



 [Print whole section](#)

Incentives and concessions

Information on business incentives and concessions.

Fuel schemes

Fuel schemes encourage recycling of waste oils by providing credits and grants to reduce costs of some fuels.

Research and development tax incentive and concessions

Access information about research and development tax incentives and concessions.

Tax incentives for innovation

Tax incentives are available for eligible investors.

Small business CGT concessions

What you need to know to access the 4 small business CGT concessions.

Concessions

Eligible businesses can access a range of concessions to help reduce the amount of tax they pay.

Indirect tax concession scheme



How the indirect tax concession scheme (ITCS) works to refund GST, LCT, WET and fuel excise for eligible participants.

Venture capital and early stage venture capital limited partnerships



The venture capital programs are designed to increase investment by giving tax concessions to eligible investors.

Junior Minerals Exploration Incentive



The Junior Minerals Exploration Incentive (JMEI) encourages investment in greenfields minerals exploration companies.

Exploration Development Incentive



The Exploration Development Incentive (EDI) has been replaced with the Junior Minerals Exploration Incentive.

Production Tax Incentives



Access critical minerals and hydrogen production tax incentives designed to accelerate investment in priority industries

Seafarer tax offset



Claiming the seafarer tax offset.

QC 81693

Tax incentives for innovation

Tax incentives are available for eligible investors.

Last updated 1 June 2023

Early stage investors

From 1 July 2016, if you invest in a qualifying early stage innovation company (ESIC), you may be eligible for **tax incentives for early stage investors**. The incentives provide eligible investors who purchase new shares with a:

- non-refundable carry forward tax offset equal to 20% of the value of their qualifying investments (which is capped at a maximum tax offset amount of \$200,000)
- modified capital gains tax (CGT) treatment, under which
 - capital gains made or accrued on qualifying shares that are continuously held for at least 12 months and less than 10 years are exempt from CGT
 - capital losses made or accrued on shares held less than ten years are also disregarded.

Venture capital investors

A range of tax concessions are available for **venture capital and early stage venture capital limited partnerships**.

From 1 July 2016, limited partners of new early stage venture capital limited partnerships (ESVCLPs) may be entitled to claim a 10% non-refundable carry-forward tax offset to encourage new investment by reducing the effective cost of these kinds of investments.

Also from 1 July 2016, changes have been made to clarify existing arrangements and allow a wider range of investment activities for both new and existing ESVCLPs and venture capital limited partnerships.

Tax incentives for early stage investors



QC 48902

Concessions for eligible businesses

Eligible businesses can access a range of concessions to help reduce the amount of tax they pay.

Last updated 20 May 2025

If you're an eligible business, you can access a range of concessions to help reduce the amount of tax you pay. As each concession has different eligibility requirements, including turnover, check your eligibility each year before applying the concession.

Small business concessions

If you're an eligible small business you can access a range of concessions. This applies to sole traders, partnerships, companies and trusts. There are varying eligibility requirements for different concessions. Check your eligibility each year before you apply a concession.

Small business concessions based on aggregated turnover

Eligible small businesses can access a range of concessions based on aggregated turnover. This applies to sole traders, partnerships, companies and trusts.

Apart from **aggregated turnover**, most small business concessions have extra eligibility conditions. Check your eligibility each year before you apply a concession.

If you have an aggregated turnover less than:

- \$2 million, you can access the small business CGT concessions
- \$5 million, you can access the small business income tax offset
- \$10 million, you can access the small business restructure roll-over.

Primary producer concessions

If you're a **primary producer**, special tax concessions may affect which amounts you include in your assessable income each year. These concessions also affect when you must pay your income tax, as you may be able to make 2 pay as you go (PAYG) instalments each year, instead of 4.

Primary producers also have access to primary production averaging, which may allow you to pay a lower tax rate in years where you earn above-average income. To be eligible for special concessions for primary producers you must meet our **definition** of carrying on a business of primary production, which considers the size or scale of your business and its profitability.

Primary producers operating as an individual or in partnership can also benefit from exceptions to the **non-commercial losses** rules. These rules would normally restrict you from offsetting your losses from a non-commercial business activity against your other assessable income. Those restrictions don't apply if your income from other sources (excluding net capital gains) is less than \$40,000.

Special professionals, sportspersons and entertainers' concessions

Some special professionals, sportspersons and entertainers qualify for **income averaging**. This may allow you to pay a lower tax rate in years where you earn above-average income.

You may qualify for income averaging if you are:

- an artist
- an author
- a composer
- an inventor
- a performing artist
- a production associate
- a sportsperson.

You may also be able to make 2 **PAYG instalments** each year instead of 4. We will send you a letter if you are eligible for this option.

QC 44452

Venture capital and early stage venture capital limited partnerships

The venture capital programs are designed to increase investment by giving tax concessions to eligible investors.

Last updated 1 June 2023

Venture capital and investors

Venture capital is a mechanism that finances a business at start-up and growth stages. The invested funds are used to develop an idea to a stage where there is commercial potential before which it can be difficult to attract normal commercial investment.

Venture capital investors typically invest in venture capital projects through intermediaries such as limited partnerships or funds of funds to diversify their portfolio of venture capital assets in the most cost efficient manner and to access specialist venture capital management.

Venture capital programs

The Venture capital limited partnership (VCLP) and Early stage venture capital limited partnership (ESVCLP) programs are designed to increase venture capital investment in Australia by providing beneficial tax treatment to eligible local and foreign investors. We jointly administer the programs with AusIndustry.

Benefits

VCLP tax incentives and concessions include:

- flow-through tax treatment for a VCLP

- an exemption for eligible foreign venture capital limited partners from income tax on capital and revenue profits from the disposal of eligible venture capital investments by the VCLP
- that fund managers are taxed on their carried interest in the partnership on capital account, rather than as income.

ESVCLP tax incentives and concessions include:

- flow-through tax treatment for ESVCLP
- an exemption for Australian and foreign venture capital partners from income tax on capital and revenue profits from the disposal of eligible venture capital investments made by the ESVCLP and any other income earned on these investments
- that fund managers are taxed on their carried interest in the partnership on capital account, rather than as income.

From 1 July 2016, if you invest or have already invested in an ESVCLP you may be eligible for further tax incentives, including a non-refundable carried forward tax offset of up to 10% of your contributions made to an ESVCLP that became unconditionally registered on or after 7 December 2015.

Lodging a tax return

If you need to lodge a tax return on behalf of a VCLP or ESVCLP, use the partnership tax return form.

