

DEPRECIATION SCHEDULE 2001 INSTRUCTIONS

TAXPACK REFERRED PUBLICATION

2000-01



Do you need to complete a Depreciation schedule 2001?

You do not need to complete a *Depreciation schedule 2001* if you are a small business taxpayer as defined on page 15 in the *Guide to depreciation*.

If you are not a small business taxpayer within the definition on page 15 of the *Guide to depreciation* and have included an amount of more than \$1000 at either of these labels—depreciation expenses and depreciation deducted—on a 2001 tax return or on the *2001 business and professional items schedule*, you are required to complete and attach a *Depreciation schedule 2001* to your 2001 income tax return.

What you may need:

- the relevant income tax return instructions or *Business and professional items* (NAT 2543—6.2001).
- The *Guide to depreciation* (NAT 1966—6.2001). This publication also includes a Depreciation worksheet and a Low-value pool worksheet to assist you in completing this schedule.
- Taxation Ruling TR 2000/18—Income tax: depreciation effective life*
- Taxation Ruling IT 2685—Income tax: depreciation*

To find out how to get these publications:

- visit our Internet site at www.ato.gov.au
- ring our Publications Distribution Service on **1300 720 092** or
- visit an ATO office.

General information

The *Depreciation schedule 2001* has three separate components:

- At the top of the schedule include your:
 - tax file number
 - entity's name
 - Australian Business Number and
 - signature as prescribed in tax return.
- Part A** requires information only on depreciable assets, other than buildings, first depreciated in this income year. If you did not complete the **Depreciable assets purchased** label on your tax return or on the 2001 business and professional items schedule you do not need to complete part A of this schedule. Go directly to **part B**.
- Part B** requires information on all your depreciable assets other than buildings used for producing assessable income.

Part A Depreciable assets purchased in the 2000–01 income year

Notes

- The sum of labels **A**, **B**, and **C** must equal the **Depreciable assets purchased** label on your tax return or on the *2001 business and professional items schedule*. This includes only the assets you begin to depreciate for this income year. Assets you acquired this year but did not begin to depreciate for this year are not included. You will include them in the year you begin to depreciate them.

- The cost for depreciation purposes of assets included in the **Depreciable assets purchased** label may differ from their purchase price. See the relevant tax return form instructions for more details.

Item 1 Depreciable assets (excluding motor vehicles) Assets each costing less than \$1000

Label A

Write at **A** the total cost for depreciation purposes of all your depreciable assets (other than motor vehicles) costing less than \$1000 each, which were first depreciated during this income year.

Item 2 Depreciable assets (excluding motor vehicles) Assets each costing \$1000 or more

Label B

Write at **B** the total cost for depreciation purposes of all your depreciable assets (other than motor vehicles) costing \$1000 or more each, which were first depreciated during this income year.

Item 3 Motor vehicles

Label C

Write at **C** the total cost for depreciation purposes of motor vehicles which were first depreciated during this income year.

Item 4 Self-assessed effective life

For each depreciable asset you begin to depreciate in this income year you must have adopted either the effective life as determined by the Commissioner of Taxation in *Taxation Ruling IT 2685—Income tax: depreciation* or *Taxation Ruling TR 2000/18—Income tax: depreciation effective life*, or estimated its effective life yourself (self-assessed). The *Guide to depreciation* explains the options available to calculate effective life.

Label D

Write at **D**, **Y** (for yes) if you have self-assessed the effective life of **any** of your depreciable assets shown at **A**, **B** or **C**, first depreciated this income year. If you answered **Y** (for yes) at **D**, you will need to complete **E** and/or **F**.

If you have adopted the Commissioner's effective life determination for **all** your depreciable assets first depreciated this income year write at **D**, **N** (for no). Go to **part B** of this schedule.

Label E

Write at **E** the total cost for depreciation purposes of all your depreciable assets (excluding motor vehicles) where you have:

- self-assessed the effective life of these assets **and**
- first depreciated them in this income year.

Label F

Write at **F** the total cost for depreciation purposes of all your motor vehicles where you have:

- self-assessed the effective life of these motor vehicles **and**
- first depreciated them in this income year.

Part B For all depreciable assets

Item 1 Information from depreciation worksheet

The *Depreciation worksheet* from the publication *Guide to depreciation* has been reproduced on the next page. The letters **G**, **H**, **I**, **J**, and **K** on

Worksheet 1—Depreciation

Primary production only ☐

Non-primary production only ☐

Date of addition or adjustment	Description of each unit	Adjustments		Cost of plant less adjustments	Opening written down value	Opening undeducted cost	Disposals				Depreciation			Closing written down value	Closing undeducted cost
		Details	Amount				Date	Termination value	Balancing adjustments	Assessable income	Deductible	Percentage rate or effective life	Prime cost		
							Totals							Totals	
							Loss relief offsets against other plants				Deduct for private use			Deduct for private use	
							Amount to be returned as income (Do not deduct from depreciation)				Amount to be claimed as a deduction (Do not include in Total depreciation)			Subtotals	
							G				H			I	
											J			Total depreciation	

the worksheet correspond to **G**, **H**, **I**, **J** and **K** on the *Depreciation schedule 2001*. In some cases you may have to use 2 worksheets for example, if you have both primary production and non-primary production depreciation. *Transfer* the amounts directly from the worksheet (or worksheets) to the relevant label on the schedule.

