

# Fund income tax and regulatory return instructions 20001

---

## What's new?

---

- 13 month rule on prepaid expenses
- Depreciation
  - low-value pool
  - small business taxpayer
- Refund of excess imputation credits
- Tax losses and net capital losses

© Commonwealth of Australia 2001

This work is copyright. It may be reproduced in whole or part for internal use only. Reproduction for commercial use, sale or purposes other than those indicated above, requires the written permission of the Commonwealth available through InfoProducts.

Requests and inquiries should be addressed to the Manager, Legislative Services, InfoProducts, GPO Box 1920, Canberra ACT 2601.

## Foreword

This publication is to assist in the completion of the *Fund income and regulatory tax return*. This is **NOT** a guide to the income tax law. More detailed information is available in other publications.

Other publications you may need to refer to when completing the *Fund income and regulatory tax return* are:

- *Depreciation schedule instructions*
- *Foreign income return form guide*
- *Foreign investment funds guide*
- *Guide to capital gains tax*
- *Guide to depreciation*
- *Income Tax Assessment Act 1936*
- *Income Tax Assessment Act 1997*
- *Losses schedule instructions*
- *MCS instruction guide*
- *Schedule 25A instructions*
- *Self Managed Superannuation Funds—A do it yourself guide for trustees running a Self Managed Superannuation Fund*
- *What's new?*

Please get help from the Australian Taxation Office or a professional tax practitioner if you feel this publication does not fully cover your circumstances.

As part of our commitment to producing accurate publications, a taxpayer will not be subject to penalties if it is demonstrated that a tax claim is based on wrong information contained in this publication. However, interest could be payable depending on the circumstances of each case.

# Contents

<b>New schedules</b>	<b>1</b>
<i>Capital gains tax (CGT) schedule</i>	1
<i>Depreciation schedule</i>	1
<i>Losses schedule</i>	2
<i>Non-individual PAYG payment summary schedule</i>	2
<b>General information</b>	<b>3</b>
<b>Important messages</b>	<b>3</b>
Dividends, interest and royalties	3
Election to become a regulated fund	3
Penalty for failure to notify	3
Residency status	3
Self determination of foreign tax credits	3
Self managed superannuation fund	4
<b>Record keeping requirements</b>	<b>4</b>
Record keeping and retention of records	4
Capital gains tax record keeping	4
Tax losses record keeping	5
E-record	5
Record keeping for overseas transactions and interests	5
<b>Return form</b>	<b>5</b>
First fund return	5
Lodging the return, schedules, etc.	5
Annual levy	6
Superannuation surcharge and self-assessing superannuation providers	6
Assessment	6
Objection to self-assessment	6
Application to the Commissioner for a private ruling	6
Review rights	6
Withdrawals	7
<b>Payment arrangements</b>	<b>7</b>
Paying your tax debt	7
<b>Table 1</b> GIC rates for 2000–01 income year	7
What if the fund cannot pay the tax debt by the due date?	7
Penalties	7
<b>Completing the tax return</b>	<b>8</b>
Tax file number	8
Name of fund or trust	8
Australian Business Number	8
Previous name of the fund or trust	8
Current postal address	8
Postal address on previous return	8
Contact email address	8
Name of trustee and ABN	8
Hours taken to prepare and complete this return	8
Business postcode	8
Was the fund or trust wound up during the year?	8
Date wound up	8

<b>1 Superannuation fund number</b>	<b>9</b>
<b>2 Date of establishment of fund or trust</b>	<b>9</b>
<b>3 Status of fund or trust</b>	<b>9</b>
Membership industry classification	9
<b>Table 2</b> Membership industry classification codes	9
<b>4 Type of fund or trust</b>	<b>9</b>
<b>Table 3</b> Categories of funds or trusts	9
<b>5 Family trust/interposed entity election status</b>	<b>10</b>
Election status codes	10
<b>Table 4</b> Election status code—Family trust election	11
<b>Table 5</b> Election status code—Interposed entity election	11
Revocation	11
<b>6 Compliance status</b>	<b>12</b>
<b>7 Self managed funds—electronic only</b>	<b>12</b>
<b>Income tax calculation and information statement</b>	<b>13</b>
<b>8 Calculation statement</b>	<b>13</b>
Refund of excess imputation credits	13
Taxable income	13
Gross tax	13
Foreign tax credits	13
Rebates/tax offsets	13
Commonwealth loan interest rebate	13
Total of labels <b>D</b> and <b>C</b>	13
Tax payable	13
Section 102AAM interest charge	13
Credit for interest on early payments—amount of interest	14
<b>Table 6</b> Interest on early payments rates for 2000–01 income year	14
Credit for tax withheld where ABN not quoted	14
Other refundable credits	14
Total of labels <b>V</b> , <b>M</b> and <b>Q</b>	14
Subtotal	14
Instalment(s) paid	14
Total amount of tax payable (+) or refundable (–)	15
Record retention	15
<b>Tax file number</b>	<b>15</b>
<b>Information Statement</b>	<b>15</b>
<b>9 Income</b>	<b>15</b>
Did you have a CGT event during the year?	15
Print <b>Y</b> for yes or <b>N</b> for no at label <b>G</b>	15
Net capital gain	16
Gross rent and other leasing and hiring income	16
Gross interest	16
Continuously complying fixed interest ADFs	16
Gross Dividends	16
Unfranked amount	16
Franked amount	16
Imputation credit	17

Gross foreign income	17
Net foreign income	17
Gross taxable employer contributions	17
Pre-1 July 1988 funding credits	18
Gross taxable employee or depositor contributions	18
<b>Table 7</b> Superannuation age based limits	18
Transfers between superannuation funds	18
Approved deposit funds	18
Net private company dividends and other excessive non-arm's length income	18
Sections 288A and 288B net previous income	19
Gross distribution from partnerships	19
Gross payments where ABN not quoted	20
Gross distribution from trusts	20
<b>Table 8</b> Type of trust	20
<b>Table 9</b> Description of trusts	20
Other income	21
Total of above labels excluding label I	21
<b>9 Less</b>	<b>21</b>
Interest expenses within Australia	21
Interest expenses overseas	21
Total salary and wage expenses	21
Capital works deductions	22
Depreciation deducted	22
Group life and disability premiums	23
Management and administration expenses	23
Investment expenses	23
Other deductions	24
<b>Table 10</b> Other deductions	24
Potential detriment payments made after the death of a member	24
Claw back deductions	24
Environment protection expenditure	24
Transfer of taxable contributions	24
Tax losses deducted	25
Exempt current pension income	25
Exempt section 290A income	26
Continuously complying fixed interest ADFs	26
Taxable income or loss	26
<b>10 Losses information</b>	<b>26</b>
Tax losses carried forward to later income years	26
Net capital losses carried forward to later income years	26

<b>11 Other information</b>	<b>27</b>
Depreciable assets purchased	27
Depreciable assets sold	27
Do the new prepayment provisions apply?	27
Definition of a small business taxpayer	27
Transitional rules	27
<b>Table 11</b> Transitional rules summarised	28
Initial year 13 month prepaid expenses	28
Later year 13 month prepaid expenses	28
Tax shelter prepaid expenses	28
Transitional rules for prepaid expenses do not apply to tax shelters	29
Exclusions from the tax shelter rules	29
Calculating your deduction	29
Total investments	29
Number of members	29
Exempt section 274(7) contributions	29
Exempt section 275B contributions	29
<b>Attributed foreign income</b>	<b>30</b>
Broad-exemption listed country	30
Limited-exemption listed country	30
Unlisted country	30
FIF/FLP income	30
Tax spared foreign tax credits	30
<b>12 Landcare and water facility tax offset</b>	<b>30</b>
Landcare and water facility offset claimed	30
<b>Table 12</b> Type of expenditure	30
Landcare and water facility tax offset brought forward from prior years	31
<b>13 Internet transactions</b>	<b>31</b>
<b>Items 14 to 21</b>	<b>31</b>
<b>Note 1:</b> Agents for non-residents	31
<b>Table 13</b> Overseas transactions or interests Industry types	31
<b>Note 2:</b> Dividends as the only international transactions	31
<b>Note 3:</b> <i>Schedule 25A instructions</i>	31
<b>14 Overseas transactions</b>	<b>31</b>
<b>15 Interest in a foreign company or foreign trust</b>	<b>32</b>
<b>16 Foreign investment fund and foreign life insurance policy</b>	<b>32</b>
<b>17 Exempt current pension income</b>	<b>32</b>
<b>18 Death or disability deduction</b>	<b>32</b>
<b>19 Transfer of taxable contributions</b>	<b>32</b>
<b>20 Exempt income claim</b>	<b>32</b>
<b>21 Payments to contributing employers and associates</b>	<b>32</b>
<b>Regulatory information for self managed superannuation funds</b>	<b>32</b>
<b>22 Fund's auditor details</b>	<b>32</b>
<b>23 Which professional body does the auditor belong to?</b>	<b>32</b>
<b>Table 14</b> Professional Body/Qualification	32
<b>24 Is the auditor's report qualified?</b>	<b>33</b>
<b>25 Did the fund comply with all the relevant SIS requirements?</b>	<b>33</b>

<b>26 Audit qualification or non-compliance with SIS</b>	<b>33</b>
<b>27 Financial information</b>	<b>33</b>
Earnings—column 1	33
Asset values—column 2	33
<b>27(a) Managed investments</b>	<b>33</b>
Life insurance policies	33
Other managed investments	33
<b>27(b) Direct investments</b>	<b>33</b>
Overseas assets	33
Real property	33
Other property	33
Listed shares and equities	33
Unlisted shares and equities	33
Public trusts	34
Other trusts	34
Cash, debt securities and term deposits	34
Loans	34
Other	34
<b>28 In-house and related party assets</b>	<b>34</b>
Earnings—column 1	34
Asset values—column 2	34
In-house assets	34
Related party investments	34
Grandfathered investments	34
Transitional investments	34
Deemed trust investments	34
Any other investment	34
<b>29 Value of leased assets</b>	<b>34</b>
<b>30 Has the fund acquired assets from its members or a related party</b>	<b>34</b>
<b>31 Liability information</b>	<b>34</b>
Members entitlements	34
Borrowings	34
Other liabilities	34
<b>32 Fund expenditure</b>	<b>35</b>
Benefit payments	35
Outward roll-overs and transfers	35
Administration and investment expenses	35
Other expenses	35
<b>33 Contribution information</b>	<b>35</b>
Non-taxable contributions	35
Inward roll-overs and transfers	35
<b>Trustee declaration</b>	<b>35</b>
<b>Tax agent's declaration</b>	<b>35</b>
<b>Worksheets</b>	
<b>1 – Depreciation</b>	<b>36</b>
<b>2 – Low-value pool</b>	<b>37</b>



## **Appendices**

<b>1 – Checklist for self managed superannuation funds</b>	<b>38</b>
Purpose	38
How to use the checklist	38
Checklist	38
Purpose of fund	38
Responsibilities of trustees	38
Compliance	38
Set up of fund	38
Election	38
Tax file number and Australian Business Number	38
Separate bank account	38
Investment strategy	38
Accepting contributions	38
Investing	38
Transactions at arm's length	38
In-house assets	38
Paying benefits	38
Significant adverse event	39
Reporting requirements	39
Annual requirements	39
Record keeping	39
Tax matters	39
<b>2 – Capital works deductions</b>	<b>39</b>
Capital works	39
Who can claim?	39
Lessee of a building	39
Requirement for deductibility	39
No deduction until construction is complete	39
Establishing the deduction base	40
Construction expenditure	40
Construction expenditure area	40
Pool of construction expenditure	40
Deductible use	40
Special rules about uses	40
Calculation and rate of deduction	41
Capital works begun before 27 February 1992 and used as described in Table 43-140 of ITAA 1997	41
Capital works begun after 26 February 1992	41
Undeducted construction expenditure	41
Balancing deduction on destruction	41
<b>3 – Summary of special responsibilities of trustees</b>	<b>42</b>
<b>4 – Superannuation fund rates of taxation</b>	<b>43</b>
<b>5 – ATO locations</b>	<b>44</b>
<b>6 – Where to lodge your return and payment options</b>	<b>45</b>
Postal address for lodgment	45
Remittance advice	45
Payment options	45
<b>Glossary</b>	<b>46</b>
<b>Reference to Taxation Determinations and Taxation Rulings</b>	<b>47</b>
<b>Your helplines for further information</b>	<b>Inside back cover</b>

## New schedules

- Complete only ONE copy of the appropriate schedule.
- Attach all completed schedules to the return.

### **Capital gains tax (CGT) schedule**

A new Capital gains tax (CGT) schedule has been introduced for the 2000–01 and later income years. All funds that have one or more CGT events happen during the income year must complete and attach a *Capital gains tax (CGT) schedule* (CGT schedule) to the *Fund income tax and regulatory return* if:

- the total current year capital gains for the income year are greater than \$10 000
- the total current year capital losses for the income year are greater than \$10 000.

The publication *Guide to capital gains tax* will assist taxpayers to meet their CGT obligations by outlining the essential steps involved in calculating their net capital gain for the income year. It also includes:

- aspects of CGT law that may apply to the fund—for example, record keeping requirements
- a Capital gain or loss worksheet for calculating a capital gain or capital loss for each CGT event
- a CGT summary worksheet for calculating the fund's net capital gain or net capital loss for the income year
- the *Capital gains tax (CGT) schedule*.

To find out how to obtain a copy of the publication, see the inside back cover.

### **Depreciation schedule**

As a consequence of the number of legislative changes to the depreciation of plant, which took effect on 21 September 1999 and 1 July 2000 a new depreciation schedule has been introduced for the 2000–01 income year.

If you are a small business taxpayer—see

**Definition of a small business taxpayer** on page 27—do not complete a *Depreciation schedule*. If you are not a small business taxpayer and you have included an amount greater than \$1000 at label **W—Depreciation deducted** in the Information statement complete and attach a *Depreciation schedule* to the *Fund income tax and regulatory return*.

Some of the labels on **Worksheet 1—Depreciation** on page 35 and **Worksheet 2—Low-value pool** on page 36 require you to simply transfer amounts directly to the appropriate labels on the *Depreciation schedule*.

For more information on how to complete the worksheets refer to the publication *Guide to depreciation*. For more information on how to complete the *Depreciation schedule* refer to the publication *Depreciation schedule instructions*. To find out how to obtain copies of these publications, see the inside back cover.

## **Losses schedule**

The *Losses schedule* and, where relevant, the *Capital gains tax (CGT) schedule*, have replaced most of the labels relating to losses, that had been included in past returns. Totals of the amounts at **Part A** of the *Losses schedule* are transferred to the corresponding labels **U** and **V** at item 10 on the *Fund income tax and regulatory return*. Funds must complete and attach a schedule where:

- the total of tax losses and net capital losses carried forward to the 2001–02 income year is greater than \$100 000
- a deduction is claimed for film losses
- film losses have been carried forward to later income years
- a deduction is claimed for foreign source losses
- there are 'current year' foreign source losses
- foreign source losses have been carried forward to later income years
- a deduction is claimed for prior year controlled foreign companies (CFC) losses
- there are 'current year' CFC losses or
- there are CFC losses carried forward to later income years.

For more information, refer to the *Losses schedule instructions*. To find out how to obtain a copy and the *Losses schedule*, see the inside back cover.

If a fund needs to, under the above criteria, complete a *Losses schedule*, it may also be necessary for the fund to complete a *Capital gains tax (CGT) schedule*. For more information refer to the publication *Guide to capital gains tax*.

To find out how to obtain a copy, see the inside back cover.

## **Non-individual PAYG payment summary schedule**

Pay as you go (PAYG) withholding which commenced on 1 July 2000 replaced several old withholding systems. It also introduced several new withholding events including:

- business to business transactions where the payee—those people or businesses who receive payments from payers—does not quote an Australian Business Number (ABN)
- payments under a labour hire arrangement, or specified by regulations and
- payments made under a PAYG voluntary agreement.

If an amount from a payment was withheld by the payer—those people who make payments and withhold amounts from those payments—because the fund did not quote an ABN, the fund (payee) should have received a *Payment summary—withholding where ABN not quoted* from the payer.

A payer may issue a receipt, remittance advice or similar document in place of the approved form, *Payment summary—withholding where ABN not quoted*. Where the fund did not receive or has lost their copy of a payment summary, contact the payer responsible and request a signed photocopy of the payer's copy.

Details from any *Payment summary—withholding where ABN not quoted* must be included on a *Non-individual PAYG payment summary schedule*. To find out how to obtain a copy, see the inside back cover.

Complete a *Non-individual PAYG payment summary schedule* where amounts are reported at:

- label **L—Gross payments where ABN not quoted** in the Information statement
- label **M—Credit for tax withheld where ABN not quoted** in the Calculation statement.

When completing the schedule print neatly in BLOCK LETTERS with a black pen only.

Print the fund's TFN and name in the appropriate boxes at the top of the schedule.

From each *Payment summary—withholding where ABN not quoted*, record on the schedule:

- payer's ABN (or withholding payer number)
- total tax withheld
- gross payment and
- payer's name.

When details of all these payment summaries have been copied to the schedule, attach the schedule to the *Fund income tax and regulatory return*.

Copies of any *Payment summary—withholding where ABN not quoted* are not attached to the return but retained with the fund's copy of the return.

A copy of the schedule must also be retained with the fund's tax records.

## General information

### Important messages

#### Dividends, interest and royalties

For the purposes of the dividend, interest and royalty withholding tax provisions, the trustee of a superannuation fund is a non-resident if the superannuation fund is not a resident at that time. Foreign superannuation funds are exempt from Australian income tax and withholding tax on dividend, interest and royalty income derived in Australia. However, other non-resident superannuation funds are subject to withholding tax in Australia on the dividend, interest and royalty income they derive in the same way as other non-resident taxpayers.

#### Election to become a regulated fund

A trustee must elect to become 'regulated' under the *Superannuation Industry (Supervision) Act 1993* (SISA) if the fund wishes to receive concessional taxation treatment. The trustees of a new fund must, within 60 days after establishment of the fund, give the ATO a notice of election to be a regulated superannuation fund.

The trustee completes an *Application to Register for the New Tax System Superannuation Entity*.

To obtain a copy phone the Superannuation helpline on **13 1020**.

Once a trustee has elected to become regulated, the decision cannot be reversed—that is, the fund would have to be wound up to cease to be regulated under SISA and the *Superannuation Industry (Supervision) Regulations 1994* (SISR). When referring to both SISA and SISR the abbreviation used is SIS.

**Note:** If a fund switched Regulator during the period, there is no need to make a further election to be regulated with the new regulator, be it the Australian Prudential Regulation Authority (APRA) or the Australian Taxation Office (ATO), however the fund must complete an *Application to Register for The New Tax System Superannuation Entities Change of Details*. To find out how to obtain a copy, see the inside back cover.

#### Penalty for failure to notify

To avoid this penalty, notify the ATO of the PAYG amount deducted from employees due to be paid even if you cannot pay the full amount by the due date. If you are unable to make the payment contact the Small business helpline on **13 2866** before the due date to notify the amount that was withheld for the period and negotiate a payment arrangement.

#### Residency status

A fund is complying only if it is a resident fund at all times throughout the income year.

A fund is taxed as a resident if it was a resident at any time during the income year.