Venture capital limited partnerships



Eligibility and registration requirements for the Venture Capital Limited Partnership (VCLP) program.

VCLP tax incentives and concessions



Venture Capital Limited Partnership (VCLP) gains and losses for foreign limited partners and general partners.

Early stage venture capital limited partnerships



Explains the Early Stage Venture Capital Limited Partnership (ESVCLP) program including registration requirements.

ESVCLP tax incentives and concessions



The incentives for a limited partner of an early stage venture capital limited partnership (ESVCLP).

QC 18657

Venture capital limited partnerships

Eligibility and registration requirements for the Venture Capital Limited Partnership (VCLP) program.

Last updated 18 December 2018

We administer the Venture Capital Limited Partnership (VCLP) program jointly with The Department of Industry, Innovation and Science (DIIS).

A VCLP has:

- a general partner who manages the fund (fund manager), and
- limited partners who invest money.

Limited partners have limited liability and are not involved with its day-to-day management. Income and capital gains earned by eligible foreign limited partners from the disposal of investments may be exempt from tax.

Eligibility

To be eligible for the tax incentives, a venture capital fund must remain registered as a VCLP. The Innovation Investment Committee (the

Committee), a sub-committee managed by DIIS, registers VCLPs under the *Venture Capital Act 2002*.

Fund managers can apply to Innovation and Science Australia (ISA) at any time to register a VCLP if a fund meets registration requirements.

Registration requirements

Key registration requirements are summarised below.

- The partnership is a limited partnership, established in Australia or in a country with which Australia has a double taxation agreement.
- All general partners are residents of Australia, or residents of a country with which Australia has a double taxation agreement.
- The partnership must have at least \$10 million committed capital.

Committed capital

Committed capital is the sum of the amounts the partner may, under the partnership agreement, become obliged to contribute to the partnership.

A partnership that does not have at least \$10 million committed capital may be granted [conditional registration](#).

Other registration requirements on investments that a VCLP is allowed to make are known as investment registration requirements. Under these requirements, a VCLP must:

- only hold [eligible venture capital investments](#) (EVCI)s)
- only carry on activities related to being a VCLP
- have all of its debt interests as permitted loans under the *Venture Capital Act 2002*.

Conditional registration

A partnership that does not meet the \$10 million committed capital condition for unconditional registration may be granted conditional registration. A partnership that has been conditionally registered must present sufficient evidence to satisfy the Committee that it is likely to raise at least \$10 million and gain full registration within 24 months. Conditional registration expires after 24 months.

To gain full registration, an additional application that shows the partnership meets all requirements for registration must be submitted to the Committee.

The application for unconditional registration should be lodged no later than 60 days before the end of the conditional registration.

Maintaining registration

Reporting requirements

A VCLP must also meet the reporting requirements including:

- quarterly returns within one month of the end of each quarter
- an annual return within three months of the end of the financial year.

Registration can be revoked if the VCLP fails to meet any of these requirements.

Eligible venture capital investments

To maintain registration, VCLPs must only make investments that are EVCI.

Many conditions must be met for an investment to be treated as an EVCI. The investment must:

- be in a company or unit trust (investee)
- not be, or will cease to be, a listed investment
- not represent more than 30% of the VCLP's committed capital
- be at-risk regarding the value and earnings from the investment
- be in an investee that has
 - a total value of assets (before the investment is made) of no more than \$250 million
 - more than 50% of its employees and more than 50% of its assets located in Australia.
 - a predominant activity not in property development or land ownership, construction or acquisition of infrastructure, finance, insurance or making passive-type investments. However, its

predominant activity can be in developing technology for use in finance, insurance or making passive-type investments.

The total value of assets is the amount shown in the investee's latest audited accounts. Market value is instead used if the investee is not required to appoint an auditor and has not appointed one.

An auditor isn't required if either:

- the total value of assets is less than \$12.5 million
- the investee is a small proprietary company or an equivalent unit trust.

The total value of assets includes assets of entities connected with the investee, if the assets are not already reflected in the value of the investee's assets.

Activity of developing technology

An investee's activity to develop technology broadly covers its activities to create, understand and apply technological innovation for use in finance, insurance or making passive-type investments. These activities can be developing physical devices or intangibles, such as software. They do not include activities of merely using the technology in finance, insurance or making passive-type investments.

Developing technology is a process. Over time, it is likely to shift from developing the underlying technology to commercialising, building market share and establishing the use of the developed technology as industry practice. Whether technology is still being developed or is already developed is a question of fact.

An investee can also engage in activities ancillary or incidental to the activity of developing technology for use in finance, insurance or making passive-type investments.

Using or applying developed technology while trying to commercialise it may be ancillary or incidental to developing technology where its use or application is integral to developing technology. In these cases, other factors such as the frequency, nature and size of use must be considered in determining whether the activity is ancillary or incidental to developing that technology.

Example - Activity of developing technology

Invest Ltd is a company that develops software for use in making investments. Invest Ltd created Fast-Vest software and tested the software before making it available for purchase.

While developing Fast-Vest, Invest Ltd used it to conduct a small number of infrequent and low-value investment activities to test its functionality, identify issues and to ensure the product is fit for purpose.

Prior to launching Fast-Vest to the public, Invest Ltd invited a limited number of its existing clients, to undertake a small number of infrequent investment activities, of low-value for a limited period of time using Fast-Vest. The invitation to these clients formed part of Invest Ltd's marketing strategies for the software and also allowed it to collect data to refine the software.

After Invest Ltd launched Fast-Vest for public purchase, E-Bank Pty Ltd purchased and used Fast-Vest in its investment activities. Invest Ltd also used Fast-Vest to invest its profits from selling the software to generate additional income. This income ensures it has enough funds to start its next software development projects.

Prior to launching Fast-Vest to the public, Invest Ltd's activities with Fast-Vest are considered to be activities of developing technology for use in making passive-type investments when it is developing Fast-Vest. However, Invest Ltd's use of Fast-Vest to generate additional income after launching the software to the public is not an activity of developing technology, nor is it ancillary or incidental to developing technology. Invest Ltd is merely using Fast-Vest to generate additional income and was no longer developing the software.

E-Bank Pty Ltd is merely using Fast-Vest to make investments. It is not considered to have engaged in an activity of developing technology for use in making passive-type investments.

Substantially novel application of technology

An investee can also engage in an activity on a substantially novel application of technology related to finance, insurance or making passive-type investments. The investee needs to obtain a finding from

Innovation and Science Australia (ISA) that its activity is one that applies technology in a substantially novel way.

