



## Deduction questions D11-D15

How to complete the deduction questions D11 to D15 in your paper supplementary tax return.

### **D11 Deductible amount of undeducted purchase price of a foreign pension or annuity 2022**



Complete question D11 to claim a deduction for the undeducted purchase price for a foreign pension or annuity.

### **D12 Personal superannuation contributions 2022**



Complete question D12 to claim a personal superannuation contributions deduction.

### **D13 Deduction for project pool 2022**



Complete question D13 to claim a deduction for certain capital expenditure allocated to a project pool.

### **D14 Forestry managed investment scheme deduction 2022**



Complete question D14 to claim a deduction for payments made to a forestry managed investment scheme.

## **D15 Other deductions – not claimable at items D1 to D14 or elsewhere on your tax return 2022**



Complete question D15 to claim expenses you haven't been able to claim at D1 to D14 or elsewhere in your tax return.

## **Total supplement deductions 2022**



Complete the total supplement deductions section of your supplementary tax return.

QC 80642

# **D11 Deductible amount of undeducted purchase price of a foreign pension or annuity 2022**

Complete question D11 to claim a deduction for the undeducted purchase price for a foreign pension or annuity.

**Last updated** 26 May 2022

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**Did you receive a foreign pension or annuity which has a deductible amount of undeducted purchase price (UPP)?**

<b>No</b>	Go to question D12 Personal superannuation contributions 2022, or return to main menu Individual tax return instructions 2022.
<b>Yes</b>	Read on.

## You need to know

### UPP of a foreign pension or annuity

If you showed income from a foreign pension or annuity at **D** item **20** on your tax return you may be entitled to claim a deduction to reduce the taxable amount of the pension or annuity income if your pension or annuity has a UPP. Only some foreign pensions and annuities have a UPP. The UPP is the amount you contributed towards the purchase price of your pension or annuity (your personal contributions).

That part of your annual pension or annuity income which represents a return to you of your personal contributions is free from tax. This tax-free portion is called the deductible amount of the UPP, and it is usually calculated by dividing the UPP of your pension or annuity by a life expectancy factor, according to life expectancy statistics.

If you already know your deductible amount, go to [Completing this item](#).

### Austrian pensions

If you received an age, premature age, invalid, disability, widowed persons or orphans pension paid by an Austrian superannuation insurance fund under one of the Austrian social insurance acts, Allgemeines Sozialversicherungsgesetz (ASVG), Gewerbliches Sozialversicherungsgesetz (GSVG) or Bauern-Sozialversicherungsgesetz (BSVG), you are entitled to a deductible amount.

Where you have evidence of your actual contributions, actual monthly salary or you have received from the Austrian superannuation insurance fund a list of your insurance periods, you will need to complete a **Request for a determination of the deductible amount of UPP of a foreign pension or annuity**.

## British pensions

If you received a pension from the United Kingdom State Pension (previously known as the British National Insurance Scheme), you may be entitled to a UPP deduction.

For a category A pension or a category B widows pension you can calculate your deduction by multiplying your UK State Pension (in Australian dollars) by 8%. If you want your UPP calculated using the Exact method you will need to complete a **Request for a determination of the deductible amount of UPP of a foreign pension or annuity**.

If you received a category C or D pension you are not entitled to a deductible amount of the UPP.

## Dutch pensions

If you received an old age pension, or a widows, widowers or orphans pension from the Sociale Verzekeringsbank (SVB) under the Netherlands social insurance system and you can obtain all the necessary information to determine the deductible amount of your UPP, claim the amount you have worked out. If you cannot determine the deductible amount, you can claim an annual deductible amount equal to 25% of your gross pension payment.

## German pensions

If you received a German pension, you will need to provide a copy of the insurance resume (Versicherungsverlauf) from the pension provider. You will need to contact the pension provider directly to obtain this information. When you have evidence of your employment history and the salary income that you earned at those dates, you will need to complete a **Request for a determination of the deductible amount of UPP of a foreign pension or annuity**.

## Italian pensions

If you received an Italian government pension, the Italian government authorities will send you an Article 10 letter each year giving you an estimate of the amount of pension income you will receive, and the amount that you contributed towards your pension. If you are unable to work out your deductible amount, you will need to complete a **Request for a determination of the deductible amount of UPP of a foreign pension or annuity**.

## Pensions from another country

If you received a pension from another country, other than an Austrian, British, Dutch, German or Italian pension, and you think you are entitled to claim a deductible amount, complete a **Request for a determination of the deductible amount of UPP of a foreign pension or annuity**.

## Completing this item

Write the deductible amount of your UPP at **Y item D11** on your tax return.

If you do not know your deductible amount:

- leave **Y item D11** blank
- complete a **Request for a determination of the deductible amount of UPP of a foreign pension or annuity**
  - sign it
  - attach it to page 3 of your tax return
- provide the additional documentation required
- print **X** in the **Yes** box at **Taxpayer's declaration** question 2 on page 10 of your tax return.

We will address your request in the form of a private binding ruling (PBR) which is legally binding on the Commissioner. We will process your tax return once the PBR is finalised.

If you need information or assistance with this question, **contact us**.

## Where to go next

- Go to question D12 Personal superannuation contributions 2022.
- Return to main menu Individual tax return instructions 2022.
- Go back to Total supplement income or loss 2022.

# D12 Personal superannuation contributions 2022

Complete question D12 to claim a personal superannuation contributions deduction.

Last updated 26 May 2022

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**Did you make personal superannuation contributions during the year to a complying superannuation fund or a retirement savings account (RSA)?**

<b>No</b>	Go to question D13 Deduction for project pool 2022, or return to main menu Individual tax return instructions 2022.
<b>Yes</b>	You may be able to claim a deduction. Read below.

