



Tax return

Instruction on how to complete each question in your paper tax return.

Completing individual information on your tax return 2018



Helps you to accurately complete individual information in your tax return and avoid delays in processing.

Income questions 1-12



How to complete income questions 1 to 12 in your paper tax return.

Deduction questions D1-D10



How to complete deduction questions D1 to D10 in your paper tax return.

Losses question L1



How to complete the losses question L1 in your paper tax return.

Tax offset questions T1-T2



How to complete the tax offset questions T1 and T2 in your

Medicare levy questions M1-M2



How to complete the Medicare levy questions M1 and M2 in your paper tax return.

Private health insurance policy details 2018



Complete this question if you were covered by private health insurance or paid for a dependant-person-only policy.

Adjustment questions A1-A4



How to complete the adjustment questions A1 to A4 in your paper tax return.

Income test questions IT1-IT8



How to complete the income test questions IT1 to IT8 in your paper tax return.

Spouse details – married or de facto 2018



Complete this question if you had a spouse during 2017-18.

Adjusted taxable income (ATI) for you and your dependants 2018



Work out your adjusted taxable income and if you're eligible for certain tax offsets.

Completing individual information on your tax return 2018

Helps you to accurately complete individual information in your tax return and avoid delays in processing.

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It is important that you complete the Individual information on pages 1 and 2 of your tax return accurately to avoid delaying your notice of assessment. We have provided explanations below for the tax-related items so that you can complete these sections correctly.

If you are not sure whether you have to lodge a tax return, see [Do you need to lodge a tax return? 2018](#).

Your tax file number

Your tax file number (TFN) is shown on your payment summary, as well as on your last notice of assessment. You do not have to quote your TFN on your tax return, but your assessment may be delayed if you do not.

If you are new to the tax system and don't have a TFN, go to ato.gov.au/tfn or phone **13 28 61**.

Are you an Australian resident?

You must print **X** in the **Yes** box if you were an Australian resident for tax purposes for all of 2017–18. If you were not an Australian resident for tax purposes for all of 2017–18 print **X** in the **No** box.

Generally, we consider you to be an Australian resident for tax purposes if:

- you have always lived in Australia or you have come to Australia and live here permanently
- you have been in Australia continuously for six months or more, and for most of that time you worked in the one job and lived at the same place
- you have been in Australia for more than six months during 2017–18, unless your usual home is overseas and you do not intend to live in Australia
- you go overseas temporarily and you do not set up a permanent home in another country, or
- you are an overseas student who has come to Australia to study and are enrolled in a course that is more than six months long.

If you need help in deciding whether or not you are an Australian resident for tax purposes, we have online tools to help you at **Work out your residency status for tax purposes**.

Has your residency status changed?

If your residency status for tax purposes changed during 2017–18, that is, you were an Australian resident for part of 2017–18, you will need to answer yes to this question and complete item **A2** on your tax return. We need this information to work out your tax-free threshold.

Were you in Australia on a 417 or 462 working holiday visa at any time during 2017–18?

If you were in Australia on a 417 or 462 working holiday at any time during 2017–18, you must complete item **A4** on your tax return. You must complete this item or you may be taxed at a higher tax rate.

Has any part of your name changed since completing your last tax return?

To find out how to update your name on our records, go to **Update your details** or phone **13 28 61**.

Will you need to lodge an Australian tax return in the future?

This may be your last tax return if:

- your annual taxable income in the future will be below the tax-free threshold (\$18,200 for 2018–19)
- your only source of income in the future will be an Australian Government pension
- you will become eligible for the seniors and pensioners tax offset in 2018–19, and your rebate income is below the threshold for lodging a tax return this year (for threshold levels and eligibility for 2017–18, see *Do you need to lodge a tax return? 2018*), or
- you are moving overseas permanently.

Depending on your situation, print **X** in the **Yes**, **No** or **Don't know** box.

