

TAXPACK

Income

Deductions

Tax offsets

Credit for interest
on tax paid

DO YOU NEED THIS SUPPLEMENT?

see the inside front cover and page s1

HAVE YOU SOLD SHARES OR
OTHER ASSETS?

see page s17

LODGE YOUR TAX RETURN BY
31 OCTOBER 2001 OR EARLIER.



2001
supplement

Commissioner's *guarantee*



Michael Carmody
COMMISSIONER OF TAXATION

The Commissioner offers you the following protections if you use *TaxPack 2001* properly:

- As a *TaxPack* user you will not be expected to know more than we have presented to you in *TaxPack* and its related publications.
- We have made every effort, including consultation with tax professionals outside the Australian Taxation Office, to make sure that *TaxPack* is accurate. Nevertheless, if something is misleading and you make a mistake as a result, we will not charge you a penalty or interest on any missing tax.
- If you use *TaxPack* properly and make an honest mistake, my staff, including my auditors, will accept that you have honestly described your tax affairs. We will not charge you a penalty, although we may ask you to pay interest on any missing tax.

Naturally, if you don't use *TaxPack* properly when you prepare your tax return, you are not covered by these protections.

Michael Carmody

DO YOU NEED TO USE THIS SUPPLEMENT?

TaxPack 2001 supplement contains instructions for completing the supplementary section (pages 9–12) of the *2001 tax return for individuals*, copies of which you will find at the back of this supplement.

The items in the supplementary section of the tax return are those that our records show are least commonly used by taxpayers—check the contents list on the next page.

If any of them apply to you, please follow the instructions in this supplement, including those that link the supplementary section of the tax return with the main part of the tax return (pages 1–8). You will need to attach both parts together to lodge your tax return.

Remember, this supplement does not replace *TaxPack 2001*; it is used in conjunction with *TaxPack 2001*.



TaxPack 2001 supplement information

TaxPack 2001 has been divided into 2 parts:

- TaxPack 2001 with the 2001 tax return for individuals
- TaxPack 2001 supplement with the 2001 tax return for individuals (supplementary section).

Please note: If you are using *TaxPack 2001 supplement* you must also use *TaxPack 2001* to complete all of your tax return—pages 1–12.

The questions contained in *TaxPack 2001 supplement* are shown in the contents list below. Check the list to find out if you need to use *TaxPack 2001 supplement* and complete the supplementary section of your tax return (pages 9–12).

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Messages

Lodge your tax return by 31 October 2001

You have from 1 July 2001 to 31 October 2001 to lodge your tax return, but it is a good idea to start early and send it in as soon as you can. The lodgment address is on page 117 of *TaxPack 2001*.

Don't delay sending your tax return, even if you think you will owe tax. The earliest due date for any 2000–01 personal income tax debt is 21 November 2001.

If you cannot lodge by 31 October 2001

If you cannot lodge your tax return by this date due to circumstances beyond your control, contact us as soon as possible—and certainly before 31 October 2001—to find out if you can lodge at a later date. Ring our lodgment enquiries helpline on the inside back cover of *TaxPack* or send a written request to the address that appeared on your 2000 notice of assessment, if you have one, or to your nearest tax office. Explain why you need to lodge late and suggest another date. We will consider your request and reply in writing.

The following explanations will not normally be accepted as reasons for allowing a late lodgment: a delay in receiving your payment summary, losing your payment summary, or being absent from Australia.

If you have not received your payment summary or you have lost it, see **YOU NEED TO KNOW** on page 11 in *TaxPack 2001* for information on late or lost payment summaries.

Need another *TaxPack*?



If you need an extra copy of *TaxPack 2001* or *TaxPack 2001 supplement* from 1 July to 31 October 2001 you can get a copy from newsagencies displaying this logo. Copies are also available all year from the Australian Taxation Office.

INCOME



new
for
2001

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Question 12

PARTNERSHIPS AND TRUSTS



DO NOT SHOW AT THIS QUESTION:

- attributed foreign income and any other foreign source income from a partnership or trust
- net capital gains from a trust
- income from a corporate limited partnership
- income from a public trading trust or a corporate unit trust
- interest you received, or were credited with, from a joint account where you quoted your individual tax file number to the financial institution
- that part of a distribution on which family trust distribution tax or ultimate beneficiary non-disclosure tax has been paid.

Otherwise you may be taxed incorrectly.

Other questions deal with these matters.

Refer to the relevant topics in the Index.

Note

If you think any details are missing from the statement or advice you received from the partnership or trust, or any are wrong, contact the managing partner or trustee.

YOU NEED TO KNOW

For 2000–01 did you receive or were you entitled to:

- income or a loss from a partnership
- income from a trust
- a share of credit for tax paid on or withheld from partnership or trust income or

did you have an interest in a trust that made a loss from primary production activities?

If the partnership—in which you are a partner—paid you salary, wage or allowance type income, you must show that income at this question.

Distributions of income from any trust investment product, such as a cash management trust, money market trust, mortgage trust, property trust or unit trust, must be shown at this question. Public trading trusts and corporate unit trusts are treated as companies for tax purposes. Accordingly, income from an equity investment in these types of trusts is treated as a dividend and must be shown at item **11** on your tax return.

NO



▶ Go to question **13**.

YES



▼ Read below.

WHAT YOU MAY NEED

- details of any deductions you can claim against your partnership or trust distribution that have not already been claimed by the partnership or trust
- a statement or advice from the partnership or trust showing the following details in relation to your share of any distribution:
 - the amount of any primary production income or loss or the amount of any non-primary production income or loss
 - the amount of any net capital gains, attributed foreign income or other foreign source income
 - the amount of any income on which family trust distribution tax has not been paid
 - your share of entitlement to any of the following credits:
 - credit for amounts of tax withheld because the trust or partnership failed to quote its Australian Business Number
 - allowable imputation credits from franked dividends
 - credit for tax file number amounts withheld
 - credit for tax paid by the trustee
- the publication *Business and professional items* (NAT 2543—6.2001) which contains the *2001 business and professional items schedule*. To find out how to get this publication, see the inside back cover of *TaxPack*. If you conducted a business activity as a partner in a partnership that resulted in a loss—or resulted in a loss after deducting your expenses—you must also complete items **P3** and **P9** in the *2001 business and professional items schedule*.

Some trust distributions paid after 30 June 2001 need to be included in your tax return for this year. This is because you were entitled to this income at 30 June 2001. You must make sure that you have included all of your trust income. If you have not been advised of all your trust distribution, contact your trustee.

If your distribution includes amounts described as tax-free, tax deferred or non-taxable, you will need to read the information on non-assessable distributions in the publication *Guide to capital gains tax* (NAT 4151—5.2001). While these amounts may not need to be included at this item, they may be relevant in determining the amount of net capital gains you show at item **17**. To find out how to get this publication, see the inside back cover of *TaxPack*.

Not all income distributed from a partnership or trust is to be shown at this question. If your distribution includes the following categories of income they are to be shown at other items on your tax return:

- net capital gains—show at item **17**
- attributed foreign income—show at item **18**
- other foreign source income—show at item **19**.

QUESTIONS YOU NEED TO ANSWER

- 1 A non-resident trust is either a trust whose trustee was not an Australian resident during 2000–01 or a trust which was not managed or controlled from Australia during 2000–01. Did you receive or were you entitled to receive income from a non-resident trust?

NO ☐

YES ☐

- 2 If you are under a legal disability, you may be able to claim a credit for the tax that the trustee has paid on your share of income. You are considered to be under a legal disability if you are under 18 years of age as at 30 June 2001 or you are a person who is bankrupt or you have been declared legally incapable because of a mental condition. Are you under a legal disability?

NO ☐

YES ☐

- 3 If you are not an Australian resident, you may be able to claim a credit for the tax that the trustee has paid on your share of income from a resident trust. Are you a non-resident?

NO ☐

YES ☐

If you answered NO to all 3 questions, *go to part A*.

If you answered YES to one or more of these questions, you will need to provide additional information. *Print* SCHEDULE OF ADDITIONAL INFORMATION—QUESTION 12 at the top of a separate piece of paper and explain your situation. Include your name, address, tax file number, the trust name, your share of income from the trust and any credits you are entitled to claim for that income. *Print X* in the **YES** box at *Taxpayer's declaration* question 2a on page 8 of your tax return. *Sign* and *attach* your schedule to page 3 of your tax return. *Go to part A*.

PART A—Were you a partner in a partnership that derived income or made a loss?

NO ☐ ➤ Go to part B.

YES ☐ ▼ Read below.

Step 1

Write the total of your share of primary production partnership income or loss at **N** item **12** on your tax return. Do not show cents. If you have a loss, *print L* in the small box ☐ at the right of **N**.

Step 2

Write the total of your share of non-primary production partnership income or loss—excluding any attributed foreign income or other foreign source income—at **O** item **12**. Do not show cents. If you have a loss, *print L* in the small box ☐ at the right of **O**.

PART B—Did you receive or were you entitled to income from a trust; or did you have an interest in a trust that made a loss from primary production activities?

NO ☐ ➤ Go to part C.

YES ☐ ▼ Read below.

YOU NEED TO KNOW

If, in an income year, a trust makes an overall loss for income tax law purposes, the loss is retained in the trust—there is no amount of net income available for distribution.

However, in some cases you are required to enter a loss at this question. This happens when your income is subject to the averaging provisions available to primary producers, and the trust has made a loss from its primary production activities but has an overall net income amount, which it distributes to you.

Your distribution advice or statement from the trust will separately disclose your share of the primary production loss—which is needed for averaging purposes—and your share of other income. You show your share of any primary production loss at **L** item **12** on your tax return and your share of other income at the relevant item—either **U** item **12**, or item **17**, **18** or **19** on your tax return.

If you need help ring the Personal Tax Infoline on the inside back cover of *TaxPack*.

Step 1

Write the total of your share of primary production trust income or loss at **L** item **12** on your tax return. Do not show cents. If you have a loss, *print L* in the small box ☐ at the right of **L**.

Step 2

Write the total of your share of non-primary production trust income or loss—excluding any net capital gain, attributed foreign income or other foreign source income—at **U** item **12**. Do not show cents. If you have a loss, *print L* in the small box ☐ at the right of **U**.

Exception for primary producers

If you are a beneficiary of a trust that carries on the business of primary production, you may still be eligible for tax liability averaging even where that trust makes an overall

loss. If this applies to you and you have not already been required to fill in **L** at step 1, then write '0' at **L**. This will ensure that you remain subject to the tax liability averaging provisions.

You may need to refer to *Taxation Ruling TR 95/29—Applicability of averaging provisions to beneficiaries of trust estates carrying on a business of primary production*. To find out how to get this publication, see the inside back cover of *TaxPack*.

PART C—Can you claim any deductions in relation to a distribution from a partnership or trust?

NO ☐ ► Go to part D.

YES ☐ ▼ Read below.

Remember, you cannot claim a deduction for amounts already claimed by the partnership or trust, or for expenses incurred in deriving exempt income such as an exempt distribution on which family trust distribution tax or ultimate beneficiary non-disclosure tax has been paid.

If you carried on a business through the partnership or trust and you have prepaid any expenses, the amount you can deduct at **X** and **Y** may be affected by the new prepayment provisions. For more information see part F of the publication *Deductions for prepaid expenses—individuals* (NAT 4170—5.2001). To find out how to get this publication see the inside back cover of *TaxPack*.

Step 1

Primary production deductions

If you are a partner in a partnership that incurred eligible expenditure on landcare operations and/or eligible expenditure on facilities for conserving or conveying water, you may be able to claim a tax offset at item **T9** on your tax return instead of a deduction for expenses at **I** item **12** on your tax return. See page s57 for eligibility.

If you are entitled to claim the tax offset you can choose either to claim the tax offset or to claim the deduction. If you are not entitled to the tax offset you can still claim the eligible expenditure on landcare operations and/or eligible expenditure on facilities for conserving/conveying water as a deduction.

If you are claiming a deduction write the total of any eligible expenditure on landcare operations and/or any eligible expenditure on facilities for conserving/conveying water that you can deduct this year and that relate to primary production income or loss from partnerships at **I** item **12** on your tax return. Do not show cents.

If you are a beneficiary in a trust that incurred eligible expenditure on landcare operations and/or eligible expenditure on facilities for conserving/conveying water, only the trust can claim deductions or tax offsets for that expenditure.

Write the total of any other deductions you can claim in relation to your share of income or a loss from a partnership or income from a trust at **X** item **12**. Do not show cents.

Step 2

Non-primary production deductions

If you are a partner in a partnership that incurred eligible expenditure on landcare operations you may be able to claim a tax offset at item **T9** on your tax return instead of a deduction for expenses at **J** item **12** on your tax return. See page s57 for eligibility.

If you are entitled to claim the tax offset you can choose either to claim the tax offset or to claim the expenses as a deduction. If you are not entitled to the tax offset you can still claim the eligible expenditure on landcare operations as a deduction.

If you are claiming a deduction write the total of any eligible expenditure on landcare operations that relate to non-primary production income or loss from partnerships at **J** item **12**. Do not show cents.

If you are a beneficiary in a trust that incurred eligible expenditure on landcare operations, only the trust can claim deductions or tax offsets for that expenditure.

Write the total of any other deductions you can claim in relation to your share of income or a loss from a partnership or income from a trust at **Y** item **12**. Do not show cents.

PART D—Calculation of net distribution from primary production and non-primary production

Step 1

Net primary production distribution

Add the income amounts at **N** and **L**—or deduct loss amounts if any—and take away the amounts at **I** and **X**. Write the answer at **Net primary production distribution**, item **12** on your tax return. Do not show cents.

If you have a loss, print **L** in the small box at the right of **Net primary production distribution**, item **12**.

Step 2

Net non-primary production distribution

Add the income amounts at **O** and **U**—or deduct loss amounts if any—and take away the amounts at **J** and **Y**. Write the answer at **Net non-primary production distribution**, item **12**. Do not show cents.

If you have a loss, print **L** in the small box at the right of **Net non-primary production distribution**, item **12**.

Important: If your distribution includes income from activities as an author of a literary, dramatic, musical or artistic work, inventor, performing artist, production associate or active sportsperson, you must also write the amount of this taxable professional income at **Z** item **22**. You will not be taxed twice on this income. More information is available at question **22**.

PART E—Share of credits from partnerships and trusts

If the partnership or trust income you have shown at **N**, **L**, **O** or **U** item 12 on your tax return includes:

- income from which an amount of tax was withheld because an Australian Business Number was not quoted, *write* your share of the distributed credit at **P** item 12. Show cents.
- interest and dividends from which tax file number (TFN) amounts have been withheld, *write* the total of your share of credits for TFN amounts withheld at **R** item 12. Show cents.

Other credits:

- For tax paid by a trustee on trust income, *write* the total of your share of credits for tax paid by a trustee at **S** item 12. Show cents.

Imputation credits

Write the amount of your share of any allowable imputation credits which you are entitled to claim as a franking tax offset through a partnership or trust at **Q** item 12. Show cents. You and the partnership or trustee must be qualified persons in relation to the particular dividend—see **Qualified person** below.

You can only claim a share of an imputation credit which relates to the share of a franked dividend paid to a partnership or trust which is indirectly included in the amount of partnership income or loss you show at **O** item 12, or in the amount of trust income which you show at **U** item 12. Therefore, you cannot claim an imputation credit for a dividend paid to the partnership or trust which was an exempt distribution because family trust distribution tax or ultimate beneficiary non-disclosure tax was paid on it.

You cannot claim a share of an imputation credit through a trust in the following circumstances:

- the trust has an overall loss for the income year
- you did not show an amount of income from the trust at **U** item 12 or
- the amount of income from the trust you have shown at **U** item 12 is not attributable to the franked dividend which has generated the imputation credit.

In addition you cannot claim an imputation credit in respect of your share of dividends received through a distribution from a partnership or trust unless both you and the partnership or trustee are qualified persons.

Qualified person

A taxpayer must satisfy both the holding period rule and the related payments rule in order to be a qualified person in relation to a dividend. Only qualified persons are entitled to the benefit of imputation credits attached to dividends.

Where you derive dividends through a distribution from a partnership or trust—except a widely held trust—you need

to determine what component of the trust or partnership distribution is attributable to a particular dividend, and then determine whether, in relation to that dividend, you have satisfied the holding period rule and the related payments rule.

In addition, the trustee or the partnership itself must also have satisfied these rules.

The **holding period rule** could affect you if you or the partnership or trustee bought shares on or after 1 July 1997 and sold the shares or entered into a risk diminution arrangement, such as a derivative transaction, within 45 days—90 days for certain preference shares—of buying the shares. The **related payments rule** could affect you if you or the partnership or trustee of a non-widely held trust, were under an obligation to make a related payment with respect to a dividend under an arrangement entered into after 7.30 p.m. on 13 May 1997 and the shares were not held ‘at risk’ during a specified qualifying period. Special rules apply if you are the beneficiary of a trust and the trustee has made a family trust election.

However, by way of exception, if you are a beneficiary in a widely held trust you are treated as holding an interest in all the shares, or interests, held by the trust as an undissected aggregate. You are only required to satisfy the 45-day rule in relation to your interest in the trust as a whole, rather than in relation to each share in which you have an interest under the trust. The trustee should be able to advise if a particular trust qualifies as a widely held trust.

If you have failed the holding period rule and the related payments rule does not apply to you, you may still be entitled to a franking tax offset if you qualify for the small shareholder exemption. The small shareholder exemption imposes a maximum franking tax offset ceiling of \$5000 on all your franking tax offset entitlements in a given year, whether received directly, or indirectly through a partnership or trust.

If any of these measures are likely to affect you read the publication *You and your shares* (NAT 2632—6.2001). To find out how to get this publication, see the inside back cover of *TaxPack*.

Check that you have . . .

- ✓ completed—as necessary—parts A, B, C, D and E
- ✓ attached to page 3 of your tax return your signed SCHEDULE OF ADDITIONAL INFORMATION—QUESTION 12, if you need to send us one
- ✓ kept a record of each distribution with your other records. You need the following information—name and tax file number of the partnership or trust, amount and source of distribution, amount of any taxable professional income, amount and type of deductions claimed and amount and type of any share of credits.

Question 13

PERSONAL SERVICES INCOME (PSI)

new
for
2001

Did you receive personal services income as a SOLE TRADER including:

- **personal services income under a Pay As You Go (PAYG) voluntary agreement**
- **personal services income from which an amount was withheld because you did not quote your Australian Business Number (ABN)**
- **personal services income as an independent contractor under a labour hire arrangement**
- **personal services income from a specified payment including payment for tutorial services provided for the Aboriginal Tutorial Assistance Scheme of the Department of Education, Training and Youth Affairs and payment for translation and interpretation services for the Translating and Interpreting Service of the Department of Immigration and Multicultural Affairs**
- **other personal services income?**

NO ☐ ► Go to question 14.

YES ☐ ▼ Read below.

YOU NEED TO KNOW

Note

If you need more information ring the business tax reform information line on **1300 137 619** or visit the Australian Taxation Office Internet site. See the inside back cover of *TaxPack*.

New rules for the treatment of personal services income started on 1 July 2000. If you had personal services income as a sole trader and you are not excluded from the new rules, **the deductions relating to your income may be limited.**

Your personal services income is your income that is mainly a reward for your personal efforts or skills.