More information

For eligibility and registration enquiries:

- contact AusIndustry by phone **13 28 46** or email ventureCapital@industry.gov.au
- visit [business.gov.au – Grants and programs](https://business.gov.au/grants-and-programs) 

For an ISA finding on substantially novel application of technology:

- visit [business.gov.au - Venture Capital](https://business.gov.au/venture-capital) 
- email ventureCapital@industry.gov.au

QC 18654

VCLP tax incentives and concessions

Venture Capital Limited Partnership (VCLP) gains and losses for foreign limited partners and general partners.

Last updated 1 December 2016

A VCLP is taxed on a 'flow-through' basis. Income and gains made by the VCLP will flow-through to the investors (the limited partners) and will be subject to tax treatment in the hand of the investors.

For tax concession enquiries, phone us on:

- **13 28 66** within Australia
- **+61 8 8208 1847** from overseas.

Foreign limited partners

Gains and losses made on the disposal by the VCLP of eligible venture capital investments are not assessable or deductible and are disregarded for capital gains tax purposes if all the following apply:

- The VCLP had owned the investment for at least 12 months.
- You are a limited partner in the VCLP and you are a foreign resident.
- You are either exempt from tax in your country of residence or if you are not exempt you have provided less than 10% of the VCLP's committed capital.

General partners

The carried interest of a general partner is the partner's entitlement to a distribution from the VCLP, normally contingent on profits attained for the limited partners in the VCLP. Carried interest does not include a management or similar fee that the partner is entitled to or a distribution attributable to an equity investment by the partner.

If you are a general partner of a VCLP, your entitlement to a payment of carried interest will be taxed as a capital gain rather than as income. If you qualify for the CGT discount, it applies to carried interest if you became a general partner at least 12 months before the CGT event happened.

QC 50663

Early stage venture capital limited partnerships

Explains the Early Stage Venture Capital Limited Partnership (ESVCLP) program including registration requirements.

Last updated 14 March 2017

An Early stage venture capital limited partnership (ESVCLP) is a venture capital fund structured as a limited partnership that makes equity investments in eligible Australian start-up and growth companies.

Under the program, a fund manager can raise an early stage venture capital fund that pools investors' capital and applies to AusIndustry to register the fund as an ESVCLP.

Difference between a VCLP and an ESVCLP

An ESVCLP is entitled to flow-through tax treatment, and in general, its investors are exempt from income tax on their share of returns (income or capital) when an ESVCLP disposes of an eligible venture capital investment (EVCI) and on any other income earned from the EVCI such as dividends. Unlike for a VCLP, these incentives are available to:

- both foreign and Australian resident investors who are limited partners in the ESVCLP
- general partners who are Australian resident or resident of a country that has a double tax agreement with Australia.

Additional registration requirements

Innovation Australia administers the ESVCLP program. Similar to VCLPs, for the tax benefits to apply, the ESVCLP must be registered and remain registered.

An ESVCLP must meet the registration requirements for VCLPs and some additional and altered requirements including the following:

- The partnership must have between \$10 million and \$200 million committed capital.
- Investments made by the partnership must be in accordance with an approved investment plan.
- The investee entity is not listed when the partnership makes its first investment in the entity.
- Any investments acquired from existing investors must add to an investment already held in the entity or issued in connection with that acquisition, and which in total do not exceed 20% of the partnership's committed capital.
- The total asset value of the investee entity before the investment is made is not more than \$50 million.

More information

For eligibility and registration enquiries, you can:

- contact AusIndustry by phone on **13 28 46**
- email VentureCapital@industry.gov.au
- visit [business.gov.au – grants and programs](https://business.gov.au/grants-and-programs) 

QC 20346

ESVCLP tax incentives and concessions

The incentives for a limited partner of an early stage venture capital limited partnership (ESVCLP).

Last updated 13 February 2017

The early stage venture capital limited partnership (ESVCLP) program provides tax incentives for investing in early stage venture capital activities. Key benefits provided under the ESVCLP program include:

- flow-through tax treatment
- an ESVCLP tax offset for the investment made by a limited partner
- income and capital gains on the disposal of eligible venture capital investments (EVCIs) and other income earned on EVCIs not being subject to tax to
 - limited partners (either foreign resident or Australian resident)
 - general partners who are Australian resident or resident of a country that has a double tax agreement with Australia
- general partners' carried interests being held on capital account rather than revenue account.

From 1 July 2016, additional tax incentives are available to ESVCLPs and their investors and some requirements have been relaxed, which include:

- a non-refundable carry-forward tax offset of up to 10% on contributions made at any time to an ESVCLP that becomes unconditionally registered on and after 7 December 2015
- increase in the maximum fund size from \$100 million to \$200 million
- removal of divestiture requirement when the value of the investee exceeds \$250 million.

ESVCLP tax offset

The ESVCLP tax offset is a non-refundable carry-forward offset of up to 10% of the contribution made by a limited partner to an ESVCLP during an income year.

Eligibility

You are entitled to the ESVCLP tax offset if you contribute to an ESVCLP in the current income year and you are:

- a limited partner of the ESVCLP
- a partner of a partnership or a beneficiary of a trust which is a limited partner of the ESVCLP.

To be qualified for the ESVCLP tax offset, the ESVCLP must have become unconditionally registered on or after 7 December 2015. This includes an ESVCLP that was conditionally registered before this time and then became unconditionally registered on or after 7 December 2015.

Where a trust is a limited partner of an ESVCLP and the trustee of the trust is liable to tax, the trustee may be entitled to that part of the tax offset which the trustee has not apportioned to beneficiaries.

Where a superannuation fund or a self-managed superannuation fund is a limited partner of an ESVCLP and contributes to the ESVCLP during the income year, the superannuation fund or the self-managed superannuation fund is entitled to the tax offset, not its members.

Calculating the tax offset amount

The tax offset is calculated as an amount of up to 10% of the contributions made. The amount is reduced to the extent that the

contributions have not been used in making eligible venture capital investments. It is worked out as the lesser of the following amounts:

- the sum of the contributions made by the partner to the ESVCLP during the income year, excluding contributions that
 - are repaid to the partner within 12 months of it being made
 - are repayable or will become repayable
 - the partner can demand to be repaid
 - are commitments to provide money or property in the future
- the partner's percentage share (worked out as the partner's interest in the capital of the ESVCLP at the end of the income year) of the sum of eligible venture capital investments made by the ESVCLP during the year and within two months after the end of the income year (unless already taken into account for an earlier year), including associated incidental and administrative costs.