## What can you claim?

You may be able to claim a deduction for personal superannuation contributions that you made to your superannuation fund or RSA provider from your **after-tax** income, for example, from your bank account directly to your superannuation fund.

You **cannot** claim a deduction for superannuation contributions paid by your employer directly to your superannuation fund or RSA provider from your **before-tax** income such as:

- the compulsory superannuation guarantee
- salary sacrifice amounts
- reportable employer superannuation contributions shown on your annual payment summary.

Before you can claim a deduction for your personal **after-tax** superannuation contributions, you must have:

- given your superannuation fund or RSA provider a **Notice of intent to claim or vary a deduction for personal super contributions**, and
- received an acknowledgment from your superannuation fund or RSA provider.

There are other eligibility criteria that you must meet – continue reading.

## **Are you eligible to claim a deduction?**

You may be able to claim a deduction for personal contributions you made to a complying superannuation fund or RSA in 2021–22 if:

- you satisfied the **age-related conditions**
- you gave a valid **notice of intent** to your superannuation fund or RSA provider, in the approved form, and advised them of the amount you intend to claim as a deduction
- you gave the notice of intent on or before the day you lodged your 2022 tax return or 30 June 2023, whichever is earlier
- at the time you gave the notice, the superannuation fund or RSA provider still held the contributions in respect of which you gave the notice; this requirement may not be met if, for example, you withdrew those contributions under the COVID-19 early release of superannuation program before giving the notice
- your superannuation fund or RSA provider acknowledged your valid notice
- your superannuation fund was not a

- Commonwealth public sector superannuation scheme with a defined benefit interest
- constitutionally protected fund or other untaxed fund that would not include the contributions in their assessable income
- superannuation fund that notified the Commissioner before the start of the income year that they elected to treat all member contributions to the
  - superannuation fund as non-deductible
  - defined benefit interest within the superannuation fund as non-deductible.

Before claiming a deduction, you should consider the broader tax outcomes that apply if you have:

- withdrawn your super under the COVID-19 early release of superannuation program, and
- recontributed that amount back into your super fund to claim a personal super contribution deduction.

Any tax benefit obtained in relation to such a deduction could be cancelled if you enter into a scheme mainly for the purposes of obtaining a tax benefit.

### **See also**

- Claiming deductions for personal super contributions
- How do I change an amount previously included on a valid notice of intent?
- COVID-19 early release of super

You **cannot** claim a deduction for personal superannuation contributions if:

- your personal superannuation contributions were not received by your superannuation fund or RSA provider before 1 July 2022 – contributions received by the superannuation fund or RSA provider *after* 30 June 2022 can only be claimed as a deduction in 2022–23, even if you took steps (such as posting a cheque, or initiating a direct debit) prior to 30 June 2022

- you made the contributions more than 28 days after the end of the month in which you turned 75 years old
- you were under 18 years old on 30 June 2022 and you did not receive any income from activities that resulted in you being treated as an employee for the purposes of the superannuation guarantee law or from you carrying on a business
- either of the following applied to you
  - you made a contribution that was attributable, either in whole or in part, to a capital gain that you made, and
    - you chose to apply the small business capital gains tax retirement exemption to all or part of that capital gain, and
    - you were under 55 years old just before you made that choice, or
  - the contribution was attributable, either in whole or in part, to a capital gain, and
    - a company or trust chose to apply the small business capital gains tax retirement exemption to all or part of that capital gain, and
    - you were under 55 years old **just before** the contribution was made
- you did not provide your superannuation fund or RSA provider with a valid notice of intent to claim a deduction in the approved form
- you made contributions to a superannuation fund or RSA provider that are attributable to the following super housing measures
  - **downsizer contributions**
  - re-contributions of amounts released under the **First home super saver (FHSS)** scheme, or
- you provided your superannuation fund or RSA provider with a valid notice of intent to claim a deduction in the approved form but you have not received an acknowledgment of this notice from your superannuation fund or RSA provider.

You may be entitled to a super co-contribution for your personal contributions that you do not claim as a tax deduction. **Do not** include any amount at this item for the purpose of asking us for a super co-

contribution. We calculate this automatically from information reported by your superannuation fund or RSA provider and from other items on your tax return. For more information, see [Superannuation contribution caps and government super contributions](#).

**See also**

- Small business CGT concessions
- First home super saver scheme

## You need to know

Personal superannuation contributions are amounts you paid to an eligible complying superannuation fund or RSA to provide superannuation benefits for yourself, or for your dependants in the event of your death.

Most superannuation funds are eligible complying superannuation funds. If you are unsure contact your superannuation fund.

The deduction you claim can reduce your taxable income to nil, but it cannot add to or create a loss.

The deduction you claim may also be used in the income tests for eligibility for certain tax offsets and government benefits. See **Income tests 2022**.

If you are 67 years old or older, you can make personal contributions only if you meet certain conditions. You should check with your superannuation fund or RSA provider.

If you were under 18 years old on 30 June 2022 and you made the contribution in 2021–22, you can claim a deduction for your personal superannuation contributions only if you earned income from:

- activities or circumstances which treat you as an employee for superannuation guarantee purposes, such as, salary or wages or other remuneration in return for your personal labour or skills
- carrying on a business.

**See also**

- Superannuation Guarantee Ruling SGR 2005/1 *Superannuation guarantee: who is an employee?*
- Taxation Ruling TR 2010/1 *Income tax: superannuation contributions*

Complete this item only if your superannuation fund or RSA provider has given you an acknowledgment of your valid notice which advised them of the amount you intend to claim as a deduction.