Examples of personal services income:

- income of a professional practitioner in a sole practice
- income payable under a contract which is wholly or principally for the labour or services of a person
- income derived by a professional sportsperson or entertainer from the exercise of professional skills
- income derived by consultants from the exercise of personal expertise.

Personal services income does not include income which is mainly:

- for the sale or supply of goods or granting a right to use property or
- for the use of an asset.

WHAT YOU NEED

- the publication *Personal services income: self-assessment guide* (NAT 3416—8.2000). This publication will help you decide whether you have personal services income and are affected by the personal services income measures. It also provides particulars of how you may obtain more information about personal services income issues. To find out how to get this publication, see the inside back cover of *TaxPack*
- the publication *Business and professional items* (NAT 2543—6.2001). You need to read this publication before you can complete this question. To find out how to get this publication, see the inside back cover of *TaxPack*
- the *2001 business and professional items schedule* which is included in *Business and professional items*
- the *Individual PAYG payment summary schedule 2001* which is also included in *Business and professional items*. You will need to complete this schedule if you had tax withheld from your sole trader personal services income.

COMPLETE YOUR SCHEDULES

- *2001 business and professional items schedule*

Complete the schedule, sign it and attach it to page 3 of your tax return. If you do not attach your schedule, your tax return will be sent back to you. Do not include any of your calculations on your tax return. When you attach your *2001 business and professional items schedule* to page 3 of your tax return, print **X** in the **YES** box at *Taxpayer's declaration* question 2b on page 8 of your tax return.

Part A item **P1** of the *2001 business and professional items schedule* includes several questions to enable you to determine whether the personal services income measures apply to you.

- *Individual PAYG payment summary schedule 2001*

If you received personal services income from which tax was withheld, complete this schedule and attach it to page 3 of your tax return. Print **X** in the **YES** box at *Taxpayer's declaration* question 2a on page 8 of your tax return.

Do the new personal services income measures apply to you?

NO ☐  Go to question 14.

YES ☐  Read below.

Completing this question**PART A—Net personal services income****Step 1**

Transfer your net personal services income or loss shown at **M** on page 1 of your *2001 business and professional items schedule* to **A** item **13** on your tax return. Do not show cents.

Step 2

If you made a loss, print **L** in the small box at the right of **A**.

Important: If you carried on a business as an author, dramatic artist, musician, artist, inventor, performing artist, production associate, or active sports person, you must ALSO write the amount of income you received from these business activities at **Z** item **22**. See page s31 in *TaxPack 2001 supplement* for more information.

You will not be taxed twice on this income.

PART B—Tax withheld from personal services income

In your calculation of net personal services income at part B of item **P1** in the *2001 business and professional items schedule*, did you include an amount at **G**, **H** or **I**?

NO ☐  Go to **Check that you have**.

YES ☐  Read on.

1 Did you have amounts of tax withheld under a Pay As You Go (PAYG) voluntary agreement?

NO ☐  Go to 2.

YES ☐  Read below.

Add up all the amounts on your *Individual PAYG payment summary schedule 2001* at the **Tax withheld** boxes with a **V** in the **Type** box that correspond to the payments shown at **G** item **P1** in the *2001 business and professional items schedule*. Write this amount at **G** item **13** on your tax return. Do not show cents.

2 Did you have amounts of tax withheld because you did not quote your Australian Business Number?

NO ☐  Go to 3.

YES ☐  Read below.

Add up all the amounts on your *Individual PAYG payment summary schedule 2001* at the **Tax withheld** boxes with an **N** in the **Type** box that correspond to the payments shown at **H** item **P1** in the *2001 business and professional items schedule*. Write this amount at **H** item **13** on your tax return. Show cents.

3 Did you have amounts of tax withheld:

- because you received income under a labour hire arrangement or
- from a specified payment?

NO ☐  Go to **Check that you have**.

YES ☐  Read below.

Add up all the amounts on your *Individual PAYG payment summary schedule 2001* at the **Tax withheld** boxes with an **S** in the **Type** box that correspond to the payments shown at **I** item **P1** in the *2001 business and professional items schedule*. Write this amount at **J** item **13** on your tax return. Do not show cents.

Check that you have . . .

- ☒ read the publication *Business and professional items*
- ☒ completed the *2001 business and professional items schedule*, signed and attached it to page 3 of your tax return
- ☒ transferred the amount from **M** item **P1** on the schedule to **A** item **13**. If this amount is a loss, print **L** in the small box at the right of **A**
- ☒ printed **X** in the **YES** box at *Taxpayer's declaration* question 2b on page 8 of your tax return.

If you received personal services income from which tax was withheld also check that you have:

- ☒ completed the *Individual PAYG payment summary schedule 2001* and attached it to page 3 of your tax return
- ☒ written amounts at **G**, **H** and **J** item **13**, if required
- ☒ printed **X** in the **YES** box at *Taxpayer's declaration* question 2a on page 8 of your tax return.

Question 14

NET INCOME OR LOSS FROM BUSINESS

Did you derive income from any business—other than personal services income included at question 13—including:

- a primary production business
- income under a Pay As You Go (PAYG) voluntary agreement
- income from which an amount was withheld because you did not quote your Australian Business Number (ABN)
- income as an independent contractor under a labour hire arrangement
- income from a specified payment including payment for tutorial services provided for the Aboriginal Tutorial Assistance Scheme of the Department of Education, Training and Youth Affairs, and payment for translation and interpretation services for the Translating and Interpreting Service of the Department of Immigration and Multicultural Affairs?

Note: If you are self-employed, or driving a taxi under a standard bailment agreement with an owner/operator, you will need to complete this question.

NO

☐

Go to question 15.

YES

☐

Read below.

YOU NEED TO KNOW

You need to read the publication *Business and professional items* (NAT 2543—6.2001) before you can answer this question. To find out how to get this publication, see the inside back cover of *TaxPack*.

Business and professional items contains the 2001 business and professional items schedule. As part of answering this question **you must complete this schedule, sign it and attach it to page 3 of your tax return**. If you do not attach your schedule, your tax return will be sent back to you. Do not include any of your calculations on your tax return.

When you attach your 2001 business and professional items schedule to page 3, **print X** in the **YES** box at *Taxpayer's declaration* question 2b on page 8 of your tax return.

Business and professional items also contains the *Individual PAYG payment summary schedule 2001*. If you received business income from which tax was withheld you will also need to complete this schedule before completing item 14.

When you attach your *Individual PAYG payment summary schedule 2001* to page 3, **print X** in the **YES** box at *Taxpayer's declaration* question 2a on page 8 of your tax return.

If you received personal services income as a sole trader, you must complete item **P1** of the 2001 business and professional items schedule. Personal services income is income that is mainly a reward for an individual's personal efforts or skills. Where you have net personal services income at **A** item 13, do not include the personal services income or claim deductions relating to that income at item 14.

You must show your net income—gross business income less business deductions—at **B** item 14 for primary production and at **C** item 14 for non-primary production business income.

You carry on a primary production business if you carry on a business in any of the following:

- cultivating or propagating plants, fungi or their products or parts
- maintaining animals for the purpose of selling them or their bodily produce
- manufacturing dairy produce from raw material you produced
- conducting operations relating directly to taking or catching fish, turtles, dugong, bêche-de-mer, crustaceans or aquatic molluscs

- conducting operations relating directly to taking or culturing pearls or pearl shell
- planting or tending trees in a plantation or forest that are intended to be felled
- felling trees in a plantation or forest
- transporting trees that you felled in a plantation or forest to the place
 - where they are first to be milled or processed or
 - from which they are to be transported to the place where they are first to be milled or processed.

If you are a primary producer, you also need to read the publication *Information for primary producers* (NAT 1712—6.2001). To find out how to get this publication, see the inside back cover of *TaxPack*.

WHAT YOU MAY NEED

The following taxation rulings may help you to correctly complete this question:

- *Taxation Ruling TR 92/18—Bad debts*
- *Taxation Ruling TR 93/30—Deductions for home office expenses*
- *Taxation Ruling TR 96/7—Record keeping—section 262A—general principles*
- *Taxation Ruling TR 97/11—Am I carrying on a business of primary production?*
- *Taxation Ruling TR 97/21—Record keeping—electronic records*
- *Taxation Ruling TR 97/23—Deductions for repairs*
- *Taxation Ruling TR 1999/12—Deductibility of expenses incurred in preparing for the commencement of the Goods and Services Tax (GST)*
- *Taxation Ruling TR 2000/18—Depreciation effective life*

If you think you may need these rulings, see the inside back cover of *TaxPack* to find out how to get them.

Important: Complete your *2001 business and professional items schedule*, and your *Individual PAYG payment summary schedule 2001* if required, before you continue.

PART A—Did you derive income from a primary production business?

NO ☐  Go to part B. **YES** ☐  Read below.

Step 1 Transfer your net income or loss from primary production business shown at **Y** on page 3 of your *2001 business and professional items schedule* to **B** item **14** on your tax return. Do not show cents.

Step 2 If you made a loss, print **L** in the small box at the right of **B** item **14**.

Step 3 If you made a loss in 2000–01 from one or more business activities, check that you have completed items **P3** and **P9** in the *2001 business and professional items schedule*.

PART B—Did you derive income from any non-primary production business?

NO ☐  Go to part C. **YES** ☐  Read below.

Step 1 Transfer your net income or loss from non-primary production business shown at **Z** on page 3 of your *2001 business and professional items schedule* to **C** item **14** on your tax return. Do not show cents.

Step 2 If you made a loss, print **L** in the small box at the right of **C**.

Step 3 If you made a loss in 2000–01 from one or more business activities, check that you have completed items **P3** and **P9** in the *2001 business and professional items schedule*.

Important: If you carried on a business as an author, dramatic artist, musician, artist, inventor, performing artist, production associate, or active sportsperson, you must complete the *2001 business and professional items schedule*. You must ALSO write the amount of income you received from these business activities at **Z** item **22**. See page s31 for more information.

You will not be taxed twice on this income.

PART C—In your calculation of total business income in the 2001 business and professional items schedule, did you include income from which an amount of tax was withheld at **C, **D**, **E**, **F**, **N** or **O** item P8?**

NO ☐ ▼ Go to **Check that you have**. **YES** ☐ ▼ Read below.

1 Did you have any amounts of tax withheld under a Pay As You Go (PAYG) voluntary agreement?

NO ☐ ▼ Go to **2**. **YES** ☐ ▼ Read below.

Add up all the amounts on your *Individual PAYG payment summary schedule 2001* shown in the **Tax withheld** boxes where you have printed **V** in the **Type** box that correspond to the payments shown at **E** and **F** item **P8** in the 2001 business and professional items schedule. Write this total at **D** item **14** on your tax return. Do not show cents.

2 Did you have any amounts of tax withheld because you did not quote your Australian Business Number (ABN)?

NO ☐ ▼ Go to **3**. **YES** ☐ ▼ Read below.

Add up all the amounts on your *Individual PAYG payment summary schedule 2001* shown in the **Tax withheld** boxes where you have printed **N** in the **Type** box that correspond to the payments shown at **C** and **D** item **P8** in the 2001 business and professional items schedule. Write this total at **W** item **14** on your tax return. Show cents.

3 Did you have any amounts of tax withheld:

- because you received income under a labour hire arrangement or
- from a specified payment?

NO ☐ ▼ Go to **Check that you have**. **YES** ☐ ▼ Read below.

Add up all the amounts on your *Individual PAYG payment summary schedule 2001* shown in the **Tax withheld** boxes where you have printed **S** in the **Type** box that correspond to the payments shown at **N** and **O** item **P8** in the 2001 business and professional items schedule. Write this amount at **F** item **14** on your tax return. Do not show cents.

Check that you have . . .

- ✓ read the publication *Business and professional items*
- ✓ completed the 2001 business and professional items schedule (the schedule), signed and attached it to page 3 of your tax return
- ✓ transferred the amounts from **Y** and **Z** item **P8** on the schedule to **B** and **C** at item **14** respectively and, if these amounts are losses, printed **L** in the small box ☐ at the right-hand side
- ✓ printed **X** in the **YES** box at *Taxpayer's declaration* question 2b on page 8 of your tax return.

If you received business income from which tax was withheld also check that you have

- ✓ completed the *Individual PAYG payment summary schedule 2001* and attached it to page 3 of your tax return.
- ✓ written amounts at **D**, **W** and **F** item **14**, if required
- ✓ printed **X** in the **YES** box at *Taxpayer's declaration* question 2a on page 8 of your tax return.

Question 15

DEFERRED NON-COMMERCIAL BUSINESS LOSSES

15
SUPPLEMENT

new
for
2001

Did you:

- **conduct a business activity as a partner in a partnership that resulted in a loss, or resulted in a loss after deducting your expenses or**
- **conduct a business activity as a sole trader that resulted in a loss?**

This question does not apply to activities that do not constitute carrying on a business—for example, the receipt of passive investment income.

NO ☐



Go to question 16.

YES ☐



Read below.

INCOME

WHAT YOU MAY NEED

- *Non-commercial losses: partnerships* (NAT 3385—7.2000). This publication provides information on the special rules that apply to determine whether a business activity you carry on in partnership with others satisfies any one of the 4 tests shown on the next page. To find out how to get this publication, see the inside back cover of *TaxPack* or ring the business tax reform information line on **1300 137 619**
- any written advice from the Australian Taxation Office that the Commissioner will exercise his discretion to allow you to deduct your loss from your business activity carried on either as a sole trader or in partnership with others
- if you are a partner in a partnership, the following details for each business activity which you, as a partner, are involved in:
 - the amount of assessable income earned by the partnership for the activity
 - the share of partnership assessable income, real property and certain other assets, attributable to partners who are not individuals
 - your share of income or loss from the partnership for the activity
- your completed *2001 business and professional items schedule*—for you as a sole trader, or for a partnership you are in.

YOU NEED TO KNOW



Important

Keep records of the losses deferred for all your business activities.

From 1 July 2000 new rules relating to deferral of non-commercial business losses apply. This means that you can only use a 2000–01 loss from a business activity you conduct either as a sole trader or in partnership in calculating your 2000–01 taxable income where:

- an exception applies OR
- one of 4 tests is satisfied OR
- if one of the 4 tests is not satisfied, the Commissioner exercises his discretion to allow you to claim the loss.

Otherwise you must defer your loss and complete item **15** on your tax return to ensure that your loss is not taken into account in calculating your 2000–01 taxable income.

Exceptions

If you operate a **primary production** business or a **professional arts** business and your assessable income for 2000–01 (except any net capital gain) from other sources that do not relate to that activity is less than \$40 000, you may claim your business loss this year.

A professional arts business is a business you carry on as an author of a literary, dramatic, musical or artistic work, a performing artist or a production associate.

You cannot claim losses arising from activities you conduct that are a private recreational pursuit or hobby, or where there is no likelihood of profit.

TAXPACK
2001
supplement
\$13

The 4 tests

You will not have to defer your loss from your business activity if the activity satisfies at least **one** of the following 4 tests:

- There is at least \$20 000 of assessable income from the business activity for the 2000–01 income year.
- The particular business activity has produced a profit for tax purposes in 3 out of the past 5 years—this period includes 2000–01.
- The value of real property assets (excluding any private dwelling) used on a continuing basis in carrying on the business activity is at least \$500 000.
- The value of certain other assets (except cars, motorcycles and similar vehicles) used on a continuing basis in carrying on the business activity is at least \$100 000.

The Commissioner's discretion

In limited circumstances the Commissioner can exercise his discretion to allow a loss from a business activity to be taken into account in the year it arises, even though none of the 4 tests is satisfied, provided that:

- the business activity has been affected by special circumstances outside the control of the operators of the business—for example, natural disasters—where the activity would have satisfied one of the 4 tests but for these special circumstances OR
- the business activity is in the start-up phase and, for this reason, does not satisfy any of the 4 tests, but there is an objective expectation that it will eventually do so within a period that is commercially viable for the industry concerned. 'Commercial viability' is measured against independent industry standards.

You must apply in writing for advice on whether the Commissioner will exercise this discretion. For more details ring the business tax reform information line on **1300 137 619**.

If you are unable to claim your loss against other income this year because of these new rules, you must defer the loss this year. This deferred loss is not disallowed. Instead, you take it into account for the next income year in which you carry on the business activity, or one of a similar kind. You can use the loss to offset any profit from this activity in a future year. However, any overall loss from the activity may be subject to the new rules in that future year.

Completing this question

PART A—Deferred business losses from partnership activities

This part only applies to you if you carried on a business in partnership with others. Do not complete this part if you were in a partnership that did not carry on a business.

Were you a partner in a partnership?

NO ☐  Go to part B.

YES ☐  Read on.

Did you make a loss from a business activity carried on in partnership with others in 2000–01?

NO ☐  Go to part B.

YES ☐  Read on.

If you made a loss from more than one business activity in partnership with others, you will have to answer the questions and follow the steps on the next page for **each** of your business activities.

Does your loss from that business activity come within one of the exceptions described on page s13?

NO ☐ ▼ Read below.

YES ☐ ▼ Go to part B.

Does your loss from that business activity satisfy one of the 4 tests listed on page s14?

NO ☐ ▼ Read below.

YES ☐ ▼ Go to part B.

Has the Australian Taxation Office advised you in writing that the Commissioner will exercise his discretion to allow you to claim a loss from that business activity?

NO ☐ ▼ Read below.

YES ☐ ▼ Go to part B.

Step 1

Work out the loss to be deferred from your business activity that you carried on in partnership with others. If you have a loss from only one business activity, *go to* step 3.

Step 2

If you have a loss from more than one business activity that you carried on in partnership with others, *add up* all the losses to be deferred.

Step 3

Write the total of your losses to be deferred from business activities you carried on in partnership with others at **F** item 15 on your tax return.

Step 4

Check that you have included the amount of your deferred losses in working out your net distribution at item 12 and/or your net income at item 14 on your tax return; otherwise you will have overstated your taxable income.

Step 5

Make sure that you have completed items **P3** and **P9** in the 2001 business and professional items schedule.

PART B—Deferred losses from sole trader activities

Did you make a loss from a business activity as a sole trader in 2000–01?

NO ☐ ► Go to part C.

YES ☐ ▼ Read below.

If you made a loss from more than one business activity as a sole trader, you will have to answer the questions and follow the steps below for **each** of your business activities.

Does your loss from your business activity come within one of the exceptions described on page s13?

NO ☐ ▼ Read below.

YES ☐ ▼ Go to part C.

Does your business activity satisfy one of the 4 tests listed on page s14?

NO ☐ ▼ Read below.

YES ☐ ▼ Go to part C.

Has the Australian Taxation Office advised you in writing that the Commissioner will exercise his discretion to allow you to claim a loss in relation to that business activity for the year?

NO ☐ ▼ Read below.

YES ☐ ▼ Go to part C.

Step 1

Work out the loss to be deferred from your business activity that you carried on as a sole trader. If you have a loss from only one business activity, *go to* step 3.

Step 2

If you have a loss from more than one business activity that you carried on as a sole trader, *add up* all the losses to be deferred.

Step 3

Write the total of your losses to be deferred from business activities as a sole trader at **G** item 15 on your tax return.

Step 4

Check that you have included the amount of your deferred losses in working out your net distribution at item 12 and/or your net income at item 14 on your tax return; otherwise you will have overstated your taxable income.