A superannuation fund is a resident fund at a particular time if:

- the fund either was established in Australia or, any asset of the fund is situated in Australia
- the central management and control of the fund is in Australia and
- if the fund has at least one active member, the total of accumulated entitlements of resident active members at the relevant time is 50 per cent or more of the total of accumulated entitlements of all active members. An active member is someone who has made contributions to the fund or someone for whom contributions have been made to the fund in the income year.

An approved deposit fund (ADF) is a resident ADF at a particular time if:

- either the fund was established in Australia or any asset of the fund is situated in Australia
- the central management and control of the fund is in Australia and
- the accumulated entitlements of resident members is 50 per cent or more of total assets of the fund.

**Note:** The Government announced in the *Assistant Treasurer's Press Release No 49 of 4 October 2000* that it intends to amend the residency status provisions of self managed superannuation funds in *Income Tax Assessment Act 1936* (ITAA 1936), so that central management and control is deemed not to cease in Australia. This is on the basis that the trustees have moved overseas temporarily and the move does not exceed 2 years or a later period allowed by the regulations.

The amendment will allow self managed superannuation funds including funds with only one active member to maintain their residence status and therefore their complying status where a member/trustee is required to transfer overseas temporarily.

#### Self determination of foreign tax credits

Where a fund has paid foreign tax and wishes to claim a credit for the foreign tax paid, the fund is required to calculate the amount of any such credit allowed and to show it at the appropriate label on the return. For more information on the calculation of foreign tax credits refer to the publication *Foreign income return form guide*. To find out how to obtain a copy, see the inside back cover.

For help with the calculation, or advice as to allowability of the credit, phone the Superannuation helpline on **13 1020**.

## Self managed superannuation fund

The ATO is now responsible for the regulation of funds that satisfy the definition of a self managed superannuation fund (SMSF) under SISA.

From 1 July 2000 a SMSF must lodge both its SISA and annual tax return details with the ATO by using the combined return—*Fund income tax and regulatory return*. Funds that are small APRA funds (SAFs) or other APRA regulated funds must use the combined form to lodge their tax return, but do not provide details in relation to SISA.

Where a fund decides to switch from one Regulator (ATO) to the other Regulator (APRA) or vice versa the fund is required to lodge its regulatory details in 2 separate returns. The fund completes the regulatory portion of the *Fund income tax and regulatory return* for the period it was regulated by the ATO and lodges a separate regulatory Annual Return with APRA for the period it was regulated by APRA.

Where the fund has switched regulators during the 2000–01 income year, trustees of:

- SMSFs must pay the annual \$45 superannuation supervisory levy to the ATO and
- SAFs must pay a separate lodgment levy to APRA.

## Record keeping requirements

### Record keeping and retention

Generally, a fund must keep all relevant records for 5 years after those records were prepared or obtained, or 5 years after the completion of the transactions or acts to which those records relate, whichever is the later, although this period may be extended in certain circumstances. Records must be in writing and in English, however they may be kept in an electronic form, or on microfiche on the condition that the records are in a form that ATO staff can access and understand to ascertain the fund's taxation liability—refer to *Taxation Ruling TR 96/7* and *Taxation Ruling TR 97/21*. To find out how to obtain a copy, see the inside back cover.

The fund is not expected to duplicate records.

Where the records that the fund normally keeps contain the information specified in the instructions, the fund need not prepare additional records.

For some items on the return, reference to specific record retention requirements is made in these instructions. In general, the records specified are intended to cover instances where the required information may not be available in the normal fund accounts. The record retention requirements within the instructions indicate the information that you use to calculate the correct amounts to declare in the return but is not an exhaustive list of the records that a fund maintains.

Documents that should be prepared and kept include:

- balance sheet
- detailed profit and loss statement—includes profit and loss appropriation account
- notices and elections
- documents containing particulars of any estimate, determination, or calculation made while preparing the return, together with details of the basis and method used in arriving at the amounts in the return
- a statement describing and listing the accounting systems and records—for example, chart of accounts that are kept manually and electronically.

If an audit is conducted, the ATO may request, and a fund is expected to make readily available:

- a list and description of the main financial products—for example, bank overdrafts, bills, futures and swaps—that were used by the fund to finance or manage its activities during the income year
- for funds that have entered into transactions with associated entities overseas:
  - an organisational chart of the group structure and
  - all documents, including worksheets, that explain the nature and terms of the transactions entered into.

The law imposes a tax shortfall penalty on a fund that does not state the correct amount of taxable income and tax payable thereon or overclaims a credit entitlement in the return. The law imposes a penalty where a fund fails to keep records in the required manner or it fails to retain records for the appropriate period.

Under SIS, SMSF trustees are required to:

- prepare minutes of trustee meetings and decisions—where matters effecting the fund were discussed
- prepare records of all changes of trustees
- keep copies of members written consent to be appointed as trustees
- keep copies of all annual returns lodged and
- keep copies of all reports given to members.

Records which relate to the management of the fund as required by SISA are kept for 10 years following the end of the income year to which they relate.

### Capital gains tax record keeping

For more information on record keeping for capital gains tax see the publication *Guide to capital gains tax*. To find out how to obtain a copy, see the inside back cover.

## Tax losses record keeping

The fund must keep a record of its tax losses and account for any adjustments including those made by the ATO. These records must be retained for 5 years after the end of the year in which the tax losses of the fund were fully applied.

## E-record

The ATO has developed E-record to assist small/micro businesses and non-profit organisations keep good business records electronically.

It is designed for businesses who use a cash basis of accounting and who wish to make the transition from paper based products to an electronic record keeping package. It is not designed for those businesses who are already using a commercially available accounting software package.

The E-record CD-ROM consists of 2 components:

- a multi-media component that contains information on record keeping and a demonstration—through examples—of how the E-record package works and
- a set of simple to use electronic worksheets that produce daily, weekly and monthly summaries, with the added benefit of automatic calculations and consolidations. This will assist businesses in the completion of their *Business Activity Statement* (BAS) from 1 July 2000.

For more information phone the business tax reform infoline—see the inside back cover.

## Record keeping for overseas transactions and interests

Keep records of any overseas transactions in which the fund is involved—or has an interest in—during the income year.

The involvement can be direct or indirect—for example, through persons, trusts, companies or other entities. The interest can be vested or contingent, and includes a case where the fund has direct or indirect control of:

- any income from sources outside Australia not disclosed elsewhere in the return or
- any property—including money—situated outside Australia. Where this is the case keep a record of the following:
  - the location and nature of the property
  - the name and address of any partnership, trust, business, company, or other entity in which the fund has an interest and
  - the nature of the interest.

If an overseas interest was created by exercising any power of appointment, or if the fund had an ability to control or achieve control of overseas income or property, keep a record of the following:

- the location and nature of the property and
- the name and address of any partnership, trust, business, company, or other entity in which the fund has an interest.

## Return form

### First fund return

Funds which are lodging their first return should have completed an *Application to Register for the New Tax System Superannuation Entity* to:

- be allocated a tax file number (TFN)
  - be allocated an Australian Business Number (ABN) or
  - make an election to become a regulated fund.
- To apply for a TFN only, complete a *Tax file number application for Companies and Other organisations*. To find out how to obtain a copy, see the inside back cover.

If you have completed an application but have not received notification at the time of lodging your return, you must include a copy of the relevant application with your return. If that is not possible complete a new application and lodge this with your return.

If you have not applied for a TFN, ABN or made an election, attach the appropriate completed application with your return.

A return lodged without an ABN or, in the case of funds established before 1 November 1999 a TFN, may experience delays in processing.

### Lodging the return, schedules, etc.

All funds—including funds providing pensions—whether they derive assessable income or, all of their investments are in a pooled superannuation trust (PST), life insurance company products or registered organisation and the tax liability on contributions received have been transferred under section 275 of ITAA 1936, must lodge a return for the relevant income year.

SMSFs are required to complete the regulatory information at items 22 to 33 on pages 6 to 8 of the *Fund income tax and regulatory return*.

Keep records so the information reported in the return can be verified at a later date, if required—see **Record keeping requirements** on page 4.

The address for lodging your return is listed at Appendix 6 on page 45.

Do NOT attach your payment to the return. Payment options are listed at Appendix 6 on page 45.

The following are the ONLY schedules that are sent with the return:

- *Capital gains tax (CGT) schedule*
- *Depreciation schedule*
- *Family trust election and/or family trust revocation*
- *Interposed entity election*
- *Losses schedule*
- *Non-individual PAYG payment summary schedule*
- *Schedule 25A*
- and any elections required by *Taxation Ruling IT 2624*. To find out how to obtain a copy, see the inside back cover.



Do NOT send other schedules or documents with your return. Keep these with your tax records.

The details of information required to be provided in the schedules and the date for their lodgment is notified in the *Commonwealth of Australia Gazette* (Gazette).

**Note:** Where a fund has switched Regulators during the year, the fund is required to lodge an Annual Return with APRA in respect of the period the fund was regulated by APRA.

### **Annual levy**

Those funds meeting the definition of SMSFs are required to pay an annual levy (\$45) on the basis of the lodgment of regulatory information to the ATO. Remittance advices are forwarded by the ATO to the registered address for service of the fund.

Where a fund was regulated by APRA at any time during the period a lodgment levy is also payable to APRA.

### **Superannuation surcharge and self-assessing superannuation providers**

Superannuation providers are required to lodge their Superannuation Surcharge Member Contributions Statements (MCS) by 31 October following the end of the income year. However, self-assessing superannuation providers (SASPs) can lodge their MCS by 31 March following the end of the income year. They are required to lodge their MCS by electronic transmission and must make payment of surcharge liabilities within 7 days of lodgment.

This arrangement for SASPs allows practitioners and fund administrators the opportunity to complete a range of related work at the one time—that is, income tax return, regulatory return and MCS lodgment.

To facilitate this process MCS lodgment has been merged into the electronic version of the *Fund income tax and regulatory return* for the 2000–01 income year.

For more information refer to the publication *What's new?* To find out how to obtain a copy, see the inside back cover.

### **Assessment**

Assessments of superannuation funds and PSTs, are deemed to be made on the day on which the return is lodged.

### **Objection to self-assessment**

The situation may occur where taxable income is calculated according to an ATO ruling or policy, which is unfavourable to the fund. The fund may dispute the ruling or policy by lodging an objection to the self-assessment with the return, or within 4 years of the deemed assessment date. The objection must state the full particulars of the issue in dispute. This is a basic guide only. For more information see the inside back cover.

### **Application to the Commissioner for a private ruling**

A private ruling is a written expression of opinion by the Commissioner of Taxation (Commissioner) about the way in which a section or provision of the income tax law would apply to a person in relation to an arrangement in respect of a specified income year.

An *Application for a private ruling* must be in writing and in accordance with the provisions of Part IVAA of the *Taxation Administration Act 1953* (TAA 1953). To find out how to obtain a copy of the application, see the inside back cover. The information and documentation that must accompany a private ruling request must be sufficient for the Commissioner to make a private ruling. Such information will include the parties involved, the facts, income years covered by the arrangement, issues and questions raised that relate to specified tax laws, and also an analysis and opinion on such questions.

The Commissioner may request additional information to make a ruling. The Commissioner will then consider the request and either issue—or in certain limited circumstances refuse to issue—a private ruling. For more information refer to *Taxation Ruling TR 93/1* and *Addendum*. To find out how to obtain a copy, see the inside back cover.

A fund may apply for a ruling affecting a member's income tax affairs with the written consent of the member.

### **Review rights**

Taxpayers can object against adverse private rulings in much the same way as they can object against assessments. They also can seek a review of adverse objection decisions on a private ruling by the Administrative Appeals Tribunal (AAT) or a court. An explanation of review rights and how to exercise them is issued with the private ruling. An objection to a ruling can be lodged within the later of:

- 60 days after the receipt of the ruling
- 4 years from the last day allowed for lodging a return for the income year covered by the ruling.

A taxpayer cannot object against a private ruling if an assessment has occurred covering the same facts and issues—the taxpayer could, of course, object against the assessment.

Where a taxpayer has objected against a private ruling, the taxpayer cannot object on the same grounds against a later assessment, unless the facts have changed.

Private rulings dealing with ITAA 1936 continue to apply to *Income Tax Assessment Act 1997* (ITAA 1997), to the extent that the old law ruled on expresses the same ideas as the new law in ITAA 1997—refer to *Taxation Ruling TR 97/16*. To find out how to obtain a copy, see the inside back cover.

## Withdrawals

A private ruling can be withdrawn in very limited circumstances at a later date by the Commissioner, but not so as to retrospectively affect the taxpayer's income tax position.

## Payment arrangements

### Paying your tax debt

Income tax debts must be paid by the due date.

For payment options see Appendix 6 on page 45.

The general interest charge (GIC) is payable for all outstanding income tax debts. The rate is updated quarterly.

**Table 1**

Quarter	GIC annual rate (simple interest)	GIC daily rate (compounding)
Jul–Sep 2000	14.00%	0.03825137%
Oct–Dec 2000	13.86%	0.03786885%
Jan–Mar 2001	13.86%	0.03797260%
Apr–Jun 2001	13.86%	0.03797260%

The ATO will adopt any appropriate collection approach to collect any tax outstanding.

These include telephone contact, letters, payment by instalments, serving 'garnishee' notices on your bank or debtors, and taking legal action in appropriate cases.

### What if the fund cannot pay the tax debt by the due date?

To avoid action being taken to recover the debt, telephone the Small business receivables management helpline on **13 1142**. Taxpayers are expected to organise their affairs to ensure that they pay their debts on time. Nevertheless, the ATO may allow taxpayers to pay their debts under a mutually agreed payment plan where they face genuine difficulty and have the capacity to pay the debt—and the GIC on outstanding amounts of tax. Approval to do this will not be given automatically. The trustee will need to provide details of the fund's financial position, including a statement of the fund's assets and liabilities and details of the fund's income and expenditure. The ATO will also want to know what steps the trustee has taken to obtain funds to pay the tax debt and the steps the trustee is taking to meet future tax debts on time.

## Penalties

The law imposes penalties on funds for:

- failing to lodge a return in time
- having a tax shortfall or overclaiming a credit that is caused by:
  - making a false or misleading statement
  - taking a position that is not reasonably arguable
- refusing to provide a return from which the Commissioner can determine a liability
- disregarding a private ruling
- failing to keep and produce proper records
- preventing access to premises and documents or
- failing to retain or produce declarations.

A fund is liable for the GIC where:

- tax remains unpaid after the due date for payment or
- a variation of the PAYG instalment rate is less than 85 per cent of the instalment rate which would have covered the fund's actual liability for the year.

For more information about the new administrative penalties refer to the publication *What's new?* To find out how to obtain a copy, see the inside back cover.



## Completing the tax return

Print neatly in BLOCK LETTERS, using a black or blue pen, with one letter in each box.

If typing or using a laser printer, you can type over the boxes using UPPERCASE only.

You may photocopy the return for your own records. However, only the original can be sent to the ATO.

**Note:** The *Fund income tax and regulatory return* has not been designed for typewriter use.

### Tax file number (TFN)

Print the TFN of the fund in the boxes provided on pages 1 and 3 of the return.

If the fund has not been allocated a TFN, see **First fund return** on page 5.

### Name of fund or trust

When recording the name of the fund or trust:

- show the fund name exactly as it appears on the fund's trust deed or other constituent document
- for subsequent returns, the fund name should be consistent from year to year unless the name changes.

If the fund name is legally changed, send written advice of the change to the ATO at the time the change is made. Show on the return the current (legal) fund name.

### Australian Business Number (ABN)

The ABN is the public identification system introduced to support business to government interactions across all agencies. An ABN will be allocated to new superannuation funds who lodge an *Application to Register for the New Tax System Superannuation Entity*.

Print the ABN of the fund in the boxes provided—if applicable.

Funds in existence before 1 November 1999 may obtain an ABN by lodging the *Application to Register for The New Tax System—Companies and Other Organisations* with the ATO.

Follow the instructions on the *Fund income tax and regulatory return* for the following items:

- **Previous name of the fund or trust**
- **Current postal address**
- **Postal address on previous return**

### Contact email address

The ATO may use this address as an alternative method for sending information or educational material direct to the nominated contact for the fund.

### Name of trustee and ABN

Show the full name of either the individual or corporate trustee, whichever applies. Where there is more than one trustee, show only one name.

Print the ABN in the boxes provided.

## Hours taken to prepare and complete this return

The ATO is committed to reducing the costs involved in complying with the fund's taxation and regulatory obligations. By completing label **J** the trustee will help us to monitor these costs as closely as possible. The trustee's response to this item is voluntary.

When completing this item consider the time, rounded up to the nearest hour, that the trustee spent:

- reading the instructions
- collecting the necessary information to complete this return
- making any necessary calculations
- actually completing this return and/or putting the tax affairs of the fund in order so the information can be handed to the fund's tax agent.

### Note:

- The answer should relate to the time both the trustee and tax agent spent in preparing and completing the return. This includes the time spent by any other person whose assistance was obtained in doing this—such as, an employee.
- Note to tax agents: If you are preparing this return on behalf of your client, include your time and a reliable estimate of their time.

### Business postcode

Show the postcode of the place where most of the business decisions of the fund or trust are made.

### Was the fund or trust wound up during the year?

Print **Y** for yes at label **K** if the fund or trust has been wound up, and all assets of the fund or trust have been distributed.

Print **N** for no at label **K** if the fund or trust is continuing or is in the process of winding up but still retains assets.

Funds or trusts which have transferred their liability for tax on contributions under section 275 of ITAA 1936, and have not wound up, print **N** in the box at label **K**.

### Date wound up

Show at label **L** the date the fund or trust ceased operations.

Each superannuation entity is required to lodge an annual return for each year of its operations, up to the date of its wind up.

## 1 Superannuation fund number

Show at label **A** the superannuation fund number. Up to 1 November 1999 APRA provided all funds seeking to be regulated for the purposes of SISA with a superannuation fund number (SFN). From 1 November 1999 all funds regulated by the ATO are not issued with a SFN. However, APRA will continue to use SFNs for funds under their regulation.

## 2 Date of establishment of fund or trust

Show at label **B** the date of establishment of the fund or trust.

The date of establishment is shown on the governing constituent document. If such a document is not available, provide the date on which the first contribution was made.

## 3 Status of fund or trust

Print **X** in the box to show whether the fund is a:

- **C1** resident or
- **C2** non-resident and either a:
  - **D1** superannuation fund
  - **D2** approved deposit fund (ADF) or
  - **D3** pooled superannuation trust (PST).

For more information on the residency status of a fund see page 3.

## Membership industry classification

**Note:** Superannuation funds lodging a return complete item E1. ADFs and PSTs do not complete item E1.

Print in the box the code from **Table 2** which best describes the industry in which most members of the fund are employed.

**Table 2**

Code	Membership industry classification
01	Primary production
02	Mining
03	Manufacturing
04	Building and construction
05	Electricity, gas and water
06	Transport, storage and communications
07	Wholesale and retail trade
08	Finance, insurance, real estate and business services
09	Health, education, welfare and community services
10	Entertainment, recreation, hotels, personal service and restaurants
11	Government

## 4 Type of fund or trust

**Note:** To find out if the fund needs to be regulated to obtain a complying fund status under SISA see item 6—**Compliance status** on page 12.