## **Superannuation contributions splitting**

Complying superannuation funds and RSA providers may allow you to split your superannuation contributions with your spouse. However, personal superannuation contributions for which you don't claim an income tax deduction cannot be split to your spouse's superannuation account. A spouse can be of any sex.

If you intend to lodge a notice of intent to claim a deduction for personal superannuation contributions with your superannuation fund or RSA provider, you must do it before you lodge your superannuation contributions splitting application for those contributions.

A superannuation contributions splitting application can only be made to your superannuation fund or RSA provider:

- during the income year that follows the income year in which you made the contributions (such as during 2022–23 for contributions you made in 2021–22), or
- during the same income year you made the contributions if your entire benefit is to be rolled over, transferred or cashed before the end of that year.

### **See also**

- Contributions splitting
- Special circumstances and glossary 2022

## **Superannuation contribution caps and government super contributions**

Amounts that count towards your concessional contributions cap are:

- your personal superannuation contributions that you claim as an income tax deduction
- your employer contributions
- amounts you salary sacrificed into superannuation (these are known as Reportable employer superannuation contributions and appear

on your payment summary; you show them at item **IT2** on your tax return).

The 2021–22 concessional contributions cap is \$ 27,500.

You can increase the concessional contributions cap that applies to you when you carry-forward unused concessional contributions amounts from previous financial years.

You may have to pay more tax if:

- the contributions you claim as a deduction, plus
- your employer contributions, plus
- your salary-sacrificed contributions (that is, your reportable employer superannuation contributions)

exceed your concessional contributions cap.

Your personal superannuation contributions that are not allowed as income tax deductions count towards your **non-concessional contributions**.

For 2021–22, the annual non-concessional contributions cap is \$ \$110,000 if your total superannuation balance on 30 June 2021 was less than \$1.6 million.

You may have to pay more tax if you exceeded the non-concessional contributions cap.

### **See also**

- Super contributions – too much can mean extra tax
- Key super rates and thresholds

You may be entitled to a government super co-contribution based on the personal contributions you made for which you **did not** or **could not** claim a tax deduction.

The super co-contribution is a matching government superannuation contribution for low income earners who made a personal superannuation contribution.

You may be entitled to a low income super tax offset (LISTO) based on:

- your concessional contributions

- your personal superannuation contributions for which a tax deduction **was** allowed.

The LISTO is a government superannuation contribution (up to a maximum of \$500) for low income earners, and it is designed to offset the tax paid by your superannuation fund or RSA provider on concessional contributions.

Check that you have provided your tax file number to your superannuation fund or RSA provider to ensure:

- you can make a personal contribution, and
- you receive your co-contribution entitlement.

#### **See also**

- Super co-contribution

## **Answering this question**

You need to provide the following details of the superannuation fund or RSA provider that you made your personal contributions to and that provided you with an acknowledgment of your **notice of intent**:

- full name of fund
- account number
- fund ABN or TFN.

This information is available in [Using ATO online services – individuals and sole traders](#) or you can contact your superannuation fund or RSA provider.

## **Completing this item**

### **Step 1**

**Have you provided, in the approved form, a valid notice of intent to claim a deduction for personal superannuation contributions to your superannuation fund or RSA provider?**

<b>Yes</b>	Go to <a href="#">step 2</a> .
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<b>No</b>	<p>Send this notice to your superannuation fund or RSA provider before you lodge your tax return. You are not entitled to claim a deduction for personal superannuation contributions unless you have given the notice and received an acknowledgment from your superannuation fund or RSA provider.</p> <p>You can download a <b>Notice of intent to claim or vary a deduction for personal super contributions</b> form from <a href="http://ato.gov.au">ato.gov.au</a> or contact your superannuation fund as they may have their own form you can use.</p>
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## Step 2

**Have you received an acknowledgment from your superannuation fund or RSA provider that you gave them a valid notice of intent to claim or vary a deduction for personal super contributions?**

<b>Yes</b>	Print <b>X</b> in the <b>Yes</b> box at item <b>D12</b> on page 15 of your tax return. Go to <a href="#">step 3</a> .
<b>No</b>	<p>Until you receive an acknowledgment from your superannuation fund or RSA provider, you are not entitled to a deduction for personal superannuation contributions. You may either wait to lodge your tax return until you receive the acknowledgment, or you may lodge now (without claiming the deduction) and request an amendment once you have received the acknowledgment. If your superannuation fund or RSA provider has rejected your notice or advised that it is not valid, you are not entitled to claim a deduction.</p> <p>Go to question D13 Deduction for project pool 2022.</p>

## Step 3

**Were you 18 years old or older on 30 June 2022?**

<b>Yes</b>	Go to <a href="#">step 5</a> .
<b>No</b>	Go to <a href="#">step 4</a> .

## Step 4

**Did you receive income from carrying on a business or from activities that resulted in you being treated as an employee for superannuation guarantee purposes?**

<b>Yes</b>	Go to <a href="#">step 7</a> .
<b>No</b>	You are not entitled to a deduction for personal superannuation contributions. Go to question D13 Deduction for project pool 2022.

## Step 5

**Did you turn 75 years old before 1 June 2021?**

<b>Yes</b>	You are not eligible to claim a deduction for personal superannuation contributions for 2021–22. Go to question D13 Deduction for project pool 2022.
<b>No</b>	Go to <a href="#">step 6</a> .

## Step 6

**Did you turn 75 years old between 1 June 2021 and 31 May 2022 inclusive?**

<b>Yes</b>	Add up all the contributions you made between 1 July 2021 and the 28th day of the month following the month in which you turned 75 years old (inclusive) which you are eligible to claim as a tax deduction. This is the amount you write at <b>H</b> item <b>D12</b> on page 15 of your tax return (supplementary section). Go to <a href="#">step 7</a> .
<b>No</b>	Go to <a href="#">step 7</a> .