Deceased estate

Print:

- **Deceased estate** on the top of page 1 of the tax return
- **X** in the **No** box at **Will you need to lodge an Australian tax return in the future?**

The executor or administrator of the estate must sign the tax return.

Electronic funds transfer (EFT)

Direct refund

We need your financial institution account details to pay any refund owing to you, even if you have provided them to us before. Joint accounts are acceptable.

Complete the following:

- BSB number (this number has six digits, do not include spaces or hyphens)
- account number (this number has no more than nine digits, do not include spaces or hyphens)
- account name, as it appears on the bank account records. Include all blank spaces where required. If the account name exceeds 32 characters, complete only the first 32 characters.

Private health insurance policy details 2018

Complete this question if you were covered by private health insurance or paid for a dependant-person-only policy.

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At any time during 2017–18:

- were you covered by a private health insurance policy, or
- did you pay for a dependent-child-only policy?

For this question, the definition of a dependent child is affected by the rules of your health fund. If you are under 25 years old and do not have your own policy, you may be covered as a dependent child on your family policy. If you are unsure about whether this applies to you, check your family private health insurance policy details or contact your insurer.

No	Go to question A1 Under 18 2018, or return to main menu Individual tax return instructions 2018.
Yes	Read on.

We will use the information you provide at this question to work out your share of any rebate entitlement. This may result in a tax offset or liability.

Answering this question

You will need a statement from your registered health insurer. If you did not receive a statement, contact your insurer.

If you were covered as a dependent child on a family policy, use the information shown on the statement for that policy.

Your tax return may be delayed if you do not use your statement or the pre-filling service and the private health insurance details you provide are incorrect.

If you are an overseas visitor who is not eligible for Medicare, and therefore not entitled to any private health insurance rebate, do not complete **Private health insurance policy details** on your tax return. For more information, see ato.gov.au/privatehealthinsurance.

Completing your tax return

Use the information shown on your statement to complete your tax return.

If you had more than one private health insurance policy, complete the following steps for each line of information on your statement for each policy.

If you are lodging a paper tax return and have more than four lines of information on your statement, you will need to provide additional information. Complete the following steps for the first four policies. Then on a separate sheet of paper, print **Schedule of additional information – Private health insurance policy details**. Print your name, address and tax file number and your answer for each step. Attach your schedule to page 3 of your tax return. Print **X** in the **Yes** box at **Taxpayer's declaration** question **2** on page 10 of your tax return.

Step 1

Transfer the health insurer **ID** shown at **B** on your statement to **B Health insurer ID** on page 7 of your tax return.

Step 2

Transfer your private health insurance membership number, shown at **C** on your statement to **C Membership number** on your tax return.

Step 3

Were you covered as a dependent child on a private health insurance policy?

Yes	You are not entitled to a private health insurance rebate, however you are exempt from paying the Medicare levy surcharge. Go to step 8 .
No	Read on.

Step 4

Transfer the whole dollar amount shown at **J** on your statement to **J Your premiums eligible for Australian Government rebate** on your tax return. Do not show percentage figures at **J**.

Step 5

Transfer the whole dollar amount shown at **K** on your statement to **K Your Australian Government rebate received** on your tax return. Do not show percentage figures at **K**.

Step 6

Transfer the number shown at **L** on your statement to **L Benefit Code** on your tax return.

Step 7

Working out your tax claim code

On 30 June 2018, were you

Single?	Go to step 8.
Married or de facto (including if your spouse died during 2017–18 and you did not have another	Go to step 9.

spouse before 30 June 2018)?	
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Step 8

Select the code letter that best describes your circumstances.

Tax claim codes – single

Code	Explanation
A	You have no dependants.
B	You have a dependent child (your child or a sibling who is dependent on you for economic support), or you paid for a dependent-child-only policy.
F	You were covered as a dependent child on a private health insurance policy.

