



Reporting non-resident foreign income

How to report non-resident foreign income in myTax, if you had a HELP, VSL or TSL liability.

Non-resident foreign income

How to report non-resident foreign income for a foreign resident with a HELP, VSL or TSL liability using myTax.

NRFI non-myTax amend

How to amend your non-resident foreign income form when using ATO online services.

QC 80088

myTax 2023 Non-resident foreign income

How to report non-resident foreign income for a foreign resident with a HELP, VSL or TSL liability using myTax.

Last updated 1 June 2023

On this page

Things to know

Completing this section

Simple self-assessment method

Comprehensive tax-based assessment method

Overseas assessed method

Things to know

Complete this section to report your worldwide income if you:

- were a part or full year foreign resident for Australian taxation purposes during the 2022–23 income year, and
- had a Higher Education Loan Program (HELP), VET Student Loan (VSL) or Trade Support Loan (TSL) liability on 1 June 2023.

Worldwide income is your:

- **repayment income**, and
- income earned from sources outside Australia while you were a foreign resident (your non-resident foreign-sourced income).

If you are a foreign resident for tax purposes and your worldwide income is above the **minimum repayment threshold**, you still need to make **repayments** on your HELP, VSL and TSL debt. Repayment may be in the form of a **compulsory repayment** and/or an overseas levy depending on how the worldwide income is made up. For more information see **Overseas obligations**.

For the period you were a **resident** during the year, show on your Australian tax return section all your income for that period, that is, both your Australian **repayment income** and any foreign-sourced income you earned as an Australian resident for taxation purposes.

For the period you were a **foreign resident** during the year, report all income earned from sources outside Australia in the Non-resident foreign income section. Continue to report any Australian income earned as a foreign resident in your Australian tax return section.

For more information about whether you were a **resident** or **foreign resident** for tax purposes see **Your tax residency**.

Completing this section

This section will assist you to determine the non-resident foreign-sourced income component of your worldwide income.

At **Personalise return**, you don't need to make a selection to show the non-resident foreign income section as it's always displayed at Prepare return when:

- you have a HELP, VSL or TSL debt, and
- your answer to the question **Were you an Australian resident for tax purposes from 1 July 2022 to 30 June 2023?** is **No**.

To show your non-resident foreign income, at **Prepare return** select 'Add/Edit' at the Non-resident foreign income banner.


At the **Non-resident foreign income** heading:

1. Select **Add** to provide the name of each country where you earned non-resident foreign income during the 2022–23 income year.
2. Select **Save**.
3. Enter your **Foreign occupation**.
 - Select the closest matching foreign occupation from which you earned the majority of your foreign-sourced income during the year.
 - If your occupation is not listed, or you were not employed (for example, you were an investor, retired or a pensioner), select 'Occupation not listed'.
4. Answer the question **Did you receive a foreign assessment that overlaps the Australian income year?**

For more information, see [Did you receive a foreign assessment that overlaps the Australian income year?](#)

 - If you answer **Yes**, enter the foreign assessment year **Start date** and **End date**. This will determine which assessment methods you are eligible to use.
5. Select an income assessment method to calculate your non-resident foreign sourced income.
6. Enter information into the corresponding fields:
 - [Simple self-assessment method](#)
 - [Comprehensive tax-based assessment method](#)

- [Overseas assessed method](#)

All amounts must be converted to Australian dollars before being reported, using the average annual exchange rate for the financial year most closely corresponding to the 2022–23 income year. For assistance converting your currency, you can use the [foreign income conversion calculator](#) .

7. Select **Save and continue** when you have completed the **Non-resident foreign income** section.

Did you receive a foreign assessment that overlaps the Australian income year?

Answer **Yes** if:

- you received a tax assessment for a 12 month period from a taxation authority of a foreign country (even if you didn't work for the full 12 months), and
- no other foreign tax authorities have made an assessment of your income for the periods of 12 months that overlap the 2022–23 income year.

Answer **No** if:

- you did not receive a tax assessment from a foreign tax authority, or
- you received a tax assessment that does not cover a 12 month period, or
- you received separate tax assessments from tax authorities of different foreign countries for 12 month periods that overlap the 2022–23 income year.

Simple self-assessment method

In this section

- [Gross amount of foreign-sourced income for the income year](#)
- [Standard deduction](#)

Gross amount of foreign-sourced income for the income year

Provide the gross amount of income you earned during the year from sources outside Australia while you were a foreign resident.

Standard deduction

This field can't be adjusted; we automatically calculate and apply the standard deduction for your occupation before calculating any overseas levy due.

If you have selected 'Occupation not listed' in the foreign occupation field (for example, if you are an investor, retired or a pensioner), no standard deduction can be calculated. The standard deduction amount applied to your gross income will be zero.

Depending on your personal circumstances, for example, if you have deductions that would be allowable under Australian tax laws, you may wish to use a different assessment method to determine the non-resident foreign-sourced income component of your worldwide income. For example, the [comprehensive tax-based assessment method](#) allows you to claim specific deductions relating to your income or financial circumstances.

Choose where to go next from the following:

- If you have entered information into the corresponding fields, go to [step 7](#).
- To select another income assessment method to calculate your foreign-sourced income, go to [step 5](#).

Comprehensive tax-based assessment method

Under the comprehensive tax-based assessment method, you assess your total foreign income using Australian taxation rules. Your foreign-sourced income is the difference between your total (pre-tax) foreign income and the deductions that would be allowable under the income tax law if that income was assessable in Australia.

This method allows you to claim specific deductions as if you were living and earning your income in Australia.

In this section

- [Gross foreign income when a foreign resident for tax purposes](#)

- [Foreign deductions when a foreign resident for tax purposes](#)
- [Net foreign income \(income less expenses\) when a foreign resident for tax purposes](#)

Gross foreign income when a foreign resident for tax purposes

Foreign-sourced income is income you earned from outside Australia when you were a foreign resident for tax purposes, for example, when working overseas.

