (Spouse details – married or de facto)

Indeterminate refers to any person who does not exclusively identify as either male or female, for example, a person of a non-binary gender. A person may use a variety of other terms to self-identify.

Interdependency relationship

An interdependency relationship exists if there is a close personal relationship between two persons and the following conditions are met:

- they live together, and
- one or each of them provides the other with financial support, domestic support and personal care.

An interdependency relationship can also exist if there is a close personal relationship between two persons but one or more of the conditions stated above are not satisfied because of the physical, intellectual or psychiatric disability of one of the people.

However, two persons do not have an interdependency relationship if one of them provides domestic support and personal care to the other:

- under an employment contract or a contract for service, or

- on behalf of another person or organisation such as a government agency, a body corporate or a benevolent or charitable organisation.

Invalid (questions T6 and M1)

An **invalid** can be your:

- spouse
- parent
- child, aged 16 years or older
- brother or sister, aged 16 years old or older
- spouse's parent
- spouse's child, aged 16 years or older, or
- spouse's brother or sister, aged 16 years old or older.

That person must be receiving:

- a disability support pension under the *Social Security Act 1991*
- a special needs disability support pension under the *Social Security Act 1991*, or
- an invalidity service pension under the *Veterans' Entitlement Act 1986*.

Invalid carer (questions T6 and M1)

A **dependent carer** is your:

- spouse
- parent
- spouse's parent

who is caring for your or your spouse's invalid child aged 16 years or older, or your or your spouse's invalid brother or sister aged 16 years old or older.

The invalid carer must be:

- receiving a carer allowance or carer payment under the *Social Security Act 1991* in relation to caring for that person or

- wholly engaged in providing care to that person and the person being cared for receives
  - a disability support pension under the *Social Security Act 1991*
  - a special needs disability support pension under the *Social Security Act 1991*, or
  - an invalidity service pension under the *Veterans' Entitlement Act 1986*.

Late termination payment (question 4)

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 about your entitlement to the ETP or about the amount of the ETP was commenced within 12 months of the termination of your employment
- the payment was made by a person who was appointed within 12 months of your employment termination as a liquidator, receiver or trustee in bankruptcy for the employer, or
- the payment was due to a person's membership in a redundancy trust and the application for payment was made within 12 months of becoming entitled to the payment under the rules of the trust. The trustee of the redundancy trust must make the payment as soon as practicable after receiving the application and within two years of the termination of the employment that led to the entitlement.

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.

Low-rate cap amount for taxable components of superannuation lump sum payments (question 8)

This concession applies only to superannuation lump sums paid to you when you have reached your preservation age but before you turn

60 years old.

The low-rate cap amount is the maximum amount of taxable components (taxed and untaxed elements) that can be taxed at a concessional lower rate.

For 2017–18, the low-rate cap amount is a maximum of $200,000, but it could be less for you if before July 2017 you received any superannuation lump sums that counted towards your entitlement to a superannuation lump sum tax offset. The amount is indexed to average weekly ordinary time earnings and rounded down to the nearest multiple of $5,000. See Key superannuation rates and thresholds.

The low-rate cap amount is a 'lifetime' limit. This means that the **taxed element** and **untaxed elements** of **all** superannuation lump sum payments that you receive (as well as the amount of any eligible termination payments for which you became entitled to a rebate before 1 July 2007) when you have reached your preservation age but before you turn 60 years old will be taxed at a concessional rate until your total reaches the low-rate cap amount ($200,000 plus future indexed increases). Payments you receive in excess of the low-rate cap amount will be taxed at the tax rate shown in Tables 2A to 2C.

Consequently, for 2017–18 the maximum amount for which you can be taxed at a concessional rate is $200,000 less any amounts to which the concessional tax rate has previously been applied.

For more information on how we work out your low-rate cap amount, see Super and tax.

Maintaining a dependant (questions T4, T5, M1, M2 and IT8) or maintaining another person (question T6)

You **maintained** a **dependant** or **maintained another person** if any of the following applied:

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

If you had a spouse for the whole of 2017–18 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 or maintained another person even if the two of you were temporarily separated, for example, due to holidays or overseas travel.