## Step 7

Add up all your 2021–22 contributions which you are eligible to claim as a tax deduction, and write the amount at **H** item **D12** on page 15 of your tax return.

## Step 8

If you contributed to only one superannuation fund or RSA, print its full name, its Australian business number (ABN) or tax file number (TFN), and your account number in the boxes at item **D12**. Remember, your superannuation fund or RSA provider must have given you an acknowledgment of your valid notice which advised them of the amount you are claiming as a deduction.

If you contributed to more than one superannuation fund or RSA, print 'Additional information' in the **Full name of fund** box at item **D12** and follow the instructions at *Schedule of additional information*. In the other boxes, provide details of the superannuation fund or RSA provider to which you made the largest contribution and from which you have received an acknowledgment.

You cannot write an amount at **H** that is higher than the amount your superannuation funds or RSA providers acknowledged.

You may vary your valid notice to reduce the amount stated in relation to your contribution (including to nil). You cannot vary your valid notice to increase the amount stated in relation to your contribution.

You must notify your superannuation fund or RSA provider of any variation, in the approved form, on or before the day you lodge your 2022 tax return or 30 June 2023, whichever is earlier. Once you have provided notification, the amount you write at **H** for that contribution is limited to the reduced amount.

You may vary your notice after that date if the amount stated does not meet the personal superannuation contributions conditions and we have disallowed an amount of your deduction, for example, if the deduction you claimed exceeds your assessable income.

You can only vary your notice after that date by the amount of the deduction that does not meet the conditions and that we disallowed.

#### **See also**

- Notice of intent to claim or vary a deduction for personal super contributions
- How do I change an amount previously included on a valid notice of intent?

## **Schedule of additional information**

If you are claiming a deduction at this item you may need to provide a schedule of additional information.

If you contributed to more than one superannuation fund or RSA, you must provide additional information. On a separate sheet of paper, print:

- **Schedule of additional information – Item D12**

- your name and address
- your tax file number.

Then, for each superannuation fund or RSA provider from which you have received an acknowledgment of your notice of intent to claim the deduction, print:

- the full name of the superannuation fund or RSA provider
- the ABN or TFN of the superannuation fund or RSA provider
- your account number
- the amount that you are claiming as a deduction.

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

If you need more information, [contact us](#).

## Check that you have...

- Kept your notice of intent to claim a deduction and the acknowledgment of your notice from your superannuation fund or RSA provider, as we may ask to see them
- Attached to page 3 of your tax return your **Schedule of additional information – Item D12**, if you need to send us one

## Where to go next

- Go to question D13 Deduction for project pool 2022.
- Return to main menu Individual tax return instructions 2022.
- Go back to question D11 Deductible amount of undeducted purchase price of a foreign pension or annuity 2022.

## D13 Deduction for project pool 2022

Complete question D13 to claim a deduction for certain capital expenditure allocated to a project pool.

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### Did you have capital expenditure directly connected with a project?

You may be able to claim a deduction at this item for capital expenditure allocated to a project pool for a project you:

- operated in 2021–22 for a taxable purpose
- carried on, or proposed to carry on, for a taxable purpose which was abandoned, sold or otherwise disposed of in 2021–22, before or after it started to operate.

<b>No</b>	Go to question D14 Forestry managed investment scheme deduction 2022, or return to main menu Individual tax return instructions 2022.
<b>Yes</b>	Read on.

You cannot claim a deduction at this item for:

- private or domestic expenditure such as the cost of constructing a driveway at your home

- capital expenditure directly connected with a project undertaken in carrying on a business.

## You need to know

A **depreciating asset** is an asset that has a limited effective life and can reasonably be expected to decline in value over the time it is used.

A **taxable purpose** is the purpose of producing assessable income, the purpose of exploration or prospecting, the purpose of mining site rehabilitation or environmental protection activities.

Certain capital expenditure you incurred after 30 June 2001, which was directly connected with a project that you carried on (or proposed to carry on) for a taxable purpose, can be allocated to a project pool and written off over the 'project life'. The expenditure must not otherwise be deductible or form part of the cost of a depreciating asset you hold or held.

Such capital expenditure, known as a 'project amount', is expenditure incurred:

- to create or upgrade community infrastructure for a community associated with the project; this expenditure must be paid, not just incurred, to be a project amount
- for site preparation for depreciating assets (other than in draining swamp or low-lying land or for clearing land for horticultural plants)
- for feasibility studies or environmental assessments for the project
- to obtain information associated with the project
- in seeking to obtain a right to intellectual property
- for ornamental trees or shrubs.

The project amounts are allocated to a 'project pool'. Each project has a separate project pool.

If you are unsure whether the capital expenditure you incurred qualifies as a project amount, see **Guide to depreciating assets 2022**.

You spread your deduction for project amounts allocated to a project pool over the project life:

- The project life is the period from when the project starts to operate until when it stops operating.
- The project life is not determined by how long you intend to carry on the project. Factors outside your control, such as something inherent in the project such as a legislative or environmental restriction that limits the project's operating period, are relevant to estimating the project life.
- If there is no finite project life, there is no project and therefore no deduction is available under these rules.

You start to deduct amounts for a project pool for the income year when the project starts to operate. So, if you started to operate a project in 2021–22 for a taxable purpose, a deduction is available for 2021–22.

If your project operated in 2021–22 for purposes other than taxable purposes, you must reduce the deduction amount by a reasonable amount for the extent to which the project operated for other than taxable purposes.

