



# 85% on-time lodgment requirement

Find out more about the 85% on-time lodgment requirement.

## How we calculate your lodgment performance



Find out how we calculate your lodgment performance for income tax and fringe benefits tax returns.

## What you can do to meet the performance requirement



How to apply for an agent assessed deferral if you or your client are in an exceptional or unforeseen situation.

34616

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1 July 2023

On-time lodgment performance is calculated separately for current year:

- income tax lodgments
- fringe benefits tax lodgments.

Your income tax on-time lodgment performance will not be added to your fringe benefits tax on-time lodgment performance.

We calculate your performance percentage based on:

- the number of current year returns lodged on or before the due date, plus
- current year return non-lodgment advices divided by the total number of clients attached to your registered agent number who either
  - were expected to lodge a return by that point in time
  - have lodged before their lodgment due date.

We use the document receipt date when calculating your lodgment performance. Therefore, your performance will not be affected if we hold your clients' returns for review.

You can **track your lodgment performance** online via Online services for agents. Data is updated every week.

Your annual income tax on-time lodgment performance is displayed for a 2-week period at the end of each lodgment program year in Online services for agents.

More information is available at **85% on-time lodgment performance requirement**.

34617

## **What you can do to meet the performance requirement**

How to apply for an agent assessed deferral if you or your client are in an exceptional or unforeseen situation.

1 July 2023

Find out how tax professionals can meet the 85% on-time lodgment requirement.

## What you need to do

To help you meet the 85% on-time lodgment requirement, you should:

- regularly check your lodgment performance online
- review and update your client list
- let us know if a client does not need to lodge a tax return
- check whether new clients who were previously self-preparers have outstanding prior year tax returns.

## Track your on-time lodgment performance

You can monitor your **on-time lodgment performance** for income tax returns online through Online services for agents. The information for the current lodgment program year is updated every week and provides a snapshot of the number of income tax returns:

- lodged on time or late
- overdue
- expected to be lodged.

If you have fringe benefits tax (FBT) clients linked to your registered agent number, you can also track your FBT on-time lodgment performance online between 1 April and 31 October.

## Update your client list

All clients with an expected lodgment who are attached to your registered agent number will be included in your 85% on-time lodgment performance calculation. Updating your client list regularly will help your practice to manage client due dates and ensure that clients who no longer use your services are not included in your lodgment program performance calculation.

You can obtain a list of your clients using:

- Online services for agents **Advanced search**

- Practitioner lodgment service Reports.

The client lists produced by these online services may provide different views of your clients' details.

## **Check due dates for new or re-engaged clients**

If you engage new clients (or re-engage previous clients) with overdue prior year income tax returns, your on-time lodgment performance will only be affected if you lodge the current year's return after the due date or deferred due date.

Eligibility criteria applies to deferrals for new or re-engaged clients with overdue returns. You can request a lodgment deferral for the current year income tax return due on 31 October and suspension of compliance action on prior year returns, to give you time to prepare and lodge the overdue tax returns.

## **Notify us if a return is not necessary**

Clients attached to your registered agent number with an expected lodgment will be included in your on-time lodgment performance calculation. If a client is not required to lodge a tax return or FBT return, notify us if lodgment is not required before the due date so we can update our records.

A return not necessary (RNN) or further return not necessary (FRNN), also known as a non-lodgment advice, lets us know that your client has no obligation to lodge a tax return for either a specified year, or in the future. You can lodge a non-lodgment advice for your client through **Online services for agents** or the practitioner lodgment service.

A RNN advises us that a tax return is not required for one financial year only. If you submit a RNN for your client, their tax return will be expected to be lodged in future years.

If you notify us of a further return not necessary (FRNN), a lodgment will not be expected for your client this year or in the future. However, lodging a FRNN or notifying us that a return is a final return for your client does not remove the client link in ATO systems. You can remove

former clients from your client list in **Online services for agents** or your practice software.

To advise us that your client does not have to lodge an FBT return for a particular year, submit an **FBT non-lodgment advice form** via Practice mail in **Online services for agents** using the:

- topic **Fringe benefits tax (FBT)**
- subject **FBT non-lodgment advice and FBT returns**.

It may take up to 28 days to process your FBT non-lodgment advice request. Submit your form early to ensure your performance measurement is accurate.

34531

## **Our commitment to you**

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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