

Individual tax return instructions 2012

To help you complete your tax return

1 July 2011 – 30 June 2012



OUR COMMITMENT TO YOU

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

If you follow our information in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest.

If you make an honest mistake in trying to follow our information in this publication and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest. If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for more recent information on our website at **ato.gov.au** or contact us.

This publication was current at **June 2012**.

Commissioner's foreword

This year you will see changes to your paper tax return instructions.

You will see from the cover that we have replaced the *TaxPack* suite of publications with the new *Individual tax return instructions* and the *Individual tax return instructions supplement*. These are shorter, more streamlined guides to help you to complete your paper tax return.

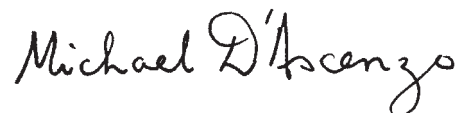
We have made the new instructions shorter by removing the more technical and less commonly used information and placing it on our website at **ato.gov.au/instructions2012**

Our website has a complete set of instructions as well as a range of tools and calculators to help you to complete your income tax return. At the back of this book you will find details about our other online services, and how you can contact us.

Be assured that if you do your best to complete your tax return correctly, whether through *e-tax*, by phone or on paper, you will not be subject to any penalties if you get things wrong. All you need to do is take reasonable steps to ensure that the information you provide is as complete and accurate as possible.

If you have internet access, you can prepare and lodge your tax return online using *e-tax* in five easy steps. It's free, fast and secure, and most refunds are issued within 12 business days.

E-tax pre-fills some information to make completing your tax return easier. I encourage you to use *e-tax* if it is convenient for you to do so.



Michael D'Ascenzo
Commissioner of Taxation



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Will you need *Individual tax return instructions supplement 2012*?

Individual tax return instructions supplement 2012 contains questions that are not included in *Individual tax return instructions 2012*. Check the list below to see whether you need it to complete your tax return.

INCOME

- 13** Income from partnerships and trusts
- 14** Personal services income*
- 15** Net income or loss from business*
- 16** Deferred non-commercial business losses*
- 17** Net farm management deposits or repayments
- 18** Capital gains* (from all sources including shares, real estate and other property)
- 19** Foreign entities*
- 20** Foreign source income and foreign assets or property, including foreign source pension or annuity
- 21** Rent*
- 22** Bonuses from life insurance companies and friendly societies
- 23** Forestry managed investment scheme income
- 24** Other income (income not listed elsewhere)

DEDUCTIONS

- D11** Deductible amount of undeducted purchase price of a foreign pension or annuity
- D12** Personal superannuation contributions (generally for the self-employed)
- D13** Deduction for project pool
- D14** Forestry managed investment scheme deduction
- D15** Other deductions – that is, deductions not claimable at items **D1** to **D14** or elsewhere on your tax return

TAX OFFSETS

- T7** Superannuation contributions on behalf of your spouse
- T8** Zone or overseas forces
- T9** 20% tax offset on net medical expenses (the threshold for 2012 is \$2,060)
- T10** Dependent relative
- T11** Landcare and water facility
- T12** Net income from working – supplementary section
- T13** Entrepreneurs tax offset
- T14** Other tax offsets

ADJUSTMENT

- A4** Amount on which family trust distribution tax has been paid

CREDIT FOR INTEREST ON TAX PAID

- C1** Credit for interest on early tax payments

If you need *Individuals tax return instructions supplement 2012*, you can get a copy from most newsagents from 1 July to 31 October 2012. Copies are also available all year from our Publications Distribution Service (see the inside back cover) and shopfronts.

* These questions have a related publication which you must read before you can complete the item on your tax return.








Lodge online with *e-tax*

It's free, fast and secure

Good reasons to lodge online with *e-tax*

- ✓ Most refunds within 12 business days.
- ✓ Save time by pre-filling some information directly into your tax return.
- ✓ Built-in checks and calculators help you get it right.
- ✓ Save and print at any time.
- ✓ Get instant confirmation when you have lodged.

E-tax in 5 easy steps

-  1 Download *e-tax* from **ato.gov.au/etax**
-  2 Verify your identity using information the ATO has about you
-  3 Complete your return using pre-filled information from employers, banks and others
-  4 Check, save and print a copy for your records
-  5 Lodge online and get instant confirmation



Scan the code to watch our *e-tax* in five easy steps video.

- For more information and to download *e-tax*, go to **ato.gov.au/etax** from 1 July.

Find us on



What's new this year?

INDIVIDUAL TAX RETURN INSTRUCTIONS

This year we have replaced the *TaxPack* suite of publications with new products called *Individual tax return instructions* and the *Individual tax return instructions supplement*. These are shorter, more streamlined guides to help you to complete your paper tax return.

We have made the new instructions shorter by removing the more technical and less commonly used information and placing it on our website at ato.gov.au/instructions2012

Here you will find a complete set of instructions, as well as a range of tools, calculators and publications to help you to complete your tax return.

The publication *Business and professional items 2012* instructions is only available online from this year at ato.gov.au/instructions2012. You can still get a paper copy of the *Business and professional items schedule for individuals 2012* from our Publications and Distribution Service (see inside back cover) and our shopfronts.

FLOOD LEVY

The Government has introduced a flood levy for the 2011–12 year only, to assist flood affected communities to rebuild essential infrastructure.

The flood levy applies if your taxable income is greater than \$50,000 and you do not fit into one of the exemption categories. Go to page 56 to see if you qualify for an exemption.

If you are liable to pay the flood levy, we will work out the amount of levy and show it on your notice of assessment.

CHANGES TO DEPENDENT SPOUSE TAX OFFSET

There have been changes to the eligibility criteria for claiming a dependent spouse tax offset.

If your spouse was born on or after 1 July 1971, you can no longer claim a dependent spouse tax offset for them at question **T1**. You may still be able to claim for them at question **T8** if you are entitled to a zone or overseas forces tax offset, or at question **T10** if your spouse is an invalid or carer spouse.

STUDY EXPENSE DEDUCTIONS FOR YOUTH ALLOWANCE, AUSTUDY AND ABSTUDY RECIPIENTS

The Government has introduced legislation to prevent deductions being claimed against all government assistance payments from 1 July 2011. At the time of printing these changes had not become law.

Go to ato.gov.au/studyexpensechanges for information about the progress of this legislation.

REMOVAL OF THE EDUCATION TAX REFUND

In the 2012 budget, the Government announced that it will be replacing the education tax refund with a Schoolkids Bonus, to be paid by the Department of Human Services.

For 2011–12 you will not be able to claim the education tax refund.

Go to humanservices.gov.au for further information.

Do you need to lodge a tax return?

If any of the following applies to you then you must lodge a tax return.

REASON 1

During 2011–12, you were an Australian resident and you:

- paid tax under the pay as you go (PAYG) withholding or instalment system, or
- had tax withheld from payments made to you.

REASON 2

You were eligible for the senior Australians tax offset (see pages 41–3) **and** your 'rebate income' (not including your spouse's) was more than:

- **\$30,685** if you were single, widowed or separated at any time during the year
- **\$29,600** if you had a spouse but one of you lived in a nursing home or you had to live apart due to illness (see the definition of **Had to live apart due to illness** on page 42), or
- **\$26,680** if you lived with your spouse for the full year.

To work out your 'rebate income' see page 74 or go to ato.gov.au/instructions2012 and use the Income tests calculator.

REASON 3

You were not eligible for the senior Australians tax offset **but** you received a payment listed at question 5 on page 14 **and** other taxable payments which when added together made your taxable income more than **\$16,000**.

REASON 4

You were not eligible for the senior Australians tax offset **but** you received an Australian Government pension, allowance or payment listed at question 6 on page 15, **and** your 'rebate income' was more than:

- **\$30,451** if you were single, widowed or separated at any time during the year
- **\$29,490** if you had a spouse but one of you lived in a nursing home or you had to live apart due to illness
- **\$24,823** if you lived with your spouse for the full year.

To work out your 'rebate income' see page 74 or go to ato.gov.au/instructions2012 and use the Income tests calculator.

REASON 5

You were not eligible for the senior Australians tax offset **and** you did not receive a payment listed at question 5 or 6 on pages 14 and 15, **but** your taxable income was more than:

- **\$6,000** if you were an Australian resident for tax purposes for the full year
- **\$416** if you were under 18 years old at 30 June 2012 and your income was not salary or wages
- **\$1** if you were a foreign resident and you had income taxable in Australia which did **not** have non-resident withholding tax withheld from it, or
- **your part-year tax-free threshold amount** if you became or stopped being an Australian resident for tax purposes; read question A2 or phone 13 28 61.

OTHER REASONS

You must lodge a tax return if any of the following applied to you:

- You had a reportable fringe benefits amount on your *PAYG payment summary – individual non-business* or *PAYG payment summary – foreign employment*.
- You had reportable employer superannuation contributions on your *PAYG payment summary – individual non-business* or *PAYG payment summary – foreign employment* or *PAYG payment summary – business and personal services income*.
- You were entitled to the private health insurance tax offset; see question T5 on page 46.
- You carried on a business.
- You made a loss or you can claim a loss you made in a previous year.
- You were 60 years old or older and you received an Australian superannuation lump sum that included an untaxed element.
- You were under 60 years old and you received an Australian superannuation lump sum that included a taxed element or an untaxed element.
- You were entitled to a distribution from a trust or you had an interest in a partnership **and** the trust or partnership carried on a business of primary production.
- You were an Australian resident for tax purposes and you had exempt foreign employment income and \$1 or more of other income. (Read question 20 in *Individual tax return instructions supplement 2012* for more information about 'exempt foreign employment income'. For the

Do you need to lodge a tax return?

2009–10 income year and subsequent years, there are changes limiting the exemption for foreign employment income.)

- You are a special professional covered by the income averaging provisions. These provisions apply to authors of literary, dramatic, musical or artistic works, inventors, performing artists, production associates and active sportspeople.
- You received income from dividends or distributions exceeding \$6,000 (or \$416 if you were under 18 years old on 30 June 2012) **and** you had:
 - franking credits attached, or
 - amounts withheld because you did not quote your tax file number or Australian business number to the investment body.
- You made personal contributions to a complying superannuation fund or retirement savings account and will be eligible to receive a super co-contribution for these contributions.
- You have exceeded your concessional contributions cap and may be eligible for the Refund of excess concessional contributions offer.
- You were either a liable parent or a recipient parent under a child support assessment **unless** you received Australian Government allowances, pensions or payments (whether taxable or exempt) for the whole of the period 1 July 2011 to 30 June 2012, and the total of all the following payments was less than \$21,622:
 - taxable income
 - exempt Australian Government allowances, pensions and payments
 - target foreign income (see question **IT4**)
 - reportable fringe benefits
 - net financial investment loss (see question **IT5**)
 - net rental property loss (see question **IT6**), and
 - reportable superannuation contributions.

Deceased estate

If you are looking after the estate of someone who died during 2011–12, consider all the above reasons on their behalf. If a tax return is not required, complete *Non-lodgment advice 2012* on the next page and send it to us. If a tax return is required, see page 9 for more information.

Franking credits

If you don't need to lodge a tax return for 2011–12, you can claim a refund of franking credits by using the publication *Refund of franking credits instructions and application for individuals 2012* (NAT 4105) and lodging your claim by mail or phone **13 28 65**.

First home saver account

If you had a first home saver account in 2011–12 and believe you are entitled to a first home saver account government contribution, you must lodge either:

- a tax return, or
- a notification of eligibility (if you are not required to lodge a tax return and you were an Australian resident for at least part of 2011–12) by completing the form *First home saver account notification of eligibility* (NAT 72947). Go to **ato.gov.au** to get a copy of this form.

If you have read all the information above and know that you do not have to lodge a tax return, you should complete the non-lodgment advice on the next page and send it to us unless one of the following applies to you:

- You have already sent us a tax return, non-lodgment advice, form or letter telling us that you do not need to lodge a tax return for all future years.
- You are lodging an application for a refund of franking credits for 2012.
- Your only income was from an allowance or payment listed at question **5** on page 14 or you received a pension, payment or an allowance listed at question **6** on page 15 and
 - your 'rebate income' was less than or equal to the relevant amount in **reason 2** (if you are eligible for the senior Australians tax offset), or
 - your taxable income was less than or equal to the relevant amount in **reason 3** (the agencies that paid you have provided information for us to determine that you do not need to lodge a tax return), or
 - your 'rebate income' was less than or equal to the relevant amount in **reason 4** (the agencies that paid you have provided information for us to determine that you do not need to lodge a tax return).



Australian Government
Australian Taxation Office

Non-lodgment advice

1 July 2011 to 30 June 2012

2012

Please print neatly in BLOCK LETTERS with a black or blue ballpoint pen only. Do not use correction fluid or tape.

If you do not need to lodge a tax return for the 2011–12 income year (1 July 2011 to 30 June 2012), you will need to complete the form below and send it to the Tax Office by 31 October 2012.

For more information about lodging a tax return see *Individual tax return instructions 2012*. From 1 July to 31 October 2012 you can get *Individual tax return instructions 2012* (NAT 71050-6.2012) and *Individual tax return instructions supplement 2012* (NAT 71051-6.2012) from most newsagents. Copies are also available all year from Tax Office shopfronts or by phoning the Publications Distribution Service on **1300 720 092**. For each publication you order, quote the full title.

Your tax file number (TFN)

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The Tax Office is authorised by the *Taxation Administration Act 1953* to request you to quote your tax file number (TFN). It is not an offence not to quote your TFN. However, your TFN helps the Tax Office to correctly identify your tax records.

Your date of birth

DAY			MONTH			YEAR													

Your name

Title – for example, Mr, Mrs, Ms, Miss

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Surname or family name

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Given names

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Your postal address

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Suburb or town

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State

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 Postcode

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 Country

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if not Australia

Have you changed your postal address since your last tax return?

NO ☐ Read on.

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YES ☐ Print the address on your last notice of assessment or the address you last told us about. Suburb or town

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State

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 Postcode

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 Country

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if not Australia

Your phone number during business hours – if it is convenient

Area code

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 Phone number

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Reason for not lodging a tax return

☐ I will not have to lodge a tax return for 2012 because none of the reasons listed in the *Individual tax return instructions 2012* apply.

☐ I will not have to lodge a tax return for 2012 or any future years because:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

DECLARATION

Please sign the declaration below.

