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Income

How to complete income sections of your tax return using myTax.

Salary, wages or other income on an income statement or payment summary

How to complete myTax if you have salary, wages, ETPs, Government payments or First home super saver income.

Australian super or annuity payments

How to complete myTax if you have annuities, super income streams or super lump sums.

Australian income or losses from investments or property

How to complete myTax if you have interest, dividends, managed fund distributions, capital gains or rent.

Sole trader and business income or losses and partnership or trust distributions

How to complete myTax if you have business/sole trader, partnership, trust or personal services income.

Foreign income

How to complete myTax if you have foreign employment, pensions, annuities, foreign entities or other foreign income.

Other income



How to complete myTax if you have other income, including employee share schemes.

Amounts that you do not pay tax on



How to know which amounts you do not pay tax on when you lodge your return using myTax.

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myTax 2023 Amounts that you do not pay tax on

How to know which amounts you do not pay tax on when you lodge your return using myTax.

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Things to know

You might have received amounts that you don't need to include as income on your tax return. We classify them into three different categories:

- [Exempt income](#)
- [Non-assessable non-exempt income](#)
- [Other amounts](#) that are not taxable and don't 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 non-taxable amount, **contact us**.

Exempt income

Exempt Australian Government pensions, allowances and payments

- Carer adjustment payment (CAP).
- Carer payment where either:
 - **both** the carer **and** the care receiver are under age-pension age
 - 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
 - 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.

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. **Contact us** to find out how much of your payment is exempt.

Age-pension age

Centrelink

- 66 years and 6 months old or older

Veterans' Affairs

Veteran or war widow or war widower who

- is 60 years old or older, and
- meets the veteran pension age test

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

- Acute support packages for veterans and their families.
- Allowances you received as a volunteer in the Australian government funded Australian Volunteers Program.
- 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 Payment.
- 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 subsidy.
- Additional child care subsidy.

- 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 support payments.
- Education entry payment supplement under the *Social Security Act 1991*.
- Energy supplement paid under Part 2.25B of the *Social Security Act 1991* or Part VIIAD of the *Veterans' Entitlements Act 1986*.
- Family tax benefit.
- Household Assistance Package payments which include:
 - Clean Energy Advance
 - Energy Supplement payments
 - Essential Medical Equipment payment
 - Single Income Family Supplement
- 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.
- Payment for travelling expenses under Part 3 of the *Treatment Benefits (Special Access) Act 2019*.
- Payment of pharmaceutical supplement made under Part 4 of the *Treatment Benefits (Special Access) Act 2019*.
- Payments from the Commonwealth to Thalidomide survivors under the Support for Australia's Thalidomide Survivors program.

- Payments from the National Indigenous Australians Agency under the Territories Stolen Generations Redress Scheme.
- 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.
- The one-off cost of living payment of \$250 to eligible recipients under the *Social Security Act 1991*.
- Utilities allowance paid under the *Social Security Act 1991*.
- Veteran's 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 under the *Safety, Rehabilitation and Compensation Act 1988* for impairment or incapacity resulting from

service with a United Nations armed force in an operation area described in Schedule 2 of the *Veterans' Entitlement Act 1986*.


- 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 in relation to a recommendation by the Defence Force Ombudsman for abuse by a member of Defence.
- 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:

- superannuation lump sum death benefit received by either
 - a dependant
 - 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.
- tax-free superannuation lump sum benefits 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
- genuine redundancy payments and early retirement scheme payments shown as 'Lump sum D' amounts on your income statement or 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.
- payments by a State or Territory relating to the 2019–20 bushfires under the [Disaster Recovery Funding Arrangements 2018](#) .
- special disaster recovery grants paid as a result of the storms and floods that occurred between 19 February 2021 and 31 March 2021.
- that part of the taxable component of a death benefit employment termination payment (ETP) below the 2022–23 cap of \$230,000 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 either
 - the deceased was 60 years old or older at the time of their death

- 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 ETP.

Tax-free income for temporary residents

If you are a temporary resident, your foreign income is non-assessable non-exempt income except for income you earn from your employment overseas while you are a temporary resident which may be taxable.

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, on 6 April 2006, or at any time since, you were an Australian resident for tax purposes but not a temporary resident, you are not entitled to the temporary resident exemptions from that time, even if you later held a temporary visa.

For more information for temporary residents about exempt foreign income, see [Foreign income exemption for temporary residents](#).

Other amounts that you do not pay tax on

You don't pay tax on most child support and spouse maintenance payments.

There are other amounts that are generally not taxed, such as lottery winnings and inheritances.

Related page

[Amounts you do not include as income](#)

Amounts that you earn or receive that you don't need to declare as income. You may still need to report these amounts for use in other tax calculations.

QC 72307

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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