Print in the box the code from **Table 3** that best describes the type of fund or trust at balance date. Mark only one box.

**Table 3**

Code	Categories of funds or trusts
H1	SMSFs—a regulated fund administered by the ATO that has fewer than 5 members.
H2	Small APRA fund—a regulated fund administered by APRA that has fewer than 5 members. This category includes those employer sponsored or corporate funds, which have fewer than 5 members.
H3	Public offer fund or retail fund—a regulated fund consisting of pooled superannuation sold commercially through intermediaries such as life companies, bank subsidiaries, or financial planners. This category includes master trusts and personal superannuation products.
H4	Industry or award fund—a regulated fund maintained to accept superannuation contributions from unrelated employers in a particular industry.
H5	Employer sponsored or corporate fund—a regulated fund sponsored by a single non-government employer or a group of related employers, excluding industry funds.
H6	Public sector fund—a regulated fund established by or under a law of the Commonwealth or a State or Territory or a municipal corporation, another local governing body or public authority constituted by or under a law of the Commonwealth or a State or Territory.
H7	Non-regulated fund—a fund that does not satisfy the provisions of section 19 of SISA.
H8	Other—another type of regulated fund not included in the descriptions above.

## 5 Family trust/interposed entity election status

This item must be completed if any of the following apply. The trustee(s) of the fund or trust:

- has previously made a family trust election specifying the 1994–95, 1995–96, 1996–97, 1997–98, 1998–99 or 1999–2000 income year in accordance with section 272-80 of ITAA 1936 and, if applicable, items 22 or 22A of Schedule 1 to the *Taxation Laws Amendment (Trust Loss and Other Deductions) Act 1998* (Trust Loss Act) and that election has not been revoked in accordance with subsections 272-80(6) to (8) in an income year before the 2000–01 income year or
- is making a family trust election specifying the 2000–01 income year in accordance with section 272-80 of ITAA 1936 and/or
- has previously made one or more interposed entity elections specifying a day in the 1994–95, 1995–96, 1996–97, 1997–98, 1998–99 or 1999–2000 income year in accordance with section 272-85 of ITAA 1936 and, if applicable, items 23 or 23A of Schedule 1 to Trust Loss Act and/or
- is making one or more interposed entity elections specifying a day in the 2000–01 income year in accordance with section 272-85 of ITAA 1936 or
- is revoking from a time in the 2000–01 income year, a previously made family trust election in accordance with subsections 272-80(6) to (8) of ITAA 1936.

**Note:** Details of any family trust election the trustee(s) has previously made in accordance with section 272-80 of ITAA 1936 or, if applicable, items 22 or 22A of Schedule 1 to Trust Loss Act specifying an income year before the 2000–01 income year must have been provided in a *1999 family trust election and/or family trust revocation* or the *Family trust election and/or family trust revocation 2000* and details of any interposed entity elections the trustee(s) has made in accordance with section 272-85 of ITAA 1936 and, if applicable, items 23 or 23A of Schedule 1 to Trust Loss Act specifying a day in an income year before the 2000–01 income year must have been provided in a *1999 interposed entity election* or the *Interposed entity election 2000* that was either:

- included in the fund's return for the 1998–99 or 1999–2000 income year, respectively or
- if the fund was not required to lodge a return for the relevant year, sent to the ATO in accordance with the instructions to the *1999 interposed entity election* or the *Interposed entity election 2000*.

Election forms in relation to family trust and interposed entity elections made specifying an income year before the 2000–01 income year must not be attached to the *Fund income tax and regulatory return*.

**Note:** A family trust election can only be revoked by a trust which was a fixed trust at the beginning of the specified income year and which satisfies all of the conditions in subsections 272-80(6) to (8) of ITAA 1936.

If the trustee(s) has previously made a family trust election and/or one or more interposed entity election(s) specifying an income year before the 2000–01 income year, print the appropriate election status code in the box to the right of label I. However, a *Family trust election and/or family trust revocation 2001* and/or *Interposed entity election(s) 2001* in respect of these election(s) is not required to be attached to the *Fund income tax and regulatory return*.

If the trustee(s) is making a family trust election and/or one or more interposed entity election(s) specifying the 2000–01 income year, print the appropriate election status codes in the box to the right of label I and a *Family trust election and/or family trust revocation 2001*—if applicable—is completed specifying the 2000–01 income year and/or an *Interposed entity election 2001*—if applicable—is completed for each interposed entity election specifying a day in the 2000–01 income year and attached to the *Fund income tax and regulatory return*.

Instructions on how to complete the *Family trust election* and/or *family trust revocation 2001* and the *Interposed entity election 2001* are provided on the approved forms. For more information on approved forms refer to the publication *What's new?* To find out how to obtain a copy, see the inside back cover. If the *Fund income tax and regulatory return* is not lodged electronically using the electronic lodgment service (ELS), send the return including the *Family trust election and/or family trust revocation 2001* and/or the *Interposed entity election 2001* to:

**ATO Production  
Non-individuals  
P O Box 9990  
Box Hill VIC 3128**

### Election status codes

Print in the box to the right of label I the code from **Table 4** on page 11 for the income year which has been specified in the family trust election. If the trustee(s) of the fund or trust have not made nor are making a family trust election, do not choose a code from **Table 4**.

**Table 4**

Code	Income year specified in family trust election
A	1994–95
B	1995–96
C	1996–97
D	1997–98
E	1998–99
F	1999–2000
G	2000–01

Print in the box to the right of label **I** the code from **Table 5** for the income year which has been specified in the interposed entity election. Choose the code for the income year which has been specified in the interposed entity election made by the trustee(s)—if only one interposed entity election is made—or the earliest income year which has been specified in all of the interposed entity elections made by the trustee(s)—if more than one interposed entity election is or has been made. If the trustee(s) of the fund or trust has not made nor is making any interposed entity elections, do not choose a code from **Table 5**.

**Table 5**

Code	Income year specified in first interposed entity election
I	1994–95
J	1995–96
K	1996–97
L	1997–98
M	1998–99
N	1999–2000
O	2000–01

**Revocation**

Print code **R** in the box to the right of label **I** if the family trust election made by the fund or trust is being revoked from a time in the 2000–01 income year in accordance with subsections 272-80(6) to (8) of ITAA 1936.

**Example 1**

The trustee of a fund has previously made a family trust election specifying the 1994–95 income year in accordance with section 272-80 of ITAA 1936 and item 22 of Schedule 1 to Trust Loss Act and an interposed entity election specifying a day in the 1994–95 income year in accordance with section 272-85 of ITAA 1936 and item 23 of Schedule 1 to Trust Loss Act.

Print code **AI** in the box to the right of label **I** and the trustee is not required to complete a *Family trust election and/or family trust revocation 2001* or an *Interposed entity election* nor attach them to the *Fund income tax and regulatory return*.

**Example 2**

The trustee of a fund previously made a family trust election specifying the 1996–97 income year in accordance with section 272-80 of ITAA 1936 and items 22 or 22A of Schedule 1 to Trust Loss Act—whichever is applicable—and an interposed entity election specifying a day in the 1997–98 income year in accordance with section 272-85 of ITAA 1936 and items 23 or 23A of Schedule 1 to Trust Loss Act—whichever is applicable. The trustee wants to make another interposed entity election specifying a day in the 2000–01 income year in accordance with section 272-85 of ITAA 1936.

Print code **CL** in the box to the right of label **I** and the trustee provides details in an *Interposed entity election 2001* of the election it is making specifying a day in the 2000–01 income year. The completed *Interposed entity election 2001* is attached to the *Fund income tax and regulatory return*.

**Example 3**

The trustee has not previously made a family trust election specifying an income year before the 2000–01 income year or an interposed entity election specifying a day in an income year before the 2000–01 income year, but the trustee wants to make a family trust election specifying the 2000–01 income year and an interposed entity election specifying a day in the 2000–01 income year in accordance with sections 272-80 and 272-85 of ITAA 1936, respectively.

Print code **GO** in the box to the right of label **I** and the trustee provides details in a *Family trust election and/or family trust revocation 2001* of the election it is making specifying the 2000–01 income year and an *Interposed entity election 2001* of the election it is making specifying a day in the 2000–01 income year. The completed *Family trust election and/or family trust revocation 2001* and *Interposed entity election 2001* are attached to the *Fund income tax and regulatory return*.

**Example 4**

The trustee previously made a family trust election specifying the 1995–96 income year in accordance with section 272-80 of ITAA 1936 and item 22 of Schedule 1 to Trust Loss Act and is revoking the family trust election from a day in the 2000–01 income year in accordance with subsections 272-80(6) to (8) of ITAA 1936 and has not made any interposed entity elections.

Print code **BR** in the box to the right of label **I** and the *Family trust election and/or family trust revocation 2001* is completed and attached to the *Fund income tax and regulatory return*.



## 6 Compliance status

Compliance status from APRA or the ATO under SISA is restricted to resident entities. Definitions of resident and non-resident superannuation funds are included in ITAA 1936 and residency tests for ADFs in SISA. For more information see **Residency status** on page 3.

**Note:** New measures announced by the Assistant Treasurer may affect the determination of the residency status of SMSFs.

Print **Y** for yes at label **F**, if the fund:

- elected to become regulated under SISA
- was a resident fund at all times during the income year when the fund was in existence
- received or expects to receive a notice of compliance for the current income year or
- received a notice of compliance in relation to a previous income year and has not received a notice of non-compliance in relation to a year later than that previous year and a year earlier than the current income year.

Print **N** for no at label **F**, if the fund:

- did not elect to become a regulated fund
- received or expects to receive a notice of non-compliance from APRA or the ATO for the income year or
- was not a resident fund at all times during the income year when the fund was in existence.

It is the responsibility of APRA or the ATO (depending on the type of fund or trust) to determine a fund's complying or non-complying status for tax purposes—except for non-resident funds, which are automatically treated as non-complying. The status determines the rate of tax applicable to the fund's income. Funds that have not elected to become regulated are automatically regarded as non-complying for tax purposes.

Non-complying funds are not eligible for the following tax concessions:

- tax at the 15 per cent rate
- death and disablement insurance deductions
- potential detriment deductions
- exemption of income related to current pension liabilities
- ability to transfer the liability for tax on contributions
- ability to exclude last minute employer contributions from fund income
- ability to invest with pooled superannuation trusts
- exemption of income accrued before 1 July 1988
- exemption of non-reversionary bonuses on a policy of life insurance
- exemption of certain income of continuously complying fixed interest ADFs

- being treated as an excepted trust under paragraph 272-100(b) of Schedule 2F to ITAA 1936 for the purposes of the trust loss legislation
- concessional tracing rules under section 272-25 of Schedule 2F to ITAA 1936 for complying superannuation funds or complying ADFs holding fixed entitlements in a trust, company or partnership for the purposes of applying the trust loss legislation in Schedule 2F to ITAA 1936 to another trust.

In addition funds, that are not regulated, or are otherwise non-complying, may have adverse effects in other areas such as:

- employer contributions being subject to fringe benefits tax (FBT)
- employee or depositors (members) who would otherwise be eligible to claim a deduction for their personal contributions are not entitled to do so
- employer contributions to such funds cannot be used by an employer as an offset against their minimum contribution liabilities under the provisions of the Superannuation Guarantee legislation
- a liability for tax on transfers from certain superannuation funds may be imposed
- persons will not be able to elect to transfer their entitlements from Superannuation Holding Accounts Reserve (SHAR) to such funds.

## 7 Self managed funds—electronic only

**Is the entity a self-assessing fund for superannuation surcharge purposes, that wishes to provide surcharge data?**

A self managed fund includes SMSFs regulated by the ATO and small APRA funds regulated by APRA. Superannuation providers that meet the criteria to be a Self Assessing Fund have the option of lodging their Superannuation Surcharge Member Contributions Statement (MCS) with this return. They **MUST** lodge their return electronically and meet the definition of a Self Assessing Superannuation Provider (SASP) outlined in the publication *What's New?* To find out how to obtain a copy, see the inside back cover.

If **Y** for yes is printed at label **J** an MCS is included at the end of this return. For more information on how to complete item 7 refer to the publication *MCS instruction guide*. To find out how to obtain a copy, see the inside back cover.

SASPs who choose to transfer their surcharge reporting using the merged electronic return must lodge the completed form by the earliest due date for the 3 reporting obligations.

A Self Assessing Fund can elect to print **N** for no at item 7 and lodge an electronic MCS separately.

## Income tax calculation and information statement

### 8 Calculation statement

This statement works out the tax liability where there is a taxable income.

The information provided at certain labels of the Calculation statement are used to calculate the Commissioner's rate, for quarterly payers under the PAYG income instalment system for the next income year. Taxpayers must complete all labels as accurately as possible to ensure that the rate calculated results in a reliable estimate of tax payable for the 2001–02 income year. For more information about how the rate is calculated refer to the worksheet relevant to your particular entity type. To find out how to obtain a copy, see the inside back cover.

#### *Refund of excess imputation credits*

Superannuation funds, ADFs and PSTs may be entitled to claim a refund of excess imputation credits in respect of dividends paid on or after 1 July 2000.

If you are one of these superannuation entities, show the amount of imputation credits that relate to dividends paid on or after 1 July 2000 at label **Q—Other refundable credits**.

The amount of imputation credits that relate to dividends paid prior to 1 July 2000 are not refundable, but a franking tax offset may be available.

Show the amount of imputation credits that relate to dividends paid before 1 July 2000 at label **C—Rebates/tax offsets**.

#### **Taxable income**

Show at label **A** the amount of taxable income of \$1 or more. This amount is the amount shown at label **T—Taxable income or loss** in the Information statement and takes into account, any concessions or adjustments allowable for income tax purposes.

Print **0** (zero) at label **A** if you have no taxable income or have a taxation loss. The actual loss is shown at label **T—Taxable income or loss** in the Information statement with **L** printed in the box at the right of the amount.

#### **Gross tax**

Show at label **B** the amount of tax payable before the allowance of any rebates/tax offsets and credits. Ensure that the correct rate of tax is applied at the following labels, in the Information statement:

- net private company dividends other excessive non-arm's length income shown at label **H** and
- sections 288A and 288B of ITAA 1936 net previous income shown at label **W**.

### Foreign tax credits

Show at label **D** the self-determined amount that is the lesser of:

- the foreign tax paid or
- the Australian tax payable.

To calculate foreign tax credit, refer to the publication *Foreign income return form guide*. To find out how to obtain a copy, see the inside back cover.

### Rebates/tax offsets

Show at label **C** the total of rebates/tax offsets available and not the amounts giving rise to that tax rebate/tax offset. Imputation credits shown at label **C** are treated as rebatable but not refundable credits. The pre-1 July 2000 imputation credits situation will generally arise if the fund is an early balancer for the 2000–01 income year.

Show at label **C**:

- venture capital franking rebates for venture capital franked dividends paid before 1 July 2000
- if you are a fund entitled to a refund of excess imputation credits, the amount of imputation credits relating to dividends paid before 1 July 2000 for which a tax offset is available.

Do not include imputation credits that relate to dividends paid on or after 1 July 2000, show these at label **Q—Other refundable credits**.

### Commonwealth loan interest rebate

If the fund has included in label **C—Gross interest** in the Information statement, an amount received for Commonwealth bonds issued before 1 November 1968, then the fund is entitled to a rebate on that part of its interest income. The rebate is calculated at 10 cents on each dollar of relevant income and the resulting amount included at label **C—Rebates/Tax offsets** in the Calculation statement. For more information refer to section 160AB of ITAA 1936.

### Total of labels D and C

Add the amounts at labels **D** and **C** and show the total at label **G**.

### Tax payable

Subtract the amount at label **G** from the amount at **Gross tax**. The amount shown at label **G** must be less than or equal to the amount at **Gross tax**. It cannot be a negative amount.

### Section 102AAM interest charge

Show at label **H** any distribution received from a non-resident trust. Section 102AAM of ITAA 1936 imposes an interest charge on certain distributions from non-resident trusts. Refer to Chapter 2 of the publication *Foreign income return form guide*. To find out how to obtain a copy, see the inside back cover.

## Credit for interest on early payments —amount of interest

Show at label **V** only the calculated interest amount for early payments. Do not show actual payments. Early payments interest is calculated from the date the early payment is made to the date the amount becomes due and payable. Interest is payable only where the tax is actually paid more than 14 days before the due date of payment. Amounts which may attract early payment interest credit are payments of:

- income tax
- PAYG instalments under section 45-15 of Schedule 1 of Part 2-10 to TAA 1953
- additional tax under Part VII of ITAA 1936
- interest under sections 102AAM and 170AA of ITAA 1936
- late lodgment penalties under section 163A of ITAA 1936.

Early payment interest is not payable on:

- any component of the payment that exceeds the amount due
- amounts deducted under arrangements for collection of tax at the time of payment
- amounts credited following assessment in payment of the tax liability
- amounts paid less than 14 days before the due date.

Any amount paid early which is refunded before the date an amount of tax, instalment or interest becomes due and payable, does not accrue early payment interest for the period after the date it is refunded.

Date of payment is:

- the date shown on the receipt for payment to the ATO
- the date payment is mailed to the ATO plus 3 days
- the date shown on the taxpayer's bank statement where payment is made through direct debit—that is, electronic funds transfer (EFT).

The rates applicable in the 2000–01 income year for interest on early payments are the weighted average yield for the 13 Week Treasury Note applicable for the relevant quarters—refer to section 214A of ITAA 1936.

### Table 6

Interest on early payments rates for the 2000–01 income year:

Quarter	Interest rate (p.a.)
Jul–Sep 2000	6.00%
Oct–Dec 2000	5.86%
Jan–Mar 2001	5.86%
Apr–Jun 2001	5.86%

**Note:** Keep a record of the amount of early payments interest claimed. This interest is assessable as income in the income year it is paid or credited against another liability.

## Credit for tax withheld where ABN not quoted

Show at label **M** the total tax withheld from payments subject to withholding where an ABN was not quoted. This amount equals the sum of the amounts shown in the tax withheld boxes on the *Non-individual PAYG payment summary schedule*. For instructions on completing the schedule see **New schedules** on page 2.

Do not include any share of tax withheld from a partnership or trust distribution where an ABN was not quoted. This is shown at label **Q—Other refundable credits**.

**Note:** Where an amount of tax withheld is reported at label **M** the corresponding gross payment must be declared at label **L—Gross payments where ABN not quoted** in the Information statement.

## Other refundable credits

Show at label **Q**:

- any amounts deducted from investments where a TFN has not been provided to the financial institution
- the amount of imputation credits relating to dividends including venture capital franked dividends paid on or after 1 July 2000 where a fund is eligible for a refund of excess imputation credits.

Imputation credits relating to dividends paid before 1 July 2000 are shown at label **C—Rebates/tax offsets**. This situation generally applies to superannuation entities that are early balancers in respect of the 2000–01 income year.

Do not include at label **Q** those credits included at label **D—Foreign tax credits** on payments for the current year tax liability. Show any amounts already paid for the current year tax liability at label **T—Instalments paid**.

## Total of labels V, M and Q

Show at label **R** the total of the amounts at labels **V**, **M** and **Q**.

## Subtotal

Subtract the total at label **R** from the sum of the amounts shown at **Tax payable** and label **H—Section 102AAM interest charge**. Show the resulting amount at **Subtotal**.