Privacy

The Tax Office is authorised by the *Income Tax Assessment Act 1936*, the *Income Tax Assessment Act 1997* and the *A New Tax System (Family Assistance) (Administration) Act 1999* to ask for the information on this advice. We need this information to help us to administer the taxation laws.

We may give this information to other government agencies as authorised in taxation law – for example, benefit payment agencies such as Centrelink, the Department of Education, Employment and Workplace Relations, and the Department of Families, Housing, Community Services and Indigenous Affairs; law enforcement agencies such as state and federal police; and other agencies such as the Child Support Agency, the Australian Bureau of Statistics and the Reserve Bank of Australia.

I declare that the information I have given on this non-lodgment advice is true and correct.

The tax law imposes heavy penalties for giving false or misleading information.

Signature

--

Date

DAY			MONTH			YEAR													

**WHEN COMPLETED
AND SIGNED SEND TO:**

**AUSTRALIAN TAXATION OFFICE
GPO BOX 9845
IN YOUR CAPITAL CITY**

Note: Do not replace the words IN YOUR CAPITAL CITY with the name of your capital city. Because of a special agreement with Australia Post there is no need for you to include the name of your capital city or a postcode.

Completing Individual information on your tax return

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

If you are not sure whether you have to lodge a tax return see page 6 for more information.

YOUR TAX FILE NUMBER (TFN)

Your TFN is shown on your payment summary, as well as on your last notice of assessment. You do not have to quote your TFN on your tax return, but your assessment may be delayed if you do not. If you are new to the tax system and don't have a TFN, phone **13 28 61**.

ARE YOU AN AUSTRALIAN RESIDENT?

For the meaning of Australian resident for tax purposes, see **Definitions** on page 71.

If you were an Australian resident for tax purposes for **all** of 2011–12, print **X** in the **YES** box.

If you were an Australian resident for tax purposes for **part** of 2011–12, print **X** in the **YES** box and complete **A2** on page 7 of your tax return. We need this information to work out your tax-free threshold.

If you were **not** an Australian resident for tax purposes for **all** of 2011–12, print **X** in the **NO** box.

WILL YOU NEED TO LODGE AN AUSTRALIAN TAX RETURN IN THE FUTURE?

This may be your last tax return if:

- your annual taxable income in the future will be below the tax-free threshold (\$18,200 for 2012–13)
- your only source of income in the future will be an Australian Government pension
- you will become eligible for the senior Australians tax offset in 2012–13, and your rebate income is below the threshold for lodging a tax return this year (for threshold levels and eligibility for 2011–12, see pages 41–3)
- you are moving overseas permanently, or
- you are 60 years old or older and your only source of income is from superannuation benefits (both lump sum and income streams) that have already been subject to tax in the superannuation fund.

Depending on your situation, print **X** in the **YES**, **DON'T KNOW** or **NO** box.

DECEASED ESTATE

If you are completing this tax return for someone who has died, print **DECEASED ESTATE** on the top of page 1 of the tax return and at the question **Will you need to lodge an Australian tax return in the future?** print **X** in the **NO** box. The executor or administrator of the estate must sign the tax return on behalf of the deceased person and send it to us.

ELECTRONIC FUNDS TRANSFER (EFT)

Direct refund

To receive any refund owing to you direct to your bank account, complete your account details even if you have provided them to us before. Joint accounts are acceptable.

Complete the following:

- Bank state branch (BSB) number. This six-digit number identifies the financial institution (do not include spaces or hyphens).
- Account number. This number should not have more than nine characters, and should not include spaces.
- Account name. In most cases, your account name should be shown on your bank account records. It should include spaces between each word and between initials. If your account name exceeds 32 characters, provide the first 32 characters only.

1

Salary or wages

Did you earn income from any of the following where tax was withheld:

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

No Go to question 2.

Yes Read on.

Answering this question

You need your *PAYG payment summary – individual non-business* and *PAYG payment summary – foreign employment*.

Completing your tax return

1 Print the type of occupation from which you earned most of your income at item **1**.

2 For each payment summary, write at item **1**:

- the payer's Australian business number (ABN) or withholding payer number
- write the 'Total Australian tax withheld' amounts under **Tax withheld**
- write the gross payment amounts under **Income**.

If you have five payment summaries or less, you have finished this question. Otherwise, repeat this step for your first four payment summaries, then go to step 3.

3 For your remaining payment summaries:

- add up the total tax withheld (including total Australian tax withheld for *PAYG payment summaries – foreign employment*) and write the total under **Tax withheld** to the left of **G**
- add up the gross payment amounts (including total gross payment amounts for *PAYG payment summaries – foreign employment*) and write the total under **Income** at **G**
- leave the ABN entry for that line blank.

2

Allowances, earnings, tips, directors fees etc

This question is about payments from working such as:

- employment allowances
- tips, gratuities
- consultation fees
- payments for voluntary and other services
- all payments from which tax was not withheld, such as
 - commissions, bonuses
 - casual job income
 - insurance payments (income protection, sickness and accident policies).

Employment allowances include:

- car and travel allowances, and reimbursements of car expenses
- award transport payments (paid under an industrial law or award that was in force on 29 October 1986)
- tool, clothing and laundry allowances
- dirt, height, site, first aid and risk allowances
- meal and entertainment allowances.

If you received a travel or overtime meal allowance paid under an industrial agreement, do not show it on your tax return if:

- you spent the whole amount on deductible expenses
- it was not shown on your payment summary, and
- it does not exceed the Commissioner's reasonable allowance amount.

You cannot claim deductions for the expenses that you paid for with that allowance.

➤ For more information on reasonable allowances, you can go to ato.gov.au/instructions2012 and read question 2.

Did you receive any of these payments?

No Go to question 3.

Yes Read on.

Answering this question

You will need your payment summaries or comparable statements.

Completing your tax return

1 Add up any tax withheld from these payments. Do not include any amounts of tax withheld you have shown at item 1.

Write the total under **Tax withheld** at item 2.

2 Add up all of these payments.

Write the total under **Income** at K.

3

Employer lump sum payments

Did you receive any lump sum payments from your employer for:

- unused annual leave or
- unused long service leave?

No Go to question 4.

Yes Read on.

Answering this question

You will need your *PAYG payment summary – individual non-business*, *PAYG payment summary – foreign employment* or a comparable statement from your payer that shows an amount at 'Lump sum A' or 'Lump sum B'.

➤ You must go to **ato.gov.au/instructions2012** and read question 3 for instructions on what to do if you have:

- amounts at 'Lump sum D' or 'Lump sum E', or
- paid foreign tax.

Completing your tax return

If you do not have amounts shown at 'Lump sum A' on your payment summaries, go to step 4 below.

1 Add up the tax withheld from lump sum A amounts shown on your payment summaries.

Write the total under **Tax withheld** at the left of **R** item **3**.

2 Add up all lump sum A amounts on your payment summaries.

Write the total at **R**.

3 Print in the **TYPE** box at **R**:

R if the amount related to a genuine redundancy payment, an early retirement scheme payment, or the invalidity segment of an employment termination payment or superannuation benefit

T for all other situations.

Check with your payer if you are not sure.

If you do not have any amounts shown at 'Lump sum B' on your payment summaries, you have finished this question. Go to question 4. Otherwise, read on.

4 Add up the tax withheld from lump sum B amounts shown on your payment summaries.

Write the total under **Tax withheld** at the left of **H** item **3**.

5 Add up all lump sum B amounts on your payment summaries. Divide the total by 20. This is because only 5% is taxable.

Write the total at **H**.

4

Employment termination payments

Employment termination payments (ETPs) are payments you received because your employment was terminated. These payments appear on a *PAYG payment summary – employment termination payment*.

This item also covers:

- death benefit ETPs
- foreign ETPs
- late termination payments
- transitional termination payments.

Do not show the following payments anywhere on your tax return:

- foreign termination payments
- directed termination payments
- ETPs you received as the trustee of a deceased estate.

Did you receive an ETP?

- No** Go to question 5.
Yes Read on.

Answering this question

You will need your *PAYG payment summary – employment termination payment*.

- For the meaning of the following terms and what to do if they apply to you, go to **ato.gov.au/instructions2012** and read question 4:
 - foreign ETPs
 - late termination payments
 - transitional termination payments
 - foreign termination payments
 - directed termination payments
 - death benefits dependants.
- You must go to **ato.gov.au/instructions2012** and read question 4 for instructions on what to do if you received more than one ETP.

Completing your tax return

- 1 Write the date of payment and your payer's Australian business number (ABN) in the left column at item 4.
- 2 Write the amount of tax withheld under **Tax withheld** at the left of **I**.
- 3 Write the taxable component at **I**.
- 4 Print the appropriate code letter for the payment type in the **TYPE** box at **I**.

If none of the following apply to you, leave the box blank.

- T** if you received a transitional termination payment
- S** if you received an ETP in 2011–12 that was not a transitional termination payment or a death benefit ETP **and** you had received another such ETP in an earlier income year **for the same termination of employment**
- D** if you received a death benefit ETP and you were a **death benefits dependant**
- B** if you received a death benefit ETP in 2011–12 and you were **not** a death benefits dependant **and** you had received another death benefit ETP in an earlier income year **for the same termination of employment**
- N** if you received a death benefit ETP and you were **not** a death benefits dependant, and code **B** does not apply.

5

Australian Government allowances and payments

Did you receive any of the following Australian Government payments:

- Newstart allowance
- Youth Allowance
- Austudy payment
- parenting payment (partnered)
- partner allowance
- sickness allowance
- special benefit
- widow allowance
- exceptional circumstances relief payment
- interim income support payment
- an education payment of any of the following when you were 16 years old or older
 - ABSTUDY living allowance
 - payment under the Veterans' Children Education Scheme
 - payment shown as 'MRCA Education Allowance' on your payment summary
- other taxable Commonwealth education or training payments
- an income support component from a Community Development Employment Project (CDEP)
- a CDEP scheme participant supplement?

No Go to question 6.

Yes Read on.

Answering this question

You will need:

- your *PAYG payment summary – individual non-business*, or
- a letter from the agency that paid your allowance or payment stating the amount you received.

If you do not have this information, contact the agency that paid you.

Completing your tax return

- 1** Add up the tax withheld shown on each of your payment summaries and letters.

Write the total under **Tax withheld** at item **5**.

- 2** Add up the gross payments shown on each of your payment summaries and letters.

Write the total at **A**.

6

Australian Government pensions and allowances

Did you receive any of the following Australian Government payments:

- age pension
- bereavement allowance
- carer payment
- disability support pension, if you have reached age-pension age
- education entry payment
- parenting payment (single)
- widow B pension
- wife pension, if either you or your partner was of age-pension age
- age service pension
- income support supplement
- Defence Force income support allowance (DFISA) where the pension, payment or allowance to which it relates is taxable
- DFISA-like payment from the Department of Veterans' Affairs (DVA)
- invalidity service pension, if you have reached age-pension age
- partner service pension?

No Go to question 7.

Yes Read on.

Answering this question

You will need:

- your PAYG *payment summary* – *individual non-business*, or
- a letter from the agency that paid your pension, allowance or payment stating the amount you received.

If you have not received this information, contact the agency that paid you.

Completing your tax return

- 1 Add up the tax withheld shown on each of your payment summaries and letters.

Write the total under **Tax withheld** at item **6**.

- 2 Add up the gross payments shown on each of your payment summaries and letters.

Write the total at **B**.

7

Australian annuities and superannuation income streams

Australian **annuities** (also called non-superannuation annuities) are paid to you by Australian life insurance companies and friendly societies.

Australian **superannuation income streams** (including lump sum in arrears amounts) are paid to you by Australian superannuation funds, retirement savings account (RSA) providers and life insurance companies.

If you received a 'taxable Australian superannuation lump sum payment', do not show it here; show it at item **8**.

Did you receive Australian annuities or superannuation income streams?

No Go to question **8**.

Yes Read on.

Answering this question

You will need:

- for annuities
 - your *PAYG payment summary – individual non-business* which shows the amount of your annuity and its undeducted purchase price (UPP)
- for superannuation income streams
 - your *PAYG payment summary – superannuation income stream*.

Completing your tax return

1 Superannuation income streams

Add up the taxed element amounts that appear under the heading 'Taxable component' on your superannuation income stream payment summaries.

Write the total at **J** item **7**.

2 Add up any untaxed element amounts that appear under the heading 'Taxable component' on your superannuation income stream payment summaries.

Write the total at (a) in **worksheet 1** below. If you did not receive any, write **0**.

3 Annuities

If you did not receive Australian annuities, write **0** at (b) in **worksheet 1** below and go to step 4.

If you received Australian annuities, take the 'deductible amount' of the annuity's UPP away from the gross amount shown on your payment summary.

Write the total at (b) in **worksheet 1** below.

If the answer is a negative write **0**.

If you had more than one annuity:

- work out the total for each annuity
- add these totals together, and
- write the amount at (b) in **worksheet 1**.

4 Complete **worksheet 1**.

Worksheet 1

Total untaxed element amounts (from step 2)	\$ <input type="text"/>	(a)
Total amounts from annuities (from step 3)	\$ <input type="text"/>	(b)
Add (a) and (b).	\$ <input type="text"/>	(c)

Transfer the amount at (c) to **N** item **7**.

- 5 Add up the 'tax withheld' amounts on your payment summaries for your superannuation income streams and annuities.

Write the total in the left hand column under **Tax withheld** at item 7.

6 **Did you receive 'superannuation income stream lump sums' in arrears?**

- No** You have finished this question.
Go to question 8.
- Yes** Read on.

Add up all the taxed element amounts that appear under the heading 'Lump sum in arrears – taxable component' on your superannuation income stream payment summaries.

Write the total at **Y** item 7.

- 7 Add up all the untaxed element amounts that appear under the heading 'Lump sum in arrears – taxable component' on your superannuation income stream payment summaries.

Write the total at **Z** item 7.

'Lump sums in arrears' tax offset

You may be entitled to a tax offset if you received a superannuation income stream lump sum in arrears. You will need to provide further information. You must go to ato.gov.au/instructions2012 and read question 7 to complete this question.

8

Australian superannuation lump sum payments

This question is about Australian superannuation lump sum payments or superannuation death benefit payments you received, including those paid by:

- superannuation funds
- approved deposit funds
- retirement savings account providers
- life insurance companies.

It is also about any:

- amounts we paid to you in respect of the superannuation guarantee charge or the superannuation holding accounts special account
- payments you received from the unclaimed money registers.