Step 5

Make sure that you have completed items **P3** and **P9** in the 2001 business and professional items schedule.

PART C—Total deferred losses

Add up any amounts at **F** and **G** item 15 on your tax return. *Write* the total at **H** item 15 on your tax return.

Note

At **Business loss activity details** item **P9** in the 2001 business and professional items schedule you must record the 3 highest loss-making activities (if applicable), regardless of whether or not your activity:

- comes within one of the exceptions or
- satisfies one of the 4 tests or
- is an activity that the Commissioner has advised he will exercise his discretion to allow the loss to be claimed this year or
- is carried on by you in partnership or as a sole trader.

Question 16

NET FARM MANAGEMENT DEPOSITS OR WITHDRAWALS

Note

The Farm Management Deposits Scheme has replaced the Income Equalisation Deposits Scheme.

This question is for primary producers only.

Did you make a deposit into, or withdraw funds from, the Farm Management Deposits Scheme during 2000–01?

NO ☐  Go to question 17.

YES ☐  Read below.

WHAT YOU MAY NEED

- your statement of account from your financial institution for the Farm Management Deposits Scheme
- the publication *Information for primary producers* (NAT 1712—6.2001). To find out how to get this publication, see the inside back cover of *TaxPack*.

YOU NEED TO KNOW

You can generally claim a deduction for deposits made during 2000–01 at this question.

Any deduction you claim cannot be more than the deposits made or your total taxable primary production income for 2000–01, whichever is the lesser. Also, you cannot claim a deduction for any deposits made to the Farm Management Deposits Scheme in 2000–01 if your taxable non-primary production income for that income year is more than \$50 000.

The maximum amount that can be held at any one time as farm management deposits is \$300 000.

Any withdrawals of the deposits are assessable income to the extent they have been previously claimed as a deduction. If your farm management deposit contained both deductible and non-deductible deposits, only the withdrawals of deductible deposits are assessable income. When you make a withdrawal you are considered to have withdrawn any non-deductible amounts first.

Completing this question

Take away the total amount of your deductible deposits from the total amount of your withdrawals that are assessable income and *write* the answer at **E** item 16. Do not show cents.

If your deductible deposits exceed your assessable withdrawals *write* the amount of the excess at **E** item 16 and *print* **L** in the small box at the right of **E** item 16.

Check that you have . . .

- ☒ taken the total amount of deductible deposits away from the total amount of assessable withdrawals and written the answer on your tax return
- ☒ printed **L** in the small box if your deductible deposits exceed your assessable withdrawals
- ☒ kept your statement of account with your other records.

Question 17

CAPITAL GAINS

Note

To complete this question you will need one of 2 publications:

- if you have invested only in shares, units in a unit trust or managed investment fund—*Personal investors guide to capital gains tax* (NAT 4152—5.2001)
- if you have other types of capital gains or losses in addition to shares, units in a unit trust or managed investment funds—*Guide to capital gains tax* (NAT 4151—5.2001)

These publications explain how to work out your capital gains and capital losses. To find out how to get these publications see the inside back cover of *TaxPack*.



Don't leave it too late!

Did you:

- purchase or inherit an asset
- receive an asset as part of a divorce settlement or as a gift
- make improvements to property?

If YES, start keeping records now or start a CGT asset register. Incomplete records could mean paying more tax when you dispose of an asset. If you need more information on record keeping and the assets that attract capital gains tax these are explained in the *Guide to capital gains tax* and the publication *CGT asset register* (NAT 2684—7.1998).

A Did you make a capital gain or a capital loss in 2000–01?

You have made a capital gain or capital loss if what is called a 'CGT event' has happened. 'CGT' stands for capital gains tax. There are a wide range of CGT events.

If you sold or gave away an asset in 2000–01 then a CGT event happened. Some typical assets are:

- land and buildings—for example, a holiday home
- shares
- units in a unit trust or managed investment fund
- Instalment Receipts
- collectables—for example, jewellery
- personal use assets.

Examples of other CGT events:

- An asset you owned was lost or destroyed.
- You received an amount for entering into an agreement not to work in a particular industry for a set period of time.
- You received an amount from a local council for disruption to your business assets by roadworks.

You may have made a capital gain from more than one CGT event.

You may also receive a capital gain distributed to you from a trust or managed investment fund.

For most CGT events you have made a capital gain if the amount of money and property you received—or were entitled to receive—from the CGT event is more than the 'cost base' of the asset. **You may be liable to pay capital gains tax on your capital gain.**

For most CGT events you have made a capital loss if the amount of money and property you received—or were entitled to receive—from a CGT event is less than the 'reduced cost base' of your asset.

You cannot deduct a capital loss from your income, but in most cases it can be used to reduce any capital gain you made in 2000–01—see part B on page s18. You can only use capital losses from collectables to reduce capital gains from collectables. You must disregard capital losses from personal use assets.

If your capital losses for 2000–01 exceeded your capital gains for the year, you have made a net capital loss for the year. You can use this net capital loss to reduce capital gains in future years.

NO ☐



Print **X** in the **NO** box at **G** item 17 on your tax return. Read on.

YES ☐



If you had either a capital gain or a capital loss print **X** in the **YES** box at **G** item 17 on your tax return. Read on to work out your net capital gain or capital loss.

B Did you have a net capital loss before 2000–01 that you have not yet applied to reduce a capital gain?

If your capital losses for 2000–01 did not exceed your capital gains for the year, you can further reduce your capital gains by applying net capital losses from prior years.

NO ☐

▼ If you answered **NO** to **A** and **B** go to question **18**. Otherwise read on.

YES ☐

▼ Read on to work out your net capital gain or loss for the year.

YOU NEED TO KNOW

EXCEPTIONS AND EXEMPTIONS

Generally speaking, you disregard a capital gain or capital loss:

- on an asset you acquired before 20 September 1985
- on plant (The gain or loss is treated for income tax purposes as a balancing adjustment.)
- on cars, motorcycles and similar vehicles
- on compensation you received for personal injury
- on disposing of your main residence. This can change depending on how you came to own the residence and what you have done with it—for example, if you have rented it out, you may be liable to some tax when you sell it
- on a collectable—for example, an antique or jewellery—if you acquired it for \$500 or less
- on a personal use asset if you acquired it for \$10 000 or less. You also disregard any capital loss you make from a personal use asset.

If your capital gain or capital loss is disregarded because an exception or exemption—other than small business capital gains tax concessions—applies, *go to* question **18**. Otherwise *read on*.

Small business capital gains tax concessions

There are 4 small business concessions in relation to capital gains tax:

- the small business 15-year exemption
- the small business 50% active asset reduction
- the small business retirement exemption
- small business roll-over relief.

For further information read the publication *Capital gains tax concessions for small business* (NAT 4132–6.2001). To find out how to get this publication, see the inside back cover of *TaxPack*.

Completing this question

WHAT YOU NEED

- documents showing the dates you acquired an asset, the date of the CGT event and the date and amount of any expenditure you incurred that forms part of the cost base of the asset
- the publication *Personal investors guide to capital gains* OR the publication *Guide to capital gains tax*

To find out how to get these publications see the inside back cover of *TaxPack*.

- if you own a small business you may also need the publication *Capital gains tax concessions for small business*.

Note

If you sold shares or units in a unit trust or received income from a managed investment fund that included a capital gain use the publication *Personal investors guide to capital gains tax*.

This guide does not cover more complex capital gains tax issues, such as:

- the sale of a rental property
- collectables (for example, jewellery)
- personal use assets (for example, a boat you use for recreation)
- sale of shares or units where:
 - capital gains tax concessions for small businesses apply
 - shares or units were acquired from settlement of a marriage breakdown, or where a unit trust is vested
 - there is a reduction of a cost base as a result of a debt being forgiven
- payments from a trust where the capital gains tax concessions for small businesses apply.

Step 1

Read the publication that is relevant to your circumstances—either the *Personal investors guide to capital gains tax* or the *Guide to capital gains tax*—and work out the amount of your capital gain or capital loss for each asset.

Step 2

Add up all your capital gains to work out your total current year capital gains. Do not include capital losses here. Write this amount at **H** item 17 on your tax return.

Step 3

Work out your net capital gains. This is the amount remaining after applying capital losses, net capital losses from prior years and the CGT discount (if applicable and allowable) to this year's total current year capital gains. Write this amount at **A** item 17 on your tax return.

Step 4

Any remaining current year capital losses and prior year net capital losses not applied against the current year capital gains are your net capital losses carried forward to later income years. Write this amount, if any, at **V** item 17 on your tax return.

Question 18

FOREIGN ENTITIES

Are you an Australian resident for tax purposes who:

- had either a direct or indirect interest in a controlled foreign company
- at any time, directly or indirectly caused the transfer of property—including money—or services to a non-resident trust
- had, or continues to have, an interest in a foreign investment fund or a foreign life assurance policy?

An interest includes an interest that you know will arise in the future.

NO ☐ ► Go to question 19.

YES ☐ ▼ Read below.

PART A—Did you have either a direct or indirect interest in a controlled foreign company (CFC)?

NO ☐ ▼ Print **X** in the **NO** box at **I** item 18 on your tax return. Go to part B.

YES ☐ ▼ Read below.

WHAT YOU NEED

Foreign income return form guide (NAT 1840—5.1998). To find out how to get this publication, see the inside back cover of *TaxPack*.

YOU NEED TO KNOW

The CFC measures may apply to income or gains of foreign companies in which you have a direct or indirect control interest, or which you effectively control.

Step 1 Did you, alone or with associates:

- have direct or indirect control interests totalling 10 per cent or more in a foreign company or
- have effective control of a foreign company?

Chapter 1 of the *Foreign income return form guide* will help you to work this out.

If so, print **X** in the **YES** box at **I** item 18 on your tax return. Go to step 2. If not, print **X** in the **NO** box at **I**. Go to part B.

Step 2 Work out your attributed foreign income from any CFC. Chapter 1 of the *Foreign income return form guide* will help you to work this out. Write this amount at **K** item 18. Do not show cents.

PART B—Did you, at any time, directly or indirectly cause the transfer of property—including money—or services to a non-resident trust?

NO ☐ ► Print **X** in the **NO** box at **W** item 18 on your tax return. Go to part C.

YES ☐ ▼ Read below.

WHAT YOU NEED

Foreign income return form guide (NAT 1840—5.1998). To find out how to get this publication, see the inside back cover of *TaxPack*.



YOU NEED TO KNOW

The transferor trust measures may apply if you have, at any time, directly or indirectly caused the transfer of property—including money—or services to a non-resident trust. A non-resident trust is a trust where the trustee was not an Australian resident, or the trust was not managed or controlled from Australia.

- Step 1** Print **X** in the **YES** box at **W** item **18** on your tax return.
- Step 2** Work out your attributed foreign income from transferor trusts. Chapter 2 of the *Foreign income return form guide* will help you to do this.
- Step 3** Write the amount you worked out at step 2 at **B** item **18**. Do not show cents.
- Step 4** Print SCHEDULE OF ADDITIONAL INFORMATION—QUESTION 18 on the top of a separate piece of paper. Include your name, address, tax file number, the name of the non-resident trust and its trustee or trustees and the amount of any attributable income in relation to the trust. Print **X** in the **YES** box at *Taxpayer's declaration* question 2a on page 8 of your tax return. Sign and attach your schedule to page 3 of your tax return.

PART C—Did you have an interest in a foreign investment fund (FIF) or a foreign life assurance policy (FLP)?

An FLP is a policy issued by a non-resident insurer.

- NO** ☐  Print **X** in the **NO** box at **J** item **18** on your tax return. Go to question **19**.
- YES** ☐  Read below.

WHAT YOU NEED

Foreign investment funds guide (NAT 2130—6.1998). To find out how to get this publication, see the inside back cover of *TaxPack*.

YOU NEED TO KNOW

The FIF measures may apply to income and gains of foreign companies or trusts in which you have an interest, but which you do not control.

- Step 1** Print **X** in the **YES** box at **J** item **18**.
- Step 2** Work out your attributed foreign income from any FIF or FLP. The *Foreign investment funds guide* will help you to do this.
- Step 3** Write the amount of income you worked out at step 2 at **C** item **18**. Do not show cents.
- Step 4** If you can claim any foreign tax credits in respect of attributed foreign income from an FIF or FLP, you will need to provide additional information. Print SCHEDULE OF ADDITIONAL INFORMATION—QUESTION 18 on the top of a separate piece of paper. Include your name, address, tax file number, the name of the FIF or FLP, the amount of attributable income in relation to the FIF or FLP and any foreign tax credits you can claim in respect of that income. Print **X** in the **YES** box at *Taxpayer's declaration* question 2a on page 8 of your tax return. Sign and attach your schedule to page 3 of your tax return.

Check that you have . . .

- ☒ written on your tax return your attributed foreign income from any controlled foreign company
- ☒ written on your tax return your attributed foreign income from transferor trusts
- ☒ written on your tax return your attributed foreign income from any FIF or FLP
- ☒ attached to page 3 of your tax return your signed SCHEDULE OF ADDITIONAL INFORMATION—QUESTION 18, if you need to send us one.

Question 19

FOREIGN SOURCE INCOME AND FOREIGN ASSETS OR PROPERTY

Did you receive:

- income from a foreign pension or annuity
- income from foreign employment
- any other foreign source income—for example, interest, dividends, rent, business or a lump sum payment from a non-resident superannuation fund?

NO ☐ Read below.

YES ☐ Read below.

Show this income even if it is held overseas for you.

At any time during 2000–01, did you own or have an interest in assets—located outside Australia—that had a total value of AUD\$50 000 or more?

NO ☐ If you answered **NO** to both questions go to question 20. Otherwise, read below.

YES ☐ Read below.

YOU NEED TO KNOW

If you are an Australian resident who has received income from overseas, you must show your assessable foreign income here even if tax was taken out in the country from which the income came. Foreign income that is exempt from Australian tax may still be taken into account to work out the amount of tax you have to pay on your other income.

If you were paid a lump sum payment on termination of your foreign employment or from a non-resident superannuation fund, ring our superannuation helpline on **13 1020** for advice. Some of these payments are taxable. If the payment is not taxable, it may still be taken into account to work out the amount of tax you have to pay on your other income.

All foreign income, deductions and foreign tax paid must be converted to Australian dollars before you fill in the rest of this question. The **Conversion to Australian dollars** table below tells you how to do this. Ring the Personal Tax Infoline on the inside back cover of *TaxPack* to get information about the exchange rates.

Conversion to Australian dollars

Type of foreign income

Foreign pensions, annuities and deductions

Other non-salary and wage foreign income such as dividends, interest or capital gains

Foreign business income and employment income

Convert to Australian dollars at:

the average exchange rate for the year or the rate that applied at the time you received each payment.

the exchange rate that applied at the time the income was remitted to Australia. If it was not remitted, use the exchange rate that applied on 30 June 2001.

the average exchange rate for the year.

WHAT YOU MAY NEED

- details of any foreign income—this information may be found on pay slips, foreign tax assessments or company distribution advices
- details of any expenses you incurred in earning your foreign income
- details of any foreign tax paid—this information may be found on pay slips, foreign tax assessments or company distribution advices

- notepaper to help you to work out the amounts you need to show on your tax return. *Divide* the notepaper into 2 columns with the headings 'Assessable amount' and 'Net taxable amount'
- details of any allowable foreign losses from previous years
- the publication *How to claim a foreign tax credit* (NAT 2338—6.2001). To find out how to get this publication, see the inside back cover of *TaxPack*.

Note

Throughout this question you will need to work out the assessable and net taxable amounts of your foreign income. While both these amounts will be shown on your tax return, you will only be taxed on your net taxable amount.

PART A—Were you paid a foreign pension or annuity?

NO ☐  Go to part B.

YES ☐  Read below.

Most foreign pensions and annuities are taxable in Australia, even if tax has been withheld from your payment by the country that paid you. Examples of pensions and annuities that fall into this category are age and superannuation pensions paid from the United Kingdom, Italy and Germany. If you are unsure whether your pension or annuity is taxable, ring the Personal Tax Infoline on the inside back cover of *TaxPack*.

If the country paying your pension or annuity has taken tax from your payment, and the pension or annuity is also taxable in Australia, you may claim a foreign tax credit at this question where you are not entitled to seek a refund of the foreign tax from the country that paid you. This refund may follow under the terms of an agreement between Australia and that country to prevent double taxation. If you are unsure whether your pension or annuity is subject to an agreement ring the Personal Tax Infoline on the inside back cover of *TaxPack*.

Alternatively, if your pension or annuity is paid from a country with which Australia has a double tax agreement you may be able to make arrangements to have no tax withheld from your pension income in the country of origin. Ring the Personal Tax Infoline listed on the inside back cover of *TaxPack* for more information.

If, in 2000–01, you received a lump sum payment of your foreign pension that relates to an earlier year, you may be entitled to a tax offset.

If you received such a payment, include it at item **22** on your tax return. Do not include it here. For more information, read the section on **Lump sum payments in arrears** at question **22**.

Step 1

Find out whether the pension or annuity you received is taxable in Australia. If it is not taxable, *go to* part B; if it is taxable, *read on*.

Step 2

Work out the assessable amount of your foreign pension or annuity.

If foreign tax has not been taken from your pension or annuity

Write the amount of your foreign pension on your notepaper in the column for 'Assessable amount'.

If foreign tax has been taken from your pension or annuity

Add back the amount of foreign tax paid to the amount of pension or annuity you received, to find the full amount of your pension or annuity. *Write* this amount on your notepaper in the column for 'Assessable amount'.

If you are not going to claim a refund of foreign tax from the country which paid your pension or annuity, you will need to claim a foreign tax credit at this question.

Step 3

Work out the net taxable amount of your pension or annuity. *Take away* any deductible expenses which you incurred in relation to your pension or annuity income. The amount remaining is called your net taxable foreign pension or annuity. *Write* this amount on your notepaper in the column for 'Net taxable amount'.

If your pension or annuity has a deductible amount of undeducted purchase price, you may be able to reduce the amount of pension or annuity income that you will pay tax on. *Read* question **D11** for further information.

Step 4

If your pension or annuity was your only foreign income, *write* the amount from step 3 as follows:

- If it **never had an undeducted purchase price (UPP)**, *write* the amount at **L** item **19**. Do not show cents. *Print* code letter **P** in the **TYPE** box ☐ at the right of **L** item **19**. *Go to* part D.
- If it **has or had a UPP**, *write* the amount at **D** item **19**. Do not show cents. *Go to* part D.

Step 5

If you had other foreign income, on your notepaper list separately the net taxable amounts for pensions and annuities with UPP and those without UPP.

PART B—Did you receive:

- **any foreign employment income while working overseas**
- **a lump sum payment on termination of your foreign employment, or from a non-resident superannuation fund, that is exempt from tax?**

NO ☐  *Go to* part C.

YES ☐  *Read below*.

Foreign employment income is income from overseas such as salary, wages, commissions, bonuses or allowances. If you received only a lump sum payment on termination

of your foreign employment, or from a non-resident superannuation fund, that is exempt from tax, *go to* step 9 on the next page. Otherwise, *read on*.

Step 1

Find out whether your income is exempt from Australian tax because of:

- a privileges and immunities agreement or a law covering persons connected with international organisations
- exemptions for the pay and allowances of members of the Australian Defence Force.

Your employer should be able to tell you if either of these applies. If you need further help, ring the Personal Tax Infoline on the inside back cover of *TaxPack*.