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

Pension age (Amounts that you do not pay tax on)

Centrelink	• 65 years and six months old or older
Veterans' Affairs	• Veteran or war widow/widower • 60 years old or older and • meets the veteran pension age test

Preservation age (questions T2, M1 and M2)

Super benefits can only be accessed if a condition of release is met, which in many cases will depend on the member's preservation age. Access to lump sum super benefits is generally restricted to members who have reached their preservation age and retired. Your preservation age depends on when you were born.

The following table will help you work it out.

Preservation age

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58

1 July 1963 – 30 June 1964	59
From 1 July 1964	60

For more information, see Super and tax.

Shared care (questions M1 and T4)

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 (FTB) 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 Services Australia.

If you do not know your FTB shared-care percentage, contact Services Australia on **13 61 50**.

Sole care (question M1)

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 2017–18 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 **13 28 61**.

Spouse

Your **spouse** includes another person (of any sex) who:

- you were in a relationship with that was registered under a prescribed state or territory law
- although not legally married to you, lived with you on a genuine domestic basis in a relationship as a couple.

Terminal medical condition (question 8)

For income tax purposes 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 24 month period, starting from the date of certification
- each of the certificates is less than 24 months old.

Superannuation lump sum payments paid to you are tax free if you have a **terminal medical condition** at the time you received the payment or within 90 days of receiving payment. 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.

Transfer balance cap (questions 7, 8 and T2)

From 1 July 2017, there is a cap on the total amount of superannuation that can be transferred into a superannuation income stream (such as a pension or annuity).

The transfer balance cap for 2017–18 is $1.6 million (this may be reduced in certain circumstances). For later financial years, the transfer balance cap will be indexed.

Untaxed-plan cap amount for untaxed elements (question 8)

The untaxed-plan cap amount is the maximum amount of the untaxed elements of your superannuation lump sum payments which will be subject to concessional tax rates.

For 2017–18, the untaxed-plan cap amount is a maximum of $1.445 million, but it could be less for you if you have previously received another superannuation lump sum with an untaxed element from the same superannuation fund. The amount is indexed to average weekly ordinary time earnings and rounded down to the nearest multiple of $5,000. See **Key superannuation rates and thresholds**.

There is a separate untaxed-plan cap amount 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 ($1.445 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 amount for the fund from which the amount was rolled over.

QC 54203

Referred publications 2018

You may need to refer to some of these publications and rulings to prepare your 2018 tax return.

Last updated 8 April 2020

On this page

To help you complete your 2018 tax return, we have provided a list of other publications that will help you to understand your tax obligations and complete your tax return. Some publications are essential to complete some items.

Popular publications

- Individual tax return instructions

Publications

- Attribution managed investment trust (AMIT) tax return instructions 2018
- Attribution managed investment trust member annual statement and standard distribution statement: guidance notes for trustees 2018
- Business and professional items 2018
- Capital gains tax (CGT) schedule 2018
- Company tax return 2018
- Company tax return instructions 2018
- Consolidated groups losses schedule 2018
- Consolidated groups losses schedule instructions 2018
- Deductions for prepaid expenses 2018
- Dividend and interest schedule 2018
- Family trust election, revocation or variation 2018
- Film industry incentives 2018
- Foreign income return form guide 2018
- Franking account tax return and instructions 2018
- Fund income tax return 2018
- Fund income tax return instructions 2018
- Government super contributions workbook 2018
- Guide to capital gains tax 2018
- Guide to depreciating assets 2018
- Guide to foreign income tax offset rules 2018
- Income averaging for special professionals 2018

- Individual PAYG payment summary schedule 2018
- Individual tax return 2018 (for tax agents)
- Individual tax return instructions 2018
- Information for primary producers 2018
- Interest on early payments and overpayments of tax 2018
- International dealings schedule 2018
- International dealings schedule instructions 2018
- Interposed entity election or revocation 2018
- Life insurance companies taxation schedule 2018
- Losses schedule 2018
- Losses schedule instructions 2018
- Non-individual PAYG payment summary schedule 2018
- Non-lodgment advice 2018
- Partnership tax return 2018
- Partnership tax return instructions 2018
- Personal investors guide to capital gains tax 2018
- Refund of franking credit instructions and application for individuals 2018
- Refund of franking credits for individuals - application form 2018
- Rental properties 2018
- Research and development tax incentive schedule 2018
- Research and development tax incentive schedule instructions 2018
- Salary and wage occupation codes 2018
- Self-managed superannuation fund annual return 2018
- Self-managed superannuation fund annual return instructions 2018
- Strata title body corporate tax return and instructions 2018
- Tax return for individuals 2018

- Tax return for individuals (supplementary section) 2018
- Timor Sea Treaty – Joint Petroleum Development Area instructions 2018
- Trust tax return 2018
- Trust tax return instructions 2018
- You and your shares 2018

QC 54302

Checklist – tax return 2018

Complete the tax return checklist to avoid any delays when you lodge your paper tax return.