Do not show on your tax return any:

- death benefit lump sum payments you received as a dependant of the deceased
- taxed element of a superannuation lump sum payment you received on or after your 60th birthday, unless it is a death benefit superannuation lump sum payment paid to you as a non-dependant
- amounts paid to you because you have a terminal medical condition.

Did you receive any of these payments?

- No** Go to question 9.
- Yes** Read on.

Answering this question

You will need your *PAYG payment summary – superannuation lump sum*. If you have not received it, contact your payer.

➤ You must go to **ato.gov.au/instructions2012** and read question 8 if any of the following apply:

- you received more than one superannuation lump sum during the year, as you need to provide additional information
- you need to know who is considered a dependant of the deceased
- you had types of superannuation lump sum payments that are not covered by this question.

Completing your tax return

1 Write in the left column at item 8 the date of payment and your payer's Australian business number (ABN), as shown on your payment summary.

2 Write the total amount of tax withheld, as shown on your payment summary, under **Tax withheld** at item 8.

3 Did you receive the lump sum payment as a death benefit but you were not a dependant of the deceased?

No Go to step 4.

Yes Print **N** in the **TYPE** box at item 8. Read on.

4 From your payment summary, write at item 8:
■ the taxed element amount at **Q**
■ the untaxed element amount at **P**.

9

Attributed personal services income

Did you receive any attributed personal services income?

You must complete this item if you provided personal services and you:

- received a *PAYG payment summary – business and personal services income* showing an X against 'Personal services attributed income', or
- had personal services income attributed to you.

If you received personal services income as a sole trader, do not complete this item. You must complete question 14 in the *Individual tax return instructions supplement 2012*.

➤ Go to **ato.gov.au/instructions2012** and read question 9 for more information about personal services income and when it may be attributed to you.

No Go to **Total tax withheld**.

Yes Read on.

Answering this question

You will need:

- your *PAYG payment summary – business and personal services income*
- details of any other personal services income attributed to you.

If you do not have this information, contact the person who paid you.

Completing your tax return

1 Write the total amount of tax withheld under **Tax withheld** at item 9.

2 Write the total amount of personal services income attributed to you at **O**.

Total tax withheld

Completing your tax return

- 1 Add up all the amounts in the left hand column at items **1** to **9** on page 2 of your tax return.
- 2 Write the total at **TOTAL TAX WITHHELD**.

10

Gross interest

Was any interest paid or credited to you from any source in Australia?

Gross interest includes:

- interest from savings accounts, term deposits and cash management accounts
- interest we paid or credited to you
- interest from children's accounts you opened or operated with funds that you used as if they were yours
- tax file number (TFN) amounts, that is, amounts withheld by financial institutions because you did not provide your TFN or Australian business number (ABN) to them.

Read **Will you need *Individual tax return instructions supplement 2012?*** on page 3 if you received interest from other sources, including interest from a foreign source.

No Go to question **11**.

Yes Read on.

Answering this question

You will need:

- your statements, passbooks and other documentation from your financial institutions and other sources that show 2011–12 interest income (TFN amounts are shown on your statement or document as 'Commonwealth tax' or 'TFN withholding tax')
- any notice of assessment or amended assessment you received from us during 2011–12 that shows interest on early payments or interest on overpayments.

Interest credited to a first home saver account is not assessable income. Do not include it anywhere on your tax return.

If you had a joint account, show only your share of the interest.

➤ You must go to **ato.gov.au/instructions2012** and read question 10 for information on how to treat:

- children's accounts you operate
- TFN amounts, and
- non-resident withholding tax.

Completing your tax return

- 1 Add up the amounts of gross interest you received in 2011–12.
- 2 Write the total amount of your gross interest at **L** item **10**. If the total was less than \$1, do not write anything.
- 3 Add up all the TFN amounts shown on your statements, but do not include TFN amounts that we have already refunded to you.

Write the total at **M**.

11

Dividends

Were you paid, or credited with, dividends from shares by Australian companies?

Dividends and distributions include:

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

No Go to question **12**.

Yes Read on.

Answering this question

You will need your statements from each Australian company that paid you dividends or made distributions to you between 1 July 2011 and 30 June 2012 inclusive.

If you had any shares in joint names, show only your proportion of the dividends.

Do not include dividends or a distribution on which family trust distribution tax has been paid.

➤ You must go to **ato.gov.au/instructions2012** and read question 11 to find out how to complete this question if:

- you had shares and were under an obligation to make, or were likely to make, a related payment
- within 45 days of buying shares (90 days for certain preference shares), you either sold them or entered into an arrangement to reduce the risk of making a loss on them, or
- you received or were credited with amounts
 - related to a non-share equity interest
 - by a private company, as a shareholder or associate of a shareholder, in the form of payments, loans or debts forgiven

- by a trustee of a trust in the form of payments, loans or debts forgiven where a private company in which you were a shareholder, or an associate of a shareholder, had an unpaid present entitlement from the trust
- when you were not an Australian resident for tax purposes.

Completing your tax return

If your statement does not show franked and unfranked portions of the dividend, include the total dividend amount at **T** item 11 when you complete step 2.

- 1 Add up all the unfranked dividend amounts from your statements, including any tax file number (TFN) amounts withheld.

Write the total at **S**.

- 2 Add up all the franked dividend amounts from your statements and any other franked dividends paid or credited to you.

Write the total at **T**.

- 3 Add up the franking credit amounts shown on your statements.

Write the total at **U**.

- 4 Add up any TFN amounts withheld that have not been refunded to you.

Write the total at **V**.

12

Employee share schemes

This question is about **discounts** on 'employee share scheme interests' (ESS interests) that you received under an employee share scheme. ESS interests are:

- shares
- stapled securities (provided at least one of the stapled interests is a share in a company)
- rights to acquire shares and stapled securities.


The 'discount' is the difference between the market value of the ESS interests and the amount you paid to acquire them.

The ESS interests can:

- be from an Australian company or a foreign company
- relate to your employment inside or outside Australia.

Did any of the following apply to you?

- You received a discount on ESS interests acquired under a 'taxed-upfront scheme'.
- A 'deferred taxing point' occurred in respect of ESS interests you acquired at a discount under a 'tax-deferred scheme'.
- A 'cessation time' occurred during 2011–12 in relation to an ESS interest you acquired before 1 July 2009 under an employee share scheme, and you had not elected to be taxed upfront on the discount.

 **For more information about 'cessation time' and ESS interests acquired before 1 July 2009, go to ato.gov.au and search for 'Employee Share Schemes answers to frequently asked questions by employees'.**

No Go to **Income from the supplementary section of your tax return.**

Yes Read on.

Answering this question

You will need your *Employee share scheme statement* from each employer with whom you participated in an employee share scheme. If you do not have all your employee share scheme statements, contact your employer.

You can use the Employee share schemes calculator at ato.gov.au/instructions2012 to help you answer this question.

- You must go to ato.gov.au/essemployee if any of the following apply:
- you were a temporary resident or foreign resident when you received your ESS interests
 - you received ESS interests from a foreign employer
 - you disposed of your ESS interests because of a corporate restructure or takeover and received replacement ESS interests.

Completing your tax return

If an associate of yours, for example your spouse, acquired an ESS interest as a result of your employment, you must include the discount in your assessable income. Your associate does not include the discount on their tax return.

- 1 Add up the discount amounts received from 'taxed-upfront schemes eligible for reduction' from your statements.
Write the total at **D** item **12**.
- 2 Add up the discount amounts you received from 'taxed-upfront schemes not eligible for reduction' from your statements.
Write the total at **E**.
- 3 Add up the discount amounts you received from 'deferral schemes' where a deferred taxing point occurred during 2011–12 from your statements.
Write the total at **F**.

- 4 Add up the discount amounts from ESS interests you acquired before 1 July 2009 from your statements where:

- you did not make an election to be taxed upfront at the time you received them, and
- a 'cessation time' occurred during 2011–12.

Write the total at **G**.

- 5 If you did not write an amount at **D**:
 - add up the amounts that you wrote at **E**, **F** and **G**,
 - write the total at **B**, and
 - go to step 8.

If you wrote an amount at **D**, you may be entitled to reduce the amount of the discounts received under 'taxed-upfront schemes' by up to \$1,000.

Calculate your taxable income as if you were **not** entitled to this reduction. If you had a taxable loss, treat it as zero for the purposes of this calculation.

Add up the following amounts:

- your taxable income
- your total reportable fringe benefits amounts (**W** item **IT1**)
- your reportable employer superannuation contributions (**T** item **IT2**)
- your net financial investment loss (**X** item **IT5**)
- your net rental property loss (**Y** item **IT6**)
- your deductible personal superannuation contributions (**H** item **D12**).

- 6 Is the amount you worked out at step 5 greater than \$180,000?

No Go to step 7.
Yes Read on.

Add up the amounts that you wrote at **D**, **E**, **F** and **G** and write the total at **B**.

Go to step 8.

- 7** If the amount at **D** is less than or equal to \$1,000, add up the amounts that you wrote at **E**, **F** and **G** and write the total at **B**.

If the amount at **D** is greater than \$1,000, add up the amounts at **D**, **E**, **F** and **G** then take \$1,000 away from the total. Write the answer at **B**.

- 8** Add up all the TFN amounts withheld from discounts from your statements and write the total at **C**.

- 9** If you did not pay foreign income tax in respect of any discounts you received, you have finished this question. Otherwise, read on.

Write at **A** the total amount of your discounts from ESS interests for which you are claiming a foreign income tax offset.

Income from the supplementary section of your tax return

Did you receive income that is shown on the supplementary section of your tax return?

If you are unsure, read **Will you need *Individual tax return instructions supplement 2012?*** on page 3.

No Go to **Total income or loss**.

Yes You must complete the relevant income questions on the *Tax return for individuals (supplementary section) 2012*, then read on.

Completing your tax return

- 1** Transfer the amount you wrote at **TOTAL SUPPLEMENT INCOME OR LOSS** on page 15 of your tax return (supplementary section) to **I** on page 3 of your tax return.

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

Total income or loss

Completing your tax return

- 1** Add up all the amounts in the right-hand column of items **1** to **12** on pages 2 and 3 of your tax return.
- 2** If you have no amount at **I** below item **12** on your tax return go to step 3. Otherwise read on.
- If the amount at **I** is a loss, take it away from your total from step 1. Otherwise add the amount at **I** to your total from step 1.
- 3** Write the result at **Total income or loss**.
- If the amount is a loss, print **L** in the **LOSS** box at the right of the amount.

Claiming deductions

You may be able to claim deductions for **work-related expenses** you incurred while performing your job as an employee. You **incur** an expense in an income year when:

- you receive a bill or invoice for an expense that you are liable for and must pay (even if you don't pay it until after the end of the income year), or
- you do not receive a bill or invoice but you are charged and you pay for the expense.

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

Basic rules

The expense must not be private or domestic in nature. For example, the costs of normal travel to and from work, and buying lunch each day are private expenses. If you incurred an expense that was both work-related and private or domestic in nature, you can claim a deduction only for the work-related portion of the expense.

You cannot claim a deduction for an expense if:

- someone else paid the expense, or you were, or will be reimbursed for the expense, and
- the payment or reimbursement is a fringe benefit (including an exempt benefit).

If you were partially reimbursed for the expense, you can only claim the part that was not reimbursed.

Allowances

If you received an allowance that you showed at item **2** on your tax return, you may be able to claim a deduction for your expenses covered by the allowance. The expenses must be incurred in producing your employment income, and must meet the basic rules discussed above. For example, if you received a tools allowance of \$500 and your tool expenses were \$300, you include the whole amount of the allowance at item **2** on your tax return and claim a deduction of \$300 at item **D5**.

Decline in value of a depreciating asset

You may be able to claim a deduction for the decline in value of a depreciating asset you held during the 2011–12 year if you used it to produce income that you show on your tax return.

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

You may be able to claim an immediate deduction for the full cost of depreciating assets costing \$300 or less. For more information, read the *Guide to depreciating assets 2012* (NAT 1996).

➤ Go to ato.gov.au/instructions2012 to get a copy of this publication.

Advance expenditure

If you have prepaid an amount for a service costing \$1,000 or more, and the service extends for a period of more than 12 months or beyond 30 June 2013 (such as a subscription to a journal relating to your profession), you can claim only the portion that relates to the 2011–12 income year. You can also claim the proportion of your pre-paid expenses from a previous year that relate to the 2011–12 income year. For more information, read *Deductions for prepaid expenses 2012* (NAT 4170).

➤ Go to ato.gov.au/instructions2012 to get a copy of this publication.

Record keeping for work-related expenses

You must be able to substantiate your claims for deductions with written evidence if the total amount of deductions you are claiming is greater than \$300. The \$300 does not include car and meal allowance, award transport payments allowance and travel allowance expenses. The records you keep must prove the total amount, not just the amount over \$300.

If the total amount you are claiming is \$300 or less, you need to be able to show how you worked out your claims, but you do not need written evidence.

D1

Work-related car expenses

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

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

Did you have any work-related car expenses?

- No** Go to question D2.
Yes Read on.

Answering this question

What can you claim?

You can claim car expenses you incurred for work-related purposes in 2011–12.

You can also claim the cost of using your car to travel directly between two separate places of employment, for example, when you have a second job.

You cannot claim for the normal trip between home and work, unless:

- you use your car to carry bulky tools or equipment (such as an extension ladder or cello) which you use for work and cannot leave at work
- your home is a base for employment (you start work at home and travelled to a workplace to continue work for the same employer), or
- you have shifting places of employment (you regularly work at more than one place each day).

You must claim at this item any work-related car expenses incurred in earning income shown on a *PAYG payment summary – foreign employment*.

- You must go to ato.gov.au/instructions2012 and read question D1 for more information about shifting places of employment.

Methods

You can choose one of the following methods to work out your work-related car expenses.

For work-related travel under 5,000 kilometres:

- cents per kilometre method, or
- logbook method.

For work-related travel over 5,000 kilometres:

- 12% of original value method
- one-third of actual expenses method, or
- logbook method.

If you qualify to use more than one method, you can use whichever gives you the largest deduction or is most convenient.

If you are not using the cents per kilometre method, you must go to ato.gov.au/instructions2012 and read question D1.

You can also go to ato.gov.au/instructions2012 and use our Work-related car expenses calculator to work out your claim.