## Instalment(s) paid

Show at label **T** any amounts already paid or payable for the current year tax liability. Include PAYG instalments and any interim payments.

### **Total amount of tax payable (+) or refundable (–)**

Show at label **S** the balance of tax that is owing or refundable.

Do NOT send your payment with your return.

Send your payment to the address at Appendix 6 on page 45.

The lodgment address is at Appendix 6 on page 45.

### **Record retention**

Funds must keep all documentation issued by the financial institution detailing payments of income and any TFN amounts deducted from those payments.

They must also maintain details of any TFN amounts deducted from an income payment made to the funds and subsequently refunded by their financial institution. Funds must keep a record of the following details of refund receipts:

- amount of refund received
- date of refund
- investment reference number—for example, bank account number of investment relating to refund.

### **Tax file number (TFN)**

Print the TFN of the fund in the boxes provided on pages 1 and 3 of the return.

### **Information statement**

**Note:** The assessable income of a complying superannuation fund, ADF or PST does not include non-reversionary bonuses paid on life insurance policies.

Funds which invest wholly in life offices or registered organisations are not required to include income from these sources in their returns.

The life insurance company or registered organisation is liable for tax on the income of its superannuation business. Similarly, for funds, that invest wholly in PSTs, the return of the trust includes the relevant income. In these circumstances, if the fund has no investment income, the trustee of the investor fund leaves the items dealing with investment income blank.

Proceeds received on redemption or disposition of policies or units from life insurance companies, registered organisations or PSTs are not included as income of the investor fund.

### **9 Income**

**Note:** Where goods and services tax (GST) is payable in relation to income, the GST must be excluded from the income derived. Deductions are reduced by the input tax credit entitlement. If you are not registered or required to be registered for GST purposes or not entitled to claim input tax credits, then your income and deductions are not adjusted for GST. You claim the GST inclusive amount incurred on outgoings. Special rules apply to GST adjustments. For more information refer to the publication *What's new?* To find out how to obtain a copy, see the inside back cover.

### **Did you have a CGT event during the year?**

A fund makes a capital gain or capital loss if certain events or transactions—called CGT events—happen. Most commonly, CGT events happen to a fund's CGT assets—for example, the disposal of a CGT asset—but some CGT events can happen without involving a CGT asset. For more information about CGT events refer to the publication *Guide to capital gains tax*. To find out how to obtain a copy, see the inside back cover.

### **Print Y for yes or N for no at label G.**

If the fund had a CGT event happen during the income year, or if the fund received a distribution of a capital gain from a trust, print **Y** for yes at label **G**. The publication *Guide to capital gains tax* includes a:

- Capital gain or loss worksheet for calculating a capital gain or capital loss for each CGT event
- CGT summary worksheet for calculating the fund's net capital gain or capital loss
- *Capital gains tax (CGT) schedule* (CGT schedule).



The worksheets are provided to assist you in calculating your net capital gain or capital loss for the income year and completing the CGT return labels. Completion of the worksheets is not mandatory. They are not to be attached to the *Fund income tax and regulatory return* but are retained with the fund's tax records.

However if the fund has:

- total current year capital gains for the income year greater than \$10 000
- total current year capital losses for the income year greater than \$10 000

complete a CGT schedule and attach it to the *Fund income tax and regulatory return*.

To find out how to obtain a copy of the publication, see the inside back cover.

### Net capital gain

The fund's net capital gain is the total capital gains made for the income year reduced by current year capital losses, prior year net capital losses and any other relevant concessions.

Show at label **A** the amount of net capital gain calculated or transferred from:

- label **G** at **Part H** of the CGT summary worksheet or
- label **G** at **Part H** of the CGT schedule, if one is required.

For more information on how to calculate the fund's net capital gain, refer to the publication *Guide to capital gains tax*. To find out how to obtain a copy, see the inside back cover.

**Note:** The fund may need to complete a *Losses schedule*. For more information see **New schedules** on page 1 and refer to the *Losses schedule instructions*. To find out how to obtain a copy, see the inside back cover.

### Gross rent and other leasing and hiring income

Show at label **B** all income from rents—being income from land and buildings—leasing and hiring. This item cannot be a loss.

### Gross interest

Show at label **C** the total interest from all sources received by the fund. This item cannot be a loss.

**Record retention**—Keep a record of the following:

- name and address of the borrower
- amount received or credited.

### Continuously complying fixed interest ADFs

For more information see **Exempt section 290A income** on page 25.

### Gross Dividends

Dividends paid by resident entities that have paid sufficient Australian tax on or after 1 July 1987 may carry imputation credits for resident recipients of these dividends. These dividends are known as franked dividends.

**Note:** Show at label **H** private company dividends. For more information see label **H**—**Net private company dividends and other excessive non-arm's length income** in the Information statement.

Dividends where no tax has been paid by resident entities are treated as unfranked dividends.

A franking rebate may be allowable for franked dividends derived by a superannuation fund even if they are exempt because the income relates to current pension liabilities.

Similarly a venture capital franking rebate may be available from a venture capital franked dividend paid by a PDF even though the dividend is exempt. A franking rebate is allowed for the imputation credit attached to franked dividends.

Include the total of franked and unfranked amount of dividends received from resident entities and the imputation credit in the fund's assessable income to determine the fund's net income or loss.

**Note:** To the extent that family trust distribution (FTD) tax has been paid on a dividend paid or credited to the fund by a company which has made an interposed entity election, the dividend is excluded from the assessable income of the fund by reason of section 271-105 of Schedule 2F to ITAA 1936. Any losses or outgoings in deriving an amount which is excluded from assessable income under section 271-105 of Schedule 2F are not deductible and a credit or rebate cannot be claimed for any imputation credit attached to a dividend which is exempt income by reason of section 271-105 of Schedule 2F.

Labels **D**, **J** and **K** refer to dividends derived from investments in resident entities.

### Unfranked amount

Show at label **D** the total amount of unfranked dividends derived.

### Franked amount

Show at label **J** the total amount of franked dividends derived by the fund before grossing up by the amount of company tax attributable to the dividends.

## Imputation credit

Show at label **K** the amount of the imputation credits allowed.

A franking rebate is allowed for the imputation credit attached to franked dividends. Show the amount of the rebate at item 8, label **C—Rebates/tax offsets** or label **Q—Other refundable credits** in the Calculation statement.

Imputation credits may be offset against the tax on all taxable income of a fund, including taxable contributions and capital gains.

Any excess imputation credits that relate to dividends paid on or after 1 July 2000 may be refunded. For more information see **Refund of excess imputation credits** on page 13.

## Gross foreign income

Show at label **I** the gross assessable income derived by the fund from foreign sources.

Where a distribution involving foreign source income was received from a partnership or trust show the foreign source income at label **I**. Do not show it at:

- label **V—Gross distribution from partnerships**
- label **X—Gross distribution from trusts**.

Australian resident complying superannuation entities make a capital gain if a CGT event happens to any of its worldwide CGT assets.

A fund which is not an Australian resident makes a capital gain, generally speaking, if its CGT asset has the necessary connection with Australia just before the CGT event happens. Do not show at label **I** any capital gains made from these assets. Include the capital gains at label **A—Net capital gain**. For more information refer to the publication *Guide to capital gains tax*. To find out how to obtain a copy, see the inside back cover.

## Net foreign income

Show at label **E** assessable income derived by the fund from foreign sources, net of expenses, including attributed foreign income. Exclude net foreign source capital gains, which are shown at label **A—Net capital gain**.

Foreign source tax losses, excluding capital losses, may be offset only against foreign source income. Do not show negative amounts at label **E**.

Any excess of such foreign source losses over foreign source income is quarantined, and may be carried forward to be offset against future foreign source income of the same class. For more information on this process refer to the publication *Foreign income return form guide*. To find out how to obtain a copy, see the inside back cover.

**Note:** Complete a *Losses schedule* if the fund has:

- Claimed a deduction for foreign source losses.
- 'Current year' foreign source losses.
- Foreign source losses carried forward to later income years.
- Allowable prior year CFC losses.
- 'Current year' CFC losses.
- CFC losses carried forward to later income years.

## Gross taxable employer contributions

Show at label **F** the gross taxable amount of employer contributions. This includes certain taxable contributions of both complying and non-complying funds as assessable income of the entity.

Generally the liability for tax on contributions lies with the trustee of the entity receiving the contributions. ADFs and resident funds are entitled to deduct the costs of collecting all contributions.

The deductions for expenditure incurred by a resident fund are not reduced because it received non-taxable contributions—for example, non-deductible employee contributions. However, non-resident funds are only entitled to a deduction for the cost of collecting taxable contributions.

Deductions allowable against employer contributions are shown at the appropriate expense labels in the Information statement.

Most contributions made to an employer sponsored fund by a person other than the employee or member are assessable to the fund and are, therefore, taxable contributions. The amounts assessable to the fund include:

- all contributions paid by an employer, or another person—apart from the member—to a resident superannuation fund, excluding contributions paid by the trustee of an exempt life insurance fund, a complying superannuation fund, a complying ADF or a complying PST
- all contributions paid by an employer to a non-resident fund that relate to a period when the member was a resident, or was a non-resident deriving salary and wage income assessable in Australia, excluding personal contributions and contributions in respect of an employee who is an exempt visitor.  
An exempt visitor is a resident of Australia who has a temporary entry permit granted under the *Migration Act 1958* for no more than 4 years and who is not awaiting the outcome of an application for a permanent entry permit
- the untaxed element of the post 30 June 1983 component of a rolled-over eligible termination payment (ETP) paid to a fund—for example, golden handshakes—known as the specified roll-over amount

- shortfall (voucher) amounts payable under the provisions of the Superannuation Guarantee legislation
- amounts transferred from SHAR under the *Small Superannuation Accounts Act 1995*.

For more information on which transfer transactions may comprise taxable contributions to a fund see **Transfers between superannuation funds** on this page.

### Pre-1 July 1988 funding credits

Employer contributions to complying funds after 30 June 1988 may be exempt from contributions tax if they are made for a funding shortfall that existed at 30 June 1988. A fund with such a shortfall may make an application to APRA for a notice approving a pre-1 July 1988 funding tax credit. However, specific limits apply to the amount of credit that can reduce a fund's taxable employer contributions figure.

The trustee of the fund must elect in writing to treat certain contributions as exempt. Do not attach this election to the *Fund income tax and regulatory return*.

Show at item 11, label **N—Exempt section 275B contributions** the amount exempt by the election.

### Gross taxable employee or depositor contributions

Show at label **M** the gross taxable amount of employee or depositor contributions. The trustee of a fund is to treat employee or depositor (member) contributions as taxable contributions only if the employee, depositor or an approved person, gives a notice stating that they are intending to claim a deduction for their contributions.

The contributing employee, depositor or approved person must lodge the notice with the trustee and once lodged, the notice is irrevocable. The trustee must acknowledge the notice. Generally, only the amount up to the maximum deductible contribution level can be included as taxable contributions. Currently, the maximum amount for which a depositor, who is an eligible person, may claim a deduction—excluding any part of a rolled-over ETP—is the lesser of:

- \$3000 plus 75 per cent of contributions in excess of \$3000 or
- the maximum deductible contribution based on the member's age in **Table 7**—refer to *Taxation Determination TD 2000/23*. To find out how to obtain a copy, see the inside back cover.

**Table 7**

Age in years	Deduction limit
under age 35	\$11 388
age 35 to 49	\$31 631
age 50 and over	\$78 445

Depositor contributions in excess of these limits must be treated as undeducted contributions.

### Note:

- The rebate available for contributions to an eligible scheme by employee or depositor members has no effect on the exclusion of those contributions from assessable income of the fund.
- Eligible spouse superannuation contributions are not taxable contributions and are not shown at any label in the Information Statement.  
For SMSFs the amount is shown at item 33  
—**Contribution information**, label **H**  
—**Non-taxable contributions**.

### Transfers between superannuation funds

Non-complying funds must also include as taxable contributions, amounts transferred from a complying fund or a non-complying superannuation fund other than a continuously non-complying fund.

Special rules apply to amounts transferred to resident funds from eligible non-resident, non-complying funds.

### Approved deposit funds

Where an ETP is rolled over into an ADF, a specified roll-over amount is to be included in the taxable income of the ADF. The amount is the untaxed element of the post 30 June 1983 component of a rolled-over ETP that is paid to the ADF after 30 June 1988.

### Net private company dividends and other excessive non-arm's length income

Show at label **H** the net amount where a superannuation fund, ADF or PST has received income from a transaction or series of transactions between parties not at arm's length.

Income included is:

- private company dividends
- certain distributions from trusts and
- other excessive non-arm's length income, that is greater than might have been expected had it been derived from an arm's length source.

Allowable deductions off-set against the income are those that relate exclusively to the non-arm's length income and so much of any other allowable deductions that, in the opinion of the Commissioner, appropriately relate to that income.

The amount of private company dividends is grossed-up to include any attached imputation credit, and this amount is then reduced by any related deductions. Show, in the Calculation statement, the amount of imputation credit attached to such dividends at:

- label **C—Rebates/tax offsets** for dividends paid before 1 July 2000
- label **Q—Other refundable credits** for dividends paid on or after 1 July 2000.

If this amount is a loss, the loss must be quarantined for future offset against income of the same class.

Do not show a loss at label **H**, but keep a record of the quarantined loss amount with the fund's tax records.

If a fund is in receipt of a distribution from a trust, the circumstances of the distribution must be examined to determine if the income is 'special income' as defined in subsections 273(6), (7) and (8) of ITAA 1936. Special income includes:

- distributions from all trusts other than where the fund has a fixed entitlement to income from that trust and
- non-arm's length trust distributions of income where the fund has a fixed entitlement to income from that trust.

For a fund in receipt of private company dividends, for which the Commissioner has formed the opinion that it would be reasonable not to treat the dividends as special income, the dividends received are taxed at 15 per cent.

**Note:** All other income shown at label **H** is taxed at 47 per cent.

### Sections 288A and 288B net previous income

Show at label **W** the total net previous income. A fund, that changes from complying to non-complying (Formula A), or a non-resident fund, that becomes resident during or after the 1995–96 income year (Formula B), must calculate its net previous income in respect of previous income years and include it as assessable income in the year the status change occurs.

#### Formula A

Where a complying fund changes to a non-complying fund in the current income year, the fund's net previous income years in respect of previous income years is the amount calculated by the formula below.

Asset values minus undeducted contributions where:

- asset values are the market value of the fund's assets immediately before the start of the current income year and
- undeducted contributions are the total amount of undeducted contributions in the fund—as defined in section 27A of ITAA 1936—immediately before the start of the current income year that were made by current members of the fund.

The amount calculated at label **W** is shown in the fund's assessable income for the current year and taxed at 47 per cent.

#### Formula B

Where a non-resident superannuation fund becomes a resident fund in the current income year the fund's net previous income in respect of the previous income years is the amount calculated by the formula below.

Asset values minus member contributions where:

- asset values are the sum of the market values of the fund's assets immediately before the start of the current income year and
- member contributions are the total amount of contributions in the fund immediately before the start of the current income year that were made by current members of the fund.

The amount calculated at label **W** is shown in the fund's assessable income for the current year and is taxed as follows:

- funds that change their status from a non-resident fund to a resident non-complying fund are taxed at 47 per cent
- funds that change their status from a non-resident fund to a resident complying superannuation fund are taxed at 15 per cent.

### Gross distribution from partnerships

Show at label **V** the gross distribution from all partnerships. If the distribution includes an amount of foreign income then that portion of the distribution is shown at label **E—Net foreign income**.

If this amount is a loss, print **L** in the box at the right of the amount.

**Note:** If FTD tax has been paid on partnership income, the whole income or, if income from other partnerships is received, that income attributable to the FTD tax, is excluded from the assessable income of the fund—refer to section 271-105 of Schedule 2F of ITAA 1936. Any losses or outgoings incurred in deriving an amount which is excluded from assessable income under section 271-105 of Schedule 2F are not deductible. A tax offset is not available for any imputation credit attributable to a dividend which is exempt from income tax under section 271-105 of Schedule 2F.

**Record retention**—Keep a record of the following:

- full name of the partnership
- TFN of the partnership—if known
- amount of income.

## Gross payments where ABN not quoted

Show at label **L** gross payments made to the fund that were subject to withholding where an ABN was not quoted. Gross payments include amounts of tax withheld.

Where an amount is reported at label **L** complete a *Non-individual PAYG payment summary schedule*.

For instructions on completing the schedule see

**New schedules** on page 2.

**Note:** Complete label **L** where an amount was reported at label **M**—**Credit for tax withheld where ABN not quoted** in the Calculation statement.

## Gross distribution from trusts

Show at label **X** the total amount of gross distributions received from trusts. Capital gains received from a trust are not shown at label **X** but included at label **A**—**Net capital gain**.

For information on how to include a capital gain received from a trust at label **A**—for example, how to gross-up a capital gain for a trust distribution—refer to the publication *Guide to capital gains tax*.

To find out how to obtain a copy, see the inside back cover.

Do not show distributions from PSTs at label **X**.

If this distribution includes an amount of foreign income include that portion of the distribution at label **I**—**Gross foreign income** and take it into account in calculating label **E**—**Net foreign income**.

**Note:** If FTD tax has been paid on income or capital of a trust to which the fund is presently entitled or which has been distributed to the fund, that income or capital is excluded from the assessable income of the fund—refer to section 271-105 of Schedule 2F to ITAA 1936. Any losses or outgoings incurred in deriving an amount which is excluded from assessable income under section 271-105 of Schedule 2F are not deductible. A tax offset is not available for any imputation credit attributable to a dividend which is exempt income under section 271-105 of Schedule 2F.

Print in the CODE box the code from **Table 8** which best describes the type of trust for the amount of income shown at label **X**—**Gross distribution from trusts**. If this amount is from more than one type of trust, print the code that represents the trust with the greatest amount of income. Descriptions of the types of trusts listed in **Table 8** are at **Table 9**.

**Note:** If the type of trust making the distribution is unknown, contact the trustee of that trust.

**Table 8**

Code	Type
<b>D</b>	Deceased estate
<b>F</b>	Fixed trust—other than a fixed unit trust or a public unit trust at <b>U</b> , <b>P</b> or <b>Q</b>
<b>H</b>	Hybrid trust
<b>S</b>	Discretionary trust—where the main source of income of the trust is from service and/or management activities
<b>T</b>	Discretionary trust—where the main source of income of the trust is from trading activities
<b>I</b>	Discretionary trust—where the main source of income of the trust is from investment activities
<b>M</b>	Cash management unit trust
<b>U</b>	Fixed unit trust—other than a public trust described in <b>P</b> or <b>Q</b>
<b>P</b>	Public unit trust (listed)—other than a cash management unit trust
<b>Q</b>	Public unit trust (unlisted)—other than a cash management unit trust

**Table 9 Description of trusts**

### Fixed trust

A trust in which persons have fixed entitlements—as defined in section 272-5 of Schedule 2F to ITAA 1936—to all of the income and capital of the trust at all times during the income year.

### Hybrid trust

A trust which is not a fixed trust but in which persons have fixed entitlements—as defined in section 272-5 of Schedule 2F to ITAA 1936—to income or capital of the trust during the income year.