If your foreign employment income is exempt because of these reasons, *go to* step 2. Otherwise, *go to* step 3.

Step 2

Do not include your exempt foreign employment income anywhere on your tax return.

If you wrote on your notepaper an amount in the 'Net taxable amount' column for a foreign pension or annuity which never had an undeducted purchase price (UPP), *write* this amount at **L** item 19. Do not show cents.

Print the code letter **P** in the **TYPE** box ☐ at the right of **L** item 19.

If you wrote on your notepaper an amount in the 'Net taxable amount' column for a foreign pension or annuity which has or had a UPP, *write* this amount at **D**. Do not show cents. *Go to* part C.

Step 3

Your foreign employment income may still be exempt from tax. Work through the rest of the steps to find out whether your foreign employment income is exempt from tax. Even if it is exempt, it may still be taken into account to work out the amount of tax you have to pay on your other income.

Step 4

Work out your assessable foreign employment income. This is your foreign employment income after any taxes taken from it are added back. It does not include any exempt income from step 1. *Write* this amount on your notepaper in the column for 'Assessable amount'.

Step 5

Work out the net taxable amount of your foreign employment income. This is your assessable foreign employment income less any deductible expenses you incurred in relation to earning that income. The types of expenses you may be able to deduct here are discussed at questions **D1** to **D5** on pages 38–54 in *TaxPack 2001*.

Write this amount on your notepaper in the column for 'Net taxable amount'.

Example

Lachlan was employed in a foreign country from 15 October 2000 until 23 April 2001. During this period Lachlan earned \$11 250 after he paid \$3750 in foreign tax and incurred deductible work related expenses of \$2500 in relation to his foreign employment. After adding back the foreign taxes, Lachlan would have assessable foreign employment income of \$15 000. After deducting his expenses, Lachlan would have net foreign employment income of \$12 500.

Step 6

Answer these questions.

- Did you work on a project approved by Austrade?
- Did you pay, or are you likely to have to pay, foreign tax on your foreign employment income?
- Did you receive income that was exempt from tax in the country where you worked because of:
 - a specific agreement or memorandum of understanding with the government of that country and
 - the operation of a double tax agreement?

If you have answered yes to any of these questions, *go to* step 7. If you have answered no to all of them, *go to* step 8.

Step 7

Work out the period that you were continuously employed in the foreign country.

If you took a break between overseas jobs, ring the Personal Tax Infoline on the inside back cover of *TaxPack* to find out whether you are considered to have been continuously employed.

If your period of continuous employment in a foreign country is 90 days or less, your foreign employment income is not exempt from tax. If it is more than 90 days, your foreign employment income will generally be exempt from tax. If you are unsure, ring the Personal Tax Infoline on the inside back cover of *TaxPack*. If your foreign employment income is not exempt from tax, *go to* step 8. Otherwise, *read on*.

If you wrote on your notepaper an amount in the 'Net taxable amount' column for a foreign pension or annuity which never had an undeducted purchase price (UPP), *write* this amount at **L** item 19. Do not show cents. *Print* the code letter **P** in the **TYPE** box ☐ at the right of **L**.

If you wrote on your notepaper an amount in the 'Net taxable amount' column for a foreign pension or annuity which has or had a UPP, *write* this amount at **D** item 19. Do not show cents. *Go to* step 9.

Step 8

If you did not receive a foreign pension or annuity, *write* the amount from the 'Net taxable amount' column on your notepaper at **L** item 19. Do not show cents. *Go to* part C.

If you did receive a net taxable foreign pension or annuity, on your notepaper *add* the amount in the 'Net taxable amount' column for any foreign pension or annuity which

never had an undeducted purchase price (UPP) to your net taxable amount for foreign employment income. *Write* the total at **L** item **19**. Do not show cents. *Write* the amount of any net taxable foreign pension or annuity which has or had a UPP at **D** item **19**. Do not show cents. *Go to* part C.

Step 9

If you received a lump sum payment on termination of foreign employment, or from a non-resident superannuation fund, that is exempt from tax or you worked out that your net foreign employment income is exempt from tax at step 7, *add* these amounts and *write* the total at **N** item **19**. Do not show cents. You cannot claim a foreign tax credit on this income.

If you did not receive either of these exempt lump sum payments, *write* the amount of your exempt foreign employment income at **N** item **19**. Do not show cents.

If you received either of these exempt lump sum payments but no exempt foreign employment income, *write* the total amount of the lump sum payments at **N** item **19**. Do not show cents.

PART C—Did you receive any of the following types of income from overseas:

- interest
- modified passive income such as royalties, dividends or rent
- a lump sum payment on termination of your foreign employment or from a non-resident superannuation fund that is taxable and not already included at item 4 on your tax return
- any other foreign income?

NO ☐ ► Go to part D.

YES ☐ ▼ Read below.

Certain lump sum payments received by Australian residents from non-resident superannuation funds are taxable. If you received such a payment or would like more information to help you to work out whether you did, ring the superannuation helpline on **13 1020**.

You will need to work through the following steps for each category of foreign income you received, other than a lump sum payment on termination of foreign employment or from a non-resident superannuation fund. This is because you can only deduct expenses you incurred in relation to a category of foreign income against foreign income of the same category.

There are 4 categories of foreign income to consider here:

- interest income
- modified passive income—passive income other than interest
- offshore banking income
- all other assessable foreign income.

Step 1

For each category *work out* the assessable amount of your foreign income. If you had foreign tax taken away from this income, *add* it back to the amount you received.

Write this amount on your notepaper in the column for 'Assessable amount'.

Step 2

Take away from this assessable amount any deductible expenses incurred in relation to earning this category of foreign income. The types of expenses you may be able to claim against your foreign interest income or your foreign dividend income are discussed at question **D6** on page 55 in *TaxPack 2001*.

If you had allowable foreign losses in previous years for this category of income that you have not already offset, also take these away from the assessable amount of income.

Write the amount you have worked out on your notepaper in the column for 'Net taxable amount'.

Step 3

Once you have worked through steps 1 and 2 for each category of foreign income you earned, *add* together any amounts worked out in step 2 which are greater than zero and the taxable amount of any lump sum payment on termination of foreign employment or from a non-resident superannuation fund that has not been included at item 4 on your tax return. *Write* the total at **M** item **19**. Do not show cents.

If, after working through steps 1 and 2, your deductible expenses incurred in relation to a category of foreign income exceed your foreign income for that category, you have made a foreign loss in that category equal to the excess. You will need to keep a record of any losses you have incurred in each category. These foreign income losses cannot be deducted from Australian source assessable income and can only be carried forward to offset assessable foreign income in the same category derived in a later income year.

Example

After working through steps 1 and 2, Bryan had the following:

- foreign interest income \$1000
- foreign rent income of \$2000 and expenses of \$4000, creating a loss of \$2000.

He will write \$1000 at **M** item **19** and will write \$3000 on his notepaper in the column for 'Assessable amount'. Bryan will need to keep a record of the \$2000 rental loss. This loss can only be used to offset modified passive income (including foreign rental income) derived in later years.

If, after working through steps 1 and 2, you have not made a loss in a particular category of foreign income, then you may choose to use any tax losses of earlier income years incurred in deriving Australian income to offset that foreign income. This is explained further in part G.

PART D—Working out your assessable foreign source income

Assessable foreign income is the total amount of any foreign income you earned which is not exempt from tax in Australia. If any foreign tax has been paid on this income it should have been added back to get the assessable amount.

Add up all the amounts you wrote on your notepaper under 'Assessable amount'—this is your total assessable foreign income. Write this amount at **E** item **19**. Do not show cents.

Note

Make sure the amount you have shown at **E** is your assessable foreign income—do not include any exempt foreign income.

PART E—Working out your foreign tax credit

You will not be able to work out your foreign tax credit if you have shown:

- capital gains at **H** item **17**
- exempt foreign employment income at **N** item **19**.

The Australian Taxation Office will work it out for you.


If this is the case, *print* SCHEDULE OF ADDITIONAL INFORMATION—QUESTION 19 on the top of a separate piece of paper and explain your situation. Include your name, address, tax file number, each type and amount of foreign income you earned and any foreign tax you paid on that foreign income. *Print X* in the **YES** box at *Taxpayer's declaration* question 2a on page 8 of your tax return. *Sign* and *attach* your schedule to page 3 of your tax return.

If you have no capital gains or exempt foreign employment income, read the publication *How to claim a foreign tax credit*.

Work out the total amount of foreign tax credits you can claim and *write* the amount at **O** item **19** on your tax return. Show cents.

PART F—At any time during 2000–01, did you own or have an interest in assets—located outside Australia—that had a total value of AUD\$50 000 or more?

If your only asset or assets held overseas are covered under question **18**, *print X* in the **NO** box.

NO ☐  *Print X* in the **NO** box at **P** item **19** on your tax return. Go to part G.

YES ☐  Read on.

Your assets include any interest whether legal or beneficial and whether it was held directly or indirectly through one or more interposed entities.

The term 'assets' includes real property—land—shares in companies or other entities, interests in partnerships or trusts, businesses, debentures, bonds, money or funds held in accounts or by other parties, loans to other parties and deposits. It also includes intangible property such as trademarks, copyrights, patents, debtors or equitable choses in action.

Determine the value of the property, funds, asset or investment by historical cost or market value, whichever is greater. Use the exchange rate at 30 June 2001 to convert the value of the property or funds to Australian dollars or, if the property was disposed of during the year, use the exchange rate at the time of disposal.

Print X in the **YES** box at **P** item **19** on your tax return if your overseas assets—tangible or intangible—were valued at AUD\$50 000 or more, even if you did not receive any income from that property or funds this year.

PART G—Australian tax losses of earlier income years

You can choose to use Australian tax losses of earlier income years to reduce your foreign source income. If you choose to do this, read question **L1** in *TaxPack 2001* on pages 63–4 and reduce the foreign source income you show at item **19** by the amount of the Australian tax losses of earlier income years you are deducting. An example of how to do this is shown at question **L1**. If you need further information, ring the Personal Tax Infoline on the inside back cover of *TaxPack*.

Check that you have . . .

- ☒ written on your tax return the total amount of your assessable foreign source income, your net taxable foreign employment income, your taxable foreign pension or annuity and the total amount of your other foreign income
- ☒ written on your tax return the total amount of your exempt foreign employment income
- ☒ written on your tax return the total amount of your foreign tax credits that you can claim
- ☒ attached to page 3 of your tax return your signed SCHEDULE OF ADDITIONAL INFORMATION—QUESTION 19, if you need to send us one
- ☒ kept your records with your other documents.



DO NOT SHOW AT THIS QUESTION:

- foreign source rental income—that is, rental income from properties located outside Australia
- expenses incurred in earning rental income from properties located outside Australia.

Question 19 Foreign source income and foreign assets or property tells you about income such as rent from properties located outside Australia and how to take related expenses into account.

YOU NEED TO KNOW

Did you earn rental income or was your property available for rent?

Show only Australian rental income at this question.

If you sold your property in 2000–01, capital gains tax may apply. Check to find out whether question 17 applies to you.

NO ☐ ► Go to question 21.

YES ☐ ▼ Read below.

WHAT YOU MAY NEED

- details of all rental income earned
- details of interest paid on money you borrowed for the rental property
- details of other expenses relating to your rental property such as advertising for tenants, bank charges, body corporate fees, borrowing expenses, council rates, depreciation on plant, gardening and lawn mowing, insurance, land tax, legal fees, pest control, property agent fees or commission, repairs and maintenance, stationery, telephone, water charges, and travel undertaken to inspect the property or to collect the rent
- details of any capital works expenditure such as structural improvements to your rental property
- the publications *Rental properties* (NAT 1729—6.2001), *Guide to depreciation* (NAT 1996—6.2001) and *Taxation Ruling IT 2167—Rental properties*. To find out how to get these publications see the inside back cover of *TaxPack*.

Rental income

This is the full amount of money you earn when you rent out your property. You must include any bond money retained in lieu of rent. If you received an insurance payout or reimbursement of any previously deducted rental expenses this must also be included as income.

Rental expenses

You can claim expenses relating to your rental property but only for the period your property was rented or available for rent—for example, advertised for rent.

If part of your property is used to earn rent, you can claim only that part of the property expenses that relates to the rental income. You will need to work out a reasonable basis to apportion the claim. For example, work out the floor area in the part of the property that your tenant rents. Then add a reasonable figure for tenant access to shared living areas. Take this total and work out what proportion it is of the whole floor area of your property. This will give you a reasonable basis to apportion expenses. *Taxation Ruling IT 2167—Rental properties* will give you more details on this point.

Co-ownership

If the title deed shows that you are only a part owner of the property, include only your share of the rent and expenses in your tax return. For example, if you own one-half of the property, you should show one-half of the rent and claim one-half of the deductible expenses.

Capital works deductions (Special building write-off)

If construction of your rental property began after 21 August 1979 you may be entitled to claim a deduction for the construction costs of the property over a 25 or 40 year period.

However, only certain categories of rental property are eligible for a deduction where construction began after 21 August 1979 and before 18 July 1985—for residential rental properties generally, you cannot claim a deduction for capital works begun before

18 July 1985. For capital works begun on or after that date, a deduction is allowable at the rate of 2.5 per cent or 4 per cent depending on the date the capital works began. The publication *Rental properties* will assist you in determining eligibility and the appropriate rate.

Depreciation (Capital allowances)

There are special rules for working out the value of fixtures and fittings which you have acquired as part of the overall purchase of your property.

The publications *Rental properties* and *Guide to depreciation* will assist you in understanding these rules and other aspects of rental property ownership. *Guide to depreciation* contains details of changes to depreciation calculations, small item write-offs and balancing adjustments. It also explains the option to pool low-value items of plant. This option allows you to treat plant items costing less than \$1000, or items written down to less than \$1000 under the diminishing value method, as a single item of plant which is then depreciated under the diminishing value method based on a 4 year effective life.

Completing this question

- Step 1** Write your share of the total amount of gross rent at **P** item **20** on your tax return. Do not show cents.
- Write your share of the interest expenses that can be claimed as a deduction at **Q** item **20**. Do not show cents.
- Write your share of the capital works deductions that can be claimed as a deduction at **F** item **20**.
- Write your share of the other rental expenses that can be claimed as a deduction at **U** item **20**. If your low-value items of plant relate solely to rental income and you choose to use the low-value pooling method of claiming depreciation, include your claim as part of your other rental expenses. Do not show cents.
- Step 2** Add up the amounts at **Q**, **F** and **U** item **20**. Take away the total from the amount at **P** item **20**. This is your net rent. Write this amount at **Net rent**, item **20**. Do not show cents.
- If your expenses are greater than your gross rent, you have made a rental loss. Print **L** in the small box at the right of **Net rent**.

Check that you have . . .

- ✓ shown on your tax return your gross rent, interest deductions, capital works deductions (special building write-off), other rental deductions and net rent
- ✓ shown only rental income from properties located in Australia
- ✓ printed **L** in the small box if your expenses are greater than your gross rent
- ✓ kept information to support your claims.

Question 21

BONUSES FROM LIFE INSURANCE COMPANIES AND FRIENDLY SOCIETIES

21
SUPPLEMENT

INCOME

Did you receive a bonus because:

- your life assurance policy matured or was surrendered, terminated or forfeited or
- you surrendered a friendly society bond?

Life assurance policies are issued by insurance companies, friendly societies and retirement savings account providers.

NO ☐  Go to question 22. **YES** ☐  Read below.

YOU NEED TO KNOW

Do not declare as income any life assurance bonuses from policies which:

- you started before 28 August 1982
- you terminated due to the death of the person insured
- you surrendered due to an accident, illness or other disability of the person insured
- you surrendered due to severe financial hardship
- are retirement savings accounts.

You have to include a bonus amount only where:

- within 10 years from when the policy started, you have actually received the bonus amount or have directed how it is to be dealt with AND
- your life assurance policy matured or was surrendered, terminated or forfeited, or you surrendered a friendly society bond AND
- the bonus amount is in addition to the capital amount that you have paid to the life assurance company or friendly society.

If you have received a statement detailing the bonus amount accrued on your continuing life assurance policy or friendly society bond but you have not actually received the bonus or directed how it is to be dealt with, do not include the bonus amount as income.

Important: If, during the term of your life assurance policy, you have increased the amount of premiums you paid into the policy by more than 25 per cent of the amount of premiums paid in the previous year, you may need to include some or all of the bonus amounts you received as income. For more information ring the Personal Tax Infoline on the inside back cover of *TaxPack*.

You cannot claim a loss if your life assurance policy matured or was surrendered, terminated or forfeited. Nor can you claim a loss if you surrendered a friendly society bond.

WHAT YOU MAY NEED

- your life assurance policy
- your friendly society policy
- your life assurance bonus advice
- your friendly society bonus advice.

Completing this question

Step 1 Policy start date

If your policy started on or after 8 December 1983, go to step 2.

If your policy started on or after 28 August 1982 and before 8 December 1983, and you received a bonus amount from this policy, it does not generally need to be included as income on your tax return. If you are not sure if you need to include it, ring the Personal Tax Infoline on the inside back cover of *TaxPack*. If you do not need to include your bonus in your income go to question 22.

- Step 2** If your policy started on or after 8 December 1983, write at **W** item **21** on your tax return:
- the whole bonus amount if you received it during the first 8 years of the policy
 - two-thirds of the bonus amount if you received it during the 9th year of the policy
 - one-third of the bonus amount if you received it during the 10th year of the policy.
- Do not show cents.

Do not include any bonus amount received after the 10th year of the policy.

Step 3 Tax offset code letter

You will get a tax offset (formerly called rebate) on any bonus amounts included in your income. If your bonus came from:

- a policy issued by a friendly society—your tax offset is equal to 33 per cent of the bonus amount included in your income
- a policy issued by a life insurance company—your tax offset is equal to 39 per cent of the bonus amount included in your income.

We will work out this tax offset for you.

Find the code letter that applies to you in the **Tax offset code letter** table below. Print it in the **CLAIM TYPE** box ☐ at the right of **W** item **21** on your tax return. If you do not know your policy type, contact the company named on the policy. If you printed the letter **C**, go to step 4. If you printed the letter **A** or **F**, go to **Check that you have** on this page.

Tax offset code letter

Use the code letter:

- A** if you only received a bonus from a policy issued by a life insurance company
- F** if you only received a bonus from a policy issued by a friendly society
- C** if you received bonuses from both types of policies

Tax offsets are explained at the start of the Tax offsets section on page 72 in *TaxPack 2001*.

Step 4 Bonuses from both types of policies

If you printed the letter **C** in the **CLAIM TYPE** box ☐ at the right of **W** item **21** on your tax return, you will need to provide additional information. Print SCHEDULE OF ADDITIONAL INFORMATION—QUESTION 21 on the top of a separate piece of paper. Include on this schedule your name, address, tax file number and how much of the bonus amount at **W** is from policies issued by friendly societies and how much is from policies issued by life insurance companies. Print **X** in the **YES** box at *Taxpayer's declaration* question 2a on page 8 of your tax return. Sign and attach the schedule to page 3 of your tax return.

Check that you have . . .

- ✓ written on your tax return the correct bonus amount
- ✓ written on your tax return your tax offset code letter
- ✓ attached to page 3 of your tax return your signed SCHEDULE OF ADDITIONAL INFORMATION—QUESTION 21, if you need to send us one
- ✓ kept your policy document and bonus advice with your other records. Do not attach them to your tax return.