If, in 2021–22, you:

- recouped an amount of expenditure allocated to the project pool, or
- derived a capital amount in relation to a project amount or something on which a project amount was expended

then the amount is assessable income and must be shown at item 24 Other income 2022.

## Completing this item

### Step 1

**Did you conduct transactions in a foreign currency for your project in 2021–22?**

No	Go to <a href="#">step 2</a> .
Yes	See <a href="#">Foreign exchange rules</a> . Go to <a href="#">step 2</a> .

### Step 2

**Was your project abandoned, sold or otherwise disposed of in 2021–22?**

<b>No</b>	Go to <a href="#">step 3</a> .
<b>Yes</b>	If your project was abandoned, sold or otherwise disposed of in 2021–22 (whether or not the project had started to operate), you can claim a deduction for the 2020–21 closing pool value (if any) plus any project amounts allocated to the pool in 2021–22. You must reduce the deduction to the extent the project operated for a non-taxable purpose during 2021–22. Any amount you received for the abandonment, sale or other disposal is assessable income and must be shown at item 24 Other income 2022. Go to <a href="#">step 4</a> .

## Step 3

Use the following worksheet to calculate your deduction.

- The deduction is worked out on the value of the project pool at 30 June 2022. This is the closing pool value for 2020–21 (if any) plus the sum of any project amounts allocated to the pool in 2021–22.
- You must estimate the project life in years, including fractions of years.
- The deduction rate at **d** in the worksheet could be 200% or 150%.
  - Your deduction rate is 200% where your project pool contains only project amounts incurred on or after 10 May 2006, and the project started to operate on or after that date.
  - Your deduction rate is 150% where your project started to operate before 10 May 2006, or where your project started to operate on or after 10 May 2006 but the project pool contains project amounts incurred before that date.
  - You cannot use the higher rate if you abandon, sell or otherwise dispose of a project begun before 10 May 2006 and then start operating it again, just so that you can work out deductions at the higher rate.

### Example – Project pool deduction (post 9 May 2006)

Row	Calculation	Amount
a	Value of project pool at 30 June 2022	\$30,000
b	Estimated project life (in years)	7.5 years
c	Divide row <b>a</b> by row <b>b</b> .	\$4,000
d	Deduction rate	200%
e	Multiply row <b>c</b> by row <b>d</b> .	\$8,000
f	Take row <b>e</b> away from row <b>a</b> .	\$22,000

### Worksheet – Project pool deduction

Row	Calculation	Amount
a	Value of project pool at 30 June 2022	\$
b	Estimated project life	(in years)
c	Divide row <b>a</b> by row <b>b</b> .	\$
d	Deduction rate	%
e	Multiply row <b>c</b> by row <b>d</b> .	\$
f	Take row <b>e</b> away from row <b>a</b> .	\$

- If row **f** is zero or more, your deduction amount for 2021–22 is the amount at row **e** and the closing pool value for 2021–22 is the amount at row **f**.
- If row **f** is less than zero, your deduction amount for 2021–22 is the amount at row **a** (because your deduction amount cannot be

greater than the value of the project pool) and the closing pool value for 2021–22 is zero.

- If your project operated for purposes other than taxable purposes in 2021–22, your deduction amount for 2021–22 is not the full amount at row **e** or row **a** as applicable. Instead, your deduction amount is the amount at row **e** or row **a** as applicable, reduced by a reasonable amount for the extent to which the project operated in 2021–22 for purposes other than taxable purposes.

You will need the closing pool value for 2021–22 to work out your deduction for project amounts for 2022–23.

## Step 4

Write your project pool deduction amount at **D** item **D13** on your tax return.

## Foreign exchange rules

The pool value can be subject to adjustments. An adjustment could happen under foreign exchange (forex) rules that apply to transactions conducted in foreign currency.

If during 2021–22 you met or otherwise ceased to have an obligation to pay in a foreign currency a project amount which you allocated to a project pool, you might have derived a gain or incurred a loss under these rules. If the amount in foreign currency became due for payment within 12 months after the time you incurred it, usually the pool value will be reduced by any such gain (known as a forex gain) and it will be increased by any such loss (known as a forex loss).

If the forex gain exceeds the pool value, the pool value is reduced to zero and the residual gain is assessable income which you should include at item **24**. If you had previously elected that this treatment (known as 'the 12-month rule') should not apply, any gain will be assessable and should be included at item **24** and any loss will be deductible and should be included at item **D15**.

### See also

- 24 Other income 2022
- D15 Other deductions – not claimable at items D1 to D14 or elsewhere on your tax return 2022

- Foreign exchange gains and losses

## Where to go next

- Go to question D14 Forestry managed investment scheme deduction 2022.
- Return to main menu Individual tax return instructions 2022.
- Go back to question D12 Personal superannuation contributions 2022.

QC 67785

## D14 Forestry managed investment scheme deduction 2022

Complete question D14 to claim a deduction for payments made to a forestry managed investment scheme.

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**Did you make payments to a forestry managed investment scheme (FMIS)?**

No	Go to question D15 Other deductions 2022, or return to main menu Individual tax return instructions 2022.
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<b>Yes</b>	You may be able to claim a deduction. Read on.
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You may be able to claim a deduction at this item for payments made to an FMIS if you:

- currently hold a forestry interest in an FMIS, or held a forestry interest in an FMIS during the income year
- have paid an amount to a forestry manager of an FMIS under a formal agreement.

You can only claim a deduction at this item if the forestry manager has advised you that the FMIS satisfies the 70% direct forestry expenditure rule in Division 394 of the *Income Tax Assessment Act 1997*.

If you are an initial participant, you cannot claim a deduction if you disposed of your forestry interest in an FMIS within four years after the end of the income year in which you first made a payment.