You must report all the foreign-sourced income that you earned during the 2022–23 income year as a foreign resident for Australian tax purposes in this section. You must do this even if tax was taken out in the country where you earned the income. Remember to report all foreign source income earned while an Australian resident in your Australian tax return. For more information, see [Foreign source income and foreign assets or property](#).

This section includes:

- [Salary, wages](#)
- [Allowances](#)
- [Government allowances](#)
- [Pensions \(government pensions and superannuation\)](#)
- [Interest](#)
- [Dividends](#)
- [Other income](#)

You must provide the gross amount (pre-tax amount) of your foreign income. The foreign income you need to report may consist of the following:

Salary, wages

Income from salary or wages includes:

- salary and wages
- commissions
- bonuses

- income from part-time or casual work
- parental leave pay
- amounts for lost salary or wages paid under
 - an income protection policy
 - a sickness or accident insurance policy
 - a workers compensation scheme.

Allowances

Payments of income from working (other than salary or wages) include:

- employment allowances – for example, car, travel, meals, entertainment, tools, clothing, laundry and site allowances
- tips, gratuities
- consultation fees.

Government allowances

Government allowances include allowances paid to you by a foreign government that form part of your foreign-source income. For example:

- unemployment benefits
- education payments
- parenting payments
- other government provided income support.

Pensions (government pensions and superannuation)

Pensions include foreign government pension payments and superannuation income. Some types of government pensions are:

- age pension
- carer payment
- disability pension
- military pension.

Interest

Your foreign income may include any interest paid or credited to you from any source outside Australia, including:

- interest from savings accounts, term deposits and cash management accounts
- interest from children's savings accounts you opened or operated with funds that were yours or you used as if they were yours.

Dividends

Your foreign income may include dividends and distributions that were paid or credited to you by foreign companies while you were a foreign resident such as:

- dividends applied under a dividend reinvestment plan
- dividends that were dealt with on your behalf
- bonus shares that qualify as dividends
- distributions by a corporate limited partnership
- dividends paid by a corporate unit trust
- dividends paid by a public trading trust
- dividends paid by a listed investment company.

Note: If you received dividends from an Australian company while you were a foreign resident, this should be included in your Australian income tax return section.

Other income

Other income that may form part of your foreign income includes income you earned as a foreign resident such as:

- royalties
- bonus amounts distributed from friendly society income bonds
- scholarships, bursaries, grants or other educational awards
- income from activities as a 'special professional' that you have not included elsewhere on this form (author of a literary, dramatic, musical or artistic work, inventor, performing artist or active sportsperson)

- any **balancing adjustment** when you stop holding a depreciating asset (for example, because of its disposal, loss or destruction) for which you have claimed a deduction for depreciation or decline in value in previous years; your car, for example, is a depreciating asset
- payments made to you under an income protection, sickness or accident insurance policy where you were self-employed and the payments replaced income, that have not already been included elsewhere
- income you earned from the sharing economy or other marketplace, except
 - income from rent (shown at [Net rent](#))
 - income from carrying on a business (shown at [Net business income](#))
 - income from being an employee (shown at [Salary, wages](#)).

Foreign deductions when a foreign resident for tax purposes

You may be able to claim deductions for expenses you incurred in earning your foreign income. For example, work-related expenses you incurred while performing your job as an employee.

To claim a deduction for a work-related expense:

- you must have spent the money yourself and weren't reimbursed
- it must be directly related to earning your income
- you must have a record to prove it (usually a receipt).

Any expenses you claim must reflect the expenses that would be allowable as a deduction if the foreign income was assessable in Australia and the same record keeping rules apply. For more information, see **Claiming deductions**.

Deductions covered in this section:

- [Work-related – employee](#)
 - [Car](#)
 - [Travel](#)

- [Clothing](#)
- [Self-education](#)
- [Other expenses](#)
- [Depreciation](#)
- [Interest and dividends](#)
- [Undeducted purchase price \(UPP\) of a foreign pension](#)
- [Personal superannuation contributions](#)
- [Other](#)
- [Prior year tax losses](#)

Work-related – employee

You may be able to claim deductions for work-related expenses you incurred while performing your job as an employee.

You incurred an expense in an income year when:

- you received a bill or invoice for an expense that you were liable for (even if you paid it after the end of the income year), or
- you did not receive a bill or invoice but you were charged and you paid for the expense in the income year.

If an expense includes an amount of indirect tax such as a goods and services tax (GST) or a value added tax (VAT), the GST/VAT is part of the total expense and is therefore part of any deduction. For example, if you incurred union fees of \$440 which included \$40 GST/VAT, you claim a deduction for \$440.

Include here the total of the following work-related expenses incurred as an employee.

Car

Work-related car expenses are expenses you incurred as an employee for a car you:

- owned
- leased, or
- hired under a hire-purchase agreement.

For more information, including the methods to calculate deductions for car expenses, see **Car expenses**.

Travel

Work-related travel expenses are travel expenses you incur in performing your work as an employee. They include:

- public transport, air travel and taxi fares when travelling for work
- bridge and road tolls, parking fees and short-term car hire when travelling for work
- accommodation, meal and incidental expenses you incur while away overnight for work
- expenses for motorcycles and for vehicles with a carrying capacity of one tonne or more, or 9 or more passengers, such as utility trucks and panel vans
- actual expenses, such as petrol, repair and maintenance costs, you incur to travel for work in a car that is owned or leased by someone else.

Parking at, or travelling to, a regular workplace is not ordinarily considered to be a work-related use of the car.

If your employer provided a car for your or your relatives' exclusive use and you were entitled to use it for non-work purposes, you can't claim a deduction for its running costs, such as petrol, repairs or other maintenance. This includes a car provided under a salary sacrifice agreement. However, you can claim expenses such as parking, bridge and road tolls for work-related use.