Label G

Write at **G** the total assessable income from balancing adjustments on disposal of depreciable assets. This amount can be found at **G** on the *Depreciation worksheet*. If you have not disposed of any depreciable assets in this income year leave this label blank.

Label H

Write at **H** the total deductible amount from balancing adjustments on disposal of depreciable assets. This amount can be found at **H** on the *Depreciation worksheet*. If you have not disposed of any depreciable assets in this income year leave this label blank.

Label I

Write at **I** the amount of your depreciation deduction calculated by using the prime cost method. This amount can be found at **I** on the *Depreciation worksheet*. If you have not calculated any of your depreciation deductions using the prime cost method leave this label blank.

Label J

Write at **J** the amount of your depreciation deduction calculated by using the diminishing value method. This amount can be found at **J** on the *Depreciation worksheet*. If you have not calculated any of your depreciation deductions using the diminishing value method leave this label blank.

Label K

Write at **K** the total closing tax written down value of all your depreciable assets. This amount can be found at **K** on the *Depreciation worksheet*.

Item 2 Are you eligible for the small business interim depreciation measures?

Pending the introduction of the Simplified Tax System due to take effect from 1 July 2001, interim depreciation measures apply to small business taxpayers who satisfy certain conditions. For these

taxpayers, the accelerated depreciation regime has been retained as one of the interim depreciation measures for assets acquired after 11.45 a.m. [by legal time in the Australian Capital Territory (ACT)] on 21 September 1999. The definition of a small business taxpayer and the conditions that have to be satisfied are contained in the *Guide to depreciation*.

Label L

Write at **L**, **Y** (for yes) if you are eligible for the small business interim depreciation measures and go to **M**.

If you are not eligible for the small business interim depreciation measures, write at **L**, **N** (for no) and go to **item 3**.

Label M

Write at **M**, **Y** (for yes) if you have used accelerated rates of depreciation for any depreciable assets you acquired since 11.45 a.m.(by legal time in the ACT) on 21 September 1999.

If you have **not** used accelerated rates of depreciation for any such assets (or if you have not acquired any assets since that time), write **N** (for no) at **M**.

You are not required to complete the remainder of this schedule. Ensure that you have completed the identification fields at the top of this schedule and that you have signed it.

Item 3 Low-value pool Assets worth less than \$1000

The *low-value pool worksheet* from the publication *Guide to depreciation* has been reproduced on the next page. The letters **N**, **O**, and **P** on the worksheet correspond to the labels **N**, **O** and **P** on the *Depreciation schedule 2001*. In some cases you may have to use 2 worksheets—for example, if you have both primary production and non-primary production depreciation. *Transfer* the amounts directly from the worksheet (or worksheets) to the relevant label on the schedule.

Label N

Write at **N**, the total cost for depreciation purposes of all your low-cost depreciable assets allocated to the low-value

Worksheet 2—low-value pool

Primary production only ☐

Non-primary production only ☐

1 Description of low-value plant (LVP)	2 Opening undeducted cost of LVP	3 Assessable income use (%)	4 Reduced cost of LVP (2 x 3)	5 Description of low-cost plant (LCP)	6 Cost of LCP	Adjustment		9 Adjusted cost (6 – 8)	10 Assessable income use (%)	11 Reduced cost of LCP (9 x 10)	Balancing adjustments				
						7 Details	8 Amount				12 Termination value (TV)	13 Assessable income use (%)	14 Reduced TV (12 x 13)		
			Subtotal	O				Total	N				Subtotal	E	
			Add opening balance of low-value pool	B	O*							E x 18.75%	F		
			Sum of O and B	C							Depreciation deducted (F + D)	G			
			C x 37.5%	D											
											Closing balance of low-value pool (C + E – G – H)			P	This will be the low-value pool opening balance for the next tax year.

* Opening balance of low-value pool for 2000–01 is zero.

Note: If amount at P is negative, include that amount in your assessable income as a balancing adjustment.

pool in this income year. This amount can be found at **N** on the *Low-value pool worksheet*.

Label O

Write at **O**, the total undeducted cost for depreciation purposes of all your low-value depreciated assets allocated to the low-value pool in this income year. This amount can be found at **O** on the *Low-value pool worksheet*.