Example 1 – Calculating the ESVCLP tax offset

Alex is a limited partner in ABC VC Fund LP (ABC), an ESVCLP. Alex has a 20% share in ABC's capital. Alex contributed \$10 million to the ESVCLP during the 2016–17 income year of the total \$50 million contributed by the partners. The total \$50 million is used by ABC for making eligible venture capital investments within the required time period.

The total tax offset for partner contributions is 10% of the \$50 million invested by ABC, which is \$5 million. Alex has a 20% share in ABC's capital and is entitled to a \$1 million tax offset for the 2016–17 income year. This is also the same amount of offset as calculated on the basis of 10% of Alex's contribution made during the year.

If these were not the same amounts, Alex would be entitled to an offset for the lesser amount. If ABC only used \$40 million out of the \$50 million contributed by the partners to make eligible venture capital investments within the required time period, Alex's tax offset for the 2016–17 income year would be 10% of the lesser of Alex's:

- \$10 million contribution to capital

- 20% share in ABC's capital of the total eligible venture capital investments made by ABC (20% x \$40 million = \$8 million).

Alex will be entitled to an \$800,000 tax offset (10% x \$8 million) in the 2016–17 income year.

As ABC did not use \$10 million of the \$50 million contributed within the required time period, ABC's limited partners are not entitled to an offset relating to that \$10 million in the 2016–17 income year or any of the future income years.

If you are a partner of a partnership or a beneficiary of a trust which is a limited partner of an ESVCLP, the amount of offset you receive as a member of a partnership or trust is at the discretion of the partnership or trustee. The offset is allocated amongst its members independently of how income or capital was distributed. However, if you are entitled to a fixed proportion of any capital gain from investments that gave rise to the offset, then your share of the tax offset must be the same proportion as that entitlement.

Example 2 – Calculating the ESVCLP tax offset for members of trusts

XYZ Venture Capital Fund is an ESVCLP that became unconditionally registered on 8 December 2015. There are four limited partners in the ESVCLP. Two of these partners are trusts (Trust A and Trust B) and two are individual investors.

Trust A is a fixed trust with two beneficiaries, with each beneficiary entitled to 50% of the income and capital gains of the trust. Trust B is a discretionary trust with three beneficiaries. The trust deed for Trust B does not contain a default beneficiary clause.

On 1 July 2016, each of the four limited partners contributes \$20 million. Accordingly, XYZ received total contributions of \$80 million. The total \$80 million was used by the ESVCLP for making eligible venture capital investments during the 2016–17 income year.

The tax offset for each partner is 10% of that partner's \$20 million contribution, which is \$2 million. The same offset amount results when worked out on each partner's share of the \$80

million investments made by the partnership within the required time period. Given that each of the limited partners has a 25% share in the ESVCLP's capital, each partner is entitled to a tax offset of \$2 million.

Were the investments instead held and disposed of by Trust A, each unitholder in Trust A would be entitled to a 50% share of the capital gains on the disposal of the investments that were made with the contributions that gave rise to the tax offset entitlement. Each unitholder is entitled to a \$1 million tax offset, which is a 50% share of the trust's \$2 million tax offset.

The trustee of Trust B would determine the amount of the offset each beneficiary receives. Trust B has a non-resident beneficiary and the trustee exercises its discretion to make a distribution to that beneficiary. The trustee is liable to pay tax on the net income of the trust estate distributed to the non-resident beneficiary. In this situation, the trustee is entitled to an amount of the tax offset of \$2 million less any other amounts of the tax offset the trustee has allocated to its beneficiaries.

Transitional rule

In general, the ESVCLP tax offset applies to contributions made on and after 1 July 2016. However, a transitional rule allows for the tax offset to be claimed for contributions made prior to 1 July 2016 to an ESVCLP that becomes unconditionally registered on or after 7 December 2015, including contributions made before unconditional registration. You can claim the ESVCLP tax offset for such contributions in the first income year commencing on or after 1 July 2016, including contributions made in that income year or in an earlier income year.

Example 3 – Contributions made in prior income years

DFG venture capital fund became conditionally registered on 1 October 2015 and unconditionally registered on 15 March 2016.

The ESVCLP has four limited partners who each made the following contributions to the ESVCLP:

- \$2 million each on 1 November 2015
- \$4 million each on 1 March 2016.

These contributions totalling \$24 million are used by the ESVCLP for eligible venture capital investments during the 2015–16 income year.

As the ESVCLP was unconditionally registered on or after 7 December 2015, the tax offset applies to contributions made on 1 November 2015 and 1 March 2016. Under the transitional rule, these contributions are deemed to be made in the first income year beginning on or after 1 July 2016.

As a result, each of the limited partners is entitled to claim a tax offset of \$600,000 in their 2016–17 tax return being 10% of their \$6 million contributions.

Substituted accounting period (SAP)

If your 2016–17 income year starts:

- before 1 July 2016 and you made contributions to a qualifying ESVCLP in your 2016–17 income year or in an earlier income year, you
 - are taken to have made those contributions in your 2017–18 income year
 - can first claim your ESVCLP tax offset in your 2017–18 tax return
- after 1 July 2016 you can first claim your ESVCLP in your 2016–17 tax return, including contributions made in that income year or in an earlier income year.

Example 4 – Contributions made by limited partners with SAP during and after the transitional period to ESVCLP

ABC Venture Capital LP (ABC) became unconditionally registered on 7 December 2015. Two of the limited partners, Alex Co and Ben Co are on substituted accounting periods. Alex Co's 2016–17 income year begins on 1 March 2016. Ben Co is on a SAP with its 2016–17 income year starting on 1 September 2016.

On 1 March 2016, Alex Co and Ben Co each contributed \$10 million to ABC and the funds were used by ABC for eligible venture capital investments shortly after they were received.

Alex Co is deemed to have made its contribution in the first income year starting after 1 July 2016, which is the income year starting 1 March 2017 and ending 28 February 2018 (2017–18 income year). As a result, Alex Co can claim the tax offset in its 2017–2018 tax return.

Ben Co is also eligible for the tax offset for its contribution to ABC; however, its 2016–17 income year starts after 1 July 2016. The contribution is deemed to be made during its 2016–17 income year. Therefore Ben Co will claim the tax offset in its 2016–17 tax return.