### Discretionary trust

A trust which is neither a fixed trust nor a hybrid trust and under which person(s) benefit from income or capital of the trust upon the exercise of a discretion by person(s), usually the trustee.

### Fixed unit trust

A fixed trust in which interest in the income and capital of the trust are represented by units.

### Public unit trust

A fixed unit trust which is a widely held unit trust—as defined in section 272-105 of Schedule 2F to ITAA 1936—at all times during the income year.

### Public unit trust—listed

A public unit trust in which any of its units were listed for quotation in the official list of a stock exchange in Australia or elsewhere during the income year.

### Public unit trust—unlisted

A public unit trust in which none of its units were listed for quotation in the official list of a stock exchange in Australia or elsewhere during the income year.

**Record retention**—Keep a record of the following:

- full name of trust
- tax file number of trust
- amount of income.

### **Other income**

Show at label **R** the net amount of any income received that does not fall into any of the other categories.

Rebates or the refund of a premium for death and disablement cover received by a complying fund that has been—in whole or in part—allowed as a deduction or is allowable as a deduction is treated as assessable income.

### **Total of above labels excluding label I**

Show at label **S** the total income from labels **A** to **R**.

Do not include any amount from label **I**—**Gross foreign income**.

## **9 Less**

**Note:** Input tax credit entitlements that arise in relation to outgoings are excluded from expenses—see **Income** on page 15.

### **Interest expenses within Australia**

Show at label **A** the deductible interest incurred on money borrowed from Australian sources:

- to acquire income producing assets
- to finance operations or
- to meet current expenses.

### **Interest expenses overseas**

Show at label **B** the deductible interest incurred on money borrowed from overseas sources:

- to acquire income producing assets
- to finance operations or
- to meet current expenses.

**Note:** An amount of tax—withholding tax—is generally withheld from interest paid or payable to non-residents, and from interest derived by a resident through an overseas branch. These amounts must be remitted to the ATO.

**Record retention**—If interest is paid to non-residents keep a record of the following:

- name and address of recipient(s)
- amount of interest paid or credited
- amount of withholding tax withheld and the date it was remitted to the ATO.

### **Total salary and wage expenses**

Show at label **C** the total salary, wage and other labour costs incurred in respect of employees employed by the trustee of the fund.

These expenses include any salary and wages, allowances, bonuses, casual labour, retainers and commissions paid to people who receive a retainer, and workers' compensation paid through the payroll, where any of these payments are applicable to the fund.

Also included are direct and indirect labour, holiday pay, long service leave, lump sum payments, other employee benefits, overtime, payments under an incentive or profit sharing scheme, retiring allowances and sick pay, where any of these payments are applicable to the fund. Include any salary and wages paid to an associated person of the fund.

However, these expenses exclude agency fees, contract payments, sub-contract payments, service fees, superannuation, reimbursements or allowances for travel, wages or salaries reimbursed under a government program, management fees and consultant fees.



## Capital works deductions

Show at label **Q** the deduction claimed for capital expenditure on special buildings which include eligible capital expenditure on extensions, alterations or improvements. Exclude capital expenditure for mining infrastructure buildings and timber milling buildings.

For more information on capital works deductions see Appendix 2 on page 39.

## Depreciation deducted

Show at label **W** the amount of depreciation deductible for taxation purposes. An amount of depreciation for taxation purposes is deductible for a unit of plant owned or quasi-owned by the taxpayer during the income year, which is used or installed ready for use for the purpose of producing assessable income—refer to section 42-15 of ITAA 1997. Quasi-ownership is explained in Subdivision 42-I of ITAA 1997.

**Note:** If you are a small business taxpayer—see **Definition of a small business taxpayer** on page 27—do not complete a *Depreciation schedule*.

If you are not a small business taxpayer and you have included an amount greater than \$1000 at label **W**, complete and attach a *Depreciation schedule*.

For more information see **New schedules** on page 1 and refer to the *Depreciation schedule instructions*. To find out how to obtain a copy, see the inside back cover.

Depreciation is calculated on the cost of plant as worked out under Subdivision 42-B of ITAA 1997.

The cost of plant is adjusted where:

- a car is acquired at a discount—section 42-70 of ITAA 1997
- there is a non-arm's length transaction—section 42-75 of ITAA 1997
- the car depreciation limit applies—section 42-80 of ITAA 1997
- there is a sale and lease-back of plant that has become a fixture—section 42-82 of ITAA 1997
- double deductions apply—section 42-85 of ITAA 1997
- plant has been previously depreciated—section 42-90 of ITAA 1997.

Accelerated depreciation was removed for plant acquired after 11.45 a.m. Australian Eastern Standard Time (AEST) on 21 September 1999 except for small business taxpayers satisfying certain conditions. The accelerated depreciation system was replaced with a system where depreciation is calculated by reference to the effective life of the asset. Effective life is determined under Subdivision 42-C of ITAA 1997.

This effective life can be reassessed under section 42-112 of ITAA 1997. However, it cannot be reassessed if that plant continues to attract accelerated depreciation rates.

For the methodology used by the Commissioner in making determinations of the effective life of plant under section 42-110 of ITAA refer to *Taxation Ruling TR 2000/18*. To find out how to obtain a copy, see the inside back cover.

Accelerated rates that apply to plant used by small business taxpayers who satisfy certain conditions are found in Subdivision 42-D of ITAA 1997. The formula for calculating depreciation by the prime cost or diminishing value method for plant not attracting the accelerated rates is in Subdivision 42-E of ITAA 1997.

The option to offset any assessable balancing adjustment against the cost of replacement plant has been removed except for small business taxpayers and certain involuntary disposals. Capital gains and capital losses realised on disposal of plant are now disregarded under the CGT regime and any excess of proceeds from disposal over the plant's cost is treated as a further balancing adjustment. Any shortfall is an allowable deduction with special rules for plant acquired before 11.45 a.m. AEST on 21 September 1999 to maintain the benefit of cost base indexation.

Units of plant that have the same depreciation rate can be allocated to a pool for an income year under Subdivision 42-L of ITAA 1997.

Under the *New Business Tax System (Miscellaneous) Act (No 1) 2000* the immediate deductibility of plant costing \$300 or less has been replaced for all taxpayers other than small business taxpayers with an option to pool:

- all newly acquired plant costing less than \$1000 and
- existing plant that has been depreciated to under \$1000.

The pool is depreciated using the diminishing value method. For low-cost plant allocated to the pool for the first time in an income year the rate is 18.75% of the total cost of the plant allocated, regardless of when during the income year the item was actually purchased. For all other plant in the pool—that is, plant that has been allocated to the pool in a previous income year and low undeducted-cost plant allocated to the pool in the income year—the rate is 37.5%. Where the option to pool is not exercised, depreciation for each item of plant is determined by its effective life.

Maintaining the immediate deduction in the 2000–01 income year for plant costing \$300 or less for small business taxpayers is only an interim measure pending the introduction of a Simplified Tax System on 1 July 2001 for these taxpayers. For more information refer to the publication *What's new?* To find out how to obtain a copy, see the inside back cover.

**Note:** The *New Business Tax System (Capital Allowances) Bill 2000* contains a proposal to reinstate the immediate write-off for plant costing \$300 or less for taxpayers who use the plant to produce assessable income that is not derived from carrying on a business for the 2000–01 income year.

If you claimed a deduction last year for GST-related plant and equipment which you ordered by 30 June 2000 but now find that you failed to comply with the requirement that the plant or equipment had to be installed by 30 June 2001 you should request an amendment. For more information refer to *A New Tax System (Tax Administration) Act (No 2) 2000*.

Proposed amendments in *Taxation Laws Amendment Bill (No 5) 1999* have been introduced to prevent taxpayers obtaining deductions for capital expenditure in excess of their actual outlays. The measures will apply where the expenditure has been financed by hire purchase or limited recourse finance and the debtor does not fully pay out the capital amounts owing. Proposed new Division 240 of ITAA 1997 will apply to hire purchase and instalment purchase transactions entered into after 27 February 1998. Proposed new Division 243 of ITAA 1997 will apply to limited recourse arrangements which terminate after 27 February 1998. For more information refer to the publication *What's new?* To find out how to obtain a copy, see the inside back cover.

**Note:** Some specific issues in respect of depreciation include:

- In certain circumstances where the commercial debt forgiveness provisions in Division 245 of ITAA 1936 apply, the cost or undeducted cost of plant used in calculating depreciation may be reduced by amounts forgiven—refer to section 42-48 of ITAA 1997.
- Deductions for capital works under Division 43 of ITAA 1997 are claimed at the appropriate labels—for example, label **Q—Capital works deductions** in the Information statement.
- Measures contained in Division 45 of ITAA 1997 and related amendments, dealing with disposal of leases and leased plant, may affect the amount to be included at label **W**.
- Special deductions for software expenditure generally are contained in Division 46 of ITAA 1997.

For more information on depreciation, refer to the publication *Guide to depreciation*. To find out how to obtain a copy, see the inside back cover.

## Group life and disability premiums

A deduction is allowable where a premium for an insurance policy is wholly or partly for death and disability cover. The amount allowable as a deduction for death cover is:

- 30 per cent of the premium where the policy is a whole of life policy
- 10 per cent of the premium paid where the policy is an endowment policy.

For both whole of life and endowment policies, any disability component of a premium specifically identified in the policy is deductible.

Show at label **J** the amount of the deduction.

No actuary's certificate is needed in the above circumstances.

In any other case, the amount of the premium attributable to the death and disability cover is allowable. This needs to be evidenced by an actuary's certificate.

A complying fund is not allowed a deduction for premiums on insurance policies where the income payments are made during periods of temporary disability longer than 2 years. This applies to policies entered into or renewed since 2 December 1998. For more information refer to *Taxation Determination TD 98/27*. To find out how to obtain a copy, see the inside back cover.

In the case of funds which self-insure, the deduction is equal to a reasonable arm's length premium, rather than the lowest arm's length premium, for the cost of death and disability cover provided.

An actuary's certificate also is required.

## Management and administration expenses

Show at label **K** the amount of expenses of a revenue nature incurred in the management and administration of superannuation entities, unless allowed by other specific income tax provisions.

## Investment expenses

Show at label **L** the amount of investment expenses of a revenue nature incurred in the derivation of investment income, unless allowed by other specific income tax provisions. Do not include any amount that is shown at label **K—Management and administration expense**.

Complying funds and complying ADFs may claim deductions for expenses incurred in relation to acquiring, holding or disposing of:

- units in a PST
- life insurance policies issued by life insurance companies or registered organisations
- interests in trusts whose assets consist wholly of such life insurance policies.

The deduction can be claimed if the expenditure would qualify for deduction under the deduction provisions of ITAA 1936 or ITAA 1997 as if any profits, gains or bonuses derived from investments



in PSTs, life insurance policies or interests in trusts (as above) that are of a capital nature, were instead assessable as being of an income nature.

The ATO view on the application of the relevant provisions—sections 279E and 289A of ITAA 1936—is set out in *Taxation Determination TD 1999/6*. To find out how to obtain a copy, see the inside back cover.

Investment charges that are deducted by the PST or life insurance company from gross contributions transferred from the fund results in a reduced amount of contributions for investment by the PST or life insurance company. In this case, the charges are of a capital nature as they reduce the amount of the investment, and are therefore not deductible.

### Other deductions

Show at label **D** the amount claimed for expenditure as below.

Print in the CODE box the code from **Table 10** if a fund has claimed a deduction for a potential detriment payment or claw back deduction.

**Table 10**

Code	Other deductions in respect of:
<b>D</b>	Potential detriment payments
<b>C</b>	Claw back deduction
<b>M</b>	Both potential detriment payments and claw back deduction
<b>O</b>	Other deductions not listed above

#### Note:

- No deduction is allowable against the assessable income of the fund for benefits paid.
- There is no provision for funds to transfer or pass on deductions to other entities—for example, PSTs or life insurance companies.
- A deduction is available to funds for an amount equal to the total of any taxable contributions included as income that are fringe benefits and FBT has been paid by the contributor.

### Potential detriment payments made after the death of a member

A deduction is allowable where payments are made by continuously complying funds, life insurance companies or registered organisations on the death of a member. A continuously complying fund is one that has complied with SISA standards at all times since 1 July 1988.

The payment must be made to the trustee of the estate of the deceased member or to a person who was a dependant of that member immediately before or at the time of payment. The deduction is available to ensure that death benefits do not have to be reduced because of the tax on contributions.

To receive the deduction, the relevant actuarial or audit certificates must be obtained and the fund must satisfy the Commissioner that the full benefit of the deduction has been passed on to the dependants of the deceased person.

### Claw back deductions

Special deductions known as claw back deductions are allowable for contributions incorrectly included in the assessable income of a complying fund.

This is the case where notices causing contributions to be treated as non-taxable—see label **G—Gross taxable employee or depositor contributions**

—are not received by the trustee or the Commissioner until after the lodgment of the *Fund income tax and regulatory return* or are not received until a later income year.

Generally, the adjustment is made by allowing a deduction in the year in which the notice is received but, in cases where a fund is unable to utilise the deduction fully—for example, where that year's taxable income is exceeded by the deduction or the fund would lose the benefit of imputation credits—the Commissioner may amend the earlier assessment.

### Environment protection expenditure

A deduction is allowed for any cost incurred on or after 19 August 1992 for the sole or dominant purpose generally of:

- preventing, combating or rectifying pollution of the environment or
- treating, cleaning up, removing or storing waste.

### Transfer of taxable contributions

Show at label **E** the amount of taxable contributions transferred. A complying fund—transferor—may transfer the liability for tax on contributions to any PST, life insurance company or registered organisation in which it has an investment.

The amount transferred cannot exceed the total taxable contributions paid to the transferor in the year and is further limited to an amount calculated by reference to the highest value of the fund's investment in the transferee in the income year concerned.

The transferee must agree to the transfer and the agreement must be evidenced in writing and signed by both the transferor and transferee. The agreement is irrevocable for that particular year. The transferor must include the gross amount of contributions received at:

- label **F—Gross taxable employer contributions**
- label **G—Gross taxable employee or depositor contributions**.

The transferee must include the amounts transferred to it at the appropriate label.

**Record retention**—Keep documents that evidence the transferee's consent to accept the transfer of taxable contributions and the associated taxation liability.

## Tax losses deducted

Show at label **F** the carried forward tax losses claimed this year less any amount, which has been offset against current year exempt income.

Do not show net capital losses at label **F**, see item 10—**Losses information**, label **V**—**Net capital losses carried forward to later income years**.

Domestic losses can be used to offset foreign source income. The trustee of the fund makes an election and keeps it with the fund's tax records. Foreign source losses may be deducted against foreign source income of the same class.

For more information refer to the publication *Foreign income return form guide*. To find out how to obtain a copy, see the inside back cover.

### Note:

- The trust loss legislation in Schedule 2F to ITAA 1936 affects the deductibility of prior year losses by all trusts which are not excepted trusts as defined in section 272-100 of Schedule 2F to ITAA 1936, such as non-complying superannuation funds or non-complying ADFs.
- The fund may need to complete and attach a *Losses schedule* to the *Fund income tax and regulatory return*. For more information see **New schedules** on page 1 and refer to the *Losses schedule instructions*. To find out how to obtain a copy, see inside the back cover.

## Exempt current pension income

Show at label **G** income that is exempt from the normal assessable income of a complying superannuation fund or PST. This exemption applies to income that is attributable to the liability of the fund to pay current pensions.

Normal assessable income of a complying fund is income other than certain non-arm's length income and taxable contributions.

**Note:** This exemption applies to all funds currently paying pensions including allocated pensions. It does not provide an automatic exemption of the fund's total income as certain conditions must be met to obtain an exemption, including the lodgment of ATO and APRA returns.

There are 2 methods by which the trustee of a fund can determine the exempt income shown at label **G**. Either or both methods may be used, depending on the circumstances. The methods are as follows:

- If the fund segregates its assets so that the income can be identified as derived from the segregated pension assets to provide for current pension liabilities—that income is the exempt income.
- If the fund's income is derived from assets that are not segregated between current and non-current pension liabilities, the exempt portion is to be calculated as the ratio of unsegregated current pension liabilities to total unsegregated superannuation liabilities.

For both methods, use the average liabilities of a fund in a particular year. The valuation of liabilities is in accordance with an actuary's certificate. In a year where an actuary has not valued the total unsegregated superannuation liabilities, an interim valuation of those total liabilities may be made, provided the fund has no segregated assets. The interim valuation must apply the proportionate increase or decrease in the value of all assets of the fund since the last valuation to the value of the fund's liabilities at the last actuarial valuation. An actuarial valuation must still be made of the fund's current assets and its average current pension liabilities in relation to the income year.

### Note:

- PSTs are entitled to an exemption for the part of the income that is derived from their business with complying funds which the Commissioner is satisfied would have been exempt as above, had it been derived directly by the funds.
- Alternatively, PSTs can claim the exemption in the proportion that unit holdings of complying superannuation funds that are segregated current pension assets bear to the total unit holdings in the PST.
- If part of the fund's franked dividend income is exempt because the fund has current pension liabilities, the fund may be entitled to full imputation credits.

## Exempt section 290A income

Show at label **H** the amount of normal assessable income treated as exempt income. Show all normal assessable income at item 9—**Income**.

### Continuously complying fixed interest ADFs

A continuously complying fixed interest ADF may be exempt on part of its taxable income. A continuously complying fixed interest ADF is one that:

- complied with SISA requirements at all times since 1 July 1988
- in each income year during that time, received at least 90 per cent of its income from interest or in the nature of interest
- has not held investments in units of a PST or in life policies in each income year during that time.

The exempt income is that part of the ADF's normal assessable income—therefore income other than taxable contributions and certain non-arm's length income attributable to amounts held on deposit, including accumulated earnings, at 25 May 1988 for certain eligible depositors.

An eligible depositor is one aged 55 or more at 25 May 1988, or a depositor aged 50 or more at that date who rolled over the whole or part of an ETP which had a concessional component, regardless of whether any part of the concessional component was rolled over. The exemption is denied unless the Commissioner is satisfied that the fund has passed, or will pass, to eligible depositors the tax benefit of the exemption. See item 20(a)—**Exempt income claim** on page 32.

The trustee of the ADF must elect in writing the date at which the proportion of exempt income is determined, if the date chosen is not the beginning of the income year—see item 20(b)—**Exempt income claim** on page 32.

### Taxable income or loss

Show at label **T** all assessable income less allowable deductions. This amount takes into account any concessions or adjustments allowable for income tax purposes. Where the fund has a taxable income of \$1 or more, transfer the amount at this label to label **A**—**Taxable income** in the Calculation statement.

If the amount calculated is an overall loss for the year print **L** in the box at the right of label **T**.

## 10 Losses information

**Note:** If the total of the fund's tax losses and net capital losses carried forward to later income years is greater than \$100 000, a *Losses schedule* is completed and attached to the *Fund income tax and regulatory return*.

### Tax losses carried forward to later income years

Show at label **U** the undeducted amount of tax losses incurred by the fund and carried forward to the 2001–02 income year under section 36-15 of ITAA1997.

Any net capital losses to be carried forward to later income years are not included at label **U** but are shown at label **V**—**Net capital losses carried forward to later income years**.