Cents per kilometre method

The most you can claim using this method is 5,000 kilometres per car, even if you travelled more. No written evidence of expenses is necessary with this method, but you may need to show us how you worked out your work-related kilometres (for example, by producing odometer records).

Completing your tax return

- 1 If you are using the 12% of original value method, one-third of actual expenses method, or logbook method, you must go to ato.gov.au/instructions2012 and read question D1, then go to step 4.

If you are using the cents per kilometre method, read on.

- 2 Use the following table to find out how much you can claim per kilometre depending on your car's engine size.

Ordinary engine	Rotary engine	Cents per km
1,600cc or less (1.6 litre or less)	800cc or less	63 cents
1,601 to 2,600cc (Over 1.6 and up to 2.6 litre)	801–1,300cc	74 cents
2,601cc and over (Over 2.6 litre)	1,301cc and over	75 cents

- 3 Use the following table to work out the amount you can claim:

Total work-related kilometres (cannot be more than 5,000 km)	<input type="text"/>	(a)
Cents per km for your car's engine (63, 74 or 75 cents)	<input type="text"/>	(b)
Multiply (a) by (b).	<input type="text"/>	(c)
Divide (c) by 100.		
The result is the dollar amount you can claim.	<input type="text"/>	(d)

If you are claiming for more than one car using this method, repeat steps 1 and 2 for each car and add up all the amounts at (d).

- 4 Write the total of your claim at **A item D1**.

- 5 Print the relevant code letter from the table below in the **CLAIM TYPE** box beside the amount.

Method	Code letter
Cents per kilometre	S
12% of original value	T
One-third of actual expenses	O
Logbook	B

D2

Work-related travel expenses

This question is about travel expenses you incur that are directly related to your work as an employee. They include:

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

If your employer provided a car for you or your relatives' exclusive use and you were entitled to use it for non-work purposes, you cannot claim a deduction for running costs (petrol, repairs). However, you can claim expenses such as parking and bridge and road tolls for work-related use.

Reasonable allowance amounts

If your travel allowance was not shown on your payment summary and was equal to or less than the reasonable allowance amount for your circumstances, you do not have to include the allowance at item **2** provided that you have fully spent it on deductible work-related travel expenses and you do not claim a deduction for these expenses.

- You must go to **ato.gov.au/instructions2012** and read question D2 if any of the following apply:

- you had shifting places of employment
- your allowance was above the reasonable allowance amounts.

Did you have any work-related travel expenses?

No Go to question D3.

Yes Read on.

D3

Answering this question

You must have written evidence for the whole of your claim.

If you wish to claim meal, accommodation and incidental expenses you incurred while away overnight for work, use the table on page 75 to determine what evidence you need.

You must claim at this item any work-related travel expenses incurred in earning income shown on a *PAYG payment summary – foreign employment*.

Completing your tax return

- 1 Add up all your deductible travel expenses.
- 2 Write the total at **B** item **D2**.

Work-related uniform, occupation specific or protective clothing, laundry and dry-cleaning expenses

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

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

You can claim the cost of a work uniform that is distinctive (such as one that has your employer's logo permanently attached to it) and it must be either:

- a **non-compulsory uniform** that your employer has registered with AusIndustry (check with your employer if you are not sure), or
- a **compulsory uniform** that can be a set of clothing or a single item that identifies you as an employee of an organisation. There must be a strictly enforced policy making it compulsory to wear that clothing at work. Items may include shoes, stockings, socks and jumpers where they are an essential part of a distinctive compulsory uniform and the colour, style and type are specified in your employer's policy.

You can also claim the cost of:

- **occupation-specific clothing** which allows people to easily recognise that occupation (such as the checked pants a chef wears when working) and which are not for everyday use
- **protective clothing and footwear** to protect you from the risk of illness or injury, or to prevent damage to your ordinary clothes, caused by your work or work environment. Items may include fire-resistant clothing, sun protection clothing, safety-coloured vests, non-slip nurse's shoes, steel-capped boots, gloves, overalls, aprons, and heavy duty shirts and trousers (but not jeans). You can claim the cost of protective equipment, such as hard hats and safety glasses at item **D5**.

D3 Work-related uniform, occupation specific or protective clothing, laundry and dry-cleaning expenses

You can also claim the cost of renting, repairing and cleaning any of the above work-related clothing.

You cannot claim the cost of purchasing or cleaning plain uniforms or clothes, such as black trousers, white shirts, suits and stockings, even if your employer requires you to wear them.

➤ You can go to ato.gov.au/instructions2012 and read question D3 for more information.

Did you have any work-related clothing, laundry or dry-cleaning expenses?

No Go to question D4.

Yes Read on.

Answering this question

You will need:

- receipts, invoices or other written evidence, and
- diary records of your laundry costs if
 - the amount of your laundry expenses claim is greater than \$150, and
 - your total claim for work-related expenses exceeds \$300.

You must claim at this item any work-related clothing, laundry and dry-cleaning expenses incurred in earning income shown on a *PAYG payment summary – foreign employment*.

If you did washing, drying or ironing yourself, you can use a reasonable basis to calculate the amount, such as \$1 per load for work-related clothing, or 50 cents per load if other laundry items were included.

You can go to ato.gov.au/instructions2012 and use our Work related uniform expenses calculator to work out your claim.

Completing your tax return

- 1 Add up all your deductible work-related clothing, laundry and dry-cleaning expenses.
- 2 Write the total at **C** item **D3**.
- 3 Select the code letter that describes the main type of clothing you are claiming for:

C	compulsory work uniform
N	non-compulsory work uniform
S	occupation-specific clothing
P	protective clothing

Print the letter in the **CLAIM TYPE** box at **C** item **D3**.

D4

Work-related self-education expenses

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

To claim a deduction here, you must have met **one** of the following conditions when you incurred the expense:

- the course maintained or improved a skill or specific knowledge required for your work activities at that time
- you could show that the course was leading to, or was likely to lead to, increased income from your work activities at that time
- other circumstances existed which established a direct connection between the course and your work activities at that time.

You cannot claim a deduction for self-education expenses for a course that:

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

Examples of expenses you can claim are textbooks, stationery, student union fees, student services and amenities fees, the decline in value of your computer, and certain course fees.

You must claim at this item any self-education expenses incurred in earning income shown on a *PAYG payment summary – foreign employment*.

Legislation has been introduced into Parliament to prevent deductions being claimed against government assistance payments, like Youth allowance, Austudy and ABSTUDY, from 1 July 2011. This includes deductions for self-education expenses. At the time of printing the changes had not become law. For more information on the progress of the legislation, go to ato.gov.au/studyexpensechanges then 'How to claim' and read 'Claims for 2012 and later years'.

Did you have any of these self-education expenses?

No Go to question **D5**.

Yes Read on.

Completing your tax return

To work out your claim, you can go to ato.gov.au/instructions2012 and use the Self-education expenses calculator or use the worksheet below.

- 1** If you used the calculator, transfer the amount you worked out to **D** item **D4** on your tax return and then go to step 6.

If you are not using the calculator, read on.

- 2** Add up your self-education expenses under the following categories:

Worksheet

Category	Your amount
A General expenses that are deductible, including textbooks, stationery, student union fees, student services and amenities fees, course fees and public transport fares	
You cannot claim as course fees contributions you made under the Higher Education Contribution Scheme Higher Education Loan Program (HECS-HELP), or repayments under Student Financial Supplement Scheme (SFSS).	
Also include car expenses (other than the decline in value of a car) worked out under the 'logbook' or 'one-third of actual expenses' method. For more information, see question D1 on pages 25–6.	
	\$ <input type="text"/>

D4 Work-related self-education expenses

Category	Your amount
B Deductions for the decline in value of depreciating assets used for self-education, including computers and cars for which you are claiming deductions under the 'logbook' or 'one-third of actual expenses' method	\$ <input type="text"/>
C Expenses for repairs to items of equipment used for self-education	\$ <input type="text"/>
D Car expenses related to your self-education for which you are claiming deductions under the 'cents per kilometre' or '12% of original value' method. (If you have included deductions for the decline in value of or repairs to your car under category B or C, you cannot claim car expenses under this category.)	\$ <input type="text"/>
E Self-education expenses that are not deductible, which are: <ul style="list-style-type: none">■ private costs, including non-deductible travel and childcare costs, and■ capital costs, like the purchase price of a desk or computer Do not include: <ul style="list-style-type: none">■ contributions you made under HECS-HELP, or■ repayments under Higher Education Loan Program (HELP) or SFSS.	\$ <input type="text"/>

Use your amounts from the worksheet above to complete the following steps.

- 3** If you had any category A expenses, go to step 4. Otherwise, read on.

Add B, C and D.	\$ <input type="text"/>	(f)
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Transfer the amount at (f) to **D** item **D4**. Go to step 6.

4 Add C, D and E. \$ (g)

If the amount at (g) is less than \$250, go to step 5. Otherwise, read on.

Add A, B, C and D.	\$ <input type="text"/>	(h)
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Transfer the amount at (h) to **D** item **D4**. Go to step 6.

- 5** In working out what you can claim, certain costs are reduced by \$250.

Take the amount at (g) away from \$250.	
If the result is zero or less, write 0 at (i).	\$ <input type="text"/> (i)
Take the amount at (i) away from your category A amount.	
If the result is zero or less, write 0 at (j).	\$ <input type="text"/> (j)
Add B, C and D.	\$ <input type="text"/> (k)
Add (k) and (j).	\$ <input type="text"/> (l)

Transfer the amount at (l) to **D** item **D4**. Go to step 6.

- 6** Select the code letter that best describes your circumstances at the time you incurred the expenses.

- K** The study maintained or improved a skill or specific knowledge required for your work activities.
- I** You could show that the study was leading to, or was likely to lead to, increased income from your work activities.
- O** Other circumstances existed which established a direct connection between your self-education and your work activities as an employee.

- 7** Print your code letter from step 6 in the **CLAIM TYPE** box at **D**.

D5

Other work-related expenses

Other work-related expenses are expenses you incurred as an employee and have not already claimed anywhere else on your tax return. These include:

- union fees and subscriptions to trade, business or professional associations
- certain overtime meal expenses
- professional seminars, courses, conferences and workshops
- reference books, technical journals and trade magazines
- safety items such as hard hats, safety glasses and sunscreens
- the work-related proportion of some computer, phone and home office expenses
- tools and equipment and professional libraries (you may be able to claim an immediate deduction for the full cost of depreciating assets costing \$300 or less; for more information see the *Guide to depreciating assets 2012*.)

You can claim overtime meal expenses only if they were paid under an industrial law, award or agreement and you have included the amount of the overtime meals allowance as income at item **2**. If your claim is more than \$26.45 per meal, you must have written evidence, such as receipts or diary entries, which show the cost of the meals.

You cannot claim a deduction for certain items provided to you by your employer, or if your employer paid or reimbursed you for some or all of the cost of those items, and the item was exempt from fringe benefits tax.

For more information on calculating home office expenses and to use our Home office expenses calculator, go to ato.gov.au/instructions2012 and read question D5.

For more information about what you can claim at this item, you can go to ato.gov.au/instructions2012 and read questions D5.

Answering this question

You may need:

- receipts, invoices or written evidence
- statements from your bank, building society or credit union
- your *PAYG payment summary – individual non-business*.

If your total claim for all work-related expenses exceeds \$300, you must have written evidence.

To work out the amount you can claim for depreciating assets, read the *Guide to depreciating assets 2012* (NAT 1996). Go to ato.gov.au/instructions2012 to get a copy of this publication.

You must claim at this item any other work-related expenses incurred in earning income shown on a *PAYG payment summary – foreign employment*, provided you have not already claimed the expense anywhere else on your tax return.

Completing your tax return

- 1 Add up all the expenses that you can claim at this item.
- 2 Write the total at **E item D5**.

Did you have any other work-related expenses?

No Go to question **D6**.

Yes Read on.

D6

Low-value pool deduction

This question is about claiming a deduction for the decline in value of **low-cost** and **low-value** assets that you:

- used in the course of producing income you show on your tax return, and
- allocated to what is called a **low-value pool**.

Low-cost assets are depreciating assets that cost less than \$1,000.

Low-value assets are depreciating assets that are not low-cost assets but which, on 1 July 2011, had been written off to less than \$1,000 under the diminishing value method.

Assets you can allocate to a low-value pool include assets you use:

- in your work as an employee (see questions **D1** to **D5**), or
- to gain rental income (see question **21** in the *Individual tax return instructions supplement 2012*).

If you claim the deduction at this item, do not claim it at items **D1** to **D5** and **21**.

If your low-value pool contains only assets used in business, do not show your deduction at this question. Show it at item **P8** on the *Business and professional items schedule for individuals 2012* (NAT 2816). Go to ato.gov.au/instructions2012 to get a copy of this form.

Did you allocate assets to a low-value pool in 2011–12 or in a previous year?

No Go to question **D7**.

Yes Read on.

Completing your tax return

- 1 Go to ato.gov.au/instructions2012 and complete worksheet 1 in question D6.
Transfer the amount you worked out at (i) on worksheet 1 to **K** item **D6**.
- 2 You will need the closing pool balance for 2011–12 to calculate your low-value pool deduction for next year. Go to ato.gov.au/instructions2012 and complete worksheet 2 in question D6. Keep a record of your 2011–12 closing pool balance for next year's tax return.

Answering this question

- You must go to ato.gov.au/instructions2012 to complete this question.

D7

Interest deductions

Did you incur expenses in earning the interest you declared at item 10?

Expenses include:

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

No Go to question D8.

Yes Read on.

Answering this question

You will need your bank or financial institution statements or passbooks.

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

➤ You must go to ato.gov.au/instructions2012 and read question D7 if any of the following apply:

- you borrowed money for both private and investment purposes
- you used equipment, such as a computer, for both private purposes and to manage your investments.

Completing your tax return

1 Add up all your deductions for this item.

2 Write the total at I item D7.

D8

Dividend deductions

Did you incur expenses in earning the dividend income you declared at item 11?

Expenses include:

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

You must also complete this item if your dividends included an amount for capital gain from a listed investment company (LIC).

No Go to question D9.

Yes Read on.

Answering this question

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

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

You will need the dividend statements that you used at item 11 that show the dividends received from a LIC.

If you were an Australian resident for tax purposes when a LIC paid you a dividend and the dividend included a LIC capital gain amount, you can claim a deduction of 50% of the LIC capital gain amount. The LIC capital gain amount appears separately on your dividend statement.