However, the deduction will be allowed if the disposal occurred because of circumstances outside your control, provided you could not have reasonably foreseen the disposal happening when you acquired the interest. Disposals that would generally be outside your control include compulsory acquisition, insolvency of you or the scheme manager, or cancellation of the interest due to fire, flood or drought.

If you are a subsequent participant, you cannot claim a deduction for the amount paid for acquiring your interest. You can only claim a deduction for your ongoing payments.

**See also**

- Collapse and restructure of agribusiness managed investment schemes – participant information
- Forestry managed investment schemes (Division 394)

## You need to know

You are an initial participant in an FMIS if:

- you obtained your forestry interest in the FMIS from the forestry manager of the scheme
- your payment to obtain the forestry interest results in the establishment of trees.

You are a subsequent participant if you are not an initial participant.

A forestry manager of an FMIS is the entity that manages, arranges or promotes the FMIS.

A forestry interest in an FMIS is a right to benefits produced by the scheme (whether the right is actual, prospective or contingent and whether it is enforceable or not).

## **Participant payments under an FMIS**

### **Initial participant**

You can claim at this item initial and ongoing payments made under an FMIS that you have made as an initial participant of the FMIS.

### **Subsequent participant**

You can claim at this item ongoing payments made under an FMIS that you have made as a subsequent participant of the FMIS.

### **Excluded payments**

You cannot claim a deduction at this item for any of the following payments:

- payments for borrowing money
- interest and payments in the nature of interest (such as a premium on repayment or redemption of a security, or a discount of a bill or bond)
- payments of stamp duty
- payments of goods and services tax (GST)
- payments that relate to transportation and handling of felled trees after the earliest of the following
  - sale of the trees
  - arrival of the trees at the mill door
  - arrival of the trees at the port
  - arrival of the trees at the place of processing (other than where processing happens in-field)

- payments that relate to processing
- payments that relate to stockpiling (other than in-field stockpiling).

## Completing this item

Work out the total amount of your deductible:

- initial and ongoing payments made under an FMIS, if you are an initial participant, or
- ongoing payments made under an FMIS, if you are a subsequent participant.

Write the amount at **F** item **D14** on your tax return.

## Where to go next

- Go to question D15 Other deductions – not claimable at items D1 to D14 or elsewhere on your tax return 2022.
- Return to main menu Individual tax return instructions 2022.
- Go back to question D13 Deduction for project pool 2022.

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## D15 Other deductions – not claimable at items D1 to D14 or elsewhere on your tax return 2022

Complete question D15 to claim expenses you haven't been able to claim at D1 to D14 or elsewhere in your tax return.

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**Did you have any other expenses that you have not been able to claim as deductions at items D1 to D14 or elsewhere on your tax return?**

<b>No</b>	Go to Total supplement deductions 2022, or return to main menu Individual tax return instructions 2022.
<b>Yes</b>	Read on.

Do not show at this item:

- expenses relating to your work as an employee
- expenses relating to income from carrying on a business as a sole trader (including personal services income or as a share trader)
- expenses relating to investment planning and advice involving shares, unit trusts and interest-bearing deposits
- losses from the disposal of shares or real property that are capital in nature.

Other questions deal with these matters.

## You need to know

### Expenses you may be entitled to claim

You may claim at this item:

- election expenses for local, territory, state or federal candidates
- income protection, sickness and accident insurance premiums
- foreign exchange losses
- expenses related to income you earned from the sharing economy or other marketplace which is not derived from carrying on a

business or as an employee of the digital platform

- debt deductions incurred in earning assessable income that are not disallowed under the thin capitalisation rules and have not been claimed elsewhere
- debt deductions incurred in earning certain foreign non-assessable non-exempt income that are not disallowed under the thin capitalisation rules
- amounts deductible for certain business-related capital expenditure under section 40-880 of the *Income Tax Assessment Act 1997* (ITAA 1997)
  - over five income years relating to a business you carried on through a company or a trust, or
  - immediately as start-up expenses relating to the structure or the operation of the business that is proposed to be carried on
- a deduction for the net personal services income loss of a personal services entity that related to your personal services income
- certain deductible capital expenditure not claimed in full before ceasing a primary production business where a deduction can be claimed in a subsequent year or years; for example, water conservation expenditure, which may be deducted over a three-year period
- non-capital losses incurred on the disposal or redemption of a traditional security which are deductible under section 70B of the *Income Tax Assessment Act 1936* (ITAA 1936); for more information, see the section on **Sale or disposal of company bonds and convertible notes** in *You and your shares 2022*
- small business pool deductions for depreciating assets of your small business pool that you cannot claim at item **P8 Business income and expenses** on the *Business and professional items schedule for individuals 2022* because you did not carry on a business in 2021–22; for more information, see **Small business entity concessions**
- self-education expenses you incurred in doing a course to satisfy the study requirements of a taxable scholarship.

You cannot claim deductions for expenses incurred in actively seeking paid work if you receive Youth Allowance or JobSeeker payment as a

job seeker.

## Election expenses

Election expenses include a candidate's costs of contesting an election at a local, territory, state or federal level of government. A deduction for local government election expenses cannot exceed \$1,000 for each election contested, even if the expenditure is incurred in more than one income year. Entertainment expenses qualify as deductible election expenses only in very restricted circumstances.

For more information about deductions for election expenses, see *Taxation Ruling TR 1999/10 Income tax and fringe benefits tax: Members of Parliament – allowances, reimbursements, donations and gifts, benefits, deductions and recoupments*.

You must show as income at item **24** on your tax return a reimbursement in 2021–22 of any election expenses that you have claimed as a deduction in 2021–22 or a previous year.