Net exempt income reduces a current year tax loss and, to the extent of any excess, reduces prior year tax losses.

If the fund is required to complete a *Losses schedule*, the amount shown at label **U**—**Tax losses carried forward to later income years** in **Part A** of that schedule must be the same as the amount shown at label **U** in the *Fund income tax and regulatory return*.

### Net capital losses carried forward to later income years

Show at label **V** the total of any unapplied net capital losses from collectables and unapplied net capital losses from all other CGT assets and events.

This information is calculated or transferred from:

- label **V** in **Part I** of the CGT summary worksheet or
- labels **H** and **I** in **Part I** of the CGT schedule, if one is required.

For more information refer to the publication *Guide to capital gains tax*. To find out how to obtain a copy, see the inside back cover.

If the fund is required to complete a *Losses schedule*, the amount shown at label **V**—**Net capital losses carried forward to later income years** in **Part A** of that schedule must be the same as the amount shown at label **V** in the *Fund income tax and regulatory return*.

## 11 Other information

### Depreciable assets purchased

Show at label **A** the cost, for income tax depreciation purposes, of all depreciable assets other than buildings, first depreciated during the income year. The amount shown is the cost of the depreciable assets less adjustments made, such as those made under sections 42-65, 42-175, 42-285 and 42-293 of ITAA 1997.

If the fund is registered for GST, any input tax credit entitlements that arise in relation to the acquisition cost is excluded from the amount shown at label **A**.

Exclude—for example:

- purchases of buildings used to produce assessable income
- purchases of assets used to produce exempt income.

For more information refer to the publication *Guide to depreciation*. To find out how to obtain a copy, see the inside back cover.

### Depreciable assets sold

Show at label **B** the amount of each depreciable asset sold, lost or destroyed during the income year. The amount shown is the lesser of the written down value at the date of disposal or the amount received. If these amounts are the same, show that amount.

The amount received excludes any GST payable where the fund is registered for GST and GST is payable in relation to the amount received on disposal of the asset.

Exclude—for example:

- sales of buildings used to produce assessable income
- sales of assets used to produce exempt income.

Measures contained in Division 45 of ITAA 1997 and related amendments, dealing with the disposal of leases and leased plant, may affect the amount to be included at label **B**.

For more information refer to the publication *Guide to depreciation*. To find out how to obtain a copy, see the inside back cover.

### Do the new prepayment provisions apply?

The rules that allow immediate deductibility for expenditure incurred in respect of things to be done within 13 months of the expenditure being incurred have changed. For many businesses, most prepaid expenses incurred after 11.45 a.m. AEST on 21 September 1999 can now be deducted in an income year only to the extent the expense relates to that income year. Transitional rules apply to reduce the initial impact of this measure.

**Note:** These transitional rules do not apply to prepaid expenses incurred under a tax shelter arrangement after 1.00 p.m. Australian Eastern Daylight Time (AEDT) on 11 November 1999—see **Tax shelter prepaid expenses** on page 28.

This change does NOT apply to:

- any prepaid expense incurred prior to 11.45 a.m. AEST on 21 September 1999
- any non-business prepaid expense
- any prepaid expense incurred by a small business taxpayer—as defined by sections 960-335 and 960-350 of ITAA 1997. For **Definition of a small business taxpayer** see below.
- any prepaid expense incurred after 11.45 a.m. AEST on 21 September 1999 but in accordance with a contractual obligation, existing BEFORE that time, that the taxpayer cannot unilaterally escape or
- any prepaid expense which is 'excluded expenditure'—that is, an amount below \$1000, an amount required to be incurred by a law or a court order, or an amount of salary or wages.

### Definition of a small business taxpayer

Subdivision 960-Q of ITAA 1997 defines a small business taxpayer as a taxpayer who carries on a business during the income year and either:

- the taxpayer's average turnover for the year is less than \$1 million or, having not met this requirement
- the taxpayer chooses to recalculate their average turnover for an income year before the 2001–02 income year and it is less than \$1 million.

For more information refer to the publication *What's new?* To find out how to obtain a copy, see the inside back cover.

Print **Y** for yes at label **T** if you do have prepaid expenses affected by this measure and also complete both labels **X** and **Y**.

Print **N** for no at label **T** if you do not have prepaid expenses affected by this measure. Do not complete labels **X** and **Y** as prepaid expenses will be treated in the same way as they would have been before the changes were made—subject to the new tax shelter rules explained on page 28.

### Transitional rules

Transitional rules apply to prepaid expenses affected by this measure. These prepaid expenses can be divided into 2 parts:

- the current year amount worked out using the following formula:

$$\text{Expenditure x } \frac{\text{Number of days of esp in the expenditure year}}{\text{Total number of days of esp}}$$

The esp (eligible service period) is the period during which the thing is to be done under the agreement.

- the later year amount, which is the difference between the expenditure and the current year amount.

The current year amount is immediately deductible in the income year in which it is incurred and is included in the appropriate expense in the Information statement.

Later year amounts receive concessional treatment under the transitional rules as summarised in the following table.

**Table 11**

Year	Year that 13 month prepaid expense was incurred (expenditure year)	% of later years' expenditure deductible in that year	% of that prepaid expense deductible in the next year
1st	Income year including 21 Sep. 1999	80%	20%
2nd	Income year following the 1 <sup>st</sup> year	60%	40%
3rd	Income year following the 2 <sup>nd</sup> year	40%	60%
4th	Income year following the 3 <sup>rd</sup> year	20%	80%

For expenditure prepaid in the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> years there is a limit to the later year amount that is eligible for transitional treatment. The amount of deduction allowable for later year amounts is subject to a cap. The cap is the total amount of prepaid expense that was subject to the new measure in the income year including 21 September 1999—referred to as the initial year. For most taxpayers the 1999–2000 income year was the initial year. Prepaid expenses incurred under tax shelters—see below—after 1.00 p.m. AEDT on 11 November 1999 are excluded from the cap.

### Initial year 13 month prepaid expenses

Show at label **X** the amount of the cap (if any).

**Note:** If the cap equals zero, later year amounts are deductible proportionately over the years the prepaid expenses cover after the year they were incurred.

Taxpayers entitled to deduct 80% of the cap in the 1999–2000 income year are entitled to deduct the remaining 20% of the cap in the 2000–01 income year. The 20% deduction is included in the appropriate expense label in the Information statement.

### Later year 13 month prepaid expenses

Show at label **Y** the total of later year amounts for expenses prepaid in the 2<sup>nd</sup> year—that is, the 2000–01 income year for most taxpayers. Prepaid expenses incurred under tax shelters—see below—after 1.00 p.m. AEDT on 11 November 1999, and which are apportionable under the tax shelter rules, are excluded from this total of later year amounts.

Taxpayers are entitled to deduct 60% of the lesser of this amount and the initial year cap in that income year.

If the total of the later year amounts for expenses prepaid in an income year after the initial year is in excess of the cap, the excess is deductible proportionately over the years the prepaid expenses cover after the year they were incurred.

Taxpayers may choose how much of the later year amounts for each particular expenditure that will contribute to the total amount eligible for transitional treatment up to the amount of the cap. The amounts deducted are included in the appropriate expense labels in the Information statement.

### Tax shelter prepaid expenses

Special rules apply to prepaid expenses made in relation to tax shelters. These special rules apply to all taxpayers, and will ensure that the transitional arrangements—see page 27—do not apply when the prepaid expenses are in respect of a tax shelter. Under the tax shelter rules, prepaid expenses that would otherwise be immediately deductible—or subject to transitional rules—will be apportioned over the period the benefits for which the payment is made are provided—eligible service period—if:

- the expenditure is incurred:
  - after 1.00 p.m. AEDT on 11 November 1999 under an agreement and
  - for something that will not wholly be done in the same income year
- the agreement has the following characteristics:
  - the taxpayer's allowable deductions attributable to the agreement for the income year in which the expense is incurred exceed the assessable income attributable to the agreement for that year
  - the taxpayer does not have day to day control over the operation of the agreement and
  - at least one of the following is met:
    - more than one taxpayer participates as an investor in the agreement or
    - the manager, arranger or promoter of the agreement, or an associate, carries out similar activities for other taxpayers.

An agreement covered by these rules does not just include the specific agreement under which the prepaid expenses obligation arises, but also covers all related activities, including those that give rise to deductions or assessable income. For example, if a taxpayer invests in a tax shelter, and prepays interest on a loan used to fund management fees of the manager, the prepaid interest would also be subject to these rules.



### Transitional rules for prepayments do not apply to tax shelters

The transitional rules which phase in the effects of removing the 13 month immediate deduction rule for prepaid expenses incurred by businesses other than small businesses, do not apply to prepaid expenses made in relation to tax shelters. These prepaid expenses are required to be spread over the eligible service period.

### Exclusions from the tax shelter rules

The following prepaid expenses are excluded from the application of the new rules:

- premiums for building insurance, contents insurance or rent protection insurance or
- interest on money borrowed to acquire:
  - real property or an interest in real property
  - shares listed on an approved stock exchange or
  - units in a widely held unit trust which has at least 300 beneficiaries

provided the agreement is conducted at arm's length and that the taxpayer has, or can reasonably be expected to obtain rent, dividends or trust income, but no other kind of assessable income—except a capital gain or insurance receipt—from the agreement.

Also specifically excluded from the application of the new rules are:

- certain expenses that are an allowable deduction under the infrastructure borrowing rules
- expenses incurred under a contractual obligation—requiring prepayment for something to be done under the agreement—entered into prior to 1.00 p.m. AEDT on 11 November 1999 and which the taxpayer cannot escape by unilateral action
- expenses under an agreement which, prior to 1.00 p.m. AEDT on 11 November 1999, had obtained, or had applied for and later obtained, a favourable ATO product ruling and
- any prepaid expense which is 'excluded expenditure'—that is, an amount below \$1000, an amount required to be incurred by a law or a court order, an amount of salary or wages or an amount to the extent that it is of a capital, private or domestic nature.

It is important to note that all other expenses incurred under a tax shelter agreement may continue to be subject to the apportionment rules. For example, a taxpayer investing in a tax shelter agreement may prepay interest on a loan to buy shares as well as prepay expenses on management fees. The prepaid expense relating to the interest on the loan would not need to be apportioned under these rules, however the prepaid management fees may still have to be apportioned under these rules.

### Calculating your deduction

Use the following formula to calculate your deduction for prepaid expenditure that is affected by the tax shelter rules:

$$\text{Expenditure} \times \frac{\text{Number of days of esp in the income year}}{\text{Total number of days of esp}}$$

### Total investments

Show at label **Q** the total value of all assets including items such as life policies, units held in PSTs and assets funding current pension liabilities at the balance date. If the value of life policies is not known, use the total of contributions to date.

### Number of members

Show at label **R** the total number of members or depositors as at the balance date. Members for this item are persons who are:

- making contributions
- on whose behalf contributions are being made and
- are in receipt of pension entitlements.

In the case of superannuation based on individual life policies, it is sufficient to show the number of policies if the number of members is not readily available. Where the fund has been wound up during the year, the number of members must be shown as **0** (zero).

### Exempt section 274(7) contributions

Show at label **M** otherwise taxable contributions which the trustee of the fund, with the consent of the contributor, has elected to have treated as exempt under this section of ITAA 1936.

### Exempt section 275B contributions

Show at label **N** otherwise taxable contributions which the trustee of the fund has elected to have treated as exempt under this section of ITAA 1936.

## Attributed foreign income

### Broad-exemption listed country

Show at label **O** the amount of net attributed foreign income from controlled foreign entities and transferor trusts in broad-exemption listed countries. Broad-exemption listed countries are listed in Part 1 of Schedule 10 of the *Income Tax Regulations*. The definition of a broad-exemption listed country trust is in section 102AAE of ITAA 1936.

### Limited-exemption listed country

Show at label **L** the amount of net attributed foreign income from controlled foreign entities in limited-exemption listed countries.

Limited-exemption listed countries are listed in Part 2 of Schedule 10 of the *Income Tax Regulations*.

Also include at label **L** the amount of income attributed from a transferor trust if the entire income and profits of the trust are subject to tax in a limited-exemption listed country. Do not include the amount at label **L** if it has already been included at label **O**—**Broad-exemption listed country**.

### Unlisted country

Show at label **J** the amount of net attributed foreign income from controlled foreign entities in unlisted countries.

Unlisted countries are countries not listed in Schedule 10 of the *Income Tax Regulations*.

Also include at label **J** the amount of income attributed from a transferor trust if the amount has not been included at:

- label **O**—**Broad-exemption listed country** or
- label **L**—**Limited-exemption listed country**.

### FIF/FLP income

Show at label **P** the amount of net attributed foreign income from foreign investment funds (FIFs) and foreign life policies (FLPs).

The terms FIF and FLP have the same meaning as set out in Part XI of ITAA 1936.

**Note:** For more information on the calculation of the amounts to be returned at labels **O**, **L** or **J** refer to the publication *Foreign income return form guide*.

For more information on the calculation of the amount to be returned at label **P** refer to the publication *Foreign investment funds guide*. To find out how to obtain a copy of these publications, see the inside back cover.

### Tax spared foreign tax credits

Show at label **K** the amount of foreign tax credit relating to foreign tax forgone under an investment incentive scheme provided by a foreign government, where that tax forgone is deemed to have been paid for the purposes of Australia's foreign tax credit system.

## 12 Landcare and water facility tax offset

Due to the sole purpose test in SISA, it is unlikely that a complying superannuation fund, complying ADF or a PST would be carrying on a business. Therefore they would not be entitled to this tax offset.

If you are carrying on a business and consider that you may be entitled to the tax offset, for more information phone the Superannuation helpline on **13 1020**.

The landcare and water facility tax offset is 30 cents in the dollar and is available under Subdivision 388-A of ITAA 1997 as an **ALTERNATIVE** to the deductions currently available under the following provisions of ITAA 1997:

- Subdivision 387-A—expenditure incurred on landcare operations by a fund carrying on a business using rural land—other than a business of mining or quarrying
- Subdivision 387-B—expenditure incurred on facilities to conserve or convey water by a fund carrying on a business of primary production.

The tax offset can be chosen for up to \$5000 of the expenditure the fund incurs on each of those things. To be entitled to claim this tax offset the fund's net income must be \$20 000 or less, after notionally deducting the eligible expenditure for which the tax offset is claimed.

The tax offset for eligible landcare expenditure is available in the year the expenditure is incurred.

The tax offset for eligible expenditure on water facilities is spread over 3 years. The tax offset is based on one-third of the eligible expenditure and is available in the year the expenditure is incurred and in each of the next 2 years.

**Note:** The alternative deduction has a tax impact of 34 per cent.

### Landcare and water facility offset claimed

Show at label **A** the amount of landcare and water facility tax offset the fund is entitled to claim under Subdivision 388-A of ITAA 1997. If the fund incurred expenditure on facilities to conserve or convey water in the 2 previous years and still has a one-third tax offset available, include the amount at label **B**—calculated at the rate of 30 per cent.

**Note:** You cannot choose a tax offset for expenditure incurred after the 2000–01 income year.

Print in the CODE box the code from **Table 12** indicating the type of expenditure.

**Table 12**

Code	Type of expenditure
<b>C</b>	Landcare operations only
<b>W</b>	Water facilities only
<b>B</b>	Both landcare operations and water facilities

**Note:** The tax offset is available at the fund level only.

## Landcare and water facility tax offset brought forward from prior years

Show at label **B** the amount of landcare and water facility tax offset brought forward and available to the fund.

This item applies only if your income tax liability from prior years did not absorb all of the landcare and water facility tax offset. Any brought forward tax offset available to a taxpayer is shown on the previous year's return. The brought forward tax offset must first be reduced against net exempt income, including any exempt foreign income. Every dollar of exempt income reduces the brought forward tax offset by 34 cents.

## 13 Internet transactions

Print **Y** for yes at label **I** if, in deriving income, you used the Internet to:

- receive orders for goods and/or services.  
For example, you received orders by e-mail or a web page form—rather than by conventional post, telephone or facsimile
- receive payment for goods and/or services.  
For example, you received:
  - credit card or charge card details by e-mail or web page form—rather than by conventional post, telephone or facsimile
  - digital cash
- deliver goods and/or services.  
For example, you:
  - used e-mail, the World Wide Web (www) or File Transfer Protocol (FTP) to deliver digitised music, news articles or software—rather than conventional post to deliver software on a floppy disc
  - used e-mail to give financial advice and received a commission in connection with this advice
  - advertised goods or services of other businesses for a fee on the Internet
  - hosted websites or
  - provided access to the Internet.

Print **N** for no at label **I**, if you only used the Internet to:

- advertise your goods or services
- give support to your customers
- buy your stock.

## Items 14 to 21

These items must be answered even if you have no overseas transactions or interests.

### Note 1: Agents for non-residents

Where a return that includes income or deductions from only the following activities, is lodged in accordance with the following sections of ITAA 1936 and does not include income or deductions from any other source, print **N** for no at items 14, 15 and 16 in respect of overseas transactions and interests in foreign companies and do not complete a *Schedule 25A*.

Table 13

Industry type	Industry code	Section
Overseas shipping	99060	129
Agents for non-resident insurers	99050	144
Agents for non-resident reinsurers	99040	148
Control of non-resident's money	99070	255

### Note 2: Dividends as the only international transactions

Where dividends were paid to or received from a related overseas entity and those dividends were the only transactions with related overseas entities, print **N** for no at item 14 in respect of overseas transactions and do not complete **Section A** of a *Schedule 25A*. Answer items 15 and 16 as required.

### Note 3: Schedule 25A instructions

Where a *Schedule 25A* is required to be lodged, more information is available in the *Schedule 25A instructions*. To find out how to obtain a copy, see the inside back cover. Attach the *Schedule 25A* to the *Fund income tax and regulatory return*.

## 14 Overseas transactions

Print **Y** for yes or **N** for no at item 14.

If the answer to either part of this item is yes, complete **Section A** of *Schedule 25A*.

If you answered yes only to the second part of the item—regarding interest paid on foreign debt to a foreign controller or non-resident associate—and had no related party international dealings during the year—complete item 8 of **Section A** of *Schedule 25A* and leave items 15 and 16 blank.

Related overseas entity dealings means transactions, agreements or arrangements between related parties, between a permanent establishment and its head office—or between 2 permanent establishments of the same entity and includes all transactions between an Australian resident and related overseas entities.



## 15 Interest in a foreign company or foreign trust

Print **Y** for yes or **N** for no at item 15.

If the answer to this item is yes, complete **Section B** of *Schedule 25A*.

Direct or indirect interests in a controlled foreign company or a foreign trust are taken to have the same meaning as set out in Division 3 of Part X of ITAA 1936.

## 16 Foreign investment fund and foreign life insurance policy

Print **Y** for yes or **N** for no at item 16.

If the answer to this item is yes, complete **Section B** of *Schedule 25A*.

Interest in a foreign investment fund or foreign life insurance policy has the same meaning as set out in section 483 of ITAA 1936.

A fund has an interest in a transferor trust if the fund has ever made or caused to be made, a transfer of property or services to a non-resident trust. Transfer, property and services are defined in section 102AAB of ITAA 1936. Sections 102AAJ and 102AAK of ITAA 1936 provide guidance in relation to whether there has been a transfer, or a deemed transfer of property or services to a non-resident trust.