Clothing

You can claim expenses you incurred as an employee for work-related:

- protective clothing
- uniforms
- occupation-specific clothing, and
- laundering and dry-cleaning of clothing listed above.

You can claim the cost of a compulsory work uniform that is distinctive (such as one that has your employer's logo permanently attached to it). It can be a set of clothing or a single item that identifies you as an

employee of an organisation. There must be a strictly enforced policy making it compulsory to wear that clothing at work. Items may include shoes, stockings, socks and jumpers where they are an essential part of a distinctive compulsory uniform and the colour, style and type are specified in your employer's policy.

You can also claim the cost of:

- occupation-specific clothing which isn't every day in nature and distinctly identifies you as a person with a particular profession, trade or occupation (such as a chef's chequered pants or a judge's robe). If the clothing may be worn by several professions, it is not considered occupation-specific
- protective clothing and footwear to protect you from the risk of illness or injury, or to prevent damage to your ordinary clothes, caused by your work or work environment. Items may include fire-resistant clothing, sun protection clothing, safety-coloured vests, non-slip nurse's shoes, steel-capped boots, gloves, overalls, aprons, and heavy-duty shirts and trousers (but not jeans). You can claim the cost of protective equipment, such as hard hats and safety glasses and other protective items due to COVID-19 at [Other expenses](#)
- renting, repairing and cleaning any of the above work-related clothing.
If you did washing, drying or ironing yourself, you can use a reasonable basis to calculate the amount, such as AUD\$1 per load for work-related clothing, or 50 cents (AUD) per load if other laundry items were included.

You can't claim the cost of buying, hiring, repairing or cleaning conventional clothing you bought to wear for work such as black trousers and a white shirt or suit, even if your employer says this is compulsory or you only wear it when you are at work.

'Conventional clothing' is everyday clothing worn by people regardless of their occupation – for example, business attire worn by office workers or jeans or drill shirts worn by tradespeople.

Self-education

You can claim self-education expenses that are related to your work as an employee and which you incur when you do a course to get a formal qualification from a school, college, university or other place of education.

To claim a deduction for self-education expenses, you must be able to show that there is a close connection between the course and your work activities at the time you incur the expenses.

You can claim a deduction if at the time you incurred the expenses:

- the course maintained or improved a skill or specific knowledge required for your work activities at that time, or
- you could show that the course was leading to, or was likely to lead to, increased income from your work activities at that time.

You can't claim a deduction for self-education expenses for a course that:

- relates only in a general way to your current employment or profession, or
- will enable you to get new employment.

You **can't** claim contributions you, or the Australian Government, made under the HECS-HELP or repayments you make under the Higher Education Loan Program (HELP), the VET Student Loan (VSL), the Student Financial Supplement Scheme (SFSS), the Student Start-up Loan (SSL) or the Trade Support Loan Program (TSL).

Examples of expenses you can claim are:

- textbooks
- stationery
- student union fees, student services and amenities fees
- the decline in value of your computer
- certain course fees.

Other expenses

Other work-related expenses are expenses you incurred as an employee and have not claimed above. These include:

- union fees and subscriptions to trade, business or professional associations
- professional seminars, courses, conferences and workshops
- reference books, technical journals and trade magazines

- the work-related portion of safety items such as hard hats, safety glasses, sunscreens, and other protective items due to COVID-19
- the work-related proportion of some computer, phone and home office expenses
- the work-related portion of **tools and equipment and professional libraries** (you may be able to claim an immediate deduction for the full cost of depreciating assets costing \$300 or less; for more information see **Guide to depreciating assets**)
- **COVID-19 test expenses**

You **can't** claim a deduction for the decline in value of items provided to you by your employer, or if your employer paid or reimbursed you for some or all of the cost of those items, and the benefit was exempt from fringe benefits tax.

For your **working from home expenses**, you can either:


- use the revised fixed rate method – 67 cents (AUD) per hour worked from home – this rate covers the additional running expenses that you incurred for:
 - energy expenses (electricity and/or gas)
 - internet and data expenses
 - mobile and/or home telephone expenses
 - stationery and computer consumables.
- use the actual cost method to claim the actual work-related portion of all your running expenses, which you need to calculate on a reasonable basis.

Depreciation

You may be able to claim a deduction for the decline in value of a depreciating asset which you held during the income year to the extent that you used it to produce income that you have reported in the non-resident foreign income section.

Depreciating assets include items such as tools, reference books, computers and office furniture.

You may be able to claim an **immediate deduction for the full cost of depreciating assets costing \$300 or less**. You can use the

[Depreciation and capital allowance tool](#)  to work out your deduction if the cost is not fully deductible.

Interest and dividends

Interest

Include any allowable expenses that you would be entitled to claim if the foreign income you reported in the Non-resident foreign income section was assessable income in Australia. Expenses include:

- bank or other financial institution account-keeping fees for accounts held for investment purposes
- fees for investment advice relating to changes in the mix of your investments
- interest you paid on money you borrowed to purchase income-producing investments.

If you had a joint account or if you shared an interest-earning investment, claim only your share of the joint expenses.

If you borrowed money to purchase assets for your private use and income-producing investments, you can claim only the portion of the interest expenses relating to the income-producing investments.

You can claim a proportion of the decline in value of your computer based on the percentage of your total computer use that related to managing your investments. If you have different investments, such as interest-earning investments and shares, claim this deduction only once.

Dividends

Include any expenses you incurred earning the gross foreign dividends you reported. Expenses include:

- fees for investment advice relating to changes in the mix of your investments
- interest paid on money borrowed to purchase shares or similar investments
- costs relating to managing your investments, such as travel and buying specialist investment journals or subscriptions.

If you had joint share investments or similar shared investments, you can claim only your share of joint expenses.

If you borrowed money to purchase assets for your private use and income-producing investments, you can claim only the portion of the interest expenses relating to the income-producing investments.

You can claim a proportion of the decline in value of your computer based on the percentage of your total computer use that related to managing your investments. If you have different investments, such as interest-earning investments and shares, claim this deduction only once.