Last updated 13 February 2019

To avoid any delay in the processing of your tax return, use the pre-addressed envelope provided with the tax return instructions, or use the following address:

Australian Taxation Office
GPO Box 9845
[insert the name and postcode of your capital city]

For example;

Australian Taxation Office
GPO Box 9845
SYDNEY NSW 2001

Check that you have…

- written your tax file number
- filled in all your personal details, including your date of birth, correctly
- completed the appropriate details for electronic funds transfer 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 **1, 3**, **4**, **8**, **TOTAL SUPPLEMENT INCOME OR LOSS**, **TOTAL INCOME OR LOSS**, **D1**, **D3**, **D4**, **SUBTOTAL**, **TAXABLE INCOME OR LOSS**, **T1**, **M1**, **Private health insurance policy details**, **A1 and A3**
- completed item **M2** which is compulsory for all taxpayers
- completed income tests items **IT1** to **IT8**
- written totals at
  - **TOTAL TAX WITHHELD**
  - **TOTAL SUPPLEMENT INCOME OR LOSS** (if applicable)
  - **TOTAL INCOME OR LOSS**
  - **TOTAL SUPPLEMENT DEDUCTIONS** (if applicable)
  - **TOTAL DEDUCTIONS**
  - **SUBTOTAL**
  - **TAXABLE INCOME OR LOSS**
  - **TOTAL SUPPLEMENT TAX OFFSETS** (if applicable)
  - **TOTAL TAX OFFSETS**
- completed **Spouse details – married or de facto** if required
- completed your spouse's details and provided your signature on your tax return if you have consented to offset part or all of your tax refund against your spouse's Family Assistance debt.
- completed item **A1** if you were under 18 years old on 30 June 2018; this is **compulsory** and if not completed, you may be taxed at a higher rate than necessary

- completed item **A4** if you were in Australia on either a 417 or 462 visa that allowed you to work and holiday; this is **compulsory** and if not completed you may be taxed at a higher rate than necessary
- read, completed, signed and dated the **Taxpayer's declaration** on 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 the tax return instructions tells you to attach
- kept copies of your tax return, all attachments and relevant papers for your own records.

When can you expect your notice of assessment?

We aim to process tax returns within 10 weeks. If you lodged your tax return online using *myTax*, our standard processing time is two weeks.

How we work out your tax

If you want to work out your tax refund or debt, use the Income tax estimator.

QC 54205

Checklist – supplement 2018

Complete the supplementary checklist to make sure you have completed your supplementary tax return before lodgment.

Last updated 31 May 2018

Use this checklist to make sure pages 13–16 of your tax return (supplementary section) are complete before you attach them to page 10 of your tax return.

Check that you have...

- printed your tax file number and name on page 13 of your tax return (supplementary section)
- written totals (if applicable) at
  - **Total supplement income or loss**
  - **Total supplement deductions**
  - **Total supplement tax offsets**

- transferred the totals above, where instructed
- completed item **A5**, if required to do so
- completed item **C1**, if required to do so
- if you were asked to do so, filled in the boxes at items **13**, **17**, **18**, **19**, **20**, **21** and **total supplement income or loss**, and the boxes at items **T10** and **T11**
- completed **Spouse details – married or de facto** if you completed **T3**
- attached to page 3 of your tax return all attachments as instructed by any section or question in *Individual tax return instructions supplement 2018*
- kept copies of your tax return, all attachments and relevant papers for your own records.

QC 54206

CBS Australia takeover of Ten Network

Ten Network Holdings shareholders will need to account for a CGT event that occurred on 10 November 2017.

Last updated 24 April 2018

Ten Network Holdings Limited (TNHL) was taken over by CBS International Television Australia Pty Ltd (CBS Australia) on 10 November 2017.

Shareholders of TNHL will need to account for a capital gains tax event occurring on the takeover date. It is expected that taxpayers will calculate an amount of capital loss which can be offset against any capital gains arising in the 2018 year.