DO NOT SHOW AT THIS QUESTION:

any income already shown on your tax return, such as:

- **foreign exchange** losses
- **rental income** or losses
- **business income** or losses
- **partnership income** or losses
- **capital gains** or losses.

Other questions deal with these matters.

Refer to the relevant topics in the Index.

Did you receive any other income?

Other income includes:

- a non-qualifying component of an eligible termination payment
- benefits from an employee share scheme
- lump sum payments in arrears
- foreign exchange gains
- royalties
- scholarships, bursaries, grants or other educational awards
- benefits or prizes from investment-related lotteries
- income from activities as a special professional—author of a literary, dramatic, musical or artistic work, inventor, performing artist, production associate or active sportsperson. Any amount you have already included at item **1, 2, 12, 13** or **14** may have to be shown here as well
- reimbursements of tax-related expenses or election expenses which you have claimed as a deduction
- any balancing adjustment profit from the disposal, loss or destruction of any item of plant, including your car, for which you have claimed depreciation.

The Australian Taxation Office can help you if you are unsure about what counts as other income.

NO ☐ Go to **TOTAL SUPPLEMENT INCOME OR LOSS** on page s34. **YES** ☐ Read below.

YOU NEED TO KNOW

Non-qualifying component of an eligible termination payment (ETP)

If there is an amount on your ETP payment summary that is called a non-qualifying component of an ETP, it is subject to tax at ordinary rates and must be included at this question.

Benefits from an employee share scheme

You may need to include discounts—the difference between the market and acquisition prices—on shares or rights that you receive from an employee share scheme, whether issued in Australia or overseas.

For shares or rights, it is important to keep a record of:

- the date they were issued to you and the date you sold them
- the total number you purchased or sold
- the amount you paid or received
- the amount or percentage of the discount you received or other proof of the market price.

Keep records if a relative or other associate:

- received shares from rights that you originally received or
- disposed of those rights.

If your scheme meets certain conditions, some part of the discount may not be assessable. The prospectus for the share scheme or a letter from your employer should tell you whether some or all of the discount is assessable. Include the assessable amount of the discount at this question.

Lump sum payments in arrears (LSPA)

These payments relate to an earlier income year or years and should be shown at label E on your *PAYG payment summary—individual non business*.

The lump sum payments you received could be one of the following:

- any part of back payments of salary or wages that accrued in a period more than 12 months before the date of payment
- salary or wages that accrued during a period of suspension and were paid to you on resuming duty
- superannuation, repatriation and social welfare pensions, allowances or payments, including those paid by foreign governments
- periodical worker's and accident compensation payments but not payments made to the owner of the policy
- Commonwealth education or training payments.

Include any of these payments in the amount you show at this question.

You may get a tax offset (formerly called rebate) on certain lump sum payments received in 2000–01. The tax offset relates to payments made on or after 1 July 1986.

We will calculate the tax offset for you. Include a statement in your tax return from the person paying the lump sum. Show the income years involved and, for each income year, the amount that accrued.

If you did not need to lodge a tax return for the 2 most recent years that the payment relates to, you will need to provide additional information. *Print* SCHEDULE OF ADDITIONAL INFORMATION—QUESTION 22 on the top of a separate piece of paper and explain your situation. Include your name, address, tax file number and details of what your taxable income—including your lump sum payments in arrears—would have been had you lodged tax returns in those 2 years. *Print X* in the **YES** box at *Taxpayer's declaration* question 2a on page 8 of your tax return. *Sign* and *attach* your schedule to page 3 of your tax return.

Foreign exchange gains

Unless you carry on a business and have included the foreign exchange gain as assessable income in calculating your business net income or loss for item **14**, the foreign exchange gain must be shown at this question as income if it was of a capital nature, made under an eligible contract and relevantly connected with deriving assessable income. If you have a deductible foreign exchange loss, *go to* question **D13**.

Royalties

If you are an Australian resident for tax purposes, include income from any royalties at this question.

Scholarships, bursaries, grants and other educational awards

You do not have to pay tax on some scholarships, bursaries, grants and awards. However, there are many assistance scheme payments that are taxable.

If you are not sure about a payment, contact the organisation that paid you. If you then need more information, ring the Personal Tax Infoline on the inside back cover of *TaxPack*.

Include any income from a scholarship, bursary, grant or other award that you have to pay tax on at this question, unless you have already shown it at item **1**, **2** or **13**, or in calculating your business net income or loss shown at item **14**.

Benefits or prizes from investment-related lotteries

You must include the value of benefits or prizes you received from an investment-related lottery offered by an investment body such as a bank, building society or credit union. Prizes may include cash, low-interest or interest-free loans, holidays or cars.

Do not include prizes won in ordinary lotteries—for example, lotto draws, caskets and raffles. Do not include prizes won in quiz shows if you are not making a living out of appearance fees or game show winnings.

Income from activities as a special professional

A special professional is an author of a literary, dramatic, musical or artistic work, an inventor, a performing artist, a production associate or an active sports person.

As a special professional, you may be entitled to a concessional rate of tax where your taxable income includes certain amounts of professional income which, when added to your other income, moves you into a higher tax bracket.

You are entitled to this concession where:

- you are an Australian resident AND
- you are a special professional AND
- your taxable professional income is at least \$2500 in the first year that this concession applies.

You will need to read the publication *Income averaging for special professionals* (NAT 2475—6.2001). The publication explains how you work out your taxable professional income. To find out how to get this publication, see the inside back cover of *TaxPack*.

Reimbursements and recoupments of tax-related expenses or election expenses which you have claimed as a deduction

If you received a reimbursement or refund in 2000–01 of any tax-related expenses or election expenses which you have claimed, you must include the amount here—for example, if you claimed a deduction for filing fees for an Administrative Appeals Tribunal application in relation to a tax-related matter in 1999–2000 and recouped those fees in 2000–01.

Balancing adjustment

You must include any balancing adjustment profit from the disposal, loss or destruction of any item of plant for which you have claimed depreciation. Refer to page 40 in

TaxPack 2001 to calculate any balancing adjustment profit in respect of your car for which you have claimed car expenses. Include any balancing adjustment profit at this question.

Other income

Other income includes:

- sickness and accident policy payments to you, other than payments made under a policy held by your employer which you have already shown at item **1, 2 or 13**
- interest from infrastructure borrowings if you intend to claim a tax offset at item **T10**
- interest derived under the land transport facilities tax offset scheme
- a gain on the disposal, or the redemption, of traditional securities
- allowances or payments you received as a member of a local government council that are not already shown at item **1 or 2**
- jury attendance fees unless you have to pay the fees to your employer because you received your normal employment income while you were on jury duty.

Completing this question

Step 1

From the table below, *work out* whether the income you received is a category 1 or category 2 type of income.

Types of income

Category 1

- reimbursements of tax-related expenses or election expenses
- allowances or payments to members of local councils not shown at item **1 or 2**
- all lump sum payments in arrears (LSPAs), including LSPAs of Commonwealth of Australia government pensions of the type listed at question **6**—but with the following exceptions:
 - LSPAs of Australian pensions and annuities **other than** those of the type listed at question **6**
 - LSPAs of foreign pensions and annuities which have, or have had, an undeducted purchase price.

These exceptions are category 2 income.

Category 2

- any income not described in category 1.

In the **Type of income** category boxes at item **22** on your tax return *print* a description of the income you received in either or both categories.

If you received more than one type of either category of income, you will need to provide full details. *Print* ADDITIONAL INFORMATION in the relevant **Type of income**

category box. *Print* SCHEDULE OF ADDITIONAL INFORMATION—QUESTION 22 on the top of a separate piece of paper. Include your name, address and tax file number. Show each type and amount of income you received within the category. *Print X* in the **YES** box at *Taxpayer's declaration* question 2a on page 8 of your tax return. *Sign* and *attach* your schedule to page 3 of your tax return.

Step 2

If you received lump sum payments in arrears, *write* the amount of any tax withheld from these payments at **E** item **22** on your tax return. Do not show any tax withheld included elsewhere on your tax return.

Step 3

If you are a special professional, *write* any taxable professional income you received at **Z** item **22** on your tax return. Do not show cents. We take this amount into account for income averaging.

Step 4

Add up all your category 1 income.

Step 5

Write the total at **Y** item **22** on your tax return. Do not show cents.

Step 6

Add up all your category 2 income, including the amount you wrote at **Z** unless you have already counted it in your answer to question **1, 2, 12, 13 or 14**.

Step 7

Write this total at **V** item **22** on your tax return. Do not show cents.

Check that you have . . .

- ☒ printed on your tax return your type of income
- ☒ written on your tax return your tax withheld from lump sum payments in arrears
- ☒ written on your tax return your taxable professional income
- ☒ written on your tax return the total of your other income
- ☒ attached to page 3 of your tax return your signed SCHEDULE OF ADDITIONAL INFORMATION—QUESTION 22, if you need to send us one.

TOTAL SUPPLEMENT INCOME OR LOSS

COMPLETING THIS ITEM

- Step 1** *Add up* all the income amounts in the right-hand column of items **12** to **22** on your tax return (supplementary section).
- Step 2** *Add up* all the loss amounts—if any—in the right-hand column of items **12, 13, 14, 16** and **20**.
- Step 3** *Take away* the amount you worked out at step 2 from the total income amount you worked out at step 1. Your answer is your total income or loss.
- Step 4** Write your answer from step 3 at **TOTAL SUPPLEMENT INCOME OR LOSS** on page 11 of your tax return. Do not show cents.
- If you made an overall loss, *print L* in the small box at the right of **TOTAL SUPPLEMENT INCOME OR LOSS**.
- Step 5** Transfer the amount you wrote at **TOTAL SUPPLEMENT INCOME OR LOSS** to **I** on page 2 of your tax return. If the amount was a loss, *print L* in the small box at the right of the amount.
- Step 6** Go to page 34 in *TaxPack 2001* to calculate your **TOTAL INCOME OR LOSS**—then work through the Deductions section, starting on page 35 in *TaxPack 2001*.

DEDUCTIONS

	Page
D10 Australian film industry incentives	s36
D11 Deductible amount of undeducted purchase price of a foreign pension or annuity	s37
D12 Non-employer sponsored superannuation contributions	s38
D13 Other deductions	s40


Question D10

AUSTRALIAN FILM INDUSTRY INCENTIVES

Are you entitled to a deduction for investing in the Australian film industry?

Do not show returns of concessional capital from a Film Licensed Investment Company (FLIC) here. Certain returns of concessional capital from a FLIC are dealt with at question **11** *TaxPack 2001*.

You cannot claim the cost of cinema tickets or expenses associated with attending a film festival as an Australian film industry incentive!

NO ☐  Go to question **D11**.

YES ☐  Read below.

WHAT YOU NEED

You need to read the publication *Australian film industry incentives* (NAT 954—6.2001) before you can answer this question. To find out how to get this publication, see the inside back cover of *TaxPack*.

YOU NEED TO KNOW

- You must be a resident of Australia for tax purposes to qualify for this deduction.
- You cannot claim a deduction for investing in the Australian film industry unless you have invested in a film that has a certificate from the Minister for Communications, Information Technology and the Arts, stating that it is a qualifying film.



Completing this question

Step 1 Work out the amount you can claim using the publication *Australian film industry incentives*.

Step 2 Write the amount you can claim at **G** item **D10** on your tax return. Do not show cents.

You have now finished this question. Go to question **D11**.

Check that you have . . .


-  kept a record of the provisional certificate number and the date that it was issued or, if the film has been completed, the final certificate number and the date that it was issued
-  kept a record of the certificate number with your other tax records. **Do not** attach it to your tax return.

Question D11

DEDUCTIBLE AMOUNT OF UPP OF A FOREIGN PENSION OR ANNUITY

D11
SUPPLEMENT

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

NO ☐  Go to question **D12**.

YES ☐  Read below.

YOU NEED TO KNOW

CAUTION

If you are claiming a deduction at this question check that you have shown your net foreign pension or annuity income at **D** item **19 Foreign source income and foreign assets or property** on your tax return.

Undeducted purchase price (UPP) of a foreign pension or annuity

If you showed income from a foreign pension or annuity at **D** item **19** on your tax return, you may be able to reduce the taxable amount of pension or annuity income if your pension or annuity has a UPP. Only some foreign pensions and annuities have a UPP.

The UPP is the amount you contributed towards the purchase price of your pension or annuity—your personal contributions. If you received, or were entitled to receive, a tax deduction under Australian taxation law for any of your personal contributions, these amounts are not included in your UPP.

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

If you already know your deductible amount, go to **Completing this question**.

British pensions

If you received a Category A or Category B pension from the British National Insurance Scheme (BNIS), you are entitled to a UPP deduction. BNIS pensions are paid from Newcastle-upon-Tyne.

One method of calculating your deduction is to multiply your BNIS pension (in Australian dollars) by 8 per cent. This method is accepted by the Commissioner of Taxation and generally results in the maximum deduction you are entitled to. However, there is another method—the exact method. If you wish to find out about this method or you receive another type of British pension and are not sure about a UPP entitlement, ring the superannuation helpline on **13 1020**.

Dutch pensions

If you received an old age pension, or a widow's, widower's or orphan's pension from the Sociale Verzekeringsbank (SVB) under the Netherlands social insurance system and you can obtain all the necessary information to determine your UPP, claim the percentage you have worked out. If you cannot, you can claim an annual UPP deduction equal to 25 per cent of your gross pension payment.

Italian pensions

If you received an Italian pension, the Italian authorities will send you an *Article 17* letter each year giving you an estimate of the amount of pension income you will receive, and the amount that you contributed towards your pension. If you are unable to work out your UPP deduction, attach a photocopy of your 2000 AND 2001 *Article 17* letters to page 3 of your tax return. **Print X** in the **YES** box at *Taxpayer's declaration* question 2a on page 8. The Australian Taxation Office will calculate your UPP deduction for you.

If you do not know the deductible amount, or if you do not know if your pension or annuity has a UPP, ring the superannuation helpline on **13 1020**.

Completing this question

Write the deductible amount of your UPP at **Y** item **D11** on your tax return. Do not show cents.

Question D12

NON-EMPLOYER SPONSORED
SUPERANNUATION
CONTRIBUTIONS

Definition

Assessable income is the amount you wrote at **TOTAL INCOME OR LOSS** on page 2 of your tax return unless:

- you have a distribution from a partnership or trust, income or losses from rent or business (including personal services income), capital gains or losses or foreign source income or
- you claimed a deductible amount for an annuity at item **D8 Deductible amount of undeducted purchase price (UPP) of an Australian pension or annuity** or **D11 Deductible amount of undeducted purchase price of a foreign pension or annuity** on your tax return.

If one or more of these applied to you, ring the superannuation helpline on **13 1020** for help in working out your assessable income.

Are you entitled to claim a deduction for your personal superannuation contributions?

You may be able to claim a deduction for contributions you made to a complying superannuation fund or retirement savings account (RSA) in 2000–01 if:

- you have written to your fund or RSA provider and advised them of the amount you intend to claim as a deduction; AND
- your fund or RSA provider has provided you with a written acknowledgment of your letter and agreed in writing to the amount you intend to claim as a deduction AND
- you answer **YES** to any of questions **A** to **D** below.

A Were you fully self-employed and not working under contract principally for your labour?

B Were you partly self-employed but none of the people you worked for was required to provide superannuation support for you or pay the Superannuation Guarantee charge?

C Were you partly self-employed but your income plus your total reportable fringe benefits amounts (shown at item **9** on your tax return) from the people who provided your superannuation support—or were required to pay the Superannuation Guarantee charge—was less than 10 per cent of the sum of your total assessable income and total reportable fringe benefits amounts?

D Were you employed but without any superannuation support—for example:

- for the whole year, your work was wholly or principally of a private or domestic nature, and you worked for no more than 30 hours in any week in the year
- you were under 18 years of age and worked part time—30 hours or less per week—for the whole year
- you received less than \$450 in **every** calendar month of 2000–01?

NO

Go to question **D13**.

YES



Read below.

You may be able to claim the superannuation tax offset. Make sure you read page 81 in *TaxPack 2001*.

YOU NEED TO KNOW

The deduction you claim can only reduce your otherwise taxable income to nil. It cannot add to or create a loss.

Only complete this question if your superannuation fund or RSA provider has agreed in writing to the amount you intend to claim as a deduction.

If the amount of the deduction you can claim changes after completing this question, notify your superannuation fund or RSA provider.

Step 1 Add up your 2000–01 contributions and if the total is more than \$3000, go to step 2. If it is \$3000 or less, write the amount at **H** item **D12** on your tax return. Do not show cents. Go to step 3.

Step 2 If your contributions total more than \$3000, you can claim the **lesser** of:

- \$3000 plus 75 per cent of your contributions over \$3000;
- your age based deduction limit. Your deduction claim is limited by your age when you made your last contribution for the year. If you were under 35 at that time, your deduction limit is \$11 388; 35 to 49, \$31 631; 50 and over, \$78 445.

Write this amount at **H** item **D12** on your tax return. Do not show cents.

Step 3 *Print* the full name of your fund or retirement savings account (RSA) provider and your policy number in the boxes at item **D12** on your tax return. Remember, your fund or RSA provider must have agreed to the amount that you claim.

If you contributed to more than one fund or RSA, *print* ADDITIONAL INFORMATION in the **Full name of fund** box at item **D12**. *Add up* the amounts being claimed as a deduction. *Write* your answer at **H** item **D12**.

On a separate piece of paper *print* SCHEDULE OF ADDITIONAL INFORMATION—QUESTION D12. Include your name, address and tax file number. For each superannuation fund or RSA provider from which you have received an agreement letter, provide the full name of that fund or RSA provider, your policy number and the amount that you are claiming as a deduction. *Print X* in the **YES** box at *Taxpayer's declaration* question 2a on page 8 of your tax return. *Sign* and *attach* your schedule to page 3 of your tax return.

If you need more information, ring the superannuation helpline on **13 1020**.

Check that you have . . .

- ✓ kept your written agreement from your fund(s) or RSA provider(s). Do not attach it to your tax return
 - ✓ not exceeded the limits in step 1 or 2, whichever applies
 - ✓ attached to page 3 of your tax return your signed SCHEDULE OF ADDITIONAL INFORMATION—QUESTION D12, if you need to send us one.
-

Question D13

OTHER DEDUCTIONS

**DO NOT SHOW AT THIS QUESTION:**

- **expenses** relating to your work as an employee
- expenses relating to income from carrying on a **business** (including **personal services income**)
- expenses relating to **investment** planning and advice involving shares, unit trusts and interest bearing deposits
- **Financial Institutions Duty or debits tax** charged on your bank, building society or credit union account
- expenses incurred in earning **foreign source income**.

Other questions deal with these matters.
Refer to the relevant topics in the Index.

Did you have any other expenses that you have not been able to claim as deductions at items D1 to D12 or elsewhere on your tax return?

NO ☐ Go to **TOTAL SUPPLEMENT DEDUCTIONS** on page s42. **YES** ☐ Read below.