Non-refundable tax offset carried forward from a prior year

The amount of an unused ESVCLP tax offset can be carried forward to a later income year. However, before you can apply a tax offset brought forward from a prior year to reduce the amount of income tax that you will pay, you must apply it to reduce certain amounts of net exempt income. If the company is a base rate entity for the year, net exempt income is reduced by \$1 for each 27.5 cents of the tax offset; otherwise net exempt income is reduced by \$1 for each 30 cents of the tax offset.

See also:

- Changes to company tax rates

Other tax concessions

Limited and general partners

Under the ESVCLP regime, Australian resident and foreign resident limited partners are exempt from income tax on revenue and capital gains from disposals of eligible venture capital investments made by the ESVCLP and on other income earned on these investments. This exemption also applies to general partners who are Australian residents or residents of a country that has a double tax agreement with Australia. A partial exemption for disposals may apply where the value of the eligible investment exceeds \$250 million. Corresponding losses are also disregarded.

Partial exemption

In general, income and capital gains derived from the disposal of eligible venture capital investments are exempt from income tax.

However, you only obtain a partial exemption if:

- at the end of any income year before the income year in which the income or capital gain arises, the total asset value of the company or trust invested in and its connected entities exceeds \$250 million, and
- the income or capital gain arises later than six months after the end of the income year in which the value first exceeded \$250 million.

Instead of full exemption, the taxable amount of income or capital gain is worked out as follows:

- the amount that would ordinarily be assessable if no exemption is available, less
- the income or capital gain you would have made if the taxing event had happened at the end of six months after the income year in which the value first exceeded \$250 million.

Gains which accrued before the end of that six month period will remain exempt from tax and gains which accrue after the end of that six month period will be taxable.

Example 5 – Calculation of partial capital gains exemption

ABC Venture Capital LP (ABC) acquired a 10% interest in Mystic, which qualifies as an eligible venture capital investment in a company. At the time of acquisition Mystic's total asset value was \$40 million. On 30 June 2016, Mystic's total asset value is \$270 million and on 31 December 2016 \$300 million.

On 20 June 2017, ABC disposes its interest in Mystic when Mystic's total asset value is \$320 million.

The exempt amount of capital gain equals the amount that would have been made if ABC had disposed of its 10% interest in Mystic on 31 December 2016 (the end of the six month period after the end of income year in which the value of the investment exceeds \$250 million).

The taxable amount is calculated as follows:

1. The capital gain that would normally be taxable on the actual disposal (nominal capital gain):

$$(\$320 \text{ million} - \$40 \text{ million}) \times 10\% = \$28 \text{ million}$$

2. The capital gain if the investment had been disposed of on 31 December 2016 (valuation year capital gain):

$$(\$300 \text{ million} - \$40 \text{ million}) \times 10\% = \$26 \text{ million}$$

This amount of the gain is exempt.

3. The taxable amount of the gain is:

normal capital gain - valuation year capital gain

$$= \$28 \text{ million} - \$26 \text{ million}$$

$$= \$2 \text{ million}$$

A capital gain of \$2 million is taxable to ABC's partners.

General partners

The 'carried interest' of a general partner is the partner's entitlement to a distribution from the ESVCLP, normally contingent on profits attained for the limited partners in the ESVCLP. Carried interest does not include a management or similar fee that the partner is entitled to or a distribution attributable to an equity investment by the partner.

If you are a general partner of an ESVCLP, your entitlement to a payment of carried interest will be taxed as a capital gain rather than as income.

If you qualify for the CGT discount, it applies to carried interest if you became a general partner at least 12 months before the CGT event happened.

More information

For tax concession enquiries, phone us on:

- **13 28 66** (from within Australia)
- **+61 8 8208 1847** (if you are overseas).

Exploration Development Incentive

The Exploration Development Incentive (EDI) has been replaced with the Junior Minerals Exploration Incentive.

Last updated 28 November 2017

The Exploration Development Incentive (EDI) encourages shareholder investment in small exploration companies undertaking greenfields mineral exploration in Australia. It provides economic incentive to invest in the Australian mining sector. This benefits the Australian economy, enabling the mining sector to make new mineral discoveries.

The EDI enables eligible exploration companies to create exploration credits by giving up a portion of their tax losses from greenfields minerals expenditure, and distributing these exploration credits to equity shareholders.

Australian resident shareholders that are issued with an exploration credit will be entitled to a refundable tax offset or additional franking credits. The exploration company's carry forward losses are reduced proportionately to reflect the amount of exploration credits created.

The incentive applies from the 2014-15 income year with exploration credits capped at a total of \$100 million for greenfields minerals expenditure incurred over the three-year period:

- \$25 million in 2014-15 (exploration credits to be created and issued in 2015-16)
- \$35 million in 2015-16 (exploration credits to be created and issued in 2016-17)
- \$40 million in 2016-17 (exploration credits to be created and issued in 2017-18).

Information about the EDI for the relevant income tax year:

Income year	No. of applications	Total notified	Modulation factor	Ex cr
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		exploration expenditure		
2014-15	84	\$70,323,723	1.00	\$
2015-16	54	\$45,672,570	1.00	\$
2016-17	40	\$44,482,118	1.00	\$

Eligible exploration companies

Explains the type of exploration companies that are eligible for the Exploration Development Incentive (EDI).

Greenfields minerals expenditure

Explains what eligible exploration expenditure is for the purposes of the Exploration Development Incentive (EDI).

How to participate in the EDI

How to participate in the JMEI, which replaced the Exploration Development Incentive (EDI).

What to do when you receive exploration credits

Work out what to do if you receive a statement from an entity advising that you have received exploration credits.

Questions about the EDI

Questions you may have about the Exploration Development Incentive (EDI) and the eligibility conditions.

QC 44585

Eligible exploration companies

Explains the type of exploration companies that are eligible for the Exploration Development Incentive (EDI).

Last updated 30 August 2017

Note: EDI has finalised and is no longer accepting new participation forms, it has been replaced with the Junior Minerals Exploration Incentive.

Eligible exploration companies can create exploration credits if you are disclosing entities under section 111AC of the *Corporations Act 2001* that:

- have incurred greenfields minerals expenditure in the previous income year
- have not carried on any mining operations for the extraction of minerals in the previous two income years or, are not connected with, or an affiliate of, an entity that has carried on any mining operations for the previous two income years
- have notified us of your estimated greenfields minerals expenditure and estimated tax loss for the previous income year by 30 September of the financial year in which you intend to create exploration credits.