➤ You must go to **ato.gov.au/instructions2012** to get a copy of *You and your shares 2012* (NAT 2632) and to read question D8 if any of the following apply:

- you had interest on investments under a capital protected borrowing – this interest may not be fully deductible.
- you had interest on borrowings relating to certain overseas investments – your claim may be affected by the thin capitalisation rules.

Completing your tax return

- 1 Add up all your deductions for this item.
- 2 Write the total at **H** item **D8**.

D9

Gifts or donations

Did you make a gift or donation of \$2 or more to an approved organisation?

Your receipt should show whether your donation is tax-deductible.

To check whether an organisation is an approved organisation, contact them or go to **abn.business.gov.au**

Generally, you cannot claim a deduction for a gift or donation if you received something in return (for example, raffle tickets or dinner).

No Go to question **D10**.

Yes Read on.

Answering this question

You can go to **ato.gov.au/instructions2012** and read question D9 for more information about gifts and donations.

➤ You must go to **ato.gov.au/instructions2012** and read question D9 if you had any of the following:

- gifts of property and shares
- contributions to fund-raising events
- political donations.

Completing your tax return

- 1 Add up the amounts of all gifts and donations you are entitled to claim.
- 2 Write the total at **J** item **D9**.

D10

Cost of managing tax affairs

Did you incur expenses in managing your tax affairs?

No Go to **Deductions from the supplementary section of your tax return**.

Yes Read on.

Answering this question

The cost of managing your tax affairs includes:

- preparing and lodging your tax return and activity statements
- fees paid to a recognised tax adviser for preparing and lodging your tax return
- travel to obtain tax advice from a recognised tax adviser
- buying tax reference material
- dealing with us about your tax affairs
- appeals made to the Administrative Appeals Tribunal or courts in relation to your tax affairs
- an interest charge we imposed on you.

You can also claim any costs you incurred in complying with your legal obligations relating to another person's tax affairs.

You cannot claim:

- the cost of tax advice given by a person who is not a recognised tax adviser
- a deduction for tax shortfall and other penalties for failing to meet your obligations.

> You must go to ato.gov.au/instructions2012 and read question D10 if any of the following apply:

- you want to claim a deduction for an interest charge we imposed on you
- you want to find out if your tax adviser is a recognised tax adviser.

Completing your tax return

1 Add up the costs of managing your tax affairs.

2 Write the total at **M** item **D10**.

Deductions from the supplementary section of your tax return

Did you have any deductions that are shown on the supplementary section of your tax return?

If you are unsure, read **Will you need *Individual tax return instructions supplement 2012?*** on page 3.

No Go to **Total deductions**.

Yes You must complete the relevant deduction questions on the *Tax return for individuals (supplementary section) 2012*, then read on.

- 1 Transfer the amount you wrote at **TOTAL SUPPLEMENT DEDUCTIONS** on page 15 of your tax return (supplementary section) to item **D** on page 4 of your tax return.

Subtotal

Completing your tax return

If you show income at **TOTAL INCOME OR LOSS** on page 3 of your tax return:

- take away the amount at **TOTAL DEDUCTIONS** from the amount at **TOTAL INCOME OR LOSS**
- write the result at **SUBTOTAL**
- if the amount at **SUBTOTAL** is less than zero, print **L** in the **LOSS** box at the right of the amount.

If you show a loss at **TOTAL INCOME OR LOSS** on page 3 of your tax return:

- add the amount at **TOTAL DEDUCTIONS** to the amount at **TOTAL INCOME OR LOSS**
- write the result at **SUBTOTAL** and print **L** in the **LOSS** box at the right of the amount.

Total deductions

Completing your tax return

- 1 Add up the deductions you claimed at items **D1** to **D10** and **D** on page 4 of your tax return.

If you did not claim any deductions on the *Tax return for individuals (supplementary section) 2012* you will not have an amount at **D**.

- 2 Write the result at **TOTAL DEDUCTIONS** on your tax return.

L1

Tax losses of earlier income years

Do you have tax losses from earlier income years?

No Go to **Taxable income or loss**.

Yes Read on.

Do not show at this item:

- capital losses
- expenses and losses you incurred in earning foreign income
- deferred non-commercial business losses from a prior year.

Answering this question

Complete this item if either of the following apply:

- you have a tax loss from an earlier income year which you have not claimed as a deduction
- you had foreign losses in the 1998–99 to 2007–08 income years which you have not claimed as a deduction.

In either case, you may have a tax loss at item **L1** this year which you may be able to claim as a deduction. You must complete this item whether or not you are able to claim a deduction for the loss this year.

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

- You must go to **ato.gov.au/instructions2012** to complete this question.

Completing your tax return

- 1 To work out your tax losses of earlier income years, go to **ato.gov.au/instructions2012** and use the worksheets in question L1.

- 2 Write the relevant amounts at item **L1**.

Taxable income or loss

Did you show amounts at F or Z at item L1?

No Go to step 1.

Yes Go to step 2.

Completing your tax return

- 1 Transfer the amount you have shown at **SUBTOTAL** on page 4 of your tax return to **TAXABLE INCOME OR LOSS**.

If the amount is less than zero, print **L** in the **LOSS** box at the right of the amount. Keep a record of this amount to work out your tax losses of earlier income years for next year.

You have now completed this section. Go to question **T1**.

- 2 Add up the amounts at **F** and **Z** at item **L1**. Take the total away from the amount you wrote at **SUBTOTAL**.

- 3 Write the result at **TAXABLE INCOME OR LOSS** on your tax return.

You cannot have a loss at **TAXABLE INCOME OR LOSS** if you had amounts at **F** or **Z**.

T1

Spouse (without dependent child or student), child-housekeeper or housekeeper

Did you have a child-housekeeper or housekeeper for all or part of the year?

A **housekeeper** is someone who kept house for you full time and also cared for your dependent child, student (under 21 years old), invalid relative or invalid spouse. For the meaning of these dependants, see **Definitions** on pages 72–3.

A **child-housekeeper** is your child who kept house for you full time. Your child includes your adopted child, stepchild, ex-nuptial child or child of your spouse. A child who is a full-time student or a full-time employee is not considered to keep house full time. For the meaning of child, see **Definitions** on page 72.

Keeping house means more than child-minding or performing domestic duties. It includes having some responsibility for the general running of the household.

Yes You must go to ato.gov.au/instructions2012 and read question T1.

You can also use our online Spouse (without dependent child or student), child-housekeeper or housekeeper tax offset calculator to work out your claim.

When you have worked out your claim, go to step 6.

No Read on.

Did you have a dependent spouse who was born before 1 July 1971, for all or part of the year?

For the meaning of spouse, see **Definitions** on page 74.

No Go to question T2.

Yes Read on.

Answering this question

Dependent spouse

You may be able to claim this tax offset if:

- your adjusted taxable income (ATI) for 2011–12 was \$150,000 or less, and
- your spouse's ATI for 2011–12 was \$9,701 or less.

For the meaning of ATI, see **Definitions** on page 70.

You can claim the tax offset for any period in 2011–12 that you had a spouse and you met **all** these conditions:

- you maintained your spouse (see **Maintaining a dependant** on page 73)
- your spouse was a resident (if you are not sure, read **Australian resident for tax purposes** on page 71)
- you were a resident
- if you had a dependent child or student, neither you nor your spouse (during any period they were your spouse) was eligible for family tax benefit (FTB) Part B, or if one of you was eligible for it you were eligible at the shared-care rate only
- neither you nor your spouse received parental leave pay.

Completing your tax return

1 Complete **worksheet 1**.

If you had more than one eligible dependent spouse at different times during the year you will need to complete the worksheet for each spouse and then add up the amounts.

T1 Spouse (without dependent child or student),
child-housekeeper or housekeeper

Worksheet 1

If you had a dependent spouse for the whole year and neither of you were eligible for FTB Part B or received parental leave pay at any time during the year, write \$2,355 at (d), then continue from there.

If you had a dependent spouse for only part of the year and neither of you were eligible for FTB Part B or parental leave pay during that period, work out the number of days you had a spouse and multiply this number by \$6.43. Write the amount at (a).

\$ (a)

If you or your spouse were eligible for FTB Part B or parental leave pay at any time during the year, for the period you had a dependent spouse, work out the number of days that **neither** of you were eligible for FTB Part B or received parental leave pay. Multiply this number by \$6.43. Write the amount at (b).

\$ (b)

If you or your spouse were eligible for FTB Part B at a shared-care rate at any time during the year, work through (p) to (s) below for the period you had a dependent spouse. (If your FTB shared-care percentage changed during the year, work through (p) to (s) for each period it was different.)

Work out the number of days that you or your spouse was eligible for FTB Part B at a shared-care rate and write the answer at (p).

(p)

Multiply the number of days from (p) by \$6.43 and write the answer at (q).

\$ (q)

Take your FTB shared-care percentage away from 100% and write the answer at (r).

% (r)

Multiply the amount from (q) by the percentage from (r) and write the answer at (s).

\$ (s)

Write the amount from (s) at (c). If your FTB shared-care percentage changed during the year, add up the amounts from (s) and write the total at (c).

\$ (c)

Add (a), (b) and (c). Write the answer at (d).

The amount at (d) is your maximum dependent spouse tax offset. It cannot be more than \$2,355.

\$ (d)

If your spouse's ATI for the period you are claiming the spouse tax offset was less than \$286, the amount at (d) is your spouse tax offset. Write this amount at (f) and go to step 2.

If your spouse's ATI was \$286 or more for the period you are claiming a spouse tax offset, deduct \$282 from their ATI and divide the remaining amount by 4. Round this down to the nearest dollar.

\$ (e)

Write the answer at (e).

Take (e) away from (d). Write the answer at (f).

\$ (f)

T1 Spouse (without dependent child or student), child-housekeeper or housekeeper

2 The amount at (f) is your dependent spouse tax offset. Write this amount at **P** item **T1**.

3 Print **S** in the **CLAIM TYPE** box at the right of **P** item **T1**.

4 Did you have more than one dependent spouse during the income year?

No You have finished this question. Go to question **T2**.

Yes Read on.

5 Did you have a dependent spouse born on or before 30 June 1971?

No Print **N** in the box to the right of 'Did you have a dependent spouse born on or before 30 June 1971?'

Yes Print **Y** in the box to the right of 'Did you have a dependent spouse born on or before 30 June 1971?'

You have now finished this question. Go to question **T2**.

Claiming the offset if you used the online instructions or calculator

6 The amount you worked out using the online instructions or calculator is your tax offset. If you are claiming multiple tax offsets at this question, add the amounts together.

Write this amount at **P** item **T1**.

7 Using the table below, print the appropriate code letter for the tax offset you are claiming in the **CLAIM TYPE** box at the right of **P** item **T1**:

W	Housekeeper or child-housekeeper tax offset, with no dependent child or student
H	Housekeeper or child-housekeeper tax offset, with a dependent child or student
C	Dependent spouse tax offset for part of the year and a child-housekeeper tax offset for another part of the year or Dependent spouse tax offset (for an invalid spouse) and a housekeeper tax offset for the same period

T2

Senior Australians (includes age pensioners, service pensioners and self-funded retirees)

You can claim the senior Australians tax offset only if you meet certain conditions relating to:

- age
- income, and
- eligibility for Australian Government pensions.

You cannot claim this tax offset if you were in jail for the whole of 2011–12.

If you have a spouse:

- you also need to work out whether they were eligible
- you may not get the senior Australians tax offset even if you meet all the eligibility conditions as the amount of the tax offset is based on your individual rebate income, not your combined rebate income.

For the meaning of spouse, see **Definitions** on page 74.

Answering this question

Condition 1 – Age

On 30 June 2012, were you:

For males

Aged 65 years old
or older?

or

A veteran or war widower,
aged 60 years old or
older who met the veteran
pension age test?

For females

Aged 64 years and
6 months old or older?

or

a veteran or war widow,
aged 59 years and
6 months old or older,
who met the veteran
pension age test?

To find out whether you meet the 'veteran pension age test', see **Definitions** on page 75.

No You are not eligible for this tax offset. Go to question **T3**.

Yes You meet **condition 1**. Read on.

Condition 2 – Income

You must work out your rebate income to answer this question. You can use the worksheet on page 74, or go to ato.gov.au/instructions2012 and use our Income tests calculator.

Did any of the following apply to you in 2011–12?

- You did not have a spouse, and your rebate income was less than \$48,525.
- You had a spouse, and the combined rebate income of you and your spouse was less than \$78,992.
- At any time during the year you and your spouse had to live apart due to illness or because one of you was in a nursing home, and the combined rebate income of you and your spouse was less than \$91,840.

No You are not eligible for this tax offset. Go to question **T3**.

Yes You meet **condition 2**. Read on.

Condition 3 – Eligibility for Australian Government pensions and similar payments

Did any of the following apply to you in 2011–12?

- A** You received an Australian Government age pension from Centrelink, or a pension, allowance or benefit from the Department of Veterans' Affairs (DVA) at any time during 2011–12.
- B** You were eligible for an Australian Government age pension during 2011–12 but did not receive it:
 - because you did not make a claim, or because of the application of the income test or the assets test

and

T2 Senior Australians (includes age pensioners, service pensioners and self-funded retirees)

- you satisfy one of the following:
 - you have been an Australian resident for age-pension purposes for 10 years or more, of which at least five years were continuous
 - you have a qualifying residence exemption because you arrived in Australia as a refugee or under a special humanitarian program
 - you are a woman who was widowed in Australia (at a time when both you and your late partner were Australian residents), you have made a claim for the age pension and you had two years residence immediately before your claim
 - you received a widow B pension, widow allowance, mature age allowance or partner allowance immediately before turning age-pension age
 - you would qualify under an international social security agreement.

If you are not sure whether you were eligible for a payment, phone Centrelink on **13 23 00**.

- C** You were eligible for a pension, allowance or benefit from Veterans' Affairs during 2011–12 but did not receive it:
- because you did not make a claim, or because of the application of the income test or the assets test, and
 - you satisfy either of the following
 - you are a veteran with eligible war service, or
 - you are a Commonwealth veteran, allied veteran or allied mariner with qualifying service.

If you are not sure whether you were eligible for a payment, go to the Department of Veteran Affairs website or phone Veterans' Affairs.

No You are not eligible for this tax offset.
Go to question **T3**.

Yes You meet **condition 3**. Read on.

Completing your tax return

- 1** Use the table below to work out which code letters apply to your circumstances. More than one code letter may apply.