## Income protection, sickness and accident insurance premiums

You can claim the cost of any premiums you paid for insurance against the loss of your income. You must include any payment you received under the policy for loss of your income at items **1**, **2** or **24** on your tax return.

You cannot claim a deduction for a premium or any part of a premium which you paid under a policy to compensate you for such things as physical injury. Life insurance, trauma insurance and critical care insurance are some types of policies for which premiums are not deductible.

You cannot claim a deduction for a premium where the policy is taken out through your superannuation fund and the premiums are deducted from your superannuation contributions.

## Foreign exchange losses

Unless you carried on a business and have included all your foreign exchange losses (forex losses) in calculating your business net income or loss at item **15**, your deductible forex losses must be shown at this item (except any foreign source forex losses that you have included at

item **20**). Show any assessable foreign exchange gains (forex gains) at item **24** on your tax return.

Losses attributable to a fluctuation in a currency exchange rate or to an agreed exchange rate differing from an actual exchange rate are brought to account when they are realised. This is when you:

- dispose of either foreign currency, or a right to such currency
- cease to have a right to receive or pay foreign currency, or
- cease to have an obligation to pay or receive foreign currency.

Some forex losses are not deductible, for example, forex losses of a private or domestic nature, or those relating to exempt income. In some cases, forex losses on the acquisition of capital or depreciating assets, or on the disposal of capital assets, are also not deductible. In these cases, the losses are integrated into or matched with the taxation treatment of the underlying asset.

In some circumstances, you may make an election that affects the realisation or treatment of a forex loss. You can find more information about the forex measures and how to calculate your forex losses at [Foreign exchange gains and losses](#).

## **Expenses related to income earned through the sharing economy or other marketplaces**

The sharing economy is economic activity through a digital platform (such as a website or an app) where people share assets or services for a fee. Amounts you receive are assessable income, even if you are not carrying on a business.

Include at this item expenses you incurred that relate to income you received from renting or hiring (sharing) out your assets through a digital platform.

If you own or lease an asset jointly, then you claim your deduction in proportion to your share of ownership.

Car expenses have special deduction rules, which do not apply to other vehicles such as trucks, motorbikes, bicycles, or self-drive recreational vehicles (RVs).

Caravan or RV expenses have special rules for calculating apportionment for income-producing and private use.

Also include at this item expenses you incurred that relate to income you received from providing services or completing tasks through a digital platform, except income earned as an employee of a digital platform.

Do not show expenses at this item related to:

- Income earned through sharing economy or market place activities where you are carrying on a business; show this amount at item **P8** (Business and professional items schedule).
- Rental income, such as renting all or part of your home; show this amount at item **21** on your tax return (supplementary section).
- Employee salary or wages; show this amount at the relevant deduction item **D1-D5** on your tax return.

You must apportion your expenses for private use. You can only claim deductions for your expenses to the extent that they relate to your income-producing activities. You may be able to claim fees or commission charged by a digital platform as a 100% deduction.

#### **See also**

- The sharing economy and tax

### **Peer-to-peer car sharing – car expenses**

If you share your car through a digital platform, you can deduct car expenses that directly relate to the income received for sharing out your car. These rules do not apply to other vehicles such as trucks, motorbikes, bicycles or self-drive recreational vehicles.

Car expenses include depreciation, interest, leasing payments, insurance and registration. They can also include service, repair, cleaning and fuel expenses if you incur those expenses under your car sharing agreement. Different agreements require either the car borrower or the car owner to bear the costs of refuelling the car. You are entitled to claim expenses only to the extent that you have incurred them.

In most cases, you will also use your car for private use. You can only claim deductions for your car expenses to the extent that they relate to your income-producing activities. This means you need to apportion any car expenses between private use and income-producing use.

If you own the car as an individual (or as partner in a partnership that has an individual partner), there are two methods of claiming car expenses:

- cents per kilometre
- logbook method.

**See also**

- Peer-to-peer car sharing deductions

## **Peer-to-peer caravan sharing – apportioning expenses**

If you share your caravan or RV and there is also private use during the year, you must apportion your expenses to account for the private use. You can only claim deductions for your expenses to the extent that they relate to your income-producing activities.

Private use includes any use by you, your family, relatives or friends which is free of charge or for a small fee to cover running costs. If your caravan or RV is rented or hired out to family, relatives or friends at below market rates, your deductions are limited up to the amount of the income you receive.

If you purchased or use your caravan or RV mainly for:

- private use – you can only claim deductions related to the periods when the caravan or RV is actually rented, any other time is considered private use, even if it is available for rent on the platform
- income-producing use – you're entitled to claim deductions for periods when the caravan or RV is rented or genuinely available for rent.

There are multiple factors you need to consider to determine whether your caravan or RV was genuinely available for rent.

**See also**

- Peer-to-peer caravan and RV sharing deductions

## **Debt deductions**

You may claim 'debt deductions' incurred in earning assessable income (for example, foreign source income that has been included at item **20** on your tax return) at this item, if you have not claimed them elsewhere on your tax return.

A 'debt deduction' is, broadly, an expense incurred in obtaining or maintaining a loan or other form of debt finance. Examples include interest, establishment fees, legal costs for preparing loan documents and fees charged by lending institutions for drawing on a loan facility.

If you were an Australian resident, you can claim debt deductions incurred in earning certain types of foreign non-assessable non-exempt income that were payments out of attributed controlled foreign company income or attributed foreign investment fund income.

You are not allowed to claim debt deductions disallowed under the thin capitalisation rules. Thin capitalisation rules may apply if:

- you were an Australian resident and you (or any associate entities) had certain overseas interests and your debt deductions combined with those of your associate entities were more than \$2 million for 2021–22, or
- you were a foreign resident with operations or investments in Australia and your debt deductions against Australian assessable income combined with those of your associate entities were more than \$2 million for 2021–22.