## 17 Exempt current pension income

Print **Y** for yes or **N** for no at item 17.

## 18 Death or disability deduction

Print **Y** for yes or **N** for no at item 18.

## 19 Transfer of taxable contributions

Print **Y** for yes or **N** for no at item 19.

If the answer to this item is yes, show:

- the name of the transferee(s)
- the amount of contributions for each transferee.

## 20 Exempt income claim

Print **Y** for yes or **N** for no at item 20(a).

If the fund is claiming an exemption, the fund must maintain a statement explaining how the tax saving gained under section 290A of ITAA 1936 has been, or is to be, distributed to eligible depositors.

Print **Y** for yes or **N** for no at item 20(b).

If the reckoning date was other than the beginning of the income year, the fund must show the reckoning date.

## 21 Payments to contributing employers and associates

Item **21** relates to payments made from a fund to an employer sponsor or to an associate.

Print **Y** for yes or **N** for no at item 21.

## Regulatory information for self managed superannuation funds

Any fund that was a SMSF as at 30 June 2001, or at the date of being wound up if earlier must answer the following items.

If a fund switched Regulator—that is, from an APRA regulated SAF to an ATO regulated SMSF or, vice versa—during the year, answer the following questions in respect of the period that the fund was a SMSF.

For the period the fund was not a SMSF, the fund must lodge a separate Annual Return with APRA.

For more information on how to complete the regulatory information in this return, phone the Superannuation helpline on **13 1020**.

## 22 Fund's auditor details

<b>Name</b>	Print the full name of the approved auditor who completed the audit report.
<b>Organisation</b>	Print the name of the firm of the auditor.
<b>Address</b>	Print the postal address of the auditor.
<b>Telephone</b>	Print the telephone number including the area code of the auditor.

## 23 Which professional body does the auditor belong to?

Print in the CODE box the code from **Table 14** which best describes the qualification that the approved auditor has or a professional body that the approved auditor belongs to. If the auditor has more than one qualification and/or belongs to more than one professional body, select the first code that applies.

**Table 14**

Code	Professional Body/Qualification
1	The Auditor General of the Commonwealth, a State or Territory
2	A member of the Australian Society of Certified Practising Accountants (ASCPA)
3	A member of the Institute of Chartered Accountants (ICA)
4	A member of the National Institute of Accountants (NIA)
5	A member or fellow of the Association of Taxation and Management Accountants (ATMA)
6	A fellow of the National Taxation and Accountants Association (NTAA)
7	A registered company auditor

## 24 Is the auditor's report qualified?

Print **Y** for yes or **N** for no at item 24.

If the audit report has been qualified brief details of the qualification must be shown at item 26.

Do not send the audit report or a copy of the audit report to the ATO. All SMSFs retain the audit report with their records.

### Note:

- A fund, which has switched Regulators is only required to obtain one audit report covering the income year.
- Where a fund has switched Regulators during the year, the fund is required to lodge the audit report—and other regulatory information—with APRA in respect of the period it was regulated by APRA.

## 25 Did the fund comply with all the relevant SIS requirements?

Print **Y** for yes or **N** for no at item 25.

If the fund did not comply with all the relevant SIS requirements the fund must show a brief explanation of the non-compliance at item 26.

A compliance checklist for trustees is included at Appendix 1 on page 38.

## 26 Audit qualification or non-compliance with SIS

If the audit report is qualified, or there has been some other contravention of the SIS requirements, provide a brief explanation, including any action that has or is being taken to rectify the contravention.

## 27 Financial information

ALL the earnings and assets of the fund are shown at item 27 in the relevant categories.

This includes in-house assets, related party investments and leased assets, which are also shown at:

- item 28—**In-house and related party assets**
- item 29—**Value of leased assets.**

### Earnings—column 1

Show at labels **A** to **L** the earnings for each category of investment. This is the net income—gross income less expenses incurred in earning the income—including any realised gain or loss. If the earning amount is negative print **L** in the box at the right of the amount.

**Note:** Do not include unrealised gains as earnings.

### Asset values—column 2

Show at labels **M** to **X** the asset value of each category of investment. This is the value shown in the fund's balance sheet as at the balance date.

## 27(a) Managed investments

### Life insurance policies

Life insurance policies include all individual, group, investment or other types of policies.

### Other managed investments

This category includes placements with all external investment managers and PSTs.

An external investment manager is someone appointed by the trustee of the fund in accordance with section 124 of SISA to make investments on behalf of the fund.

A PST is a resident unit trust:

- the trustee of which is a trading or financial corporation formed within the limits of the Commonwealth and
- that is used only for investing assets of a regulated superannuation fund, ADF or a PST—assets of a life insurance company that are assets of a tax-advantaged insurance fund or assets of a registered organisation solely for the tax-advantaged business of the organisation—and assets of an exempt entity within section 102M of ITAA 1936.

## 27(b) Direct investments

### Overseas assets

Overseas assets include holdings of public trusts or companies, that are managed by overseas domiciled managers—that is, where the fund purchased the interests directly from the overseas manager. Do not show holdings of PSTs, other superannuation investment trusts, public trusts or companies managed by Australian domiciled managers that have invested overseas.

### Real property

Real property includes investments in land and buildings that are located within Australia.

Show investments in real property that are located outside Australia in the **Overseas assets** category.

### Other property

Other property includes investments in items such as machinery, cars, artworks and antiques.

### Listed shares and equities

This category relates to shares, equities and similar financial contracts—not debt securities—that are traded on the Australian stock exchanges. Do not show investments in listed trusts here—include them at **Public trusts.**

### Unlisted shares and equities

This category refers to shares, equities and similar financial contracts that are not listed on the Australian stock exchanges.

## Public trusts

For the purposes of this item a public trust is a widely held unit trust or a fixed trust listed on the Australian stock exchanges.

This category does not include investments in PSTs, which are shown at **Other managed investments**.

## Other trusts

This category includes investments in any trust that is not a public trust or a PST.

## Cash, debt securities and term deposits

This category includes amounts invested in bonds, debentures, income securities, cash management accounts and cash and term deposits held in financial institutions.

## Loans

This category includes any loans given by the fund.

## Other

This category includes income—excluding contributions—or assets which do not fall within any of the other categories.

## 28 In-house and related party assets

### Earnings—column 1

Show at labels **A** and **B** the net earnings—gross income less expenses incurred in earning the income—for each category of asset. If the earnings amount is negative print **L** in the box at the right of the amount.

### Asset values—column 2

Show at labels **C** and **D** the asset value of each category of asset.

**Note:** The amounts shown at item 28 are also included at item 27a—**Managed investments** and item 27b—**Direct investments** in the relevant asset categories.

### In-house assets

Generally an in-house asset of a fund is an asset of the fund that is:

- a loan to, or an investment in, a related party of the fund
- an investment in a related trust of the fund or
- subject to a lease or lease arrangement between the trustee of the fund and a related party of the fund.

**Note:** Do not include investments that are not in-house assets because of the operation of the grandfathering, transitional or deeming provisions. Show these categories in related party investments.

The in-house asset rules were amended by the *Superannuation Legislation Amendment Act (No 4) 1999*. The in-house asset rules are contained in Part 8 of SISA.

## Related party investments

These investments include:

- **Grandfathered investments**—these are investments made before 11 August 1999 that were not in-house assets at that time, and additions to these existing investments up to the allowable limits.
- **Transitional investments**—these are investments and leases with related parties made between 11 August 1999 and 23 December 1999 that were not in-house assets at the time they were made. From 1 July 2001 these investments will be in-house assets and subject to the in-house asset rules.
- **Deemed trust investments**—these are investments in related trusts that satisfy the conditions of the SISR so that they are deemed not to be in-house assets.
- **Any other investment** with a related party that is not an in-house asset.

The definition of a related party is contained in subsection 10(1) of SISA.

## 29 Value of leased assets

Show at labels **E**, **F** and/or **G** the value of the funds assets that are leased or subject to a lease arrangement. The value of leased assets are shown at (if applicable):

- item 27—**Financial information**
- item 28—**In-house and related party assets**.

## 30 Has the fund acquired assets from its members or a related party

Print **Y** for yes or **N** for no at label **H**.

## 31 Liability information

### Members entitlements

Show at label **A** the total amount relating to:

- accrued benefits, in the case of accumulation funds. This is generally equal to the sum of all the members' benefit accounts—that is, not just vested amounts—plus any amounts not yet allocated to the member account or
- total vested benefits, in the case of defined benefit funds.

### Borrowings

Show at label **B** the total amount of borrowings by the fund, including accrued interest, at the fund's balance date.

### Other liabilities

Show at label **C** any other liabilities of the fund—including any tax liability.

## 32 Fund expenditure

### Benefit payments

Show at label **D** the total of benefit payments made during the year.

### Outward roll-overs and transfers

Show at label **E** the total amounts transferred out of the fund directly by a member, or on account of a member, to another superannuation fund, retirement savings account provider, ADF or deferred annuity.

### Administration and investment expenses

Show at label **F** all expenses of an investment management and administrative nature—for example, audit fees. Do not include investment management fees associated with unitised investment instruments—for example, PSTs—where these amounts are reflected in the net earnings from these products.

### Other expenses

Show at label **G** any other expenses not already included at item 32.

If the calculation of the other expenses results in a negative amount as a consequence of tax effect accounting, print **N** in the box at the right of label **G**.

## 33 Contribution information

### Non-taxable contributions

Show at label **H** the total amount of non-taxable contributions—for example, a member's contributions for which they were not claiming a tax deduction under section 82AAT of ITAA 1936—and eligible spouse contributions.

### Inward roll-overs and transfers

Show at label **I** the total amounts transferred directly into the fund by a member, or on account of a member, from another superannuation fund, retirement savings account provider, ADF or deferred annuity for the relevant income year.

### Trustee declaration

For trustees of SMSFs the signing of this declaration confirms that the fund has satisfied the SISA regulatory requirements.

Include in the declaration a signature, date, contact name and telephone number for the trustee.

**Note:** Trustees of non-self managed superannuation funds lodge a separate Annual Return with APRA.

### Tax agent's declaration

Where the agent is a partnership or a company, this declaration is signed in the name of the partnership or company by a person who is registered as a nominee of that partnership or company.

That person's name is also printed at this item.

## Worksheet 1 Depreciation

For more information refer to the publication *Guide to depreciation*. To find out how to obtain a copy, see the inside back cover. This worksheet has been reduced in size to fit on a page.

[illegible]

## Worksheet 2 Low-value pool

For more information refer to the publication *Guide to depreciation*. To find out how to obtain a copy, see the inside back cover. This worksheet has been reduced in size to fit on a page.

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					N	Subtotal	E			
		Add opening balance of low-value pool	B						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			

\*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.

This will be the low-value pool opening balance for the next tax year.

Sum of reduced termination values

Subtotal

Total

Subtotal

Add opening balance of low-value pool

Sum of O and B

C x 37.5%

Closing balance of low-value pool (C + E – G – H)

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

This will be the low-value pool opening balance for the next tax year.

## Appendix 1 Checklist for self managed superannuation funds

### Purpose

This short form checklist is designed to draw your attention to details that you, as a trustee of a self managed superannuation fund (SMSF), must be aware of in the operation of your fund.

A fund that is complying with the rules is taxed at 15 per cent.

A long form checklist is also available on the Internet site [www.ato.gov.au/super](http://www.ato.gov.au/super)

This checklist is intended to be used as a guide. Compliance of your fund is a matter which can only be determined at a given point in time considering all the facts at that time.

### How to use the checklist

The checklist highlights some of the more important rules under the *Superannuation Industry (Supervision) Act 1993* (SISA) that you, as a trustee, must comply with.

If, when using the checklist, you identify a problem with your fund or need more information the following may assist you:

- seek advice from your professional adviser—for example, financial planner, accountant, tax agent
- visit the Internet site for assistance at [www.ato.gov.au/super](http://www.ato.gov.au/super)
- obtain a fact sheet
- obtain a fax from tax on **13 2860**
- obtain a copy of the long form checklist
- phone the Superannuation helpline on **13 1020** for the cost of a local call
- add your name to the register of interested parties which has been developed so that practitioners and trustees can continually update their knowledge.

### Checklist

#### Purpose of fund

My fund is managed and maintained by the trustees for the **sole purpose** of providing retirement benefits for members. ☐

#### Responsibilities of trustees

All the trustees of my fund are aware that they are solely responsible for the compliance of the fund, even if advice is obtained from a tax agent, financial planner, etc. ☐

#### Compliance

If my fund complies with ALL the rules it can take advantage of tax concessions. ☐

#### Set up of Fund

The members of my fund are also trustees.  
My fund meets the new SMSF definition. ☐

#### Election

A one-off election to be regulated and comply with section 19 of SISA was made by my fund with the ATO, within 60 days of establishing the fund. (Funds in existence prior to 1 November 1999 would have lodged an election with APRA.) ☐

#### Tax file number and Australian Business Number

My SMSF has its own tax file number (TFN) and Australian Business Number (ABN). ☐

#### Separate bank account

My fund maintains a separate bank account. Money belonging to the fund is kept entirely separate from accounts of the members, the trustees and related employers (employer-sponsors). ☐

#### Investment strategy

My fund has a medium to long term investment strategy. The aim of my fund's strategy is to increase members' benefits over time. ☐

#### Accepting contributions

My fund accepts contributions only as set out in the Trust Deed and allowed under the SIS Act. ☐

#### Investing

The assets of the fund are kept separate **at all times** from those of:

- the members
  - the trustees and
  - related employers.
- ☐

#### Transactions at arm's length

All transactions by the fund are conducted on a **strict commercial basis**.

The fund can demonstrate that **market value** has been paid and received on all transactions. ☐

#### In-house assets

I am aware that special rules apply to restrict certain investments called in-house assets when dealing with a related party of the fund. These are known as In-house assets. ☐

#### Paying benefits

My fund makes payments only as allowed under the Trust Deed and the SISA. ☐



### Significant adverse event

If my fund cannot meet payments to a beneficiary due to lack of funds, the ATO will be notified within 3 days and all members of the fund will be informed.

### Reporting requirements

My fund prepares all necessary paperwork in relation to:

- eligible termination payments (ETPs)
- Business Activity Statements (BAS)
- PAYG instalment and withholding payments
- reasonable benefit limits (RBLs) and
- surcharge payments.

### Annual requirements

The fund:

- has the records examined by an approved auditor and prepare member reports at the end of each year
- lodges its *Regulatory and income tax return*, on time, with the appropriate authority. For the 2000–01 income year these returns are combined and lodged with the ATO
- pays the supervisory levy and its tax liability when due
- complies with surcharge requirements.

### Record keeping

The fund keeps accounting records which comply with accounting guidelines for true and accurate accounts for 5 years.

Responsible accounting practices will be adopted by the trustees.

The trustee keeps records which relate to the management of the fund—for example, minutes of all meetings for 10 years.

### Tax Matters

My fund keeps a record of the following:

- deductions claimed for administrative and operating expenses of the fund
- sales/purchases of assets for capital gains tax (CGT) purposes
- TFNs of members
- deductions claimed for the provision of death and disability benefits for members
- copy of the audit report is retained with the tax records of the fund.

## Appendix 2 Capital works deductions

### Capital works

Construction costs in respect of the following capital works may be deducted:

- buildings or extensions, alterations or improvements to a building
- structural improvements or extensions, alterations or improvements to structural improvements
- environment protection earthworks.

### Who can claim?

You can only claim a deduction under this Division for an income year if:

- you own, lease or hold part of a construction expenditure area of capital works
- you incurred the expense and
- you use the building to produce income.

The area you own, lease or hold is called 'your area'.

In calculating your deduction you must identify your area for each construction expenditure area of the capital works. Your area may comprise the whole of the construction area or part of it.

### Lessee of a building

A lessee can claim a deduction in respect of an area leased or held under a quasi-ownership right.

To claim a deduction the lessee must have:

- incurred the construction expenditure or is an assignee of the lessee who incurred the expenditure
- continuously leased or held the building itself, or been so held by previous lessees, holders or assignees since completion of construction and
- used the building to produce assessable income.

If there is a lapse in the lease the entitlement to the deduction reverts to the building owner.

### Requirement for deductibility

You can deduct an amount for capital works in an income year if:

- the capital works have a 'construction expenditure area'
- there is a 'pool of construction expenditure' for that area and
- you use the area in the income year to produce assessable income.

### No deduction until construction is complete

You cannot claim a deduction for any period before the completion of construction of the capital works even though you used them, or part of them, before completion. Additionally, your deduction cannot exceed the undeducted construction expenditure for your area.

Capital works are taken to have commenced when the first step in the construction phase starts—for example, the pouring of foundations or sinking of pilings for a building.

### **Establishing the deduction base**

Expenditure in respect of the construction of capital works is deductible if there is a construction expenditure area for the capital works.

Whether there is a construction expenditure area for the capital works and how it is identified depends on the following factors:

- the type of expenditure incurred
- the time the capital works commenced
- the area of the capital works to be owned, leased or held by the entity that incurred the expenditure and
- for capital works begun before 1 July 1997, the area of the capital works that was to be used in a particular manner—refer to section 43-90 of ITAA 1997.

### **Construction expenditure**

Includes:

- preliminary expenses such as architect's fees, engineering fees, foundation excavation expenses and costs of building permits
- costs of structural features that are an integral part of the income producing building or income producing structural improvements—for example, lift wells & atriums
- some portion of indirect costs.

In relation to an owner/builder entitled to a deduction under Division 43, the value of the owner/builder's contributions to the works—that is, labour or expertise and any notional profit element do not form part of construction expenditure. Refer to *Taxation Ruling TR 97/25*. To find out how to obtain a copy, see the inside back cover.

Construction expenditure does not include expenditure on:

- acquiring land
- demolishing existing structures
- clearing, leveling, filling, draining or otherwise preparing the construction site prior to carrying out excavation work
- landscaping
- plant
- property for which a deduction is allowable or would be allowable if the property were for use for the purpose of producing assessable income under another specified provision of ITAA 1936 or ITAA 1997.

### **Construction expenditure area**

The construction of the capital works must be complete before the construction expenditure area is determined. A separate construction expenditure area is created each time an entity undertakes the construction of capital works.

**Note:** For construction area expenditure before 1 July 1997, the capital works must have been constructed for a specified use at the time of completion, depending upon the time when the capital works commenced. The first specified use construction time was 22 August 1979—refer to Table 43-90 and subsection 43-75(2) of ITAA 1997.

### **Pool of construction expenditure**

The pool of construction expenditure is the portion of the construction expenditure incurred by an entity on capital works, which is attributable to the construction expenditure area.

### **Deductible use**

You can only claim a deduction under this Division if you use your area in a way described in Table 43-140 or 43-145 of Subdivision 43-D of ITAA 1997.

### **Special rules about uses**

Your area, is taken to be used for a particular purpose or manner if:

- it is maintained ready for that use, is not used for another purpose and its use has not been abandoned or
- its use has temporarily ceased because of construction, repairs, or for seasonal or climatic conditions.