Senior Australians tax offset code letters	
At any time during 2011–12, you were single, separated or widowed	A
You and your spouse: <ul style="list-style-type: none"> ■ were both eligible for the senior Australians tax offset, and ■ at any time in 2011–12, 'had to live apart due to illness'* or lived apart because one of you was in a nursing home 	B
<ul style="list-style-type: none"> ■ Your spouse was not eligible for the senior Australians tax offset, and ■ at any time in 2011–12 you and your spouse 'had to live apart due to illness'* or lived apart because one of you was in a nursing home 	C
You and your spouse: <ul style="list-style-type: none"> ■ lived together, and ■ were both eligible for the senior Australians tax offset 	D
You and your spouse lived together, and your spouse was not eligible for the senior Australians tax offset	E

* **Had to live apart due to illness** refers to situations where you and your spouse did not live together because one or both of you have an indefinitely continuing illness or infirmity and, as a result your combined living expenses were increased.

T2 Senior Australians (includes age pensioners, service pensioners and self-funded retirees)

Did more than one code letter apply?

No Go to step 2.

Yes If one of the circumstances in the table below applied to you use the relevant code.

Otherwise use the first code letter in the table on the previous page that applied to you.

If both A and B applied, and your spouse's rebate income was less than \$18,334, use	B
If both A and C applied, and your spouse received an Australian Government payment listed at question 6 Australian Government pensions and allowances , and your spouse's rebate income was less than \$22,767 use	C
If both A and D applied, and your spouse's rebate income was less than \$12,494, use	D
If both A and E applied, and your spouse received an Australian Government payment listed at question 6 Australian Government pensions and allowances , and your spouse's rebate income was less than \$15,180 use	E

2 Print your code letter in the **TAX OFFSET CODE** box at **N** item **T2**, then read on.

We will work out the amount of your tax offset.

3

Are you or your spouse a veteran, war widow or war widower?

No Go to step 4.

Yes Read on.

Use the table below to work out which code letter applies to your circumstances.

Veteran code letters	
You were a veteran, war widow or war widower	V
Your spouse was a veteran, war widow or war widower	W
Both V and W apply	X

Print the code letter in the **VETERAN CODE** box at **Y** item **T2**, then read on.

4

If your senior Australians tax offset code letter is **A**, go to question **T4**.

If your senior Australians tax offset code letter is **B**, **C**, **D** or **E**, you must complete **Spouse details – married or de facto** on pages 9–11 of your tax return.

Any unused portion of tax offset

If you are eligible for the senior Australians tax offset and your spouse is eligible for either the senior Australians tax offset or pensioner tax offset, and one of you does not fully use your tax offset, the unused portion may be available for transfer to the other person. We will work this out automatically and transfer any entitlement.

T3

Pensioner

Did you show an Australian Government pension or allowance at item 6 on your tax return?

No Go to question **T4**.

Yes Read on.

Have you claimed a tax offset at item T2?

Yes You cannot claim a tax offset here. Go to question **T4**.

No Read on.

Completing your tax return

- 1 Work out which of the following code letters applied to your circumstances.

Pensioner tax offset code letters

	You received your pension or allowance from:	
At any time during 2011–12:	Centrelink	Veterans' Affairs
■ you were single, widowed or separated, use	S	L
■ you and your spouse lived together, use	P	M
■ you and your spouse 'had to live apart due to illness'* or you lived apart because one of you was in a nursing home, use	I	A
If more than one code letter applies:		
If both P and I apply to you, use	I	
If S, P and I all apply to you, use	J	
If both S and I apply to you, use	J	
If both S and P apply to you, use	Q	
If both M and A apply to you, use		A
If L, M and A all apply to you, use		K
If both L and A apply to you, use		K
If both L and M apply to you, use		R

* **Had to live apart due to illness** refers to situations in which you were paid a pension at a higher rate because you and your spouse did not live together in your home due to illness. If you are not sure, check with Centrelink or the Department of Veterans' Affairs.

- 2 Print your pensioner tax offset code letter in the **TAX OFFSET CODE** box at **O** item **T3**.

We will work out the amount of your tax offset. If you want to work it out, go to ato.gov.au/instructions2012 and use the Senior Australians and pensioner tax offset calculator.

- 3 If you or your spouse were a veteran, war widow or war widower, you need to work out your veteran code. Select the code letter that applies to you.

Veteran code letters	
If you were a veteran, war widow or war widower, use	V
If your spouse was a veteran, war widow or war widower, use	W
If both V and W apply to you, use	X

If a veteran code letter applies to you, print the code letter in the **VETERAN CODE** box at **T** item **T3**. Otherwise, leave it blank.

- 4 You must read pages 63–8 and, where applicable, complete Income tests items **IT1**, **IT2**, **IT5** and **IT6**.

- 5 If your pensioner tax offset code letter was **S** or **L**, go to question **T4**.

If your pensioner tax offset code letter was **P**, **Q**, **I**, **J**, **M**, **R**, **A** or **K**, you must complete **Spouse details – married or de facto** on pages 9–11 of your tax return.

Any unused portion of your tax offset may be available for transfer to your spouse. We will work this out automatically and transfer any entitlement.

T4

Australian superannuation income stream

Have you shown income from an Australian superannuation income stream at item 7 on your tax return?

No Go to question **T5**.

Yes You may be entitled to a tax offset. Read on.

If you have shown income from an Australian superannuation income stream at item **7** on your tax return, you may be entitled to a tax offset equal to:

- 15% of the taxed element, or
- 10% of the untaxed element of your superannuation income stream benefit.

Answering this question

The tax offset amount will be shown on your *PAYG payment summary – superannuation income stream*. If you have not received it, or you disagree with the amount shown on it, contact your payer.

- If your payment summary does not show the tax offset amount, you must go to **ato.gov.au/instructions2012** and read question **T4** to calculate the offset.

Completing your tax return

- 1 Add up the tax offsets shown on your payment summaries.
- 2 Write the total at **S** item **T4**.

T5

Private health insurance

You can claim a private health insurance tax offset if you paid a premium for a complying private health insurance policy or your employer paid this premium on your behalf.

Did you, or your employer on your behalf, pay a premium for a complying private health insurance policy?

Your health insurer can tell you whether your policy is a complying health insurance policy.

Your policy must be provided by a registered health insurer and provide:

- hospital cover, or
- general (also known as 'extras') cover, or
- combined hospital and general cover.

No Go to question **T6**.

Yes Read on.

Completing your tax return

- 1 Add up all the amounts shown at **G** on your statements.
- 2 Deduct any cash or cheque rebates you received from Medicare for your private health insurance premiums.
- 3 If the amount you worked out at step 2 is:
 - zero or a negative amount, you have already received your full entitlement
 - a positive amount, that is your tax offset.

If you and another person paid premiums jointly, you can each claim your share of that positive amount.

Write the amount of your claim at **G** item **T5**.

Answering this question

Your registered health insurer must send you a statement. If you did not receive a statement, contact your insurer.

Check the statements from all of the health insurers you paid premiums to. If the amounts at **G** on your statements are \$0, you have already received your full entitlement and you do not need to complete this item. Go to **Tax offsets from the supplementary section of your tax return**.

If you have an amount greater than \$0 at **G**, read on.

You will need to calculate the tax offset for this period yourself if:

- you cannot get a statement from your health insurer, or
- your statement shows the amount you actually paid is different to the amount you were expected to pay (for example, you did not make one of the expected payments).

To do this you must go to ato.gov.au/instructions2012 and read question T5 to work out your claim.

T6

Education tax refund

The Government announced in the 2012 Budget that the education tax refund (ETR) would be replaced by a new payment called the Schoolkids Bonus. You cannot claim the ETR for expenses incurred in 2011–12, or any excess eligible expenses you carried forward from the previous year.

Transitional arrangements provided for the Department of Human Services to make a one-off payment to eligible families in June 2012. If you think you are eligible and have not received this payment, contact the Department of Human Services.

For more information about the changes to ETR, including how to claim the ETR for prior years, go to ato.gov.au/instructions2012 and read question T6.

From 1 January 2013, you may be eligible for the Schoolkids Bonus. For more information go to humanservices.gov.au

Go to **Tax offsets from the supplementary section of your tax return.**

Tax offsets from the supplementary section of your tax return

Are you entitled to any tax offsets that are shown on the supplementary section of your tax return?

If you are unsure, read **Will you need *Individual tax return instructions supplement 2012?*** on page 3.

No Go to **Total tax offsets.**

Yes You must complete the relevant tax offset questions on the *Tax return for individuals (supplementary section) 2012*, then read on.

Completing your tax return

- 1 Transfer the amount you wrote at **TOTAL SUPPLEMENT TAX OFFSETS** on page 16 of your tax return (supplementary section) to **T** on page 5 of your tax return.

Adjustments from the supplementary section of your tax return

Completing your tax return

Did you receive a distribution during 2011–12 on which family trust distribution tax has been paid?

Yes Read question **A4** on page s43 in *Individual tax return instructions supplement 2012*. You may be entitled to an adjustment.

No Read on.

Did you make a payment to us more than 14 days before the due date for payment?

Yes Read question **C1** on page s44 in *Individual tax return instructions supplement 2012*. You may be able to claim credit for interest on early payments.

No Go to **Private health insurance policy details**.

Total tax offsets

Completing your tax return

1 Add up all the tax offset amounts you claimed at items **T1**, **T4**, **T5** and **T** on your tax return. (We work out the amounts at items **T2** and **T3** automatically.)

If you did not claim any tax offsets in the *Tax return for individuals (supplementary section) 2012* you will not have an amount at **T**.

2 Write the total at **TOTAL TAX OFFSETS** on page 5 of your tax return.

Mature age worker tax offset

If you were an Australian resident 55 years old or older on 30 June 2012 and you have received certain income from working, you may be eligible for the mature age worker tax offset.

You may need to complete item **T12 Net income from working – supplementary section** so we can work out your mature age worker tax offset entitlement. To work out whether you need to complete this item, go to ato.gov.au/instructions2012 and read question T12.

Private health insurance policy details

You must complete this item if you claimed a tax offset at item **T5 Private health insurance** or you were directed to provide this information at question **M2 Medicare levy surcharge**.

Did you have private health insurance at any time from 1 July 2011 to 30 June 2012?

No Go to question **M1**.

Yes Read on.

Answering this question

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

You may have been covered by a family policy even though you or your employer did not pay the premium. Show the type of cover you had under that policy at this item.

You can download your private health insurance details online any time using the pre-filling service in *e-tax*. Go to ato.gov.au/etaxprefilling

Completing your tax return

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

If you had more than three policies during the year, you will need to provide additional information. You must go to ato.gov.au/instructions2012 and read Private health insurance policy details for further instructions.

- 1 Print the identification code of each of your health insurers at **B Health insurer ID** on page 6 of your tax return.
- 2 Write each of your private health insurance membership numbers at **C Membership number**.
- 3 In the **Type of cover** box, print the code letter from each of your statements.

Type of cover	Code letter
Combined hospital and general cover	C
General cover (also known as 'extras')	A
Hospital cover	H

If you changed the level of cover during the year, print the code letter for the highest level of cover you had.

M1

Medicare levy reduction or exemption

Australian residents for tax purposes are subject to a Medicare levy of 1.5% of their taxable income unless they qualify for a reduction or exemption.

If you were not an Australian resident for tax purposes for all of 2011–12, you are exempt from the Medicare levy. Claim your exemption at Part B of this question.

For the meaning of Australian resident for tax purposes, see **Definitions** on page 71.

A Medicare levy reduction is based on your taxable income. A Medicare levy exemption is based on specific categories. You need to consider your eligibility for a reduction or an exemption separately.

Part A – Medicare levy reduction

Answering this question

Your eligibility for a Medicare levy reduction is based on your taxable income, your spouse's taxable income and the number of dependent children you have.

Your taxable income must be equal to or less than the relevant upper threshold in **table 1** for you to qualify for a reduction. If your taxable income is below the relevant lower threshold, you do not pay the Medicare levy.

We will work out any reduction for you.

Table 1

	Individual taxable income thresholds		
	Eligible for Senior Australian Tax Offset	Eligible for Pensioner tax offset	All other taxpayers
Lower	\$30,685	\$30,451*	\$19,404*
Upper	\$36,100	\$35,824*	\$22,828*

*At the time of printing *Individual tax return instructions 2012* this amount had not become law.

If you were single and you had no dependent children during the income year, go to **Part B – Medicare levy exemption**.

A dependent child is any child who was an Australian resident whom you maintained in 2011–12 and whose adjusted taxable income was less than the relevant ATI amount. For the meaning of dependent child, see **Definitions** on page 72.

Reductions based on family income

Family taxable income is the combined taxable incomes of you and your spouse (including a spouse who died during the year), or your taxable income if you were a sole parent with a dependent child or dependent children.

Your family taxable income must be equal to or less than the following limits for you to qualify for a reduction:

Table 2

Family taxable income limit	
Eligible for Senior Australian Tax Offset	All other taxpayers
\$52,352	\$38,521*
Plus \$3,538 for each dependent child	

* At the time of printing *Individual tax return instructions 2012* this amount had not become law.

If you were between 55 and 59 years old and received a superannuation lump sum, go to **ato.gov.au/instructions2012** and read question M1 for more information on how this affects your taxable income, or family taxable income.

Is your family taxable income below the relevant limit?

- No** You do not qualify for a Medicare levy reduction based on family taxable income. Read **Part B – Medicare levy exemption** to see if you qualify for an exemption.
- Yes** Go to step 1.

Completing your tax return

- Write the number of your dependent children at **Y item M1**.
- Read **Part B – Medicare levy exemption** to see if you qualify for an exemption.

Part B – Medicare levy exemption

Answering this question

You may qualify for an exemption from paying the Medicare levy if you were in any of the following three exemption categories at any time in 2011–12:

- medical
- foreign residents and residents of Norfolk Island
- not entitled to Medicare benefits.

If you do not fit into one of the exemption categories, leave **V** and **W** item **M1** blank and go to question **M2**.

For the meaning of dependant and maintaining a dependant, see **Definitions** on page 72–3.

Category 1: Medical

In 2011–12, did one of the following circumstances apply to you?

- you were a blind pensioner
- you received sickness allowance from Centrelink
- you were entitled to full free medical treatment for all conditions under defence force arrangements or Veterans' Affairs Repatriation Health Card (Gold Card) or repatriation arrangements

No You do not qualify for an exemption under **Category 1**. Go to **Category 2**.