UPP of a foreign pension

You may be entitled to claim a deduction to reduce your reported foreign pension or annuity income if your pension or annuity has an undeducted purchase price (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.

For more information on pensions from another country, see **Undeducted purchase price (UPP) of a foreign pension or annuity**.

Personal superannuation contributions

You may be able to claim a deduction for after-tax personal superannuation contributions you made to a complying Australian superannuation fund or a retirement savings account (RSA) 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 this notice of intent on or before the day you report your 2023 non-resident foreign income, lodge your 2023 tax return or 30 June 2024, whichever is earlier

- your superannuation fund or RSA provider acknowledged your valid notice, and
- 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.

For more information, see **Personal superannuation contributions**.

Other

If you have other expenses that would be allowable as a deduction if your foreign income was assessable, which you have not been able to claim elsewhere in the Non-resident foreign income section, you can include them here.

For more information about what can be claimed, see **Other deductions**. Note that this link takes you to the Australian income tax return information and that some items which are specific to Australian residents don't apply in your situation.

Prior year tax losses

If you have a foreign tax loss from an earlier income year which you have not claimed as a deduction, you can include it here.

You may have a foreign tax loss this year which you may be able to claim as a deduction. You must complete this section whether or not you are able to claim a deduction for the loss this year.

If you have foreign tax losses from more than one earlier income year you should generally deduct the earliest losses first.

To complete this field you will need records of your tax losses from earlier income years.

Net foreign income (income less expenses) when a foreign resident for tax purposes

Net foreign income (gross foreign income less expenses) is from overseas business and investments you made as a foreign resident. This section covers:

- [net business income](#)
- [net personal services income](#)
- [net partnership and trust income](#)
- [net capital gains](#)
- [net rent](#)

You must include your net foreign income here.

Net business income

If you derived income or incurred a loss from any business carried on outside Australia while you were a foreign resident include it here. This includes:

- income or loss from being a sole trader
- income or a loss from a primary production business
- income or loss of an independent contractor working under a labour hire arrangement
- income or loss as a performing artist in a promotional activity
- any other business income or loss.


For more information, see **Business and professional items**.

Net personal services income

Complete this field if you received income from sources outside Australia for personal services you provided while you were a foreign resident sole trader and you did not:

- receive a personal services business determination in relation to your personal services income (PSI)
- satisfy the results test, or

- satisfy at least one of the other three personal services business tests
(if less than 80% of your PSI came from each client).

Personal services income (PSI) is income that is mainly a reward for an individual's personal efforts or skills. If more than 50% of the income you receive under a contract is for your personal efforts or skills, then all income from that contract is PSI. If 50% or less of the income you receive under a contract is for your personal efforts or skills, then none of the income for that contract is PSI. To work out whether your income is personal services income you can use the [Personal services income tool](#)  or see [Personal services income](#) for more information.

To work out your net personal services income, see [Business and professional items](#).

Net partnership and trust income

If you received income from partnerships or trusts outside Australia while you were a foreign resident include it here. Include your share of:

- **primary production** partnership income or loss, and
- **non-primary production** partnership income or loss.

If the partnership in which you were a partner paid you salary, wages or allowances, you must show that income here.

If you received, or were entitled to, a distribution of trust income, you must enter that amount here.

Net capital gains

If your income from sources outside Australia while you were a foreign resident includes a capital gain or a capital loss made for an asset that is not **taxable Australian property** you hold or held during the year, include it here. Under the Australian tax law, for most CGT events, you make a:

- **capital gain** if the amount of money and property you received, or were entitled to receive, from the CGT event was more than the cost base of your asset; you may then have to pay tax on your capital gain
- **capital loss** if the amount of money and property you received, or were entitled to receive, from the CGT event was less than the reduced cost base of your asset.

There is a wide range of CGT events. The most common CGT event happens when you sell or give away a CGT asset. For more information, see [Capital gains or losses](#).

Net rent

Net rent is your rental income, less your rental expenses.

Rental income

Rental income is the full amount of money you earn when you rent out your property outside Australia (including renting out a room through the sharing economy) while you were a foreign resident.

You must include any bond money you:

- retained in place of rent, or
- kept because of damage to the property requiring repairs.

You must also include as rental income:

- an insurance payout for lost rent, or a reimbursement of any rental expenses, you claim in 2022–23 or in an earlier year
- fees retained from cancelled bookings.

Rental expenses

You can claim expenses relating to your rental property but only for the period your property was rented or genuinely available for rent, for example, advertised for rent without limiting its exposure to potential clients.

Expenses can include:

- advertising for tenants
- bank charges
- body corporate fees
- borrowing expenses
- council rates
- decline in value of depreciating assets
- gardening and lawn mowing
- insurance

- land tax
- pest control
- property agent fees or commissions
- repairs and maintenance
- stationery
- phone
- water charges.

If you were renting only part of your home – for example, a single room – you:

- can claim expenses:
 - relating to renting out only that part of the house
 - only for the period that part in your home was rented to a tenant. You can't claim deductions for expenses when the room is not rented.
- can't claim the total amount of the expenses – you need to apportion the expenses. As a general guide, you should apportion expenses on a floor-area basis based on the area solely occupied by the renter (user) and add to that a reasonable amount based on their access to common areas.

You can claim 100% of fees or commissions charged by a sharing economy facilitator or administrator.

For more information, see **Rent and Renting out all or part of your home**

Choose where to go next from the following:

- If you have entered information into the corresponding fields, go to [step 7](#).
- To select another income assessment method to calculate your foreign-sourced income, go to [step 5](#).

Overseas assessed method

In this section

- [Foreign assessment year](#)
- [Foreign tax country or jurisdiction](#)
- [TFN equivalent in the relevant tax jurisdiction](#)
- [Assessed income for the income year on the foreign tax assessment](#)

Foreign assessment year

Select your overseas tax assessment's income year.