Example:

Andrew purchased 1000 TNHL shares in 2012 for $2,120 ($2.12 per share). His brokerage costs were $50, making his cost base $2,170, or $2.17 per share.

The receivers and managers of TNHL transferred Andrew's shares to CBS Network Ten BV for no consideration pursuant to the court order.

Andrew calculates his capital losses as follows:

- capital proceeds – $0.00
- cost base of the shares – $2,170
- capital losses – $2,170

Andrew also made a capital gain of $1500 from the sale of shares in the 2018 year. In his 2018 year tax return Andrew will declare a capital loss of $670 which he can use to offset against any capital gains in future years.

Details

On the 10 November 2017, leave was granted to the receivers and managers of TNHL to transfer shares in TNHL pursuant to the deed of company arrangement to CBS Australia or its nominee. CBS Network Ten BV was nominated as the proposed transferee. Shareholders in TNHL did not receive any payments for the transfer of their shares.

Find out more:

- *In the matter of Ten Network Holdings Limited (subject to a deed of company arrangement) (receivers and managers appointed) [2017]*

[NSWSC 1529](#)

Capital gains tax (CGT) event A1 happened on 10 November 2017, where shares in TNHL shares were transferred to CBS Network Ten BV because there is a change in ownership which is due to some act or event or by the operation of law.

See also:

- You and your shares 2017
- Guide to capital gains tax 2017
- Personal investors guide to capital gains tax 2017

For more information or for help in applying this information to your own circumstances, phone us on **13 28 61**.

QC 55168

Domain separation from Fairfax Media

Fairfax Media separated Domain Holdings on 22 November 2017. Shareholders will need to account for a CGT event.

Last updated 25 February 2019

Fairfax Media (FXJ) separated Domain Holdings Australia Ltd (DHG) on 22 November 2017 under a scheme of arrangement. The record date for the scheme of arrangement is 7.00pm on 17 November 2017. FXJ shareholders will need to account for a capital gains tax event on 22 November 2017.

A participating FXJ shareholder will receive one DHG share for every 10 FXJ shares they held at the scheme record date.

Tax consequences of participating in the Domain separation

- Don't include the value of the DHG shares as assessable income if you did not sell any FXJ shares after 17 November 2017 and before

22 November 2017.

- If you sold your shares after 17 November 2017 and before 22 November 2017, you made a capital gain of $0.233 per FXJ share for the cancellation of the right to a capital reduction entitlement on the sold shares. You will be entitled to a discount if you owned your FXJ shares for 12 months or more.
- The cost base of your DHG shares is calculated by multiplying the number of FXJ shares held on scheme record date by $0.233 and divided by the number of DHG shares you received
- After the scheme implementation date, reduce the cost base of your FXJ shares by $0.233 as a result of the entitlement to a capital reduction.
- The date of acquisition of your DHG shares is 22 November 2017.

Example

Fred bought 12,000 FXJ shares in September 2011 for a total cost of $14,400 including brokerage.

The cost of each FXJ shares is $1.20 (14,400 ÷ 12,000).

He is entitled to receive 1,200 DHG shares (12,000 ÷ 10) on 22 November 2017.

The cost base of each FXJ shares would be reduced to $0.97 (1.20 – 0.23) on 22 November 2017.

The cost base of each DHG share is $2.33 (0.233 × 12,000 ÷ 1200).

If Fred sold 2,000 FXJ shares on 20 November 2017, he will have cancelled his right to the capital reduction entitlement on his sold shares. Hence, Fred will receive 1,000 DHG shares ((12,000 - 2,000 FXJ shares sold) ÷ 10) on 22 November 2017.

Fred's remaining FXJ shares will have a cost base of $0.97 ($1.20 – $0.233)

Fred will have made a gross capital gain of $466 on the cancellation of the right to capital reduction entitlement calculated as follows:

- capital reduction entitlement per FXJ share is $0.233

- cost base of the right to entitlement is $0.00
- capital gain per FXJ share is $0.233
- gross capital gain is $466 (2000 × $0.233).
- Fred is eligible for a 50% discount on the gross capital gain as he has owned the FXJ shares for more than 12 months.
- Fred's net capital gain is $233.

Note: For the purposes of this example, the capital gain or loss on the actual sale of the 2,000 FXJ shares has not been considered.