Print the code letter in the **Tax claim code** box on your tax return. If you have more than one line of information to transfer from your statement to your tax return that relate to the same membership number, print the same code letter in the **Tax claim code** box in each line.

You have now finished this question, go to question **A1 Under 18 2018**.

Step 9

Are you claiming your spouse's share of the rebate?

You can choose to claim your spouse's share of the rebate on their behalf if both of you meet all of the following three criteria. Both of you:

- were covered under the same policy
- were covered for the same period of time
- were together on 30 June 2018.

Alternatively, your spouse can claim for both of you. You and your spouse must agree that only one of you will claim.

Yes	Print C in the Tax claim code box on your tax return. If you have more than one line of information to transfer from your statement to your tax return that relate to the same membership number, print C in the Tax claim code box in each line. Go to step 11.
No	Read on.

Step 10

Select the code letter that best describes your circumstances.

Tax claim codes – married or defacto

Code	Explanation
C	You are claiming your share of the rebate, or you are a parent claiming for a dependent-child-only policy.
E	Your spouse is claiming your share of the rebate.

Print the code letter in the **Tax claim code** box on your tax return. If you have more than one line of information to transfer from your statement to your tax return that relate to the same membership number, print the same code letter in the **Tax claim code** box in each line.

You have now finished this question, go to question **A1 Under 18 2018**.


Step 11

You must provide information about your spouse's private health insurance in the Private health insurance policy details section of your tax return.

You will need your spouse's private health insurance statement.

Repeat steps 1 to 6 using the information on your spouse's statement. Print **D** in the **Tax claim code** box on your tax return. If you have more than one line of information to transfer from your spouse's statement to your tax return, print **D** in the **Tax claim code** box in each line.

Tax tip

To check whether your health insurer is a registered private health insurer, see the [Australian Prudential Regulation Authority](#) .

Where to go next

- Go to question A1 Under 18 2018.
- Return to main menu Individual tax return instructions 2018.
- Go back to question M2 Medicare levy surcharge.

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Spouse details – married or de facto 2018

Complete this question if you had a spouse during 2017–18.

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Your spouse includes another person (of any sex) who:

- you were in a relationship with that was registered under a prescribed state or territory law
- although not legally married to you, lived with you on a genuine domestic basis in a relationship as a couple.

You must complete this section if you had a spouse during 2017–18.

In 2017–18, did you have a spouse?

No	Go to Checklist – tax return 2018, or return to main menu Individual tax return instructions 2018.
Yes	Read on.

If your spouse's income for any of the labels below is zero, you must write **0** at those items on your tax return.

Answering this question

You will need details of your spouse's income. These can be obtained from:

- your spouse
- your spouse's **Tax return for individuals 2018** and **Tax return for individuals (supplementary section) 2018** if your spouse needed to complete them
- your spouse's *PAYG payment summary – individual non-business*
- the relevant distribution statements, if any, for trust income and family trust distribution tax
- if your spouse had child support obligations, the details of the amount of child support they paid (your spouse can get this information from Services Australia)
- if your spouse received foreign income, the details of the amount of foreign income received
- if your spouse had financial investment losses, the net financial investment loss amount
- if your spouse had rental property losses, the net rental property loss amount
- if your spouse has claimed a deduction for personal superannuation contributions, the details of the amount claimed.

Including your spouse's income is important as it is used to work out whether:

- you are entitled to a rebate for your private health insurance
- you are entitled to the seniors and pensioners tax offset

- you are entitled to a Medicare levy reduction
- you must pay Medicare levy surcharge.

Seek the information required at this item from your spouse, whether they need to lodge or not. If you cannot find out any of the amounts required, you can make a reasonable estimate.

You will not be penalised for an incorrect estimate if you acted reasonably and in good faith.

If you had more than one spouse during 2017–18, complete this section with the details for your last spouse in 2017–18.

Completing your tax return

Step 1

Print your spouse's name in the boxes provided on page 8 of your tax return.