Your area is not accepted as being used to produce assessable income if:

- it is used for exhibition or display in connection with the sale of all or part of any building—other than a hotel or apartment building—and where construction began after 17 July 1985 but before 1 July 1997. If construction commenced after 30 June 1997, buildings that are used for display are eligible
- it is used:
  - wholly or mainly for residential accommodation or
  - for exhibition or display in connection with the sale of all or part of any building or the lease of all or part of the building for use wholly or mainly for or in association with residential accommodation and the building construction began after 19 July 1982 and before 18 July 1985
- you use it for residential accommodation—and it is not a hotel or apartment building. Refer to section 43-170(2) of ITAA 1997 for exceptions to this rule.

Your area, is taken to be used as residential accommodation if it is:

- part of an individual's home—other than a hotel or apartment building
- used as a hotel, motel or guest house but does not satisfy the definition of a hotel building
- owned by a private company and used, or reserved for use, as residential accommodation for a director or member of the company, or a spouse, parent or child of such a director or member.

**Note:** Special rules for hotel and apartments are contained in section 43-180 of ITAA 1997.

### **Calculation and rate of deduction**

Your entitlement to a deduction begins on the date the building is first used to produce assessable income. The first and last years of use may be apportioned. The entitlement to a deduction runs for either 25 or 40 years—the limitation period—depending on the rate of deduction applicable. The legislation contains 2 calculation provisions.

- section 43-210 of ITAA 1997—the deduction for capital works, which began after 26 February 1992
- section 43-215 of ITAA 1997—deductions for capital works, which began before 27 February 1992.

### **Capital works begun before 27 February 1992 and used as described in Table 43-140 of ITAA 1997**

The deduction is calculated separately for each part that meets the description of your area.

Your construction expenditure is multiplied by the applicable rate—either 4 per cent if the capital works were begun after 21 August 1984 and before 16 September 1987 or 2.5 per cent in any other case—and by the number of days in the income year in which you owned, leased or held your area and used it in a relevant way. That amount is divided by the number of days in the income year.

You apportion the amount if your area is used only partly to produce assessable income.

The amount you claim cannot exceed the undeducted construction expenditure.

### **Capital works begun after 26 February 1992**

The deduction is calculated separately for each part of capital works that meets the description of your area.

There is a basic entitlement to a rate of 2.5 per cent for parts used as described in Table 43-140—Current year use. The rate increases to 4 per cent for parts used as described in Table 43-145—Use in the 4 per cent manner.

### **Undeducted construction expenditure**

The undeducted construction expenditure for your area is the part of your construction expenditure that remains to write-off. It is used to work out:

- the number of years in which you can deduct amounts for your construction expenditure and
- the amount that you can deduct under section 43-40 of ITAA 1997 if your area or a part of it is destroyed.

### **Balancing deduction on destruction**

If a building is destroyed or damaged during an income year, the remaining amount of undeducted construction expenditure that has not yet been deducted less any compensation received is allowed as a deduction. Where the destruction or demolition is voluntary, the entitlement to a deduction is unaffected.

The deduction is allowable in the income year in which the destruction occurs. The deduction is reduced where the capital works are used in an income year only partly for the purpose of producing assessable income.

For guidelines issued by the Commissioner on these measures refer to *Taxation Ruling 97/25*. To find out how to obtain a copy, see the inside back cover.

### Appendix 3 Summary of special responsibilities of trustees

The following is a summary of special responsibilities trustees have in the preparation of returns.

- the fund must have a governing trust deed or a constituent document
- ensure all assets are in the name of the trustee of the fund
- elect to become a regulated fund under SISA and either:
  - obtain an APRA or ATO notice of compliance
  - evidence that compliance has been sought and is expected to be granted for the year or
  - retain a notice of compliance from a previous year provided the fund has not since received a notice of non-compliance
- if the fund operates under a substituted accounting period (SAP), proof that the SAP has been approved by the ATO
- if the fund has capital gains or losses, records must be available of the market value and original cost used as at 30 June 1988 if the asset was purchased prior to that date
- keep separate records of private company dividends, certain trust distributions or other excessive non-arm's length income
- keep records of all foreign source income and calculation of foreign tax credits
- contributions—keep records of:
  - contributions received from employers and employees or depositors
  - roll-over notifications to verify untaxed elements where roll-overs are received
- keep records of how contributions excluded from income are determined under subsection 274(7) of ITAA 1936. If pre-1 July 1988 funding credits are claimed, obtain an APRA section 15D notice, or keep evidence that the notice has been sought
- keep records of notices received excluding member or depositor contributions. If the contributions tax liability is transferred, obtain evidence in writing of an agreement from the transferee
- deductions—keep records of expenditure and to what income it relates. If a potential detriment deduction is claimed, keep records of how the claim was arrived at and obtain the relevant actuarial certificates. Also keep evidence that the benefit of the deduction is passed on to the dependant.

If premiums for death and disablement cover are claimed, where relevant, keep a copy of the policy or actuarial certificate.

If a future service element deduction is claimed, keep evidence of the calculation and full details of the relevant eligible termination payments (ETP) details.

For more information on trustees' duties and responsibilities, trustees of SMSFs refer to the publication *Self Managed Superannuation Funds – A do it yourself guide for trustees running a Self Managed Superannuation Fund*. To find out how to obtain a copy, see the inside back cover.

## Appendix 4 Superannuation fund rates of taxation

The following rates of tax apply to superannuation funds, ADFs and PSTs for the 2000–01 income year.

<b>Superannuation funds certified by APRA or the ATO as complying with superannuation fund conditions</b>	<b>Rate %</b>
<ul style="list-style-type: none"> <li>assessed on income, including realised capital gains, tax deductible contributions received and any net previous income</li> </ul>	<b>15</b>
<ul style="list-style-type: none"> <li>assessed on private company dividends (unless the Commissioner is of the opinion that the dividends are not special income), certain trust distributions and non-arm's length income—see label <b>H—Net private company dividends and other excessive non-arm's length income</b> on page 18</li> </ul>	<b>47</b>
<b>Superannuation funds not certified by APRA or the ATO as complying with superannuation fund conditions</b>	
<ul style="list-style-type: none"> <li>assessed on income, including realised capital gains, tax deductible contributions received and any net previous income</li> </ul>	<b>47</b>
<b>ADFs certified by APRA as complying with ADF conditions</b>	
<ul style="list-style-type: none"> <li>assessed on income, including realised capital gains and certain roll-over deposits</li> </ul>	<b>15</b>
<ul style="list-style-type: none"> <li>assessed on non-arm's length income, private company dividends (unless the Commissioner is of the opinion that the dividends are not special income) and certain distributions from trusts—see label <b>H—Net private company dividends and other excessive non-arm's length income</b> on page 18</li> </ul>	<b>47</b>
<b>ADFs not certified by APRA as complying with ADF conditions</b>	
<ul style="list-style-type: none"> <li>assessed on income, including realised capital gains and certain roll-over deposits</li> </ul>	<b>47</b>
<b>Unit trusts certified by APRA as complying with conditions for PSTs</b>	
<ul style="list-style-type: none"> <li>assessed on income, including realised capital gains and any liability attached to tax deductible contributions transferred from investing funds</li> </ul>	<b>15</b>
<ul style="list-style-type: none"> <li>assessed on non-arm's length income, private company dividends (unless the Commissioner is of the opinion that the dividends are not special income) and certain distributions from trusts—see label <b>H—Net private company dividends and other excessive non-arm's length income</b> on page 18.</li> </ul>	<b>47</b>

## Appendix 5 ATO locations

For more information regarding PART IX—taxation of superannuation business and related business (sections 267 to 315F of ITAA 1936) and the regulatory information for SMSFs (SIS) phone the Superannuation helpline on **13 1020**.

Below are our street addresses.

If you have an enquiry, we can usually assist you faster by telephone. The inside back cover lists our telephone helpline services.

### New South Wales

#### Albury

567 Smollett Street  
Albury  
PO Box 9990 Albury 2640

#### Bankstown

ATOaccess  
2 Meredith Street  
Bankstown  
PO Box 9990 Hurstville 2220

#### Chatswood

ATOaccess  
Shop 43 Lemon Grove  
Shopping Centre  
441 Victoria Avenue  
Chatswood  
PO Box 9990 Hurstville 2220

#### Hurstville

ATOaccess  
1st Floor MacMahon Plaza  
14–16 Woodville Street  
Hurstville  
PO Box 9990 Hurstville 2220

#### Newcastle

266 King Street  
Newcastle  
PO Box 9990 Newcastle 2300

#### Parramatta

ATOaccess  
Ground floor  
Commonwealth Offices  
2–12 Macquarie Street  
Parramatta  
PO Box 9990 Newcastle 2300

#### Penrith

121–125 Henry Street  
Penrith  
PO Box 9990 Penrith 2740

#### Sydney

100 Market Street  
Sydney  
PO Box 9990 Hurstville 2220

#### Wollongong

93–99 Burelli Street  
Wollongong  
PO Box 9990 Penrith 2740

### Queensland

#### Brisbane

ATOaccess  
280 Adelaide Street  
Brisbane  
PO Box 9990 Chermside 4032

#### Chermside

ATOaccess  
766 Gympie Road  
Chermside  
PO Box 9990 Chermside 4032

#### Townsville

ATOaccess  
Stanley Place  
235 Stanley Street  
Townsville  
PO Box 9990 Townsville 4810

#### Upper Mt Gravatt

2221–2233 Logan Road  
Upper Mt Gravatt  
PO Box 9990 Chermside 4032

### Australian Capital Territory

#### Canberra

ATOaccess  
Ground floor Ethos House  
28–36 Ainslie Avenue  
Canberra  
PO Box 9990 Penrith 2740

### Tasmania

#### Hobart

200 Collins Street  
Hobart  
GPO Box 9990 Hobart 7001

### Western Australia

#### Northbridge

45 Francis Street  
Northbridge  
GPO Box 9990 Perth 6848

#### Cannington

48–54 Grose Avenue  
Cannington  
GPO Box 9990 Perth 6848

### Victoria

#### Box Hill

990 Whitehorse Road  
Box Hill  
PO Box 9990 Box Hill 3128

#### Casselden Place

2 Lonsdale Street  
Melbourne  
PO Box 9990 Dandenong 3175

#### Cheltenham

ATOaccess  
4A, 4–10 Jamieson Street  
Cheltenham  
PO Box 9990 Albury 2640

#### Dandenong

14 Mason Street  
Dandenong  
PO Box 9990 Dandenong 3175

#### Geelong

92–100 Brougham Street  
Geelong  
PO Box 9990 Albury 2640

#### Moonee Ponds

6 Gladstone Street  
Moonee Ponds  
PO Box 9990 Dandenong 3175

### Northern Territory

#### Alice Springs

ATOaccess  
Jock Nelson Centre  
16 Hartley Street  
Alice Springs  
GPO Box 800 Adelaide 5001

#### Darwin

ATOaccess  
Cnr Mitchell & Briggs Streets  
Darwin  
GPO Box 800 Adelaide 5001

### South Australia

#### Adelaide

91 Waymouth Street  
Adelaide  
GPO Box 800 Adelaide 5001



## Appendix 6 Where to lodge a return and payment options

### Postal address for lodgment

Send the *Fund income tax and regulatory return*

**ATO Corporate data capture**

**GPO Box 9845**

**IN YOUR CAPITAL CITY**

**Note:** The address must appear as shown. Do not replace the words 'IN YOUR CAPITAL CITY' with the name of your capital city. Because of a special agreement with Australia Post there is no need for you to include the name of your capital city or a post code.

### Remittance advice

Use the 2 separate remittance advices provided by the ATO to pay the actual amount of tax payable and the annual levy for SMSFs.

The remittance advices are expected to issue in November 2001 to the current postal address of the fund.

### Payment options

To make a payment electronically your EFT code is found immediately above the bar code on your remittance advice. For more information or to request an EFT code phone **1800 815 886**. When funds make a payment using a pre-identified remittance advice, this must be attached to the payment.

You can make payments by one of 5 methods:

- **Direct credit**, by arranging to have your payment credited to the ATO electronically, via a desktop banking package. Use the following information to transmit a payment to the ATO's bank account:

Bank	Reserve Bank of Australia
BSB No	093 003
Account No	316 385
Account Name	ATO EFT Deposits Trust Account

Record your EFT Code in the Direct Entry System (DES) Lodgment Reference Field.

- **Direct debit**, by authorising the ATO to debit your nominated financial institution account (savings or cheque accounts only) for your payment. This method can only be used through a tax agent or accountant authorised to use the electronic lodgment service (ELS). The completed Direct Debit Request (DDR) must be received by the ATO at least 5 working days before the first direct debit is due. Once the ATO processes your DDR, payment details or recurring tax liabilities must be provided to the ATO by your agent or accountant no later than 3 working days before the due date.



- **BPAY**, using the phone or Internet. Contact your financial institution and follow the prompts. Your nominated account must be a cheque or savings account. Enter the ATO's biller code **75556** and your customer reference number (your EFT code). A receipt number will be issued which is your record of payment.
- By **mailing** your payment to the address printed on your pre-identified remittance advice. Where a pre-identified remittance advice is not available, payments can be mailed to the appropriate address below. Include your full name, address, telephone number, type of payment and ABN or TFN. New South Wales, Australian Capital Territory and Queensland clients mail payments to:

**ATO**

**Locked Bag 1793**

**Penrith NSW 1793**

All other clients mail payments to:

**ATO**

**Locked Bag 1936**

**Albury NSW 1936**

Cheques and money orders are made payable to the Deputy Commissioner of Taxation with **Not negotiable** printed across the cheque. Tender all cheques in Australian currency. Do not send cash by mail. Do not use pins, staples, paper clips or adhesive tape.

- In person at any **Australia Post** agency, by cash, money order or cheque. A \$3000 cash limit applies. You must present your pre-identified remittance advice when making a payment. A receipt will be issued. Australia Post will not accept a photocopy of a pre-identified remittance advice.

### For more information on any payment method:

**Phone:** 1800 815 866  
**Email:** [acmshelpdesk@ato.gov.au](mailto:acmshelpdesk@ato.gov.au)  
**Internet:** [www.ato.gov.au](http://www.ato.gov.au)

## Glossary

AAT	Administrative Appeals Tribunal
ABN	Australian Business Number
ADF	approved deposit fund
AEDT	Australian Eastern Daylight Time (by legal time in the Australian Capital Territory)
AEST	Australian Eastern Standard Time (by legal time in the Australian Capital Territory)
APRA	Australian Prudential Regulation Authority
ATO	Australian Taxation Office
BAS	Business Activity Statement
CFC	controlled foreign company
CGT	capital gains tax
Commissioner	Commissioner of Taxation
DDR	Direct Debit Request
DES	Direct Entry System
EFT	electronic funds transfer
ELS	electronic lodgment service
esp	eligible service period
ETP	eligible termination payment
FBT	fringe benefits tax
FTD	family trust distribution
FIF	foreign investment fund
FLP	foreign life policies
FTP	File Transfer Protocol
fund	superannuation fund, approved deposit fund and pooled superannuation trust
GIC	general interest charge
Gazette	Commonwealth of Australia Gazette
GST	goods and services tax
ITAA	<i>Income Tax Assessment Act</i>
MCS	member contributions statements
PAYG	Pay as you go
PDF	pooled development fund
PST	pooled superannuation trust
RBL	reasonable benefit limit
SAF	small APRA fund
SASP	Self Assessing Superannuation Provider
SFN	superannuation fund number
SHAR	Superannuation Holding Accounts Reserve
SIS	<i>Superannuation Industry (Supervision) Act 1993 and Superannuation Industry (Supervision) Regulations 1994</i>
SISA	<i>Superannuation Industry (Supervision) Act 1993</i>
SISR	<i>Superannuation Industry (Supervision) Regulations 1994</i>
SMSF	self managed superannuation fund
TAA	<i>Taxation Administration Act</i>
TFN	tax file number
Trust Loss Act	<i>Taxation Laws Amendment (Trust Loss and Other Deductions) Act 1998</i>
www	world wide web

## Reference to Taxation Determinations and Taxation Rulings

IT 2624	Income tax: company self assessment; elections and other notifications; additional (penalty) tax; false or misleading statement
TD 98/27	Income tax: is a deduction allowable to complying superannuation funds under section 279 of the <i>Income Tax Assessment Act 1936</i> , for insurance premiums attributable to the provision of benefits for members in the event of temporary disability longer than two years?
TD 1999/6	Income tax: what is the purpose of sections 279E and 289A of the <i>Income Tax Assessment Act 1936</i> (ITAA 1936)?
TD 2000/23	Income tax: what are the thresholds and limits for superannuation amounts in 2000–2001?
TR 93/1	Income tax and fringe benefits tax: private rulings
TR 96/7	Income tax: record keeping – section 262A – general principles
TR 97/16	Income tax: status of taxation rulings following the income tax law rewrite
TR 97/21	Income tax: record keeping: electronic records
TR 97/25	Income tax: property development: deduction for capital expenditure on construction of income producing capital works, including buildings and structural improvements
TR 2000/18	Income tax: depreciation effective life

## Your Helplines for further information

Publications, taxation rulings, forms and enquiries are available through the following services:

### **Tax agents please use the following numbers:**

**ATOPOS** web address [www.iOrder.com.au/ato](http://www.iOrder.com.au/ato)

**Publications distribution service by fax—1300 361 462**

If you have a query on your order status, phone **1300 362 883**

### **Non tax agents please use the following numbers:**

**Publications distribution service—1300 720 092**

From July until the end of October, this service operates from 8 a.m. to at least 10 p.m. on weekdays and from 10 a.m. to 5 p.m. on weekends—AEST.

Before you phone, check to see if there are other publications you may need—this will save you time and help us.

**This distribution service is not run by ATO staff. Your tax questions cannot be answered on this number.**

### **Internet site—ATOassist**

The Internet site at [www.ato.gov.au](http://www.ato.gov.au) gives access to ATO publications and general information on tax matters, 24 hours a day, every day.

### **a FAX from TAX—13 2860**

If you have access to a fax machine, tax information is available 24 hours a day, every day. When you phone, follow the instructions to obtain a list of available documents.

### **Business tax reform infoline—13 2478**

This service operates from 8 a.m. to 6 p.m. Mon–Fri.

The Internet site at [www.taxreform.ato.gov.au](http://www.taxreform.ato.gov.au) gives access to business tax reform information 24 hours a day, every day.

### **Superannuation enquiries—13 1020**

For assistance with all your superannuation enquiries.

### **General business including payment and lodgment—13 2866**

Notify the ATO of the amount of tax instalments deducted from employees every quarter to avoid a penalty for failure to notify, even if you cannot pay the full amount by the due date.

Phone this number also for information on the general interest charge.

If you are unsure whether you need to lodge a return or you want to know where or when to lodge a return.

If you need information on the ABN, how to apply for one or assistance in completing an application.

### **Debt collection—13 1142**

If you cannot pay your tax debt contact the ATO on this number to avoid action being taken to recover the debt.

### **General enquiries—13 2861**

This helpline is for tax questions on topics other than those already described.

### **Translating and interpreting service—13 1450**

If you do not speak English and need help on tax matters, this service sets up a 3-way conversation between you, an interpreter and a tax officer.

### **Hearing or speech impairment—13 3677**

If you have access to appropriate TTY or modem equipment, contact the Australian Communication Exchange National Relay Service on **1300 130 478**. You will need to quote one of the helplines listed on this page. The relay service will then connect you with a tax officer.