#### **See also**

- **Thin capitalisation**

Special rules apply to deductions for expenses that you incur in borrowing money that you use for producing assessable income. Examples of such expenses include establishment fees and legal costs for preparing loan documents. Interest expenses are not subject to these rules and are deductible in the year in which you incur them.

If the total of these expenses you incurred in 2021–22 is more than \$100 you have to deduct the expenses over the shorter of the following periods:

- the life of the loan, or
- five years from the date you first borrowed the money.

If the total of these expenses you incurred in 2021–22 is \$100 or less, you can deduct them immediately.

## **Section 40-880 deductions**

This section allows you to claim a deduction for certain business-related capital expenditure over five income years or immediately in

case of some start-up expenses.

## **Expenditure deductible over five income years**

Claim a section 40-880 deduction at this item if:

- you incurred the relevant capital expense, and
  - the expenditure relates to a business that was proposed at the time the expense was incurred
  - the business commenced by 30 June 2022, and
  - you are carrying on the business through a company or trust, or
- you incurred the relevant capital expense and the expenditure relates to a business which ceased in a previous income year and you carried on the business through a company or trust.

If you incurred relevant section 40-880 expenses in relation to a business which ceased in a previous income year and you carried on the business as a sole trader or through a partnership, claim the amount at item **P8** Business income and expenses on the *Business and professional items schedule for individuals 2022*. If this applies to you, then you should lodge your tax return using myTax or a registered tax agent.

If you are unable to use myTax or a registered tax agent, **contact us on 13 28 66** and we will mail you a paper tax return and Business and professional items schedule.

## **Certain start-up expenses**

From 1 July 2015, section 40-880 of the ITAA 1997 allows a taxpayer who is not in business, or who is a small business entity, to immediately deduct certain start-up expenses relating to the structure or operation of a business that is proposed to be carried on.

This was extended to medium businesses for expenses incurred from 1 July 2020.

Expenditure is fully deductible in the income year in which it is incurred if it:

- is incurred by you and you are a small or medium business entity, or you were not in business during the income year, and
- relates to a business that is proposed to be carried on, and

- is either
  - incurred for advice or services relating to the structure or operation of the business, or
  - paid to an Australian government agency in relation to setting up the business or establishing its operating structure.

If you incurred relevant section 40-880 expenses that do not qualify for immediate deduction and you had not commenced the business by 30 June 2022, your deduction for this amount will be deferred until the year in which the business activity commences. The deferred amount may be deducted in the income year in which the activity commences.

For more information about section 40-880 deductions, see [Guide to depreciating assets 2022](#).

## **Net personal services income loss of a personal services entity that related to your personal services income**

There are special rules for the income tax treatment of certain personal services income. Personal services income is income that is mainly a reward for your personal efforts or skills and is generally paid to you or to a personal services entity (being a company, partnership or trust).

Where the payment was made to a personal services entity and that entity incurred a personal services income loss relating to your personal services income, you can claim a deduction for that loss.

For more information about personal services income deductions, see [What to do when the PSI rules apply](#).

If you need help with these rules, [contact us](#).

## **Self-education expenses related to satisfying the study requirements of a taxable scholarship**

You may claim at this item expenses you incurred in meeting the study requirements of a taxable scholarship. However do not claim these expenses here if you were an employee of the provider; claim them at [D4 Work-related self-education expenses 2022](#).

Examples of expenses you can claim are textbooks, stationery, student union fees, student services and amenities fees, the decline in value of your computer and certain course fees.

You cannot claim a deduction for travel from your home to your normal place of education and back.

#### **See also**

- Self-education expenses calculator

## **Completing this item**

### **Step 1: Election expenses**

Add up all your deductible election expenses. Write the total amount at **E** item **D15** on page 15 of your tax return. Do not show cents. If you have no other expenses, go to [Check that you have...](#) otherwise, read on.

### **Step 2: Other expenses**

Print the type of expense you are claiming in the **Description of claim** box at item **D15**. If you are claiming for more than one type of expense, print 'multiple expenses' in the **Description of claim** box.

### **Step 3**

Add up all the other expenses that you are claiming at this item (excluding election expenses).

### **Step 4**

Write the amount from step **3** at **J** item **D15**. Do not show cents.

## **Check that you have...**

- written on your tax return the total amount of your deductible election expenses, if any
- printed on your tax return the type of other expenses you are claiming
- written on your tax return the total amount of all other expenses you are claiming.

## Where to go next

- Go to Total supplement deductions 2022.
- Return to main menu Individual tax return instructions 2022.
- Go back to question D14 Forestry managed investment scheme deduction 2022.

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## Total supplement deductions 2022

Complete the total supplement deductions section of your supplementary tax return.

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[Step 1](#)

[Step 2](#)

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[Step 4](#)

[Where to go next](#)

Did you claim any deductions at items D11 to D15?

No	Go to <a href="#">step 4</a> .
Yes	Go to step 1.

## Step 1

Add up all the deduction amounts in the right-hand column of items **D11** to **D15** on your tax return.

## Step 2

Write the total from step 1 at **Total supplement deductions** on page 15 of your tax return.

## Step 3

Transfer the amount you wrote at **Total supplement deductions** to **D** on page 4 of your tax return.

## Step 4

Go to **Total deductions 2022**; then work through the **Losses** section.

## Where to go next

- Go to question T3 Superannuation contributions on behalf of your spouse 2022.
- Return to main menu **Individual tax return instructions 2022**.
- Go back to question D15 Other deductions – not claimable at items D1 to D14 or elsewhere on your tax return 2022.

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