Eligibility is determined each year, after the relevant exploration has taken place. It is determined by taking into account the activities of the group.

Entities with a Substituted Accounting Period (SAP) who meet the eligibility criteria can participate in the EDI, but you must use existing notification of participation timeframes, tax-time, and EDI forms. This means you may have to estimate greenfields minerals expenditure you expect to incur during the remainder of the income year.

QC 46389

Greenfields minerals expenditure

Explains what eligible exploration expenditure is for the purposes of the Exploration Development Incentive (EDI).

Last updated 30 August 2017

Note: EDI has finalised and is no longer accepting new participation forms, it has been replaced with the Junior Minerals Exploration Incentive.

An entity's greenfields minerals expenditure for an income year will be the sum of the amounts that it can deduct in that income year for:

- exploration and prospecting for minerals
- the decline in value of a depreciating asset that is immediately deductible on the basis that it was first used for exploration or prospecting.

Greenfields minerals expenditure does not include deductions related to:

- the exploration for petroleum or oil shale
- feasibility studies to evaluate the economic feasibility of mining a discovered resource.

Exploration or prospecting for minerals for the purposes of the EDI must be in an area:

- that is land within Australia
- over which the entity holds a suitable mining, quarrying or prospecting right or interest
- that has not been identified as containing a mineral resource that is at least inferred in a JORC Code report or other prescribed document.

What is exploration or prospecting for minerals

The phrase exploration or prospecting relies on the definition of exploration or prospecting in the *Income Tax Assessment Act 1997*.

For the purposes of the EDI, exploration and prospecting will include:

- the ordinary, natural meaning of exploration and prospecting
- the other matters expressly identified in the definition, other than expenditure on feasibility studies to evaluate the economic feasibility of mining a discovered resource, as these activities are specifically excluded as greenfields minerals expenditure.

Exploration or prospecting for minerals also includes activities that are so closely or directly linked with exploration or prospecting for minerals that they are reasonably considered to be part of it.

Examples of exploration expenditure include:

- environmental or heritage protection studies undertaken as preparation for or part of an exploration program
- the costs of marking out an exploration area with posts, such as pegging
- rent paid to a government on claims
- fees, rates and charges or other expenses incurred for the maintenance of an exploration tenement.

See also:

- [Questions about the EDI](#)

QC 46390

How to participate in the EDI

How to participate in the JMEI, which replaced the Exploration Development Incentive (EDI).

Last updated 13 April 2021

Note: The Junior Minerals Exploration Incentive has replaced the exploration development incentive (EDI) which has finalised and is no longer accepting new participation forms.

1. Notify us of your company's estimated greenfields minerals expenditure and estimated tax loss

You need to notify us of your estimated greenfields minerals expenditure and estimated tax loss for the previous income year by 30 September.

You can notify us by filling out the **Junior Minerals Exploration Incentive Participation** form (NAT 74949) and lodging it with us through Online services for business, or by post or fax.

2. We use this information to work out the modulation factor

The modulation factor is worked out for each income year after all of the participating companies' information has been received. The modulation factor is used to make sure the amount of credits that can be issued does not exceed the capped amount of the incentive for the income year. We will publish the modulation factor on this website.

3. Apply the modulation factor to your company's eligible expenditure

To determine the maximum exploration credit amount that your company can issue, apply the previous year tax rate and the modulation factor to the lesser of the total of your:

- estimated greenfields minerals expenditure for the previous income year (as notified to us)
- estimated tax loss for the previous income year (as notified to us)
- actual greenfields minerals expenditure for the previous income year
- actual tax loss for the previous income year.

Example

If the lowest of these previous income year amounts was \$1 million, the modulation factor published was 0.950 and the income tax rate applicable to you is 30%, you would calculate the amount of exploration credits you can create as follows:

- $(\$1\text{m} \times 30\%) \times 0.950 = \$285,000$ (the maximum exploration credit amount for distribution)

This is the maximum amount you can issue to your shareholders.

4. Issue exploration credits to your shareholders

You issue this amount by determining a per-share entitlement. The amount issued to each shareholder must be in proportion to the equity shares that the shareholder holds as a proportion of the total equity shares. You can choose to restrict the availability of the incentive to shares issued on or after 1 July 2014, however you must do so before issuing any exploration credit. If you make this choice it is irrevocable.

You must also notify your shareholders of their credit entitlement (in the approved form) before 30 June following the publication of the modulation factor.

To satisfy the requirements for an approved form you will need to provide your shareholders with a written statement that contains the following information:

- the name of the entity issuing the exploration credits
- the issuing entity's Australian business number (ABN)
- the date the exploration credits are issued
- the amount of exploration credits that are issued to the shareholder under Subdivision 418-E of the *Income Tax Assessment Act 1997* (ITAA 1997)
- a statement that the issuing of the exploration credits complies with section 418-120 of the ITAA 1997.

Exploration credits will expire if they are not issued by 30 June following the publication of the modulation factor.

5. Cancel the equivalent amount of your company's carry forward tax losses to account for the credits your company has created

You must account for the cancellation of your company's tax losses following the creation of exploration credits, whether or not you issued the exploration credits. You account for this in the income year in which the conversion happened using existing labels in the company losses and consolidated group losses schedules (that is, as 'Tax losses forgone' in Part **F** of the Losses Schedule which accompanies the income tax return).

Example

Using the same situation as in step 3 above, if your company had created exploration credits equal to the maximum exploration credit amount of \$285,000 then the amount of tax loss cancelled would be \$950,000.

That is: $\$285,000 \div 30\% = \$950,000$ of tax loss to be cancelled.

6. Notify us of the issuing or expiry of exploration credits

Once you have issued exploration credits (or if they expire without being issued), you must notify us by lodging the Annual investment income report (AIIR).

7. Notify us of the distribution of excess exploration credits

If you have distributed exploration credits in excess of your maximum exploration credit amount, you will be liable to pay tax equal to the amount of the excess issued. You may also be liable for interest and penalties.

If this occurs, you must lodge an Excess exploration credit tax return (JS 36219) and pay any amount of excess exploration credits tax by 21 July of the financial year corresponding to the income year in which you distributed the excess exploration credits.

QC 46391

What to do when you receive exploration credits

Work out what to do if you receive a statement from an entity advising that you have received exploration credits.

Last updated 30 August 2017

Note: EDI has finalised and is no longer accepting new participation forms, it has been replaced with the Junior Minerals Exploration Incentive.