Yes Read on.

During the period the **Category 1** circumstance applied to you, you must also meet one of the following conditions:

Condition	Exemption that applies
You had no dependants.	Full
Each of your dependants (including your spouse if you had one) either: <ul style="list-style-type: none"> ■ was in one of the exemption categories, or ■ had to pay the Medicare levy. 	Full

Condition	Exemption that applies
You had dependent children who were not in an exemption category but who were also dependants of your spouse, and your spouse either: <ul style="list-style-type: none"> ■ had to pay the Medicare levy, or ■ met at least one of the Category 1 circumstances and you have completed a family agreement (see Definitions on page 72) stating that your spouse will pay the half levy for your joint dependants. 	Full
You had at least one dependant (for example, a spouse) who: <ul style="list-style-type: none"> ■ was not in an exemption category, and ■ did not have to pay the Medicare levy 	Half
You were single or separated and you: <ul style="list-style-type: none"> ■ had a dependent child who was not in a Medicare levy exemption category, and ■ were entitled to FTB Part A or the rental assistance component of FTB Part A for that child, and ■ were in a shared-care arrangement. <p>Then exemption from the Medicare levy is on the following basis:</p> <ul style="list-style-type: none"> ■ for the days that you had care of your dependent child ■ for the days that you did not have care of your dependent child 	Half Full
You had a spouse who met at least one of the Category 1 circumstances and you had a dependent child who: <ul style="list-style-type: none"> ■ was not in an exemption category, and ■ was dependent on both of you. <p>In this case, either you or your spouse can claim a full exemption and the other can claim a half exemption by completing a family agreement (see Definitions on page 72).</p>	Full or Half

Do you qualify for a Category 1 exemption for all or any of the income year?

- No** You do not qualify for a Medicare levy exemption under **Category 1**. Go to **Category 2**.
- Yes** You qualify for a Medicare levy exemption for that period. Go to **Completing your tax return – Medicare levy exemption**.

Category 2: Foreign residents and residents of Norfolk Island

Were you a foreign resident for tax purposes or a resident of Norfolk Island at any time during 2011–12?

- No** You do not qualify for a Medicare levy exemption under **Category 2**. Go to **Category 3**.
- Yes** Read on.

If you were a foreign resident for tax purposes or a resident of Norfolk Island for all of 2011–12, you can claim a full exemption for the year (366 days).

If you were a foreign resident for tax purposes or a resident of Norfolk Island for only part of the year, you can claim a full exemption for that period if:

- you did not have any dependants for that period, or
- all your dependants were in an exemption category for that period.

Go to **Completing your tax return – Medicare levy exemption**.

Category 3: Not entitled to Medicare benefits

In 2011–12:

- did you have a Medicare levy exemption certificate because you were a temporary resident for Medicare purposes, or
- were you a member of a diplomatic mission or consular post in Australia (or a member of such person's family and you were living with them) and
 - you do not ordinarily live in Australia, and
 - you were not an Australian citizen

and

- you did not have any dependants for that period, or
- all your dependants were in an exemption category for that period?

No You do not qualify for a Medicare levy exemption under **Category 3**. Leave **V** and **W** item **M1** blank. You have now finished this question. Go to question **M2**.

Yes You qualify for a full exemption. Read on.

Completing your tax return – Medicare levy exemption

- 1** Work out the number of days for which you can claim a full exemption and the number of days for which you can claim a half exemption.

The maximum number of days you can claim is 366. If you have overlapping qualifying periods, count the days in those overlapping periods only once. If a full exemption period overlaps a half exemption period, count the overlapping days as a full exemption period.

- 2** Write the number of days you qualify for a full exemption at **V** item **M1**.

Write the number of days you qualify for a half exemption at **W** item **M1**.

If you were a temporary resident for Medicare purposes and have a certificate from the Medicare Levy Exemption Certification Unit of Medicare Australia (see category 3) print **C** in the **CLAIM TYPE** box. Otherwise leave the **CLAIM TYPE** box blank.

We will work out your exemption entitlement.

M2

Medicare levy surcharge

This question is compulsory.

You may have to pay the Medicare levy surcharge (MLS) if you or your dependants (including your spouse, even if they had their own income) did not have an appropriate level of private patient hospital cover for the whole of 2011–12 and your income for MLS purposes was above a certain amount.

Your health insurer must give you a statement showing the number of days that you and all your dependants had appropriate cover in 2011–12. If you do not have this statement, or are not sure if you had an appropriate level of private patient hospital cover, contact your health insurer.

Dependants

For this question, your dependants (regardless of their income) are your:

- spouse
- children under 21 years old
- children under 25 years old who are full-time students.

Your dependants must have been Australian residents for tax purposes in 2011–12 and you must have contributed to their maintenance. For the meaning of maintaining a dependant and Australian resident for tax purposes, see **Definitions** on pages 71 and 73.

Did you and all your dependants have an ‘appropriate level of private patient hospital cover’ for the whole of 2011–12?

Yes Print **X** in the **Yes** box at **E** item **M2**. You have finished this question.

Make sure you complete **Private health insurance policy details**.

No Print **X** in the **No** box at **E**. Read on.

Answering this question

Medicare levy surcharge exemptions

You are exempt from MLS for the whole of 2011–12 if you fit into one of the following categories which depend on your circumstances and your income for MLS purposes.

To work out your income for MLS purposes use **worksheet 1** on page 55, or you can go to **ato.gov.au/instructions2012** and use the Income for (Medicare levy) surcharge purposes calculator.

Table 1

Exemption categories

You and all your dependants were in a Medicare levy exemption category for the whole of 2011–12 (see question **M1**).

You were **single** for the whole of 2011–12, and:

- for the whole of 2011–12 you did not have a dependent child, and
- your income for MLS purposes was **\$80,000 or less**.

You were **single** for the whole of 2011–12, and:

- you had a dependent child for all of 2011–2012, and
- your income for MLS purposes was **\$160,000 or less** (plus \$1,500 for each dependent child after the first).

You were **single** for part of 2011–12, and:

- for the whole of 2011–12 you did not have a dependent child
- your **spouse** did not die during the year, and
- your income for MLS purposes was **\$80,000 or less**.

You had a **spouse** (with or without dependent children) for the whole of 2011–12, and your combined income for MLS purposes was:

- **\$160,000 or less** (plus \$1,500 for each dependent child after the first), or
- greater than \$160,000 (plus \$1,500 for each dependent child after the first) but your own income for MLS purposes was \$19,404 or less.

If you had a spouse on 1 July 2011, your spouse died during 2011–12 and you did not have another spouse before the end of the year, assume that you had a spouse for the whole of 2011–12 when you work out your MLS income.

> You must go to **ato.gov.au/instructions2012** and read question M2 if you did not fit into any of the categories in **table 1** on page 53 and:

- you were single for part of the year
- you were widowed during the year
- you became or ceased to be a sole parent
- you or any of your dependants were covered for only part of the year, or
- you are an overseas visitor with health cover.

Completing your tax return

1 If you had private patient hospital cover for any part of the year, you must complete **Private health insurance policy details** on page 49 and then read on.

If you and all your dependants had an appropriate level of private patient hospital cover for the whole of 2011–12, print **X** in the **Yes** box at **E item M2**. You have now finished this question.

If you or any of your dependants did not have private patient hospital cover or only had cover for part of the year, print **X** in the **No** box at the right of **E item M2**.

Go to step 2.

2 If you were in an exemption category (see **table 1** on page 53) for the whole of 2011–12, print **X** in the **Yes** box to the left of 'You do not have to pay the surcharge' and write **366** at **A item M2**. You have now finished this question. Go to **Flood levy exemption**.

If you were not in an exemption category, print **X** in the **No** box to the left of 'You may have to pay the surcharge' and read on.

3 Write at **A item M2** the number of **days for which you do not have to pay MLS**.

If you do **not** have to pay MLS for any days during the period 1 July 2011 to 30 June 2012, write **366** at **A item M2**.

If you have to pay MLS for:

- the whole period 1 July 2011 to 30 June 2012, write **0** at **A item M2**
- part of the period 1 July 2011 to 30 June 2012, write the number of **days for which you do not have to pay MLS** at **A item M2**.

Write the number of dependent children you had during 2011–12 at **D item M2**.

Make sure you complete:

- **Income tests IT1, IT2, IT5 and IT6** on page 8 of your tax return, and
- **Spouse details** if you had a spouse during the year, on pages 9–11 of your tax return.

Working out income for MLS purposes

Complete **worksheet 1** on page 55 to work out your income and your spouse's income (if you had one during the year) for MLS purposes. You can also go to **ato.gov.au/instructions2012** and use the Income for (Medicare levy) surcharge purposes calculator.

If you or your spouse received exempt foreign employment income, add it to taxable income at (a).

Worksheet 1

	You	Spouse
Taxable income (from TAXABLE INCOME OR LOSS)	\$ <input type="text"/> (a)	\$ <input type="text"/> (a)
Total reportable fringe benefits amount (from W item IT1)	\$ <input type="text"/> (b)	\$ <input type="text"/> (b)
Amount on which family trust distribution tax has been paid (from X item A4 supplementary section)	\$ <input type="text"/> (c)	\$ <input type="text"/> (c)
Net financial investment loss (from X item IT5)	\$ <input type="text"/> (d)	\$ <input type="text"/> (d)
Net rental property loss (from Y item IT6)	\$ <input type="text"/> (e)	\$ <input type="text"/> (e)
Reportable employer superannuation contributions (from T item IT2)	\$ <input type="text"/> (f)	\$ <input type="text"/> (f)
Deductible personal superannuation contributions (from H item D12 supplementary section)	\$ <input type="text"/> (g)	\$ <input type="text"/> (g)
Your spouse's share of the net income of a trust on which the trustee must pay tax and which has not been included at (a) (from T Spouse details)		\$ <input type="text"/> (h)
Add the amounts from (a) to (h) in each column.	\$ <input type="text"/> (j)	\$ <input type="text"/> (j)
If you or your spouse were 55 to 59 years old, write here the taxed element amount of superannuation lump sums (other than a death benefit) received during 2011–12 that do not exceed your or your spouse's low rate cap. To work out the taxed element, you must go to ato.gov.au/instructions2012 and read question M2.	\$ <input type="text"/> (k)	\$ <input type="text"/> (k)
Take (k) away from (j). This is each individual's income for MLS purposes.	\$ <input type="text"/> (l)	\$ <input type="text"/> (l)
Add the amount from (l) in your column to the amount from (l) in your spouse's column.		\$ <input type="text"/> (n)
Your income for MLS purposes when you are single is the amount at (l) in your column.		
Your combined income for MLS purposes is the amount at (n).		

If your spouse received a lump sum payment in arrears which is either foreign income (shown at item **20**) or other income (shown at item **24**), you must complete a schedule of additional information. You must go to **ato.gov.au/instructions2012** and read question M2 to find out how to complete the schedule.

Flood levy exemption

This is a new question.

You must complete this item if you are eligible to claim an exemption from paying the flood levy.

A temporary one-year flood levy applies to your taxable income for the 2011–12 income year.

If your taxable income is:

- from \$50,001 to \$100,000 then the levy is 0.5% of any taxable income over \$50,000
- more than \$100,000 then the levy is \$250 plus 1.0% of any taxable income over \$100,000.

No flood levy is payable if:

- your taxable income is less than \$50,001, or
- an exemption applies to you because you, a child you principally care for, or an immediate family member were affected by a natural disaster in the 2010–11 or 2011–12 income year.

We will work out your flood levy and include it on your notice of assessment.

Were you, or a child you principally care for, or an immediate family member* affected by a natural disaster in 2010–11 or 2011–12?

* An immediate family member for the purposes of the flood levy exemption is your spouse, child, parent, brother, sister or legal guardian, who was an Australian citizen.

No Leave item **F** blank on your tax return. We will work out your flood levy and include it on your notice of assessment. Go to question **A1**.

Yes Read on.

Completing your tax return

1

Were you eligible for an Australian Government Disaster Recovery Payment for a natural disaster and received the payment by 30 June 2012?

Yes You are exempt. Go to step 7.

No Read on.

2

Was a declaration made under the Natural Disaster Relief and Recovery Arrangements in relation to a disaster that occurred during the period 1 July 2010 to 30 June 2012 and that disaster:

- affected you or a child you principally care for **or**
- directly resulted in the death of a member of your immediate family?

Yes Go to step 3.

No Go to step 6.

3

Were both of the following conditions satisfied at the time of the disaster:

- you were at least 16 years old or were receiving a social security payment from Centrelink, and
- you were an **Australian resident for social security purposes**?

You are an **Australian resident for social security purposes** if you live in Australia and you:

- are an Australian citizen
- hold a permanent visa, or
- hold a protected special category visa (you were in Australia on 26 February 2001 or for 12 months in the two years prior to that date, or you were assessed as protected before 26 January 2004).

Yes Go to step 4.

No Go to step 6.

4 Did at least one of the following conditions apply?

- As a direct result of the declared natural disaster, your spouse, child, parent, brother, sister or legal guardian, who was an Australian citizen, died.
- As a result of the declared natural disaster your principal place of residence was without electricity, or water, or gas, or sewerage service, or another essential service for at least 48 hours.
- As a direct result of the declared natural disaster:
 - you were injured and were admitted to hospital because of the injury (or would have been admitted to hospital under normal circumstances)
 - you were unable to gain access to your principal place of residence for at least 24 hours
 - you were stranded in your principal place of residence for at least 24 hours, or
 - your principal place of residence was destroyed or sustained **major damage**.

Major damage means any the following:

- the residence is structurally unsound
- the interior of the residence is contaminated by sewerage
- at least one quarter of the interior of the residence is damaged
- at least one quarter of the interior of the residence is exposed to the elements.

Yes You are exempt. Go to step 7.

No Go to step 5.

5 Were you the principal carer of a dependent child under 16 years old who met any of the conditions listed at step 4?

Yes You are exempt. Go to step 7.

No Go to step 6.

6 Are you a New Zealand citizen who was eligible for and received an ex-gratia payment from Centrelink for a natural disaster that occurred in the period 1 July 2010 to 30 June 2012?

Yes You are exempt. Go to step 7.

No Leave item **F** blank on your tax return. We will work out your flood levy and include it on your notice of assessment. Go to question **A1**.

7 Print **X** in the box at the right of **F**.

You have now completed the flood levy exemption question. Go to question **A1**.