If the overseas income year is from 1 January to 31 December, select the relevant calendar year. If the overseas income year covers 12 months over 2 calendar years, select the later year. For example, for the 2022–23 income year, select 2023.

Foreign tax country or jurisdiction

In most cases, the foreign tax country, or tax jurisdiction, will be the same country as your country of residence. However, if you live in a country that is different to the country that made the assessment, ensure you select the country that made the overseas assessment.

TFN equivalent in the relevant tax jurisdiction

Each tax jurisdiction uses an identifier for their taxpayers, whether it is an identity number to access all government services, or an identifier specific to that nation's revenue agency. You need to include the identifier.

Assessed income for the income year on the foreign tax assessment

Enter the income amount that appears on your foreign income tax assessment. That is, your income for taxation purposes according to the tax assessment you received from a taxation authority of the foreign country that made the assessment.

Choose where to go next from the following:

- If you have entered information into the corresponding fields, go to [step 7](#).

- To select another income assessment method to calculate your foreign-sourced income, go to [step 5](#).

QC 72342

2023 Non-resident foreign income

How to amend your non-resident foreign income form when using ATO online services.

Last updated 1 June 2023

On this page

Things to know

Non-resident foreign income section

Simple self-assessment method

Comprehensive tax-based assessment method

Overseas assessed method

Things to know

Part year and full year foreign residents for Australian tax purposes are required to report their worldwide income, if they had Higher Education Loan Program (HELP) debt, VET Student Loan (VSL) debt or Trade Support Loan (TSL) liability on 1 June 2023.

Worldwide income is your:

- repayment income
- Income earned from sources outside Australia while you were a foreign resident (your non-resident foreign-sourced income).

If you are a foreign resident for tax purposes and your worldwide income is above the **minimum repayment threshold**, you still need to make **repayments** on your HELP, VSL and TSL debt. Repayment may

be in the form of a compulsory repayment and/or an overseas levy depending on how the worldwide income is made up. For more information see **Overseas obligations**.

If you wish to update or correct a previously submitted form, follow these instructions.

Non-resident foreign income section

Foreign occupation

From the available occupations, select the closest matching occupation from which you earned the majority of your foreign-sourced income during the year.

If your occupation is not listed, or you were not employed (for example, you were an investor, retired or a pensioner), select 'Occupation not listed'.

Select the income assessment method to calculate your foreign-sourced income

There are three assessment methods available to determine your non-resident foreign-sourced income:


- [Simple self-assessment method](#)
- [Comprehensive tax-based assessment method](#)
- [Overseas assessed method](#)

The method you choose to determine your non-resident foreign-sourced income this year does not restrict your choice of method in a subsequent year.

Net non-resident foreign income

Enter the net amount of your non-resident foreign income calculated under the assessment method you are using for this amendment. To complete this field, follow the instructions for the assessment method you are using:

- [Simple self-assessment method](#)
- [Comprehensive tax-based assessment method](#)
- [Overseas assessed method](#)

All amounts must be converted to Australian dollars before being reported, using the average annual exchange rate for the financial year most closely corresponding to the 2022–23 income year. For assistance converting your currency, you can use the [foreign income conversion calculator](#) .

Simple self-assessment method

Under the simple self-assessment method, to assess your foreign-sourced income you must report:

- the occupation from which you derived the most foreign income for an income year
- your gross (pre-tax) foreign income earned.

Foreign-sourced income is the difference between your gross (pre-tax) foreign income and the standard deduction that applies to the occupation that you have selected. We automatically calculate and apply the standard deduction for your occupation before calculating any overseas levy due.

If you have selected 'Occupation not listed' in the foreign occupation field (for example if you are an investor, retired or a pensioner), no standard deduction can be calculated. The standard deduction amount applied to your gross income will be zero.

To amend your non-resident foreign income, you will need to enter your gross (pre-tax) non-resident foreign income in the net non-resident foreign income field and we will apply the standard deduction to that amount. We may contact you if we can't process your amendment so please ensure your contact details are up to date.


To select another method to calculate your foreign-sourced income, return to [select an income assessment method](#).

Comprehensive tax-based assessment method

The following information will help you to determine your net non-resident foreign-sourced income amount under the comprehensive tax-based assessment method.

Under this method, your foreign-sourced income is determined using Australian taxation rules. This income may be from one or a number of sources, for example, from investment income or from being an employee or sole trader.

Your foreign-sourced income is the difference between your total (pre-tax) foreign income and the deductions that would have been allowable under the income tax law if that income was assessable in Australia.

To complete your amendment, enter the net non-resident foreign income amount from your [worksheet \(XLSX, 14.7KB\)](#)  into the net non-resident foreign income field.

To select another method to calculate your foreign-sourced income, return to [select an income assessment method](#).

Gross foreign income when a foreign resident for tax purposes

Foreign-sourced income is income you earned from outside Australia when you were a foreign resident for tax purposes, for example, when working overseas.

You must report all the foreign-sourced income that you earned during the 2022–23 income year as a foreign resident for Australian tax purposes. You must do this even if tax was taken out in the country where you earned the income.

This section includes:

- [Salary, wages](#)
- [Allowances](#)
- [Government allowances](#)
- [Pensions \(government pensions and superannuation\)](#)
- [Interest](#)
- [Dividends](#)
- [Other income](#)

You must provide the gross amount (pre-tax amount) of your foreign income. The foreign income you need to report may consist of the following:

Salary, wages

Income from salary or wages includes:

- salary and wages
- commissions
- bonuses
- income from part-time or casual work
- parental leave pay
- amounts for lost salary or wages paid under
 - an income protection policy
 - a sickness or accident insurance policy
 - a workers compensation scheme.

Allowances

Payments of income from working (other than salary or wages) include:

- employment allowances – for example, car, travel, meals, entertainment, tools, clothing, laundry and site allowances
- tips, gratuities
- consultation fees.