This information will help you determine what you need to do when you receive a statement from an entity advising that you have received exploration credits.

This information applies if you are:

- an individual
- a corporate tax entity
- a trust or partnership
- a superannuation entity or self-managed superannuation fund
- a life insurance company.

Exploration credits received indirectly from a trust or partnership

If you have received exploration credits through a trust or partnership, you may be entitled to a tax offset or franking credit equal to your share of the exploration credits issued to the trust or partnership. Your share of exploration credits must be the same as the share that you would be entitled to receive of an equivalent franked distribution to the trust or partnership from the same source.

You are only able to benefit from your share of exploration credits to the extent that you would have been entitled to a tax offset if the distribution of the exploration credit from the trust or partnership were instead a distribution of a hypothetical franked distribution that:

- was of the same amount as your share of the exploration credit
- was made by the same entity that issued the exploration credit, in the same circumstances and in relation to the same interests
- if you are a corporate tax entity, was made to you as if you were not a corporate tax entity.

See also:

- **You and your shares 2017** – provides further information on entitlement to tax offsets on franked distributions from a trust or partnership.

Individual

If you are an Australian resident for the whole of the income year, you may be entitled to a refundable tax offset equivalent to the amount of exploration credits you have received.

If you have received exploration credits directly or indirectly from your shareholdings in a greenfields minerals explorer, you can claim your tax offset by completing the supplementary section of the 2017 individual tax return. The EDI would be claimed under item **T11**.

You will need to add up all the tax offsets you have received throughout the income year (including the tax offsets for exploration credits) and write the total amount in the section allocated for this. If you are only claiming a tax offset for exploration credits, print **E** in the claim box. If you are claiming for more than one type of tax offset, print **M** in the claim box.

Corporate tax entity

You are not entitled to refundable tax offsets for exploration credits you receive. If you are an Australian resident taxpayer for the whole of the income year, you can recognise amounts of exploration credits received as a franking credit in your franking account and distribute these to your shareholders

Trust or partnership

Trusts and partnerships are generally unable to directly benefit from exploration credits. However, if you are a trust or partnership, you may provide a statement to your partners or beneficiaries advising of the exploration credits received and the partner's or beneficiary's share of the exploration credits received during the income year (distribution statement). The member's share of the exploration credits received must be the same as the share that they would be entitled to receive of an equivalent franked distribution to the trust or partnership from the same source.

You must provide this distribution statement to your eligible members prior to the lodgment of your tax return. However, if you are an investment body, then you must provide the distribution statement to your eligible members before the lodgment of the AIR.

The distribution statement must contain the following information for it to be in the approved form:

- If the trust or partnership were directly issued with exploration credits from the greenfields minerals explorer it must include
 - the name of the entity (trust or partnership) that is providing the statement
 - the member's share of the amount of exploration credits that were issued to the trust or partnership by the greenfield minerals explorer under Subdivision 418-E of ITAA 1997 for the income year
 - the name and ABN of the greenfields minerals explorer that issued the exploration credits to the trust or partnership
 - a statement that the trust/partnership would, apart from subparagraphs 418-10(b)(ii) and (iii), have been entitled to a tax offset under Subdivision 418-B of the ITAA 1997 for the income year in relation to the exploration credit issued to it by the greenfields minerals explorer.

- If the trust or partnership were indirectly entitled to exploration credits from another trust or partnership it must include
 - the name of the entity (trust or partnership) that is providing the statement
 - the member's share of the amount of exploration credits under Subdivision 418-E of ITAA 1997 for the income year
 - the name and ABN of the greenfields minerals explorer that issued the exploration credits that flowed indirectly to the entity through one or more trust/partnership
 - a statement that the entity would, apart from subparagraphs 418-10(b)(ii) and (iii), have been entitled to a tax offset under Subdivision 418-B of the ITAA 1997 for the income year in relation to the exploration credit that is taken to have been issued to it.

In each case, if the trust or partnership is distributing exploration credits from more than one greenfields minerals explorer to a member, the trust or partnership must ensure that the information in the statement it provides to the member (outlined above) are separately itemised for each greenfields minerals explorer.

If you are a trustee that is liable to tax under subsection 98(1) or (2) or 99(2) or (3) of the ITAA 1936, then you may be entitled to a tax offset for the exploration credits received that are not distributed to your members.

Superannuation entity or self-managed superannuation fund

A superannuation entity or self-managed superannuation fund (SMSF) is entitled to a refundable tax offset where it has been an Australian resident for the whole income year and has received exploration credits.

If you are a superannuation entity or SMSF and have received exploration credits, the amount of the tax offset is the value of the exploration credits that you received during the income year. You should include that amount at item **E4** of the relevant tax return.

Life insurance company

Life insurance companies are eligible to receive refundable tax offsets for exploration credits received from investments they hold on behalf of their policy-holders. If you are an Australian resident for the whole of the income year and received exploration credits on shares you hold on behalf of your policy holders, you must include the amount at item **E** Refundable tax offsets in the Calculation Statement part of the company tax return.

If you are a life insurance company and receives exploration credits from investments you do not hold on behalf of your policy holders, then you may be entitled to include additional franking credits in your franking account for the exploration credits received from these investments.

QC 47966

Questions about the EDI

Questions you may have about the Exploration Development Incentive (EDI) and the eligibility conditions.

Last updated 30 August 2017

Note: EDI has finalised and is no longer accepting new participation forms, it has been replaced with the Junior Minerals Exploration Incentive.

Do eligible exploration companies have to participate in the EDI?

No. Participation in the EDI is voluntary.

Can a company elect to be included in the EDI in one year and not in the next?

Yes. The decision to create exploration credits is made each year of operation.

Can amounts relating to prior years be included for the purposes of calculating my company's greenfields minerals expenditure?

No. Greenfields minerals expenditure that you estimate and notify to the Commissioner or use to calculate your maximum exploration credit amount refers only to greenfields minerals expenditure you incur during the income year immediately before the income year in which exploration credits are created.

For example, when working out the maximum amount of exploration credits that you can create in the 2017–18 income year, you need to notify your estimated greenfields minerals expenditure to us by 30 September 2017 for amounts incurred in the 2016–17 income year.

If a company is undertaking exploration in Australia and overseas, is the Australian component of the exploration eligible for EDI?

Yes. Exploration credits can be only created in relation to greenfields minerals expenditure incurred in Australia. None of the overseas expenditure is eligible.

Can I include administration costs as part of my company's greenfields minerals expenditure?