Step 2

Write your spouse's date of birth at **K** and print **X** in the relevant box for your spouse's gender (male, female or **indeterminate**).

Indeterminate includes non-binary. Your spouse's gender is important for assisting us to correctly identify your spouse.

Step 3

If you had a spouse for the full year, 1 July 2017 to 30 June 2018, print **X** in the **Yes** box at **L**.

If you did not have a spouse for the full year, print **X** in the **No** box at **L** and write the dates you had a spouse in 2017–18 at **M** and **N**.

If your spouse died during 2017–18 and you did not have another spouse before 1 July 2018, print **X** in the **Yes** box to the right of 'Did your spouse die during the year?' This information is used to calculate your **M2 Medicare levy surcharge 2018** and **T5 Total net medical expenses 2018**.

Step 4

If you had a spouse during 2017–18, follow the instructions below. You must complete labels **O** to **F**. If you were unable to obtain the information about your spouse's income, provide the best estimate possible.

At **O**, write your spouse's 2017–18 taxable income. You will usually find this amount on your spouse's tax return or notice of assessment. If this amount is zero or a loss, write **O**.

At **T**, write any amount of net income of a trust that the trustee was liable to pay tax on because your spouse was under a legal disability, for example, they were a person who:

- is bankrupt
- was declared legally incapable because of a mental condition, or
- was under 18 years old on 30 June 2018.

Do not include any amount that has already been included in your spouse's taxable income, for example, at **O**. If this amount is zero, write **O**. Check the trust distribution statements.

At **U**, write the total distributions to your spouse on which family trust distribution tax has been paid which they would have had to show as assessable income if the tax had not been paid. If this amount is zero, write **O**. Check the trust distribution statements.

At **R**, write the amount shown at **N** item **IT1** on your spouse's tax return. If this amount is zero, write **O**.

At **S**, write the amount shown at **W** item **IT1** on your spouse's tax return. If this amount is zero, write **O**.

At **P**, write the amount of Australian Government pensions and allowances that your spouse received in 2017–18 (not including exempt pension income). If this amount is zero, write **O**. Australian Government pensions and allowances are listed at **6 Australian Government pensions and allowances 2018**.

At **Q**, write the amount of any of the following exempt pension income that your spouse received in 2017–18:

- disability support pension paid under Part 2.3 of *Social Security Act 1991*
- wife pension paid under Part 2.4 of *Social Security Act 1991*

- carer payment paid under Part 2.5 of *Social Security Act 1991*
- invalidity service pension paid under Division 4 of Part III of the *Veterans' Entitlements Act 1986*
- partner service pension paid under Division 5 of Part III of the *Veterans' Entitlements Act 1986*.

Make sure you include only your spouse's exempt pension income. If this amount is zero, write **0**.

Do not include at **Q** any of the exempt payments listed at **B**.

At **A**, write your spouse's reportable superannuation contributions. Reportable superannuation contributions are the sum of reportable employer superannuation contributions and deductible personal superannuation contributions (see **D12 Personal superannuation contributions 2018**). If this amount is zero, write **0**.

Step 1

Add up the reportable employer superannuation contributions amounts shown at **T** item **IT2** on your spouse's tax return.

Step 2

If your spouse claimed a deduction for personal superannuation contributions at item **D12** on their tax return (supplementary section), add the deduction amount to the result from step 1.

Step 3

Write the result, your spouse's reportable superannuation contributions amount, at **A**.

At **B**, write the amount of the following tax-free government pensions your spouse received for 2017–18 (do not include these at **Q** above):

- a special rate disability pension under Part 6 of Chapter 4 of the *Military Rehabilitation and Compensation Act 2004*
- a payment of compensation under section 68, 71 or 75 of the *Military Rehabilitation and Compensation Act 2004*
- a payment of the weekly amount mentioned in paragraph 234(1)(b) of the *Military Rehabilitation and Compensation Act 2004*
- a pension for defence, peacekeeping or war-caused death or incapacity or any other pension granted under Part II or Part IV of

the *Veterans' Entitlements Act 1986*

- income support supplement paid under Part IIIA of the *Veterans' Entitlements Act 1986*
- Defence Force income support allowance paid under Part VIIAB of the *Veterans' Entitlements Act 1986*.