See also:

- Fairfax Media – Domain Separation
- Visit the Australian Securities Exchange (ASX) and download the ASX release – Fairfax Media separation of Domain (PDF, 14MB) dated 22 September 2018.

QC 57220

Restructure of Paladin Energy Limited

Paladin Energy Ltd shareholders will need to account for a CGT event that occurred on 1 February 2018.

Last updated 26 April 2018

Shareholders in Paladin Energy Ltd on 1 February 2018 need to account for a CGT event occurring on that date. Generally, it would be expected that taxpayers would calculate an amount of capital losses that can be offset against capital gains in the 2018 year.

Example

Richard purchased 1,000 shares in July 2011 for $2,350 ($2.35 per share). His brokerage costs were $50, making his cost base $2,400, or $2.40 per share.

The receivers and managers of Paladin Energy Ltd transferred 98% of Richard's shares to creditors and other investors for no consideration pursuant to a court order.

Richard calculated his capital losses as follows:

Capital proceeds
$0.00

Cost base (0.98 × $2,400)
$2,352

Capital losses
$2,352

Richard also made a capital gain of $1,000 from the sale of shares in the 2018 year. In his 2018 tax return, Richard will declare a capital loss of $1,352 ($2,352 – 1,000), which he can use to offset against any capital gains in future years.

Details

On 18 January 2018, Black J. of the Supreme Court New South Wales granted leave to the receivers and managers of Paladin Energy Ltd to transfer 98% of the fully paid shares to creditors and other investors. Shareholders of Paladin Energy Ltd did not receive any payments when 98% of their shares were transferred.

Find out more:

- Supreme Court of NSW – *In the matter of Paladin Energy Limited (subject to Deed of Company Arrangement) [2018]* NSWSC 11

CGT event A1 happened on 1 February 2018 when 98% shares in Paladin from existing shareholders were transferred to creditors and other investors because there is a change in ownership that is due to some act or event or by the operation of law.

Find out more:

- You and your shares

- Guide to capital gains tax
- Personal investors guide to capital gains tax 2017

For more information about the 45-day holding rule, or for help applying this information to your own circumstances, phone us on **13 28 61**.

QC 55185

Tabcorp - Tatts Scheme of Arrangement

Tatts shareholders will need to account for a CGT event that occurred on 17 December 2017.

Last updated 3 May 2018

On the 19 December 2017, Tatts paid a fully franked special dividend of $0.16 which is assessable dividend income. If you purchased Tatts shares on or after 1 November 2017, you are not entitled to the franking credits on that dividend because of the holding period rule. If you are not entitled to the franking credits, you do not have to return the franking credits as assessable income.

On the 22 December 2017, Tabcorp Holdings Ltd took over Tatts Group Ltd.

The consideration received for each Tatts share was:

- 0.8 share in Tabcorp; and
- $0.2650 in cash.

The one day volume weighted average price (VWAP) of one Tabcorp share on the 19 December 2017 was $5.5897.

The total capital proceeds for one Tatts share is $4.7368 (0.2650+4.4718 (0.8×5.5897)).

If you held your Tatts on capital account, you will have a capital gain in the 2017–18 year and need to recalculate the cost base of your Tabcorp share.

Example

Jane purchased 2000 Tatts shares in June 2015 which cost $4,500 (including brokerage) on capital account. For each Tatts share, Jane received $0.265 plus 0.8 Tabcorp share. Jane will need to calculate the amount of capital gain she made in the 2018 income year and the cost base of the Tabcorp share.

The capital gain and cost base of the Tabcorp shares are calculated as follows:

- number of Tatts shares = 2000
- cash received = 2000×0.265 = 530
- number of Tabcorp share received for Tatts share = 2000×0.8 = 1600
- cash value of Tabcorp shares received = 8944 (1600×5.5897)
- cost base of Tatts share exchanged for cash = (530÷(530+8944))×4500 = 251.74
- value of Tabcorp shares received = 4500−251.74 = 4248.26
- capital gain in respect of the cash component = 530.00−251.74 = 278.26
- cost base of the Tabcorp share = 4248.25÷1600 = 2.66.

Jane made a capital gain of $278 on the cash component which cannot be rolled over. As Jane made a capital gain on the takeover, she can elect rollover for the script component.

QC 55320

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We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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