Government allowances

Government allowances include allowances paid to you by a foreign government that form part of your foreign-source income. For example:

- unemployment benefits
- education payments
- parenting payments
- other government provided income support.

Pensions (government pensions and superannuation)

Pensions include foreign government pension payments and superannuation income. Some types of government pensions are:

- age pension
- carer payment
- disability pension
- military pension.

Interest

Your foreign income may include any interest paid or credited to you from any source outside Australia, including:

- interest from savings accounts, term deposits and cash management accounts
- interest from children's savings accounts you opened or operated with funds that were yours or you used as if they were yours.

Dividends

Your foreign income may include dividends and distributions that were paid or credited to you by foreign companies while you were a foreign resident such as:

- dividends applied under a dividend reinvestment plan
- dividends that were dealt with on your behalf
- bonus shares that qualify as dividends
- distributions by a corporate limited partnership
- dividends paid by a corporate unit trust
- dividends paid by a public trading trust
- dividends paid by a listed investment company.

Note: If you received dividends from an Australian company while you were a foreign resident, this should be included in your Australian income tax return section.

Other income

Other income that may form part of your foreign income includes income you earned as a foreign resident such as:

- royalties

- bonus amounts distributed from friendly society income bonds
- scholarships, bursaries, grants or other educational awards
- income from activities as a 'special professional' that you have not included elsewhere on this form (author of a literary, dramatic, musical or artistic work, inventor, performing artist or active sportsperson)
- any **balancing adjustment** when you stop holding a depreciating asset (for example, because of its disposal, loss or destruction) for which you have claimed a deduction for depreciation or decline in value in previous years; your car, for example, is a depreciating asset
- payments made to you under an income protection, sickness or accident insurance policy where you were self-employed and the payments replaced income, that have not already been included elsewhere
- income you earned from the sharing economy or other marketplace, except
 - income from rent (shown at [Net rent](#))
 - income from carrying on a business (shown at [Net business income](#))
 - income from being an employee (shown at [Salary, wages](#))

Foreign deductions when a foreign resident for tax purposes

You may be able to claim deductions for expenses you incurred in earning your foreign income. For example, work-related expenses you incurred while performing your job as an employee.

To claim a deduction for a work-related expense:

- you must have spent the money yourself and weren't reimbursed
- it must be directly related to earning your income
- you must have a record to prove it (usually a receipt).

Any expenses you claim must reflect the expenses that would be allowable as a deduction if the foreign income was assessable in

Australia and the same record keeping rules apply. For more information, see [Claiming deductions](#).

Deductions covered in this section:

- [Work-related – employee](#)
 - [Car](#)
 - [Travel](#)
 - [Clothing](#)
 - [Self-education](#)
 - [Other expenses](#)
- [Depreciation](#)
- [Interest and dividends](#)
- [Undeducted purchase price \(UPP\) of a foreign pension](#)
- [Personal superannuation contributions](#)
- [Other](#)
- [Prior year tax losses](#)

Work-related – employee

You may be able to claim deductions for work-related expenses you incurred while performing your job as an employee.

You incurred an expense in an income year when:

- you received a bill or invoice for an expense that you were liable for (even if you paid it until after the end of the income year), or
- you did not receive a bill or invoice but you were charged and you paid for the expense in the income year.

If an expense includes an amount of indirect tax such as a goods and services tax (GST) or a value added tax (VAT), the GST/VAT is part of the total expense and is therefore part of any deduction. For example, if you incurred union fees of \$440 which included \$40 GST/VAT, you claim a deduction for \$440.

Include here the total of the following work-related expenses incurred as an employee.

Car

Work-related car expenses are expenses you incurred as an employee for a car you:

- owned
- leased, or
- hired under a hire-purchase agreement.

For more information, including the methods to calculate deductions for car expenses, see **Car expenses**.

Travel

Work-related travel expenses are travel expenses you incur in performing your work as an employee. They include:

- public transport, air travel and taxi fares when travelling for work
- bridge and road tolls, parking fees and short-term car hire when travelling for work
- accommodation, meal and incidental expenses you incur while away overnight for work
- expenses for motorcycles and for vehicles with a carrying capacity of one tonne or more, or 9 or more passengers, such as utility trucks and panel vans
- actual expenses, such as petrol, repair and maintenance costs, you incur to travel for work in a car that is owned or leased by someone else.

Parking at, or travelling to, a regular workplace is not ordinarily considered to be a work-related use of the car.

If your employer provided a car for your or your relatives' exclusive use and you were entitled to use it for non-work purposes, you can't claim a deduction for its running costs, such as petrol, repairs or other maintenance. This includes a car provided under a salary sacrifice agreement. However, you can claim expenses such as parking, bridge and road tolls for work-related use.

Clothing

You can claim expenses you incurred as an employee for work-related:

- protective clothing
- uniforms
- occupation-specific clothing
- laundering and dry-cleaning of clothing listed above.

You can claim the cost of a compulsory work uniform that is distinctive (such as one that has your employer's logo permanently attached to it). It can be a set of clothing or a single item that identifies you as an employee of an organisation. There must be a strictly enforced policy making it compulsory to wear that clothing at work. Items may include shoes, stockings, socks and jumpers where they are an essential part of a distinctive compulsory uniform and the colour, style and type are specified in your employer's policy.

You can also claim the cost of:

- occupation-specific clothing which isn't every day in nature and distinctly identifies you as a person with a particular profession, trade or occupation (such as a chef's chequered pants or a judge's robe). If the clothing may be worn by several professions, it is not considered occupation-specific
- protective clothing and footwear to protect you from the risk of illness or injury, or to prevent damage to your ordinary clothes, caused by your work or work environment. Items may include fire-resistant clothing, sun protection clothing, safety-coloured vests, non-slip nurse's shoes, steel-capped boots, gloves, overalls, aprons, and heavy duty shirts and trousers (but not jeans). You can claim the cost of protective equipment, such as hard hats and safety glasses and other protective items due to COVID-19 at [Other expenses](#)
- renting, repairing and cleaning any of the above work-related clothing.
If you did washing, drying or ironing yourself, you can use a reasonable basis to calculate the amount, such as AUD\$1 per load for work-related clothing, or 50 cents (AUD) per load if other laundry items were included.