Yes, if the administration costs have a direct or close link to your company's eligible exploration or prospecting activities.

For example, XYZ is an Australian listed company undertaking greenfields exploration in an area in Western Australia that does not

yet have an inferred mineral resource in the JORC Code. The company has three employees – two directors and one company secretary based in Perth. The directors, who are geologists, spent two months performing rock-chipping and soil-sampling activities on site.

Administration costs that have a direct or close link with the company's exploration or prospecting activities include:

- director salary costs attributed to the rock-chipping and soil-sampling activities on a time basis. The costs related to directors' other corporate activities are excluded
- vehicle hire to get the geologists to the site and on-costs such as fuel
- accommodation costs for the geologists at or near the site and on-costs
- head office expenses such as rent, utilities, depreciation and company secretary support that have a close or direct link to the company's exploration activities. For example, expenses attributed to exploration activities conducted at head office such as planning exploration programs or reviewing seismic data. Other head office expenses such as accounting fees for the preparation of tax returns are excluded.

What if I'm late notifying you of my company's greenfields minerals expenditure?

You need to notify us of your greenfields minerals expenditure by **30 September** of each year you wish to participate in the incentive.

We can only accept late notifications if an extension has been granted. This is because we are required to calculate and publish the modulation factor in sufficient time for all companies involved in this incentive to calculate their amounts for distribution and to notify their shareholders.

Can I apply for an extension to notify the ATO of my company's greenfields minerals expenditure?

You may apply for an extension, however, we can only grant extensions in relation to this incentive in extenuating circumstances. This is to avoid disadvantage to all other participants and their shareholders that can arise from delays.

Can I amend my notified greenfields minerals expenditure amounts?

You can notify us of amended estimated greenfields minerals expenditure or amended estimated tax loss for the previous year on an Exploration Development Incentive Participation Form as many times as you need to up until 30 September (in the relevant year) and we will use the last notified amounts.

After 30 September (in the relevant year) unless we have granted you an extension, amended amounts exceeding the original notification amounts cannot be used as the notified amount that will be relevant for the purposes of calculating your maximum exploration credit amount.

What happens if I distribute more than my maximum exploration credit amount?

If you distribute exploration credits in excess of the maximum exploration credit amount, you will be liable to pay tax equal to the excess exploration credits. You may also be liable for interest and penalties.

If this occurs you must lodge an Excess Exploration Credit Tax Return and pay any amount of excess exploration credits tax by 21 July of the financial year corresponding to the income year in which you distributed the excess exploration credits.

Can any unused exploration credits be carried forward and used in future years?

No. Exploration credits that are created but not issued before 30 June in the financial year corresponding to the income year in which they are created will expire.

Will eligible companies be able to choose whether they wish the credit to apply to all shareholders or those that have been issued shares following a new capital raising?

Yes. The legislation provides that the eligible exploration companies can choose for the EDI to be available only for shares issued on or after 1 July 2014. This choice will be irrevocable and must be made before any exploration credits are issued.

If a new capital raising is made it will require a separate listing or trading of pre-EDI and post-EDI interests to distinguish between the shares with a premium and ones without.

When is the relevant cut-off time to determine the number of shares that a shareholder holds as a proportion to the total equity shares in

the eligible exploration company?

The amount issued to each shareholder must be in proportion to the equity shares that the shareholder holds as a proportion of the total equity shares. The relevant cut-off time to determine the number of shares that the shareholder holds is 30 days before the exploration credits are issued.

What if the shareholder is a foreign resident?

Although foreign resident shareholders will receive exploration credits, as they are not Australian residents for the whole of the income year, they will not be entitled to claim the exploration credit tax offset.

Can the offset credits that would otherwise be available for non-resident shareholders be transferred to eligible resident shareholders?

No.

When can shareholders use the tax offset?

Shareholders may claim the tax offset in the income year in which they receive the exploration credits.

For example, greenfields minerals expenditure is incurred by a company in the 2015–16 income year. The company notifies us of their participation in the incentive by 30 September 2016. The modulation factor is published by January 2017. Following the modulation process, the exploration credit is created and issued to shareholders during 2016–17 income year. The shareholder is able to claim the tax offset in their 2016–17 income tax return.

Will the shareholder's exploration credits tax offsets be excluded from Pay As You Go (PAYGI) calculations?

Yes.

What happens to the offset where the recipient does not earn any income, for example retiree's?

The offset is refundable to taxpayers with no income tax liability.

Do penalties apply to false or misleading statements made on any of the notifications, reports, returns or other documents associated with this incentive?

Yes, false or misleading statement penalties may apply to relevant notifications, reports, returns or other documents associated with this incentive.

Can remission of penalties apply where they have been applied as a result of any notifications, reports, returns or other documents associated with this incentive?

Yes. Remission of penalties may apply where penalties have been applied as a result of any notifications, reports, returns or other documents associated with this incentive.

Can I get further information?

Yes. Contact EDI@ato.gov.au and we will respond to your enquiry as soon as possible.

QC 46392

Seafarer tax offset

Claiming the seafarer tax offset.

Published 11 June 2025

About the offset


The seafarer tax offset is a refundable tax offset that:

- allows eligible Australian companies to claim for certain withholding payments made to Australian resident seafarers working on international voyages
- the ATO and the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA) jointly administer.

Eligibility

The offset is available to Australian resident companies employing Australian resident individuals:

- who are employed, or perform the work or services, for at least 91 days in the income year
- on a voyage of a vessel as
 - a master
 - a deck officer
 - an integrated rating
 - a steward, or
 - an engineer (also referred to as seafarer).

The vessel must have a certificate under the *Shipping Reform (Tax Incentives) Act 2012* to be eligible. For information on how to apply for a certificate, see the [DITRDCA website](#) .

How to claim the offset

Step 1: Check that you

- meet the DITRDCA eligibility requirements
- have obtained a certificate for the vessel.

Step 2: Calculate the offset.

Determine the total gross payment amounts made to the seafarer. This consists of the total amount of payments for work and services that are subject to withholding for any of the following:

- The employment of, or the work or services performed by, the seafarer in relation to which the company so qualifies for the offset.
- Leave accrued by the seafarer during such employment, work or services.
- Training of the seafarer that relates to such employment, work or services.

Multiply the total gross payment amounts made to the seafarer by 30% to calculate the offset amount.

Step 3: Include the total tax offset at label **E** of the company tax return.

For more information, see **Calculation statement label E**.

QC 105050

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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