YOU NEED TO KNOW**Expenses which you may be entitled to claim at this question include:**

- election expenses for local, Territory, State or Commonwealth candidates. A reimbursement or refund in 2000–01 of any election expenses which you have claimed as a deduction must be shown as income at item **22** on your tax return (supplementary section)
- deductible expenses incurred but not claimed in full prior to ceasing a primary production business where a balance is claimable in a subsequent year(s) — for example, water conservation expenditure, which is allowable as a deduction over a 3-year period
- non-capital losses incurred upon the disposal or redemption of a traditional security which are deductible under section 70B of the *Income Tax Assessment Act 1936*
- sickness and accident insurance premiums
- foreign exchange losses
- interest incurred on money borrowed to invest under the land transport facilities tax offset scheme or infrastructure borrowings scheme.

Sickness and accident insurance premiums

You can claim the cost of any annual premiums you incur for insurance against the loss of your income. You must include any payment you received under the policy for loss of your income at item **22** on your tax return.

You cannot claim a deduction for a premium or any part of a premium which you paid under a policy to compensate you for such things as physical injury. If it cannot be determined which part of the premium is paid for insurance against the loss of your income, then you cannot claim any deduction for the premium.

Foreign exchange losses

A foreign exchange loss may be claimed at this question if it is of a capital nature and satisfies the requirements of sections 82U(2) and 82Z of the *Income Tax Assessment Act 1936*. Show any assessable foreign exchange gain at item **22** on your tax return.

Completing this question

Step 1 If you did not have election expenses *go to step 2*. Otherwise, *read on*.

Add up all your allowable election expenses. *Write* the total amount at **E** item **D13** on your tax return. Do not show cents.

Important: A deduction for local government body election expenses cannot exceed \$1000 for each election contested, even if the expenditure is incurred in more than one year of income.

Step 2 *Print* the type of expense you are claiming in the **Description of claim** box at item **D13**.

If you are claiming for more than one type of expense, *print* ADDITIONAL INFORMATION in the **Description of claim** box. On a separate piece of paper, *print* SCHEDULE OF ADDITIONAL

INFORMATION—QUESTION D13. Include your name, address and tax file number. Show the type and amount of each expense you are claiming. *Print X* in the **YES** box at *Taxpayer's declaration* question 2a on page 8 of your tax return. *Sign* and *attach* your schedule to page 3 of your tax return.

Step 3 *Add up* all the other expenses that you are claiming at this question—excluding election expenses.

Step 4 *Write* the amount from step 3 at **J** item **D13**. Do not show cents.

Check that you have . . .

- ☒ written on your tax return the total amount of your allowable election expenses
 - ☒ printed on your tax return the type of expense you are claiming
 - ☒ written on your tax return the total amount of all other expenses you are claiming
 - ☒ attached to page 3 of your tax return your signed SCHEDULE OF ADDITIONAL INFORMATION—QUESTION D13, if you need to send us one.
-

TOTAL SUPPLEMENT DEDUCTIONS

COMPLETING THIS ITEM

Did you claim any deductions at questions D10 to D13?**NO** ☐  Go to step 4.**YES** ☐  Go to step 1.

- Step 1** *Add up* all the amounts in the right-hand column of items **D10** to **D13** on your tax return (supplementary section).
- Step 2** *Write* the amount from step 1 at **TOTAL SUPPLEMENT DEDUCTIONS** on page 12 of your tax return. Do not show cents.
- Step 3** *Transfer* the amount you wrote at **TOTAL SUPPLEMENT DEDUCTIONS** to **D** on page 3 of your tax return.
- Step 4** *Go to* page 61 in *TaxPack 2001* to calculate your **TOTAL DEDUCTIONS**. Then *work through* the Losses section starting on page 62 in *TaxPack 2001*.

TAX OFFSETS

	Page
T5 Superannuation contributions on behalf of your spouse	s44
T6 Zone or overseas forces	s46
T7 20% tax offset on net medical expenses over \$1250	s53
T8 Parent, spouse's parent or invalid relative	s55
T9 Landcare and water facility	s57
T10 Other tax offsets	s60
Heritage conservation work	
Interest from government securities issued before 1 November 1968	
Interest from the land transport facilities tax offset scheme or infrastructure borrowings scheme	


Question T5

SUPERANNUATION CONTRIBUTIONS ON BEHALF OF YOUR SPOUSE

Did you make contributions to a complying superannuation fund or a retirement savings account (RSA) on behalf of your 'non-working' or 'low income-earning' spouse, married or de facto?

An RSA is an account offered by banks, building societies, credit unions, life insurance companies and prescribed financial institutions. It is used for retirement savings and is similar to a superannuation fund.

NO ☐  Go to question **T6**.

YES ☐  You may be eligible for a tax offset. Read below.

Note

If you had more than one spouse during the income year and you satisfy the conditions for the tax offset in relation to more than one spouse, the tax offset is the **lesser** of the sum of the tax offset entitlements for each spouse, **or** \$540.

YOU NEED TO KNOW

A tax offset of up to \$540 per annum is available where:

- the contributions were not deductible to you AND
- both you and your spouse were Australian residents when the contributions were made AND
- at the time of making the contributions you and your spouse were not living separately and apart on a permanent basis AND
- the sum of your spouse's assessable income and total reportable fringe benefits amounts was less than \$13 800.

For the purposes of this question, your spouse's assessable income is the amount your spouse wrote at **TOTAL INCOME OR LOSS** on page 2 of their tax return, unless:

- they had a distribution from a partnership or trust, income or losses from rent or business (including personal services income), a capital gain or foreign source income or
- they claimed a deductible amount for a pension or annuity at item **D8** or **D11** on their tax return.

If either of these applied to your spouse, ring the superannuation helpline on **13 1020** for help in working out your spouse's assessable income before completing this question.

Your spouse's reportable fringe benefits amounts are recorded on their payment summaries.

The tax offset is calculated as 18 per cent of the **lesser** of:

- (a) \$3000, reduced by \$1 for every \$1 that the sum of your spouse's assessable income and total reportable fringe benefits amounts for the year was more than \$10 800 OR
- (b) the total of your contributions for your spouse for the year.

Completing this question

Step 1 Write the total of the contributions at **Contributions paid** item **T5** on your tax return.

Step 2 If the sum of your spouse's assessable income and total reportable fringe benefits amounts is \$10 800 or less, use WORKSHEET 1.

If the sum of your spouse's assessable income and total reportable fringe benefits amounts is more than \$10 800 but less than \$13 800, use WORKSHEET 2.

WORKSHEET 1

Maximum spouse contributions eligible for the tax offset	(a)	\$3000
Amount of contributions paid	(b)	\$
Write the lesser of (a) or (b).	(c)	\$
Multiply (c) by 18 and divide by 100.	(d)	\$

WORKSHEET 2

Maximum spouse contributions eligible for the tax offset	(a)	\$3000
The sum of your spouse's assessable income and total reportable fringe benefits amounts	(b)	\$
Base amount	(c)	\$10 800
Take (c) away from (b).	(d)	\$
Take (d) away from (a).	(e)	\$
Amount of contributions paid	(f)	\$
Write the lesser of (e) or (f).	(g)	\$
Multiply (g) by 18 and divide by 100.	(h)	\$

Step 3 The tax offset is the amount shown at (d) on WORKSHEET 1 or (h) on WORKSHEET 2.
Write this amount at **A** item **T5** on your tax return. Do not show cents.

Step 4 Make sure you have provided your spouse's full name on page 1 of your tax return. Then *complete* **Spouse details—married or de facto** on pages 6–7 of your tax return. Include your spouse's taxable income at **O** and your spouse's total reportable fringe benefits amounts at **S**.

Note

To work out your entitlement to this tax offset you would have used your spouse's assessable income and reportable fringe benefits. However, because the Australian Taxation Office uses **taxable income** to calculate many other entitlements, for ease of completion we ask you to record your spouse's taxable income (not assessable income) at **Spouse details—married or de facto**.

Question T6

ZONE OR OVERSEAS FORCES

Are you entitled to claim a zone tax offset or an overseas forces tax offset?**You may be able to claim a tax offset if you:**

- lived or worked in a remote or isolated area of Australia, not including an offshore oil or gas rig
- served overseas as a member of Australia's Defence Force or a United Nations armed force.

NO ☐ ► Go to question T7.YES ☐ ▼ Read below.**YOU NEED TO KNOW****Note**

The boundaries used to determine the zones have not changed from last year. However, within those boundaries some new places may have been identified.

A list of selected locations within the zones and special areas is shown on page s52. To find out if a location is in a zone or special area you can claim for, see our Internet site or ring the Personal Tax Infoline.

See the inside back cover of *TaxPack* for details of both.

Remote areas are called zone A and zone B. There are also special areas within these zones. See the side note if you do not know your zone.

Conditions you need to meet to qualify for a zone tax offset

To qualify for the tax offset you must have lived or worked in a zone—not necessarily continuously—for:

- 183 days or more during 2000–01 or
- 183 days or more during the period 1 July 1999 to 30 June 2001—including at least one day in this income year—and you did not claim a zone tax offset in your 2000 tax return.

If you lived in a zone for less than 183 days in 2000–01, you may still be able to claim a tax offset as long as you lived in a zone for a continuous period of less than 5 years after 1 July 1995 and:

- you were unable to claim in the first year because you were there less than 183 days and
- the total of the days you were there in the first year and in 2000–01 is 183 or more.

Example

Gary lived in a remote area from 1 March 1996 to 30 September 2000, a continuous period of less than 5 years. He couldn't claim a zone tax offset for the first year because he lived there for only 122 days. However, he can carry forward these unused days to 2000–01. He adds the number of days from 1 March 1996 to 30 June 1996—122—and the number of days from 1 July 2000 to 30 September 2000—92. As the total—214—is 183 or more days over the 2 income years, Gary can claim the tax offset on his 2000–01 tax return.

HOW TO CLAIM YOUR ZONE TAX OFFSET

If:

- you lived or worked in only one zone for at least 183 days, as defined above
 - you are not eligible to claim any tax offsets at question T8 (parent, spouse's parent or invalid relative tax offset)
 - you did not claim a tax offset at part B or C of question T1 (housekeeper or child-housekeeper tax offset) and
 - your circumstances are shown in the **Zone amounts** table below
- simply use the amounts in the table.

Zone amounts

Your circumstances	Tax offset amount		
	Zone A	Zone B	Special area
You were single with no dependent child or student for all of 2000–01.	\$338	\$57	\$1173
You are able to claim the maximum spouse (without child) tax offset (\$1365) at question T1.	\$1021	\$330	\$1856

Remote area allowance

If you received a remote area allowance from Centrelink or the Department of Veterans' Affairs, or an equivalent amount was included in an exceptional circumstance relief payment or a payment of restart income support, you must reduce the amount of your zone tax offset by this allowance.

If you can use the **Zone amounts** table on the previous page, *write* your tax offset amount less any remote area allowance at **R** item **T6** on your tax return. Do not show cents. *Go to* question **T7**.

If you cannot use the table you will need to work through HOW TO WORK OUT YOUR TAX OFFSET.

Conditions you need to meet to qualify for an overseas forces tax offset

You may be eligible for an overseas forces tax offset if you served in a specified overseas locality as a member of Australia's Defence Force or a United Nations armed force in 2000–01 and income relating to that service was not specifically exempt from tax. Your employer will be able to advise you whether you served in a locality which qualifies for the overseas forces tax offset.

To claim the full tax offset, you must have served in the overseas locality for 183 days or more. However, if your overseas service was less than 183 days, you may be able to claim part of the tax offset.

Important: If you qualify for both an overseas forces tax offset and a zone tax offset, you can claim only one of them. We show you how to claim the higher tax offset.

If you served in an overseas locality for less than 183 days, but the total number of days served in the overseas locality, when added to the number of days spent in one or more zones, is 183 days or more, you may still be entitled to claim the full overseas forces tax offset. If you served as a member of the Defence Force, days spent in a zone must be Defence Force service.

If you served only in one or more specified overseas localities for at least 183 days, you had no spouse, no dependent child or student, and you are not claiming for dependants (such as parent, spouse's parent, invalid relative, child-housekeeper or housekeeper) at any other tax offset question, simply claim the fixed amount (\$338) from table A in the next column. *Write* this amount at **R** item **T6** on your tax return. Do not show cents. *Go to* question **T7**. For other circumstances, *read on*.

HOW TO WORK OUT YOUR TAX OFFSET

The zone or overseas forces tax offset is made up of 2 amounts—the fixed amount and a percentage of a base amount. Use the information from table A when you complete either table J or table K on page s51.

TABLE A

	Fixed amount	Percentage of base amount
Zone A	\$338	50%
Zone B	\$57	20%
Special area	\$1173	50%
Overseas forces	\$338	50%

If you had no spouse, no dependent child or student, and you are not claiming for dependants (such as parent, spouse's parent, invalid relative, child-housekeeper or housekeeper) at any other tax offset question, *go to* WORKING OUT YOUR TAX OFFSET on page s51.

If you had a spouse or a dependent child or student, or you are entitled to any dependant tax offset, *read on* for instructions on how to work out your base amount.

WORKING OUT THE BASE AMOUNT

The base amount is made up of tax offsets you may have claimed elsewhere in *TaxPack* and notional tax offsets. A notional tax offset is an offset to which you would have been entitled if the tax offset was still allowable. As a result of the introduction of family tax benefit (FTB) this year, you may have to recalculate some tax offsets that you claimed elsewhere in *TaxPack*. FTB does not affect your entitlement to these notional tax offsets when calculating your zone or overseas tax offset.

Each of the tax offset components you work out below will form part of your base amount—at table I on page s50. Follow the instructions below.

Parent, spouse's parent or invalid relative tax offset component

Only read this section if you are eligible to claim a parent, spouse's parent or invalid relative tax offset; if not *go to* **Spouse tax offset component** below.

If you are eligible to claim a parent, spouse's parent or invalid relative tax offset at question **T8** on pages s55–6, you will need to work out that amount then come back to this question. *Write* the amount you have claimed at **T8** at (a) table I. *Read on*.

Spouse tax offset component

If you claimed a spouse (without dependent child or student) tax offset at part A question **T1**, *write* that amount at (b) table I. *Go to* **Child-housekeeper tax offset component** on page s49.

If either of the following applies to you:

- you had a spouse and dependent children or
- you were required to reduce your claim because you, or your spouse during any period they were your spouse, received family tax benefit (FTB) Part B

use table B to work out your notional spouse tax offset.

TABLE B

Write the maximum notional dependent spouse tax offset. If you had a spouse for only part of the year, *multiply* the number of days in that part of the year by the daily rate.

(a) \$1637 for the full year or \$4.49 per day

Your spouse's separate net income (SNI)—see pages 66–7 in *TaxPack 2001*

(b) \$

Income at which tax offset begins to reduce

(c) \$282

Take (c) away from (b).

(d) \$

Divide (d) by 4 because your tax offset is reduced by \$1 for every \$4 of SNI over \$282.

Do not show cents.

(e) \$

Take (e) away from (a).

(f) \$

The amount at (f) is your notional spouse tax offset for zone or overseas forces tax offset purposes. *Write* this amount at (b) table I.

Notional tax offset for dependent children or students

Your base amount will increase by the maximum amount shown in table C below for each student aged under 25 on 30 June 2001 in full-time education at a school, college or university and for each child under 16 on 30 June 2001 who, for the whole of 2000–01:

- was treated as an Australian resident
- was maintained by you and
- had a separate net income (SNI)—see pages 66–7 in *TaxPack 2001*—of less than \$286.

TABLE C

Dependant	Notional tax offset
Each student under 25 years	\$376
First non-student child under 16 years	\$376
Other non-student children under 16 years	\$282 for each child

If all of these requirements were met, *add up* the notional tax offset amount for each child or student and *write* the total at (c) table I.

If 2 or more people contributed to the maintenance of a dependent child, each person can only claim a proportion of the notional tax offset.

If the requirements were met for only part of the year, or your child or student's SNI was \$286 or more, you may be able to claim a partial notional tax offset. *Read on.*

Part-year claim

You can claim only part of the notional tax offset for dependent children or students:

- if the child or student was treated as an Australian resident for only part of 2000–01
- if the student was 16 years or older and was in full-time education for only part of 2000–01
- if the child or student was maintained by you for only part of 2000–01
- if the child was 16 at 30 June 2001 and not in full-time education
- if the student was 25 at 30 June 2001.

Use table D to work out the reduced notional tax offset.

TABLE D

Maximum notional tax offset for the child or student—from table C

(a) \$

Number of days you maintained your child or student and your child or student remained a dependant

(b) \$

Number of days in 2000–01

(c) 365

Divide (b) by (c).

(d) \$

Multiply (d) by (a).

(e) \$

If the SNI of your child or student was less than \$286, *write* amount (e) at (c) table I.

If you have more than one eligible child or student and the SNI of each one was less than \$286, work out the amount for each child, *add up* all of the amounts and *write* the total at (c) table I.

If SNI was \$286 or more

If the child or student had an SNI of more than:

- \$1785 for a student under 25 or the first child under 16 who is not a student
 - \$1409 for any other child under 16 who is not a student
- you cannot claim any amount of notional tax offset for that child or student.

If your child or student's SNI was \$286 or more but less than the limits shown above, use table E to work out the notional tax offset.

TABLE E

Notional tax offset for the child or student—from table C or (e) table D for a part-year claim	(a)	\$
Your child or student's separate net income (SNI) for the period you maintained them	(b)	\$
Income at which the notional tax offset begins to reduce	(c)	\$282
Take (c) away from (b).	(d)	\$
Divide (d) by 4 because your tax offset is reduced by \$1 for every \$4 of SNI over \$282. Do not show cents.	(e)	\$
Take (e) away from (a). Do not show cents.	(f)	\$

Write the amount at (f) at (c) table I. If you have more than one eligible child or student, *work out* the amount for each child or student, *add up* all of the amounts and *write* the total at (c) table I.

Child-housekeeper tax offset component

Only read this section if you claimed a child-housekeeper tax offset at part B question **T1**.

If you claimed a child-housekeeper tax offset at part B question **T1** and you did not have to reduce your tax offset because you, or your spouse during any period they were your spouse, received family tax benefit (FTB) Part B, *write* your child-housekeeper tax offset at (d) table I.

If you were required to reduce your claim for child-housekeeper tax offset because of FTB Part B use table F below.

TABLE F

	COLUMN 1 No dependent child or student	COLUMN 2 With dependent child or student
Write the maximum tax offset allowable. If you had a child-housekeeper for only part of the year, <i>multiply</i> the number of days in that part of the year by the daily rate from your column.	(a) \$1365 or \$3.74 per day	\$1637 or \$4.49 per day
Your child-housekeeper's separate net income (SNI)—see pages 66–7 in <i>TaxPack 2001</i>	(b) \$	\$
Income at which tax offset begins to reduce	(c) \$282	\$282
Take (b) away from (c) and <i>divide</i> by 4.	(d) \$	\$
Take (d) away from (a).	(e) \$	\$

Transfer the amount at (e) to (d) table I.

Housekeeper tax offset

Only read this section if you claimed a housekeeper tax offset at part C question **T1**.

If you claimed a housekeeper tax offset at part C question **T1** and you did not have to reduce your tax offset because you, or your spouse during any period they were your spouse, received family tax benefit (FTB) Part B, *write* your housekeeper tax offset at (e) table I.

If you were required to reduce your claim for a housekeeper tax offset because of FTB Part B *read on*.