You can't claim the cost of buying, hiring, repairing or cleaning conventional clothing you bought to wear for work such as black trousers and a white shirt or suit, even if your employer says this is

compulsory or you only wear it when you are at work. This is a private expense.

'Conventional clothing' is everyday clothing worn by people regardless of their occupation – for example, business attire worn by office workers or jeans or drill shirts worn by tradespeople.

Self-education

You can claim self-education expenses that are related to your work as an employee and which you incur when you do a course to get a formal qualification from a school, college, university or other place of education.

To claim a deduction for self-education expenses, you must be able to show that there is a close connection between the course and your work activities at the time you incur the expense.

You can claim a deduction if at the time you incurred the expenses:

- the course maintained or improved a skill or specific knowledge required for your work activities at that time, or
- you could show that the course was leading to, or was likely to lead to, increased income from your work activities at that time.

You can't claim a deduction for self-education expenses for a course that:

- relates only in a general way to your current employment or profession, or
- will enable you to get new employment.

You **can't** claim contributions you, or the Australian Government, made under the HECS-HELP or repayments you make under the Higher Education Loan Program (HELP), VET Student Loan (VSL), the Student Financial Supplement Scheme (SFSS), the Student Start-up Loan (SSL) or the Trade Support Loan Program (TSL).

Examples of expenses you can claim are:

- textbooks
- stationery
- student union fees, student services and amenities fees
- the decline in value of your computer

- certain course fees.

Other expenses

Other work-related expenses are expenses you incurred as an employee and have not claimed above. These include:

- union fees and subscriptions to trade, business or professional associations
- professional seminars, courses, conferences and workshops
- reference books, technical journals and trade magazines
- the work-related portion of safety items such as hard hats, safety glasses, sunscreens, and other protective items due to COVID-19
- the work-related proportion of some computer, phone and home office expenses
- the work-related portion of **tools and equipment and professional libraries** (you may be able to claim an immediate deduction for the full cost of depreciating assets costing \$300 or less; for more information see **Guide to depreciating assets**)
- **COVID-19 test expenses**

You **can't** claim a deduction for the decline in value of items provided to you by your employer, or if your employer paid or reimbursed you for some or all of the cost of those items, and the benefit was exempt from the fringe benefits tax.


For your **working from home expenses**, you can either:

- use the revised fixed rate method – 67 cents (AUD) per hour worked from home – this rate covers the additional running expenses that you incurred for:
 - energy expenses (electricity and/or gas)
 - internet and data expenses
 - mobile and/or home telephone expenses
 - stationery and computer consumables.
- use the actual cost method to claim the actual work-related portion of all your running expenses, which you need to calculate on a reasonable basis.

Depreciation

You may be able to claim a deduction for the decline in value of a depreciating asset which you held during the income year to the extent that you used it to produce income that you have included in the non-resident foreign income section.

Depreciating assets include items such as tools, reference books, computers and office furniture.

You may be able to claim an immediate deduction for the full cost of depreciating assets costing \$300 or less. You can use the [Depreciation and capital allowance tool](#)  to work out your deduction if the cost is not fully deductible.

Interest and dividends

Interest

Include any allowable expenses that you would be entitled to claim if the foreign income you reported in the non-resident foreign income section was assessable income in Australia. Expenses include:

- bank or other financial institution account-keeping fees for accounts held for investment purposes
- fees for investment advice relating to changes in the mix of your investments
- interest you paid on money you borrowed to purchase income-producing investments.

If you had a joint account or if you shared an interest-earning investment, you can claim only your share of the joint expenses.

If you borrowed money to purchase assets for your private use and income-producing investments, you can claim only the portion of the interest expenses relating to the income-producing investments.

You can claim a proportion of the decline in value of your computer based on the percentage of your total computer use that related to managing your investments. If you have different investments, such as interest-earning investments and shares, claim this deduction only once.

Dividends

Include any expenses you incurred earning the gross foreign dividends you reported.

Expenses include:

- fees for investment advice relating to changes in the mix of your investments
- interest paid on money borrowed to purchase shares or similar investments
- costs relating to managing your investments, such as travel and buying specialist investment journals or subscriptions.

If you had joint share investments or similar shared investments, claim only your share of joint expenses.

If you borrowed money to purchase assets for your private use and income-producing investments, you can claim only the portion of the interest expenses relating to the income-producing investments.

You can claim a proportion of the decline in value of your computer based on the percentage of your total computer use that related to managing your investments. If you have different investments, such as interest-earning investments and shares, claim this deduction only once.

UPP of a foreign pension

You may be entitled to claim a deduction to reduce your reported foreign pension or annuity income if your pension or annuity has an undeducted purchase price (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.

For more information on pensions from another country, see **Deductible amount of undeducted purchase price of a foreign pension or annuity.**

Personal superannuation contributions

You may be able to claim a deduction for after-tax personal superannuation contributions you made to a complying Australian superannuation fund or a retirement savings account (RSA) 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 this notice of intent on or before the day you report your 2023 non-resident foreign income, lodge your 2023 tax return or 30 June 2024, whichever is earlier
- your superannuation fund or RSA provider acknowledged your valid notice, and
- 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.

For more information, see [Personal superannuation contributions](#).

Other

If you have other expenses that would be allowable as a deduction if your foreign income was assessable, which you have not been able to claim elsewhere in the Non-resident foreign income section, you can include them here.

For more information about what can be claimed, see [Other deductions](#). Note that this link takes you to the Australian income tax return information and that some items which are specific to Australian residents don't apply in your situation.