Label P

Write at **P**, the closing balance of the low-value pool. For this opening year, this amount is equal to the sum of **N** and **O** less any depreciation claimed on these amounts and less any disposal proceeds of pooled assets. This amount can be found at **P** on the *Low-value pool worksheet*.

Item 4 New effective life

You have the option to work out a new effective life for assets you have already begun to depreciate in a previous income year if you conclude that the effective life you have been using is no longer accurate because of changed circumstances. The *Guide to depreciation* explains how you do this and contains examples of changed circumstances.

Note: Small business taxpayers using accelerated depreciation rates for their depreciable assets are not entitled to work out a new effective life for those assets.

Label Q

Write at **Q**, **Y** (for yes) if you have worked out a new effective life for any of your depreciable assets acquired since 11.45 a.m. on 21 September 1999. If you answered **Y** (for yes) at **Q**, you will need to complete **R** and/or **S**.

If you have not worked out a new effective life for any of your depreciable assets acquired since that time (or if you have not acquired any depreciable assets since that time), write **N** (for no) at **Q**.

You are not required to complete the remainder of this schedule. Ensure that you have completed the identification fields at the top of this schedule and that you have signed it.

Label R

Write at **R** the total opening undeducted cost of any depreciable assets (excluding motor vehicles) acquired since 11.45 a.m. on 21 September 1999 for which you have worked out a new effective life.

Label S

Write at **S** the total opening undeducted cost of any motor vehicles acquired since 11.45 a.m. on 21 September 1999 for which you have worked out a new effective life.

You have now completed this schedule. Ensure that you have completed the identification fields at the top of this schedule and that you have signed it.

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Depreciation schedule 2001

Use *Depreciation schedule 2001* instructions to complete this schedule. Do not use correction fluid or tape. Please print neatly in BLOCK LETTERS with a black or blue ballpoint pen only. Print one letter or number in each box.

Tax file number (TFN)
See privacy note below

Australian Business
Number

Name of entity

Signature as prescribed in tax return

Privacy: You do not have to quote your TFN. However, your assessment will be delayed if you do not quote your TFN. The ATO is authorised by the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997* to ask for information in this schedule. We need this information to help us to administer the taxation laws. We may give this information to other government agencies authorised by law to receive it—for example, benefit payment agencies such as Centrelink, the Department of Education, Training and Youth Affairs and the Department of Family and Community Services; law enforcement agencies such as the National Crime Authority; and other agencies such as the Child Support Agency and the Australian Bureau of Statistics.

Part A Depreciable assets purchased in the 2000–01 income year

- | | | | |
|----------|---|--|--|
| 1 | Depreciable assets (excluding motor vehicles)
Assets each costing less than \$1000 | A | <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . ⁰⁰ |
| 2 | Depreciable assets (excluding motor vehicles)
Assets each costing \$1000 or more | B | <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . ⁰⁰ |
| 3 | Motor vehicles | C | <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . ⁰⁰ |
| 4 | Self-assessed effective life

<i>Self-assessed depreciable assets
(excluding motor vehicles)</i>

Total cost for depreciation purposes | Have you self-assessed the ‘effective life’
of any of these assets?

E <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . ⁰⁰ | D Print Y for yes, <input type="text"/> or N for no. <input type="text"/> ➔ If yes, complete E and F .
If no, go to part B.

<i>Self-assessed motor vehicles</i>

F <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . ⁰⁰ |

Part B For all depreciable assets

- 1 Information from depreciation worksheet**

Total assessable income from balancing adjustments on disposal of depreciable assets	G	<input type="text"/>
Total deductible amount from balancing adjustments on disposal of depreciable assets	H	<input type="text"/>
Depreciation deducted—prime cost	I	<input type="text"/>
Depreciation deducted—diminishing value	J	<input type="text"/>
Total closing tax written down value of all depreciable assets	K	<input type="text"/>

2 Are you eligible for the small business interim depreciation measures? **L** Print **Y** for yes, or **N** for no. If yes, complete **M**. If no, go to items **3** and **4**.

Have you used accelerated depreciation rates for assets acquired since 11.45 a.m. on 21 September 1999? **M** Print **Y** for yes, or **N** for no. If yes or no, you have now completed this schedule.

3 Low value pool

Assets worth less than \$1000

New assets added to pool	N	<input type="text"/>
Existing assets added to pool	O	<input type="text"/>
Closing balance of pool	P	<input type="text"/>

4 New effective life Did you work out a new effective life for any of your assets acquired since 11.45 a.m. on 21 September 1999? **Q** Print **Y** for yes, or **N** for no. If yes, complete **R** and **S**. If no, you have now completed this schedule.

<i>Depreciable assets (excluding motor vehicles)</i>		<i>Motor vehicles</i>	
Total opening undeducted cost	R <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> .00	S <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> .00	