If this amount is zero, write **0**.

At **C**, write the target foreign income your spouse received during 2017–18. Your spouse's target foreign income is:

- any income amount earned, derived or received from sources outside Australia for your spouse's own use or benefit that is neither included in your spouse's taxable income nor received in the form of a fringe benefit, or
- periodic payments or benefits by way of gifts or allowances from a source outside Australia that are neither included in your spouse's taxable income nor received in the form of a fringe benefit.

It includes any foreign income that is not taxable in Australia. You must include any exempt foreign employment income shown at **N** item **20** on your spouse's tax return (supplementary section). All foreign income must be converted to Australian dollars before you complete **C**. If your spouse's target foreign income amount is zero, write **0**.

At **D**, write your spouse's total net investment loss. Your spouse's total net investment loss is the sum of any net financial investment loss and any net rental property loss. The information and worksheets at questions **IT5** and **IT6** will help you to complete **D**. If your spouse's total net investment loss is zero, write **0**.

At **E**, write the total amount of child support your spouse provided to another person. The amount of child support provided is the total amount of any payments or benefits that your spouse was required to pay or provide to another person to maintain their natural or adopted child. However, you do not count any payments or benefits made or provided to you by your spouse unless you live apart on a permanent or indefinite basis. If the total amount of child support your spouse provided to another person is 0, write **0**.

At **F**, write the superannuation lump sum that you included at **k** in worksheet 1 for item **M2 Medicare levy surcharge 2018**, if it was part of your spouse's taxable income. If this amount is zero, write **0**.

Step 5

If you **do not** consent to use part or all of your 2018 tax refund to repay any Family Assistance debt of your spouse, print **X** in the **No** box. You have finished this section.

If you do consent, read below.

Answer yes to this question only if **all** of the following apply to you.

- You were the spouse of a family tax benefit (FTB) claimant or the spouse of a child care benefit claimant on 30 June 2018 and your income was taken into account in their claim.
- Your spouse has given you authority to quote their customer reference number (CRN) on your tax return (if your spouse does not know their CRN, they can contact Services Australia).
- Your spouse has a Family Assistance debt due to Services Australia or expects to have a Family Assistance debt for 2018.
- You expect to receive a tax refund for 2018.
- You consent to use part or all of your refund to repay your spouse's Family Assistance debt.

If you consent, print **X** in the **Yes** box. You must complete your spouse's CRN at **Z**, and sign and date the consent.

Where to go next

- Go to Checklist – tax return 2018.
- Return to main menu Individual tax return instructions 2018.
- Go back to question IT8 Number of dependent children 2018.

QC 54266

Adjusted taxable income (ATI) for you and your dependants 2018

Work out your adjusted taxable income and if you're eligible for certain tax offsets.

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[How to work out ATI](#)

We use ATI to work out if:

- you can claim a tax offset for
 - net medical expenses for disability aids, attendant care or aged care (item **T5**)
 - invalid and invalid carer (item **T6**)
- you can include a base amount in the zone or overseas forces tax offset (item **T4**)
- your child is considered a dependant for Medicare levy purposes (item **M1**)
- you are entitled to government super contributions (item **A3**).

If you want to claim a tax offset at items **T5** or **T6**, or **T4** and you have dependants, you will need you and your dependant's ATI for the relevant period to work out:

- whether you are eligible for a tax offset, and
- the amount of any tax offset you are entitled to.

For the meaning of dependant and maintaining a dependant, see [Special circumstances and glossary 2018](#).

What is ATI?