Prior year tax losses

If you have a foreign tax loss from an earlier income year which you have not claimed as a deduction, you can include it here.

You may have a foreign tax loss this year which you may be able to claim as a deduction. You must complete this section whether or not you are able to claim a deduction for the loss this year.

If you have foreign tax losses from more than one earlier income year you should generally deduct the earliest losses first.

To complete this field you will need records of your tax losses from earlier income years.

Net foreign income (income less expenses) when a foreign resident for tax purposes

Net foreign income (gross foreign income less expenses) is from overseas business and investments you made as a foreign resident. This section covers:

- [Net business income](#)
- [Net personal services income](#)
- [Net partnership and trust income](#)
- [Net capital gains](#)
- [Net rent](#)

You must include your net foreign income here.

Net business income

If you derived income or incurred a loss from any business carried on outside Australia while you were a foreign resident include it here. This includes:


- income or loss from being a sole trader
- income or a loss from a primary production business
- income or loss of an independent contractor working under a labour hire arrangement
- income or loss as a performing artist in a promotional activity
- any other business income or loss.

For more information, see **Business and professional items**.

Net personal services income

Complete this field if you received income from sources outside Australia for personal services you provided while you were a foreign resident sole trader and you did not:

- receive a personal services business determination in relation to your personal services income (PSI)
- satisfy the results test, or
- satisfy at least one of the other three personal services business tests
(if less than 80% of your PSI came from each client).

Personal services income (PSI) is income that is mainly a reward for an individual's personal efforts or skills. If more than 50% of the income you receive under a contract is for your personal efforts or skills, then all income from that contract is PSI. If 50% or less of the income you receive under a contract is for your personal efforts or skills, then none of the income for that contract is PSI. To work out whether your income is personal services income you can use the [Personal services income tool](#) , or see **Personal services income** for more information.

To work out your net personal services income, see **Business and professional items**.

Net partnership and trust income

If you received income from partnerships or trusts outside Australia while you were a foreign resident include it here. Include your share of:

- primary production partnership income or loss, and
- non-primary production partnership income or loss.

If the partnership in which you were a partner paid you salary, wages or allowances you must show that income here.

If you received, or were entitled to, a distribution of trust income, you must enter that amount here.

Net capital gains

If your income from sources outside Australia while you were a foreign resident includes a capital gain or a capital loss made for an asset that

is not **taxable Australian property** you hold or held during the year, include it here. Under the Australian tax law, for most CGT events, you make a:

- **capital gain** if the amount of money and property you received, or were entitled to receive, from the CGT event was more than the cost base of your asset; you may then have to pay tax on your capital gain
- **capital loss** if the amount of money and property you received, or were entitled to receive, from the CGT event was less than the reduced cost base of your asset.

There is a wide range of CGT events. The most common CGT event happens when you sell or give away a CGT asset. For more information, see **Capital gains or losses**.

Net rent

Net rent is your rental income, less your rental expenses.

Rental income

Rental income is the full amount of money you earn when you rent out your property outside Australia (including renting out a room through the sharing economy) while you were a foreign resident.

You must include any bond money you:

- retained in place of rent, or
- kept because of damage to the property requiring repairs.

You must also include as rental income:

- an insurance payout for lost rent, or a reimbursement of any rental expenses, you claim in 2022–23 or in an earlier year
- fees retained from cancelled bookings.

Rental expenses

You can claim expenses relating to your rental property but only for the period your property was rented or genuinely available for rent, for example, advertised for rent without limiting its exposure to potential clients.

Expenses could include:

- advertising for tenants
- bank charges
- body corporate fees
- borrowing expenses
- council rates
- decline in value of depreciating assets
- gardening and lawn mowing
- insurance
- land tax
- pest control
- property agent fees or commissions
- repairs and maintenance
- stationery
- phone
- water charges.

If you were renting only part of your home – for example, a single room – you:

- can claim expenses:
 - relating to renting out only that part of the house
 - only for the period the room in your home was rented to a tenant. You can't claim deductions for expenses when the room is not rented.
- can't claim the total amount of the expenses – you need to apportion the expenses. As a general guide, you should apportion expenses on a floor-area basis based on the area solely occupied by the renter (user) and add to that a reasonable amount based on their access to common areas.

You can claim 100% of fees or commissions charged by a sharing economy facilitator or administrator.

For more information, see [Rent and Renting out all or part of your home](#).

Overseas assessed method

Under the overseas assessed method, your net non-resident foreign income amount is your income for taxation purposes according to the most recent tax assessment by a taxation authority of a foreign country.

If no tax was payable because the foreign income is below the foreign country's tax threshold, this option is still available provided there is an income assessment (provide your income for taxation purposes).

The assessment must cover a period of 12 months, even if income was not earned for the whole 12 months. If this period of 12 months overlaps with the Australian income year (1 July to 30 June), you can use the assessment.

You can't use this method of assessment if any of the following apply:

- the period of 12 months for which your income was assessed by a foreign taxation authority does not overlap with the relevant Australian income year that the assessment relates to. This is to ensure that you are reporting your income for a period of time as closely aligned as possible with the Australian income year
- multiple assessments of your income have been made by tax authorities of different foreign countries for periods of 12 months that overlap with the relevant Australian income year
- the most recent tax assessment made by a foreign tax authority has already been used to work out your foreign-sourced income for a previous income year.

TFN equivalent in the relevant tax jurisdiction

Each tax jurisdiction will use an identifier for their taxpayers, whether it is an identity number to access all government services, or an identifier specific to that nation's revenue agency. You need to include the identifier [here](#).

Net non-resident foreign income

Enter the income amount that appears on your foreign income tax assessment. That is, your income for taxation purposes according to the tax assessment you received from a taxation authority of the foreign country that made the assessment.

To select another method to calculate your foreign-sourced income, return to [select an income assessment method](#).

QC 72304

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.

Copyright notice

© Australian Taxation Office for the Commonwealth of Australia

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).