Full-year claim

If you were entitled to the housekeeper tax offset for the full year (ignoring FTB Part B) *write* \$1365 at (e) table I if you did NOT have a dependent child or student.

If you did have a dependent child or student *write* \$1637 at (e) table I.

Part-year claim

If you had a housekeeper for part of the year use table G.

TABLE G

	No dependent child or student	With dependent child or student
Amount of tax offset	(a) \$3.74 per day	\$4.49 per day
Number of days you qualify for the housekeeper tax offset	(b)	
Multiply (a) by (b).	(c) \$	\$

Write this amount at (e) table I.

Notional sole parent tax offset component

Only read this section if you were a sole parent at any time during the income year.

If you had sole care of a dependent child or student AND you have claimed an amount from table C or written an amount of at least \$1 at (f) in table E, then you may also be eligible for a notional sole parent tax offset. *Read on*.

Sole care means that you alone had full responsibility, on a day-to-day basis, for the upbringing, welfare and maintenance of a child or student. You are not considered to have had sole care if you are living with a spouse—married or de facto—unless special circumstances exist.

Special circumstances

If you had a spouse—married or de facto—at any time during 2000–01 it is only in special circumstances that you are entitled to a sole parent tax offset. Generally, for special circumstances to exist, you must be financially responsible for the dependent child or student and have sole care, without the support a spouse normally provides.

Examples of situations where special circumstances may arise:

- You were married at any time during 2000–01 but during the year you separated from or were deserted by your spouse, and for the period that you will claim the sole parent tax offset you were not in a de facto relationship.
- Your spouse was in prison for a sentence of at least 12 months.
- Your spouse is medically certified as being permanently mentally incapable of taking part in caring for the child or student.

If you are unsure whether special circumstances apply ring the Personal Tax Infoline on the inside back cover of *TaxPack*.

Shared or joint custody after divorce or separation

There are times, after divorce or separation, where both parents share the custody of a child or student. If you can show that you had sole care of a dependent child or student for part of the year, then you may be able to claim the tax offset for that part of the year. This means more than just having access visits with the child or student.

If the dependent child:

- was not receiving full-time education and turned 16 years of age during 2000–01 or
- was a full-time student and turned 25 years of age during 2000–01

you are considered to have had sole care of the child for the part of the year up to the day the child turned 16 or the student turned 25. You are only entitled to claim the tax offset for that part of the year.

If you had sole care of a child or student for the **whole** of 2000–01 *write* \$1282 at (f) table I and *add up* your base amount .

Note: If you were entitled to a spouse, housekeeper or child-housekeeper tax offset (part A, B or C of question **T1**) for any period during the year, you cannot claim a notional sole parent tax offset for the same period. If your claim at question **T1** did not cover the whole year you will need to use the part-year claim table H below.

TABLE H—Notional sole parent tax offset—part-year claim

Number of weeks you had sole care of a child and were not entitled to a tax offset at question **T1**

(a)

Multiply (a) by \$24.65

(b) \$

Transfer the amount at (b) to (f) table I.

YOUR BASE AMOUNT

TABLE I

Use this table to work out your base amount.

These are the components for your dependants, if any.

Parent, spouse's parent or invalid relative—from question **T8** (a) \$

Spouse—from part A question **T1**, or table B (b) \$

Notional tax offset for dependent children or students—from table C, table D or table E (c) \$

Child-housekeeper—from part B question **T1** or table F (d) \$

Housekeeper—from part C question **T1**, or table G (e) \$

Sole parent—from table H (f) \$

Add up all of these amounts. (g) \$

The amount at (g) is your base amount.

Go to WORKING OUT YOUR TAX OFFSET on the next page.

WORKING OUT YOUR TAX OFFSET

Multiple locations

If you were in more than one zone, special area or specified overseas locality, and you were in one of them for 183 days or more, *check* table A. If the fixed amount for that zone is higher than for the other zones where you were, use that fixed amount and table J below to work out your tax offset. (This will give you the greatest benefit.) Otherwise, *go to* category 2.

Example

Maureen lived in zone A for 190 days and in zone B for 40 days. Table A shows that the fixed amount for zone A is higher than the zone B amount. Maureen simply uses the zone A amount because this will give her the greatest benefit. She ignores the time she spent in zone B.

Category 1

You were in only one zone, or served only in one or more specified overseas localities for at least 183 days—use table J.

TABLE J

Your fixed amount—from table A	(a)	\$
Your base amount—from table I	(b)	\$
Multiply (b) by the percentage figure from table A.	(c)	\$
Add (a) and (c).	(d)	\$
Any remote area allowance you received	(e)	\$
Take (e) from (d).	(f)	\$

If you are claiming an overseas forces tax offset, the amount you can claim is (d). If you are claiming a zone tax offset, the amount you can claim is (f).

Write your zone or overseas forces tax offset amount at **R** item **T6** on your tax return. Do not show cents. *Go to* question **T7**.

Category 2

You were in more than one zone or you served in a specified overseas locality for less than 183 days, OR you served in a specified overseas locality and you were in one or more zones for at least 183 days

You claim for the number of days in each eligible place divided by 183, to a maximum of 183 days for a year. Start with your zone that has the highest fixed amount in table A—this will give you the greatest benefit.

Example 1: You spent 120 days in zone B and 100 days in zone A. You would claim $100 \div 183$ for zone A and $83 \div 183$ for zone B.

Example 2: You served 100 days in a specified overseas locality. You would claim $100 \div 183$ days.

Example 3: You served 100 days in an overseas locality as a member of the Defence Force and served a further 83 days or more in a zone. You would claim the full overseas forces tax offset.

Use table K to work this out for each zone, special area or overseas locality you were in.

TABLE K

Your fixed amount—from table A	(a)	\$
Your base amount—from table I	(b)	\$
Multiply (b) by the percentage figure from table A.	(c)	\$
Add (a) and (c).	(d)	\$
Number of days spent or served there	(e)	
Multiply (d) by (e).	(f)	\$
Divide (f) by 183.		
This is the amount you can claim.	(g)	\$

Once you have worked out the amount you can claim for each place you were in, *add up* all the amounts and then use table L to work out your total tax offset.

TABLE L

Total of the amounts you have worked out for each zone—from (g) table K	(a)	\$
Any remote area allowance you received	(b)	\$
Take (b) away from (a).		
This is the zone tax offset you can claim.		\$

Where you served in a specified overseas locality for less than 183 days, the amount from (g) table K is the overseas forces tax offset you can claim.

Where you served in a specified overseas locality and you were in one or more zones for at least 183 days, *add up* all the amounts—from (g) table K. This is the overseas forces tax offset you can claim.

Write your zone or overseas forces tax offset amount at **R** item **T6** on your tax return. Do not show cents. *Go to* question **T7**.

SELECTED LOCALITIES WITHIN THE ZONES AND SPECIAL AREAS

ZONE A

Western Australia

Bidyadanga
(Lagrange)
Broome*
Carnarvon
Dampier
Derby
Goldsworthy
Karratha
Marble Bar
Newman*
Pannawonica
Paraburdoo
Port Hedland*
Roebourne
Shay Gap
Tom Price*
Wittenoom

Northern Territory

Alice Springs*
Batchelor
Darwin
Hermannsburg
Katherine*
Pine Creek
Santa Teresa
Tindal

Queensland

Camooweal
Cloncurry
Mount Isa*

ZONE B

Western Australia

Boulder
Coolgardie
Esperance
Kalgoorlie*
Kambalda
Leonora
Mullewa
Norseman
Northampton
Ravensthorpe
Southern Cross

New South Wales

Bourke
Brewarrina
Broken Hill
Cobar
Collarenebri
Lightning Ridge
Menindee
Wilcannia

Tasmania

Furneaux Group
Islands
King Island
Queenstown
Rosebery

South Australia

Woomera

Queensland

Airlie Beach
Atherton
Augathella
Ayr
Barcaldine
Blackall
Bowen
Cairns
Cardwell
Charleville
Charters Towers

Clifton Beach
Collinsville
Cunnamulla
Greenvale
Home Hill
Ingham
Innisfail
Longreach
Mackay
Mareeba
Mossman
Port Douglas
Proserpine
Quilpie
Sarina
Tambo
Townsville
Tully
Winton

SPECIAL AREAS

Western Australia

Balladonia
Deakin
Denham
Eucla
Exmouth
Fitzroy Crossing
Halls Creek
Kununurra
Laverton
Leinster
Madura
Meekatharra
Mount Magnet
Onslow
Rawlinna
Turkey Creek (Bow
River)
Wiluna
Wyndham

Northern Territory

Alyangula
Angurugu
Borroloola
Elliott
Galiwinku
Jabiru
Lajamanu/Hooker
Creek
Maningrida
Milikapiti
Milingimbi
Nguui
Ngukurr
Nhulunbuy (Gove)
Numbulwar
Oenpelli
Papunya
Ramingining
Tennant Creek
Yirrkala
Yuendumu
Yulara

Queensland

Boulia
Burketown
Cooktown
Doomadgee
Georgetown
Helen Vale
Hughenden
Julia Creek
Karumba
Kowanyama
Normanton
Stamford
Thargomindah
Weipa
Windorah

South Australia

Amata Aboriginal
Community
Coober Pedy
Cook
Innaminka
Leigh Creek
Marree
Nullarbor
Oodnadatta
Penong
Tarcoola

New South Wales

White Cliffs

Islands and Territories

Australian Antarctic
Territory
Cocos (Keeling)
Islands
Heard Island
Lord Howe Island
Macquarie Island
McDonald Islands
Norfolk Island
Palm Isles Group

Locations that are within 250 radial kilometres of the asterisked (*) locations are also in the relevant zone.

There are also other locations that may be in a zone or special area. If you are unsure see our Internet site or ring the Personal Tax Infoline on the inside back cover of *TaxPack*.

Question T7



20% TAX OFFSET ON NET MEDICAL EXPENSES OVER \$1250

T7
SUPPLEMENT

TAX OFFSETS

Did you have net medical expenses over \$1250 in 2000–01?

Medical expenses do not include contributions to a private health fund, travel or accommodation expenses associated with medical treatment or inoculations for overseas travel.

NO ☐  Go to question **T8**. **YES** ☐  Read below.

YOU NEED TO KNOW

Note

You can only claim medical expenses for your dependants who are Australian residents for tax purposes (see page 7 in *TaxPack 2001* for an explanation of this term).

Net medical expenses are the medical expenses you have paid less any refunds you got, or could get, from Medicare or a private health fund.

The medical expenses must be for:

- you
- your spouse—married or de facto—regardless of their income
- your children (including any who were students) who were under 21 including adopted, exnuptial or stepchildren—regardless of their income
- any other child under 16—not a student—who you maintained and whose separate net income (SNI) was less than \$1786 for the first child and less than \$1410 for the second child and any subsequent children
- a student under 25 who you maintained and whose SNI was less than \$1786
- a child-housekeeper but only if you can claim a tax offset for them at item **T1** on your tax return
- an invalid relative, parent or spouse's parent but only if you can claim a dependant tax offset at item **T8**.

You can claim a tax offset of 20 per cent—20 cents in the dollar—of your net medical expenses over \$1250. There is no upper limit on the amount you can claim.

You and your dependants must be Australian residents for tax purposes but you can claim medical expenses paid while travelling overseas. You may also be able to include the medical expenses of certain dependants who have been approved to migrate to Australia—see **Overseas dependants** on page 66 in *TaxPack 2001*.

You can claim expenses relating to an illness or operation paid to **legally qualified** doctors, nurses or chemists and public or private hospitals.

Medical expenses which qualify for the tax offset include payments for:

- dentists, orthodontists or registered dental mechanics, opticians or optometrists
- a carer who looks after a person who is blind or permanently confined to a bed or wheelchair
- therapeutic treatment at the direction of a doctor
- medical aids prescribed by a doctor
- artificial limbs or eyes and hearing aids
- keeping a trained guide dog
- cosmetic surgery
- treatment under an in vitro fertilisation program.

Expenses which **DO NOT** qualify for the tax offset include payments made for:

- therapeutic treatment not formally referred by a doctor—a mere suggestion or recommendation by a doctor to the patient is not enough for the treatment to qualify; the patient must be referred to a particular person for specific treatment
- chemist-type items—for example tablets for pain relief—purchased in retail outlets or health food stores

- inoculations for overseas travel
- non-prescribed vitamins or health foods
- travel or accommodation expenses associated with medical treatment
- contributions to a private health fund
- purchases from a chemist that are not related to an illness or operation
- ambulance charges and subscriptions
- funeral expenses.

Nursing home expenses

You can also claim some payments made to a nursing home or hostel—not a retirement home. Since 1 October 1997, payments made to an approved care provider for care received by an approved recipient of residential aged care qualify for the net medical expenses tax offset. If the care recipient has been assessed as needing care at levels 1 to 7 by an aged care assessment team, payments towards residential aged care qualify for the tax offset. If the care recipient does not meet this requirement, but is subsequently reassessed as satisfying it, they would be able to claim a tax offset for qualifying payments made from the date the new classification took effect.

If you are not sure which level of care you (or the care recipient you are claiming the expense for) have been assessed as requiring, please contact the nursing home or hostel.

The tax offset does not cover payments made for aged care by:

- people who were residents of a hostel before 1 October 1997 and who did not have a personal care subsidy or a respite care subsidy paid on their behalf at the personal care subsidy rate by the Commonwealth (unless they have subsequently been reassessed as requiring care at levels 1 to 7) or
- people entering aged care on and from 1 October 1997 who have been assessed as requiring level 8 care.

Residential aged care expenses which qualify for the tax offset include:

- daily fees
- income tested daily fees
- extra service fees and
- accommodation charges, periodic payments of accommodation bonds or amounts drawn from accommodation bonds paid as a lump sum.

Payments which **DO NOT** qualify for the tax offset include:

- lump sum payments of accommodation bonds and
- interest derived by care providers from the investment of accommodation bonds.

WHAT YOU MAY NEED

- details of the medical expenses you can claim
- details of refunds you received, or are entitled to receive, from Medicare or a private health fund.

Completing this question

- Step 1** Add up all your allowable medical expenses. *Take away* from this total all of the refunds you have received or are entitled to receive. This will give you your net medical expenses.
- Step 2** Take \$1250 away from your net medical expenses and then *divide* the remaining amount by 5. This is your medical expenses tax offset.
- Step 3** Write your medical expenses tax offset at **X** item **T7** on your tax return. Do not show cents.

Question T8

PARENT, SPOUSE'S PARENT OR INVALID RELATIVE

T8
SUPPLEMENT

Did you maintain your parent, your spouse's parent or an invalid relative?

NO ☐  Go to question **T9**.

YES ☐  Read below.

YOU NEED TO KNOW

Your parent, spouse's parent or invalid relative must be a dependant who is maintained by you. This means:

- you and the dependant resided together or
- you gave the dependant food, clothing and lodging or
- you helped them to pay for their living, medical and educational costs.

This is further explained on page 66 in *TaxPack 2001*. You cannot claim a tax offset if your dependant did not reside in Australia or was only visiting you during a holiday in Australia. See page 7 in *TaxPack 2001* for information about whether your dependant is an Australian resident.

An invalid relative is a person 16 years old or older who is your child, brother or sister who gets a disability support pension, special needs disability support pension or rehabilitation allowance and is eligible to receive an invalid pension or has a certificate from a Commonwealth-approved doctor stating that they have a continuing inability to work.

The maximum tax offset is \$614 for each dependent invalid relative and \$1227 for each dependent parent or spouse's parent.

To complete this question you need to know each dependant's separate net income (SNI). SNI is income earned in 2000–01 by your dependant while you maintained them and may reduce any tax offset you are entitled to claim. SNI includes both taxable amounts and amounts on which tax is not payable. This is explained on page 66–7 in *TaxPack 2001*.

If you can claim a tax offset for more than one dependant, work through the steps for each dependant. You will need to add up all your tax offset amounts before writing the total on your tax return. Use a piece of notepaper to add up your tax offset.

Your tax offset is reduced if:

- your dependant's SNI was \$286 or more
- you maintained your dependant for only part of the year
- another person helped to maintain your dependant
- your dependant resided in Australia for only part of the year.

If none of these points applies to you, you can claim the maximum tax offset.

Where another person or persons contributed to the maintenance of your dependant, you can claim part of the allowable tax offset, according to the extent of your contribution. For example, if you and another person contributed equally to the maintenance of your dependent parent, you can claim half of the allowable tax offset.

Claim for maximum tax offset

If your dependant's SNI was \$285 or less and you maintained them for the whole year, you can claim the maximum tax offset—\$614 for each dependent invalid relative and \$1227 for each dependent parent or spouse's parent. Go to **Completing this question** on the next page.

Claim for tax offset if your dependant's SNI was \$286 or more and you maintained your dependant for the full year

Step 1 Take away \$282 from your dependant's SNI.

Step 2 *Divide* the answer you got at step 1 by 4. If the resulting amount is \$614 or more for an invalid relative or \$1227 or more for a parent or spouse's parent, you cannot claim a rebate tax offset for that person. *Go to* question **T9**. If it is less, *go to* step 3.

Step 3 *Take away* the answer you got at step 2 from \$614 for an invalid relative or from \$1227 for a parent or spouse's parent. This is your dependant tax offset. *Go to* **Completing this question**.

Claim for tax offset for part of the year

Step 1 *Work out* the number of days in the year you maintained your dependant while they were an Australian resident.

Step 2 *Multiply* the number of days by \$1.68 for an invalid relative or by \$3.36 for a parent or spouse's parent.

Step 3 If your dependant's separate net income (SNI) was \$286 or more during the period they were your dependant:

(a) *take* \$282 away from your dependant's SNI

(b) *divide* the answer at (a) by 4

(c) *take away* the figure at (b) from the answer you got at step 2. This is your dependant tax offset.

Completing this question

Write your dependant tax offset at **B** item **T8** on your tax return. Do not show cents.

Question T9

LANDCARE AND WATER FACILITY

T9
SUPPLEMENT

TAX OFFSETS

Did you incur eligible expenditure on landcare operations or facilities to conserve or convey water?

NO ☐ Read below.

YES ☐ Read below.

Do you have a landcare and water facility tax offset brought forward from an earlier year that you can use this year?

NO ☐ If you answered **NO** to both questions, go to question **T10**. Otherwise read below.

YES ☐ Read below.

YOU NEED TO KNOW

Note

You cannot claim both a deduction and a tax offset for the same expenditure.

The landcare and water facility tax offset is a 30 cents in the dollar tax offset and can be claimed instead of a deduction for eligible expenditure on landcare operations and/or facilities to conserve or convey water. The tax offset provides a greater benefit for eligible taxpayers than the deduction.

To be entitled to claim this tax offset your taxable income must be \$20 000 or less, after you notionally deduct the amount that you would have claimed for eligible expenditure if you had not chosen the tax offset. You must also:

- be a primary producer or
- for the purposes of the landcare operations part of the tax offset, be carrying on a business using rural land—other than a business of mining or quarrying.

Only primary producers are entitled to claim the water facility part of this tax offset.

Eligible expenditure not claimed as a tax offset can be claimed as a deduction:

- in the year the expenditure was incurred for landcare operations or
- over 3 years, one-third each year, for facilities to conserve or convey water.