A person's ATI is the sum of the following amounts:

- taxable income
- adjusted fringe benefits total, which is the sum of
 - reportable fringe benefits amounts received from employers exempt from fringe benefits tax under section 57A of the *Fringe*

Benefits Tax Assessment Act 1986 multiplied by 0.53, and

- reportable fringe benefits amounts from employers not exempt from fringe benefits tax under section 57A of the *Fringe Benefits Tax Assessment Act 1986*

- reportable employer superannuation contributions
- deductible personal superannuation contributions
- certain tax-free government pensions or benefits received by the person
- target foreign income (income and certain other amounts from sources outside Australia not included in your taxable income or received as a fringe benefit)
- net financial investment loss (the amount by which the person's deductions attributable to financial investments exceeded their total financial investment income)
- net rental property loss (the amount by which the person's deductions attributable to rental property exceeded their rental property income)

less

- any child support payments the person provided to another person.

How to work out ATI

You can use either our [Income tests calculator](#) or [worksheet 1a and 1b](#). If you use the calculator and have to either work out a dependant's ATI for part of the year or a deceased's ATI, you need to read the instructions below.

Working out the ATI of a person for the whole year

If you are working out the ATI of a person for the whole year, you can get the amounts for **worksheet 1b** from the person's tax return. **Table 1** shows you where the relevant amounts are on the tax return.

Table 1 – Working out ATI

For Worksheet 1b	The amount comes from
a	Taxable income or loss on page 4 of the tax return
b	The sum of: <ul style="list-style-type: none"> • N item IT1 on page 8 of the tax return, multiplied by 0.53 and rounded down to the nearest dollar, and • W item IT1 on page 8 of the tax return
c	T item IT2 on page 8 of the tax return
d	H item D12 on page 15 of the supplementary section of the tax return
e	U item IT3 on page 8 of the tax return
f	V item IT4 on page 8 of the tax return
g	X item IT5 on page 8 of the tax return
h	Y item IT6 on page 8 of the tax return
j	Z item IT7 on page 8 of the tax return.

Working out a dependant's ATI for part of the year

If you are working out a dependant's ATI for part of the year, you cannot use the figures from their tax return. Instead, you must work out the amounts for the relevant period and complete the calculator or worksheet using these figures. The instructions at each offset question will tell you what to do.

Completing a tax return for a deceased person

If you are completing a tax return for a deceased person, or your spouse died during the year and you need to know their ATI for the whole of 2017–18, their ATI is the amount in the calculator or at row **k** below:

- divided by the number of days the person was alive in 2017–18, and
- multiplied by 365.

This is the deceased person's ATI for the whole of 2017–18.

Working out a person's ATI for the relevant period

Determine the period for which you need to work out the person's ATI (start date and end date).

Worksheet 1a – Working out a person's ATI for the relevant

	You	Dependant 1	Dependant 2	Depe :
The start date for which you need to work out the person's ATI	1/7/2017			
The end date for which you need to work out the person's ATI	30/6/2018			

Worksheet 1b - Working out a person's ATI for the relevant

Row	Calculation	You	Dependant 1	Dependant 2

a	The person's taxable income for the period. If taxable income is a loss, write 0	\$	\$	\$
b	The person's adjusted fringe benefits for the period	\$	\$	\$
c	The person's reportable employer superannuation contributions for the period	\$	\$	\$
d	The person's deductible personal superannuation contributions for the period	\$	\$	\$
e	The person's tax-free government pensions or benefits for the period	\$	\$	\$
f	The person's target foreign income for the period	\$	\$	\$
g	The person's net financial investment loss for the period	\$	\$	\$
h	The person's net rental	\$	\$	\$

	property loss for the period			
i	Add all the amounts from rows a to h	\$	\$	\$
j	Child support the person provided to a third party for the period	\$	\$	\$
k	Take row j away from row i . This is the person's ATI for the period	\$	\$	\$

QC 54267

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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