Eligible expenditure on **landcare operations** includes the following:

- fencing to separate different land classes in accordance with an approved management plan for the land
- fencing to exclude animals from an area affected by land degradation
- building levee or contour banks to control soil erosion
- establishing drainage works to control salinity or drainage
- eradicating plant or animal pests
- establishing windbreaks to prevent soil erosion
- regenerating native vegetation.

Eligible expenditure on **facilities to conserve or convey water** includes the following:

- a dam built to conserve or convey water
- storage tanks, wells, bores, pumps and irrigation channels and pipes.

Expenditure on facilities to conserve or convey water which you incurred in 1998–99 or 1999–2000 and for which you have a one-third tax offset available, will be eligible for a tax offset of 30 cents in the dollar, not 34 cents as in prior years.

Any landcare and water facility tax offset not used in an income year can be carried forward and used to offset future tax liabilities.

WHAT YOU MAY NEED

Written evidence of your landcare or water facility expenditure.

PART A—Did you incur eligible expenditure on landcare operations?NO ☐ ▼ Go to part B.YES ☐ ▼ Read below.

The maximum expenditure you can claim as a tax offset for landcare operations is \$5000. The balance of expenditure over \$5000 can be claimed as a deduction.

Step 1 *Work out* the amount of expenditure you wish to claim as a tax offset.

Step 2 *Multiply* the amount from step 1 by 30 and *divide* by 100. This is part A of your landcare and water facility tax offset.

Step 3 *Write* this amount at (a) on the worksheet below.

PART B—Did you incur eligible expenditure on facilities to conserve or convey water?

NO ☐ ► If you answered **YES** at part A, go to **Working out your tax offset**, step 13 below. Otherwise, go to part C.

YES ☐ ▼ Read below.

The maximum expenditure you can claim as a tax offset for facilities to conserve or convey water is \$5000. The balance of expenditure over \$5000 can be claimed as a deduction over 3 years, one-third each year.

Step 4 *Work out* the amount of expenditure you wish to claim as a tax offset.

Step 5 *Divide* the amount at step 4 by 3. This is the amount to use for working out your water facility tax offset this year and for each of the next 2 income years.

Step 6 *Multiply* the amount at step 5 by 30 and *divide* by 100.

Step 7 If you incurred expenditure on facilities to conserve or convey water in 1998–99 or 1999–2000 and you have a one-third tax offset available, *go to* step 8. Otherwise, *go to* step 12.

Step 8 *Work out* the total expenditure which you incurred on facilities to conserve and convey water in 1998–99 or 1999–2000 and for which you have a one-third tax offset available.

Step 9 *Divide* the amount at step 8 by 3 to work out one-third of the expenditure.

Step 10 *Multiply* the amount at step 9 by 30 and *divide* by 100.

Step 11 *Add* the amount to your answer from step 6. The total is part B of your landcare and water facility tax offset.

Step 12 *Write* your answer from step 6 or step 11 at (b) on the worksheet below.

Working out your tax offset

Step 13 *Add up* your total landcare and water facility tax offset for this year using the worksheet.

WORKSHEET—Current year landcare and water facility tax offset

Part A—landcare operations tax offset	(a)	\$ <input type="text"/>
Part B—water facility tax offset	(b)	\$ <input type="text"/>
Total tax offset for this year	(c)	\$ <input type="text"/>

Step 14 Write your total tax offset from (c) at **M** item **T9** on your tax return. Do not show cents.


Step 15 From the list below *select* the code letter that describes your expenditure. *Print* the code letter in the **CLAIM TYPE** box ☐ at the right of **M** item **T9**.

C — if you are claiming a tax offset for landcare operations only

W — if you are claiming a tax offset for water facilities only

B — if you are claiming both categories of tax offset

PART C—Do you have any landcare and water facility tax offset brought forward from an earlier year that you can use this year?

NO ☐  Go to question **T10**.

YES ☐  Read below.

YOU NEED TO KNOW

This part only applies if your income tax liability for an earlier year did not absorb all of the landcare and water facility tax offset available to you for that year. For example, if you were eligible for a landcare and water facility tax offset in 1999–2000 but were unable to claim the tax offset because of insufficient taxable income, you can carry forward the unused tax offset(s), subject to the rules below.

There is no limit to the number of years you can carry forward any balance of landcare and water facility tax offset.

Any landcare and water facility tax offset brought forward would be shown on your 1999–2000 notice of assessment. Your brought forward landcare and water facility tax offset has to be successively reduced by any unused net exempt income derived in the year the tax offset arose and any subsequent year—provided you had a taxable income in that year.

Unused net exempt income is any net exempt income remaining after deducting any tax losses of earlier income years from that year's net exempt income.

Every dollar of net exempt income reduces the brought forward landcare and water facility tax offset by 34 cents. If you do not have any net exempt income in the relevant years go to step 1 below.

For more information on how to calculate the brought forward landcare and water facility tax offset if you have net exempt income ring the Personal Tax Infoline on the inside back cover of *TaxPack*.

Note

Exempt income is explained on page 9 of *TaxPack 2001*.

WHAT YOU MAY NEED

Your 1999–2000 notice of assessment.

Step 1 Write the amount of landcare and water facility tax offset brought forward shown on your 1999–2000 notice of assessment at **T** item **T9** on your tax return. Do not show cents.

Check that you have . . .


- ☒ written on your tax return the total amount of landcare and water facility tax offset
- ☒ printed in the **CLAIM TYPE** box the code applicable to your landcare and water facility tax offset
- ☒ written on your tax return any landcare and water facility tax offset brought forward.

Question T10

OTHER TAX OFFSETS

Are you entitled to a tax offset for:

- **heritage conservation work**
- **interest from government securities issued before 1 November 1968**
- **interest from the land transport facilities tax offset scheme or infrastructure borrowings scheme?**

NO ☐  Go to **TOTAL SUPPLEMENT TAX OFFSETS** on page s62. **YES** ☐  Read below.

If you can claim more than one of the tax offsets listed above, you will need to add up all your tax offset amounts before writing the total on your tax return. Use a piece of notepaper to add up your tax offset.

PART A—Are you entitled to a tax offset for heritage conservation work for which a final certificate has been granted?

NO ☐  Go to part B. **YES** ☐  Read below.


You can claim a tax offset of 20 per cent of approved conservation expenditure of \$5000 or more on buildings or structures listed on a Commonwealth, State or Territory heritage register.

To be eligible for a tax offset, you will need to have applied for a final certificate from the Department of Environment and Heritage. You can claim the tax offset in 2000–01 if you applied for the final certificate in 2000–01 and it states that you paid an amount of \$5000 or more for eligible heritage conservation works.

Step 1 *Divide the amount shown under eligible heritage conservation works expenditure on your final certificate by 5. This is your heritage conservation tax offset.*

Step 2 *Write the amount from step 1 on your notepaper.*

PART B—Are you entitled to a tax offset for interest from government securities issued before 1 November 1968?

NO ☐  Go to part C. **YES** ☐  Read below.

You can get a tax offset of 10 cents for each dollar of interest you received from loans or securities issued before 1 November 1968 by the Commonwealth Government or State Government or by a State or local government authority, including a bank, where the security was free from State income tax at the time of issue.

Show your interest income at item **10** on your tax return.

Step 1 *Work out the amount of interest you received in 2000–01 from these types of securities. Divide this amount by 10. This is your interest tax offset.*

Step 2 *Write the amount from step 1 on your notepaper.*

PART C—Are you entitled to a tax offset for interest derived from the land transport facilities tax offset scheme or infrastructure borrowings scheme?

T10
SUPPLEMENT

TAX OFFSETS

NO ☐  Go to **Completing this question**.

YES ☐  Read below.

If you have any interest derived from the land transport facilities tax offset scheme or you have elected to have interest derived from your investment in infrastructure borrowings included as part of your assessable income, you may be entitled to a tax offset of 34 cents for each dollar of that interest.

Note: Where your interest derived from the land transport facilities tax offset scheme is subject to an annual upper limit under an agreement between the lender/s, the borrowers and the Minister for Transport and Regional Services, you cannot claim a tax offset for the part of your interest that exceeds that upper limit.

- Step 1** *Work out* the amounts of interest derived from the land transport facilities tax offset scheme for which you can claim a tax offset and any amount of interest you received from infrastructure borrowings.
- Step 2** *Multiply* the amount from step 1 by 34, then *divide* by 100. This is your interest tax offset.
- Step 3** *Write* the amount from step 2 on your notepaper.

Completing this question

- Step 1** *Add up* all the amounts on your notepaper for this question. This is your total other tax offsets. *Write* the total at **C** item **T10** on your tax return. Do not show cents.
- Step 2** If you are claiming a tax offset for heritage conservation work, *print H* in the **CLAIM TYPE** box ☐ at the right of **C** item **T10**.
If you are claiming a tax offset under the land transport facilities tax offset scheme or infrastructure borrowings scheme, *print I* in the **CLAIM TYPE** box ☐ at the right of **C** item **T10**.
If you are claiming for both these tax offsets, choose the code letter that applies to the largest amount and *print* it in the **CLAIM TYPE** box ☐ at the right of **C** item **T10**.
If you are claiming a tax offset for interest from government securities, leave the **CLAIM TYPE** box blank.

TOTAL SUPPLEMENT TAX OFFSETS

COMPLETING THIS ITEM

Did you claim any tax offsets at questions T5 to T10?

NO ☐  Go to step 4.

YES ☐  Go to step 1.

- Step 1** *Add up* all the amounts in the right-hand column of items **T5** to **T10** on your tax return (supplementary section).
- Step 2** *Write* the amount from step 1 at **TOTAL SUPPLEMENT TAX OFFSETS** on page 12 of your tax return. Do not show cents.
- Step 3** Transfer the amount you wrote at **TOTAL SUPPLEMENT TAX OFFSETS** to **T** on page 4 of your tax return.
- Step 4** *Go to* page 88 in *TaxPack 2001* to calculate your **TOTAL TAX OFFSETS**.

CREDIT FOR INTEREST ON TAX PAID

C1

Credit for interest on early payments

Page

s64

www.ato.gov.au

Question C1

CREDIT FOR INTEREST ON
EARLY PAYMENTS

During 2000–01, did you make any of the following payments to the Australian Taxation Office (ATO) more than 14 days before the due date—that is, an early payment:

- **income tax (including Medicare levy) shown on your notice of assessment**
- **Higher Education Contribution Scheme (HECS) debt shown on your notice of assessment**
- **Student Financial Supplement Scheme debt shown on your notice of assessment**
- **interest on distributions from non-resident trust estates**
- **an income tax penalty**
- **an income tax general interest charge relating to a late return or an amended assessment**
- **provisional tax or a provisional tax instalment for an earlier income year?**

NO ☐  Go to the checklist on page s66. **YES** ☐  Read below.

If you have already requested a direct payment of interest on your early payment, do not claim interest at this question.

WHAT YOU NEED

- notification from the ATO showing the date of the notice, the amount owing and the due date
- details of your date of payment—shown on your bank statement or receipt from the post office or the ATO. Allow 3 extra days if you posted your payment.

YOU NEED TO KNOW

The following are not early payments:

- Pay As You Go (PAYG) withholding amounts including:
 - amounts withheld from interest, dividends and royalties (formerly withholding tax)
 - amounts withheld by payers (formerly tax instalments deducted), including those withheld for HECS
- PAYG instalments
- payments by payers under the former prescribed payments system or the former reportable payments system.

For more information, read the publication *Interest on early payments and overpayments of tax* (NAT 2277—6.2001). To find out how to get this publication, see the inside back cover of *TaxPack*.

You cannot claim a credit for the total amount of the payment. You can only claim a credit for interest on the early payment.

The interest you receive will need to be shown as income on your tax return for the year in which the interest was paid or credited to you by the ATO. When you receive your 2000–01 notice of assessment, it will show the amount of interest you have received.

The interest period starts on the date you made your payment or the issue date of your notice informing you of the amount of tax, debt, interest or instalment—whichever is the later—and the interest period ends on the due date for payment. For example, a notice of assessment, issued to you on 20 September 2000, showed an amount of tax payable. If the amount was due on 1 December 2000 but you paid early, on 1 November 2000, the interest period would be 31 days—1 November to 1 December.

The interest rate applying for each quarter of 2000–01 is shown below:

Interest rates for early payments calculation	
Period	Interest rate (% p.a.)
1 July 2000 to 30 September 2000	6.00
1 October 2000 to 31 December 2000	5.86
1 January 2001 to 31 March 2001	5.86
1 April 2001 to 30 June 2001	5.86

If the early payment extends over 2 or more interest periods, you will need to do steps 1 to 4 for the number of days in each period.

Completing this question

- Step 1** *Work out* by how many days your payment was early—the number of days from:
- either the date you paid the amount or the issue date on your notice informing you of the amount of tax, debt, interest or instalment—whichever is the later—up to and including
 - the date when the payment was due.
- Step 2** *Divide* the number of days from step 1 by 365.
- Step 3** *Multiply* the answer you got at step 2 by the amount of the payment.
- Step 4** *Multiply* the answer from step 3 by the rate of interest for the period and *divide* by 100. For example, for the period 1 July 2000 to 30 September 2000, *multiply* by 6.00 and *divide* by 100.
- Step 5** *Add up* the amounts for each period in step 4.
- Step 6** If the amount from step 5 is equal to or greater than 50 cents, *write* the total at **L** item **C1** on your tax return. Show cents. If the amount is less than 50 cents, you cannot claim.
- Step 7** You have now finished this question. *Go to* the checklist on the next page.



Checklist—tax return pages 9–12

Use this checklist to make sure pages 9–12 of your tax return are complete before you attach them to page 8.

Check that you have . . .

- ✓ printed your tax file number and name on page 9 of your tax return
- ✓ written totals at:
 - TOTAL SUPPLEMENT INCOME OR LOSS**
 - TOTAL SUPPLEMENT DEDUCTIONS**
 - TOTAL SUPPLEMENT TAX OFFSETS**
- ✓ transferred the totals above, where instructed
- ✓ completed item **C1** if required to do so
- ✓ filled in the small boxes—if you were asked to do so—at items **12, 13, 14, 16, 19, 20, 21, TOTAL SUPPLEMENT INCOME OR LOSS, T9 and T10**
- ✓ completed the *2001 business and professional items schedule* if you answered **YES** at question **13, 14 or 15**. If you had tax withheld from your business or personal services income you must also have completed an *Individual PAYG payment summary schedule 2001*
- ✓ attached to page 3 of your tax return all attachments as instructed by any section or question in *TaxPack 2001 supplement*
- ✓ **signed** and **dated** the *Taxpayer's signature* block on page 12 of your tax return
- ✓ kept copies of your tax return, all attachments and relevant papers for your own records.

If you are uncertain about any of the questions you were asked to complete, ring the relevant helpline on the inside back cover of *TaxPack 2001 supplement*.

Go to page 89 in *TaxPack 2001* and continue working through *TaxPack*.

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PUBLICATIONS

PUBLICATIONS, TAXATION RULINGS, PRACTICE STATEMENTS, FORMS AND THE *TAXPAYERS' CHARTER*

To get publications referred to in *TaxPack 2001* you have 3 options:

Visit our Internet site—for publications, taxation rulings, practice statements and the *Taxpayers' Charter*—at www.ato.gov.au

Ring our Publications Distribution Service—for all referred publications, including forms.

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—Eastern Standard Time. Before you ring, check to see if there are other publications you may need—this will save you time and help us. For each publication you order please quote the full title and NAT number, if any, printed in *TaxPack*.

This distribution service is not run by Australian Taxation Office (ATO) staff. Your tax questions cannot be answered on this number. Ring the Publications Distribution Service on **1300 720 092** for the cost of a local call. Calls from mobile phones are charged at mobile rates.

Visit an ATO office—see page 124 in *TaxPack 2001* for our street addresses.

HELPLINES

IF YOU HAVE AN ENQUIRY ABOUT YOUR TAX, RING THE RELEVANT HELPLINE NUMBER BELOW.

Our helplines provided below are open Monday to Friday during normal business hours except where otherwise indicated. You can ring any '13' number for the cost of a local call. Calls from mobile phones are charged at mobile rates. Make sure you have your *TaxPack* handy when you ring.

Lodgment enquiries

If you are unsure whether you need to lodge a tax return or you want to know where or when to lodge your tax return, ring **13 2863** between 8 a.m. and 6 p.m.

Superannuation

TaxPack 2001 questions **4, D8, T3** and *TaxPack 2001 supplement* questions **19, D11, D12** and **T5**.

For assistance with all your superannuation enquiries, ring the helpline on **13 1020**.

Reportable fringe benefits

For assistance with all your reportable fringe benefits enquiries, ring **13 3328**.

Internet site—ATOassist

The Internet site at 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

If you have access to a fax machine, tax information—including information on the Higher Education Contribution Scheme and the Student Financial Supplement Scheme—is available 24 hours a day, every day.

Ring **13 2860** and follow the instructions to obtain a list of available documents.

Binding Oral Advice (oral rulings)

If you need more information on Binding Oral Advice, or wish to apply for an oral ruling, ring the Personal Tax Infoline below.

Personal Tax Infoline

Our Personal Tax Infoline is for tax questions on topics other than those already described. Ring **13 2861** between 8 a.m. and 6 p.m.

National Aboriginal and Islander Resource Centre

This centre specialises in helping Indigenous clients and can assist with a wide range of tax matters. The number is **13 1030**.

Refunds

Our current standard for processing tax returns posted to the ATO is 6 weeks. If you lodged an e-tax tax return over the Internet or if you lodged your tax return through the **TAXPACKEXPRESS** service, our standard processing time is 2 weeks.

However, if you receive a family tax benefit payment from the Family Assistance Office, or claim it from the ATO, your e-tax or **TAXPACKEXPRESS** tax return may take longer than normal to

process. This is necessary to make sure that family tax benefits are paid correctly.

If you sent your tax return by ordinary post please wait 7 weeks before ringing to check on our progress with your tax return. If you lodged over the Internet or used the **TAXPACKEXPRESS** service, please wait 3 weeks.

After that time you can ring **13 2863** between 8 a.m. and 6 p.m. When you ring we will ask you to provide your tax file number and other information to confirm your identity—for example, details from a recent notice of assessment.

Hearing, speech or vision impairment

People with a hearing or speech impairment and with access to appropriate TTY or modem equipment can communicate with a tax officer by first contacting the Australian Communication Exchange National Relay Service.

To contact the ATO, ring the National Relay Service on **13 3677** and quote one of the helplines listed on this page.

People with a vision impairment may be able to use *TaxTape 2001* or *TaxDisk 2001*—check the outside back cover of *TaxPack* for more information.

If you do not speak English and need help from the Australian Taxation Office, ring the Translating and Interpreting Service (TIS) on 13 1450. TIS staff can assist with translating and interpreting in over 100 languages. Ask them to set up a 3-way conversation between you, an interpreter and a tax officer.



If you want to complete your own tax return or your claim for a refund of dividend imputation credits but think you may need some assistance, then Tax Help may be the answer.

Our network of community volunteers are trained and supported by the Australian Taxation Office to help taxpayers.

Tax Help is a free and confidential service for people on low incomes.

See page 12 in *TaxPack 2001* for more information—including the phone number to ring for Tax Help.

ASSISTANCE FOR PEOPLE WHO CANNOT READ STANDARD PRINT

TaxTape 2001 and *TaxDisk 2001* for people with a vision impairment are freely available through the Royal Blind Society.

To obtain a copy ring Freecall **1800 644 885**.