For more information about the flood levy and natural disasters, you can go to ato.gov.au/floodlevy

A1

Under 18

If you were under 18 years old on 30 June 2012, you must complete this item or you may be taxed at a higher rate than necessary.

Were you under 18 years old on 30 June 2012?

- No** Go to question **A2**.
Yes Read on.

Answering this question

Did any of the following categories apply to you?

On **30 June 2012** you were:

- working full time or had worked full time for three months or more in 2011–12 (ignoring full-time work that was followed by full-time study), and were intending to
 - work full time for most or all of 2012–13, and
 - not study full time in 2012–13
- entitled to a disability support pension or someone was entitled to a carer allowance to care for you
- permanently blind
- disabled and were likely to suffer from that disability permanently or for an extended period
- entitled to a double orphan pension, and you received little or no financial support from your relatives
- unable to work full time because of a permanent mental or physical disability, and you received little or no financial support from your relatives
- the main beneficiary of a special disability trust.

- No** Go to step 2.
Yes Read on.

Completing your tax return

- 1** Write **0** at **J** item **A1**. Then print the code letter **A** in the **TYPE** box at the right of **J**.

You have now finished this question. Go to question **A2**.

- 2** Add up any of the following income amounts which you have shown on your tax return:
- employment income
 - taxable pensions or payments from Centrelink or the Department of Veterans' Affairs
 - a compensation, superannuation or pension fund benefit
 - income from a deceased person's estate
 - income from property transferred to you as a result of another's death or family breakdown, or to satisfy a claim for damages for an injury you suffered
 - income from your own business
 - income from a partnership in which you were an active partner
 - net capital gains from the disposal of any of the property or investments referred to above
 - income from investment of amounts referred to above.

- 3** Add up all your deductions that relate to the income from step 2 (see the **Deductions** section on pages 24–36). Take away the total of those deductions from the total income you worked out at step 2.

- 4** Write the amount from step 3 at **J** item **A1**.
If you do not have any of the income listed at step 2, or the amount from step 3 is nil, write **0** at **J** item **A1**.

- 5** Print the code letter **M** in the **TYPE** box at the right of **J** item **A1**.

If the amount from step 4 included income from primary production, you will need to provide a schedule of additional information. You must go to ato.gov.au/instructions2012 and read question A1 to find out how to complete the schedule.

A2

Part-year tax-free threshold

In 2011–12 did you:

- become an Australian resident for tax purposes, or
- stop being an Australian resident for tax purposes?

No Go to question **A3**.

Yes Read on.

Answering this question

If you are not sure whether you are an Australian resident for tax purposes, see **Definitions** on page 71.

Completing your tax return

If you became an Australian resident for tax purposes in 2011–12

- 1 Write the date you became an Australian resident for tax purposes in the **Date** box at item **A2**.
- 2 Write at **N** the number of months that you were an Australian resident for tax purposes up to 30 June 2012, counting the first month during which you became a resident. For example, if you became a resident for tax purposes in November 2011 and remained a resident for the rest of the income year, you would write 8.

If you stopped being an Australian resident for tax purposes in 2011–12

- 1 Write the date you stopped being an Australian resident for tax purposes in the **Date** box.
- 2 Write at **N** the number of months from 1 July 2011 to when you stopped being an Australian resident for tax purposes, counting the month in which you stopped being a resident. For example, if you stopped being a resident for tax purposes in September 2011, you would write 3.

A3

Super co-contribution

You need to answer this question if:

- you made an eligible personal super contribution (for which you are not claiming a deduction) to a complying super fund or retirement savings account
- you were under 71 years old on 30 June 2012, and
- your taxable income for 2011–12 was less than \$61,920.

Did all these apply to you?

No You are not entitled to a super co-contribution. Go to **Income tests**.

Yes Read on.

Answering this question

Did you have income from any of the following, which you show on the supplementary section of your tax return?

- Deposits or repayments from the farm management deposits scheme (item **17**)
- Foreign entity income (item **19**)
- Bonuses from life insurance companies or friendly societies (item **22**)
- Forestry managed investment scheme income (item **23**) or deductions (item **D15**)
- Other income (item **24**)

For information on these types of income, go to ato.gov.au/instructions2012

No Go to **Completing your tax return** on the next page.

Yes You must complete the *Individual tax return instructions supplement 2012* before you answer this question.

You must use the *Super co-contributions workbook 2012* (NAT 73495) to answer this question.

Go to ato.gov.au/instructions2012 to get a copy of these publications, then read on.

Completing your tax return

Do any of the following apply to you?

- You had income from a partnership shown at item **13** (supplementary section).
- You were in a joint income group and you have deductions for 2011–12 for any of the following joint income
 - interest you showed at item **10**
 - dividends you showed at item **11**
 - distributions from trusts shown at **L**, **U** or **C** item **13** (supplementary section)
 - foreign source income shown at **E** or **F** item **20** (supplementary section)
 - rental income shown at **P** item **21** (supplementary section).

You were in a joint income group if you owned income-producing assets with another person or persons, for example, if you had a joint bank account or co-owned a rental property.

No Go to step 4.

Yes Read on.

1 Complete **worksheet 1**.

You will need to transfer amounts from your tax return.

Worksheet 1

Interest and dividend income	
Amount from L item 10	\$ <input type="text"/> (a)
Amount from S item 11	\$ <input type="text"/> (b)
Amount from T item 11	\$ <input type="text"/> (c)
Amount from U item 11	\$ <input type="text"/> (d)

Trust distributions (supplementary section)	
Amount from L item 13	\$ <input type="text"/> (e)
Amounts from U and C item 13	\$ <input type="text"/> (f)
Foreign source income (supplementary section)	
Amount from E item 20	\$ <input type="text"/> (g)
Amount from F item 20	\$ <input type="text"/> (h)
Rental income (supplementary section)	
Amount from P item 21	\$ <input type="text"/> (i)
Add all amounts from (a) to (i).	\$ <input type="text"/> (k)

Transfer the amount at (k) to (q) in **worksheet 3** then read on.

2

Were you in a joint income group in 2011–12?

No Go to step 3 and write **0** at (r) in **worksheet 3**.

Yes Complete **worksheet 2**.

Worksheet 2

For each joint income group you were in:

- write your share of income in column (l)
- write your share of deductions in column (m)
- write the **lesser amount** from columns (l) and (m) in column (n).

If you showed partnership distributions at item **13**, do not include them in **worksheet 2**.

Worksheet 2

Joint income group	(l) Income	(m) Deductions	(n) Lesser amount
	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
Add your lesser amounts.			\$ <input type="text"/> (p)

Transfer the amount at (p) to (r) in **worksheet 3**.

3 Complete **worksheet 3**.

Add all distributions of income from partnerships that you took into account in calculating the total amount shown at **N** and **O** item **13** of your tax return (supplementary section). Do not include your share of any partnership loss.

Write the amount at (t).

Worksheet 3

Amount from (k) in worksheet 1	\$ <input type="text"/>	(q)
Amount from (p) in worksheet 2	\$ <input type="text"/>	(r)
Take (r) away from (q).	\$ <input type="text"/>	(s)
Distributions of income worked out at step 3	\$ <input type="text"/>	(t)
Add (s) and (t).	\$ <input type="text"/>	(u)

Transfer the amount at (u) to **F** item **A3**. If (u) is zero, print **C** in the **CODE** box at **F**.

4

Did you show any 2011–12 employment income or business income on your tax return other than at any of the following items?

- **1, 2, 3, 4** (other than death benefits), **B** at item **12**, **IT1** or **IT2** on your tax return
- **P1** or **P8** on your *Business and professional items schedule for individuals 2012*

This may include foreign employment income you showed at **T** and **U** item **20**.

- Yes** Print the total of these amounts at (w) in **worksheet 4** on page 62 then go to step 5.
- No** Read on.

5

Did you receive a share of income from a partnership carrying on a business in which you were a partner? (Ignore any partnership losses distributed to you)

- Yes** Print the total of these amounts at (x) in **worksheet 4** on page 62 then go to step 6.
- No** Read on.

6

Did you show:

- income other than employment or business income, or
- employment or business income that related to another year

at any of the following items?

- **1,2,3,4** (other than death benefits), **B** at item **12**, **IT1** or **IT2** on your tax return
- **P1** or **P8** on your *Business and professional items schedule for individuals 2012*

This income may include:

- parental leave pay you received in 2011–12 after your employment ceased
- employment or business income you received in 2011–12 that relates to an earlier income year, such as back payments of salary, wages or unused leave paid as a lump sum.

Yes Print the total of these amounts at (z) in **worksheet 4** below and go to step 7.

No Read on.

8

Did you have business deductions in 2011–12 other than those you included in the deduction items at item **P8** in the *Business and professional items schedule for individuals 2012*?

Examples may include:

- your share of a partnership loss from a business that has been included in calculating the amount at **N** or **O** at item **13**
- deductions at **X** or **Y** at item **13** which relate to the partnership distribution
- personal service income deductions at item **P1** in the *Business and professional item schedule for individuals 2012* which relate to carrying on your business
- deductions you show at **D10** for costs involved in managing your business tax affairs as a sole trader or partnership business.

No Write **0** at **H** item **A3** and go to question **IT1**.

Yes Write the total amount of these deductions at **H** item **A3** and go to question **IT1**.

7

Complete **worksheet 4**.

Worksheet 4

Amount you worked out at step 4	\$ <input type="text"/>	(w)
Amount you worked out at step 5	\$ <input type="text"/>	(x)
Add (w) and (x).	\$ <input type="text"/>	(y)
Amount you worked out at step 6	\$ <input type="text"/>	(z)
Take (z) away from (y).	\$ <input type="text"/>	(aa)

Transfer the amount at (aa) to **G** item **A3**. If the amount is negative, print **L** in the **LOSS** box at **G**. Read on.

Income tests

You must read page 8 of your tax return to find out whether you need to complete this item.

We use income tests to work out whether you:

- can claim certain tax offsets
- can receive some government benefits or concessions
- must pay Medicare levy surcharge or have a HELP or SFSS repayment liability
- must pay tax.

We may also pass this information to other Government agencies such as Centrelink which will use the information to ensure you are receiving your full entitlement to Government benefits.

If you need more information on any of the income tests, go to ato.gov.au/instructions2012 and read the Income tests questions.

IT1

Total reportable fringe benefits amounts

Did you receive reportable fringe benefits amounts?

No Go to question IT2.

Yes Read on.

Completing your tax return

- 1 Add up all the reportable fringe benefits amounts shown on your payment summaries. If an amount is less than \$3,738, do not include it.
- 2 Write the total at **W** item **IT1**. If your total is less than \$3,738, leave **W** blank. Go to question **IT2**.

IT2

Reportable employer superannuation contributions

Did your employer make reportable employer superannuation contributions on your behalf?

No Go to question **IT3**.
Yes Read on.

These are additional to the compulsory contributions your employer must make. An example of a reportable employer superannuation contribution is a salary sacrificed amount.

If your payment summary shows a reportable employer superannuation contributions amount and you did not get your employer to make superannuation contributions in addition to their compulsory superannuation contributions, you should contact your employer before lodging your tax return to check the payment summary figure is correct.

If your employer has incorrectly calculated the reportable employer superannuation contributions amount – ask them to provide you with a revised payment summary showing the correct amount.

Completing your tax return

- 1 Add up the reportable employer superannuation contributions amounts shown on your payment summaries.
- 2 Write the total at **T** item **IT2**. Go to question **IT3**.

IT3

Tax-free government pensions or benefits for the purposes of the income tests

For a list of tax-free government pensions and benefits you include at this item, see **Definitions** on page 74.

Did you receive a tax-free government pension or benefit?

No Go to question **IT4**.
Yes Read on.

Do not include at this item any amounts you have already shown at questions **5**, **6** or **7**.

Completing your tax return

- 1 Add up the amount of tax-free pensions or benefits you received during 2011–12.
- 2 Write the total at **U** item **IT3**. Go to question **IT4**.

IT4

Target foreign income

Target foreign income is:

- any income earned, derived or received from sources outside Australia
- a periodical payment by way of gifts or allowances from a source outside Australia
- a periodical benefit by way of gifts or allowances from a source outside Australia

provided that amount has neither been included in your taxable income, nor received in the form of a fringe benefit.

You must include 'exempt foreign employment income' from **N** item **20** in your target foreign income total, but do not include any other amount that you show elsewhere on your tax return.

For more information about target foreign income, go to ato.gov.au/instructions2012 and read question IT4.

Did you receive any target foreign income?

- No** Go to question **IT5**.
Yes Read on.

Completing your tax return

Show all foreign income in Australian dollars.

- 1 Add up all your target foreign income for 2011–12.
- 2 Write the total at **V** item **IT4**. Go to question **IT5**.

IT5

Net financial investment loss

Did you receive income from, or claim deductions for:

- shares in a company
- an investment in a managed investment scheme, including a forestry managed investment scheme
- rights or options for shares or managed investment schemes
- distributions from a partnership that included income or losses from an investment listed above
- any investment that is of a similar nature to those listed above?

- No** Go to question **IT6**.
Yes Read on.

The loss you show at this item is the amount by which your deductions relating to your financial investments exceed your income from those investments.

When calculating your net financial investment loss, do not include interest from your everyday transaction accounts.

Managed investment schemes

The investment manager will be able to tell you whether your investment is a managed investment scheme.

Managed schemes include:

- cash management trusts
- property trusts
- Australian equity (share) trusts
- agricultural schemes (which include horticultural, aquaculture and commercial horse breeding schemes).

Investments that are **not managed investment schemes** include:

- regulated superannuation funds
- approved deposit funds
- debentures issued by a body corporate
- franchises
- schemes operated by an Australian bank in the ordinary course of banking business (such as term deposits).

Deductions

Deductions you can claim for an investment include expenses you pay to:

- borrow money to purchase an investment
- manage your investments
- obtain advice about changes in the mix of your investments.

For more information about Net financial investment loss, go to ato.gov.au/instructions2012 and read question IT5.

Completing your tax return

Complete **worksheet 1** below.

If you are a partner in one or more partnerships, add up your share of all net financial investment income and deduct your share of all net losses from the partnerships' financial investments. The statement of distribution from each partnership should show these amounts. Write the total at (p).

Worksheet 1

Financial investment income	
Dividends from Australian shares from item 11 :	
■ Unfranked amount	<input type="text"/> (a)
■ Franked amount	<input type="text"/> (b)
■ Franking credit	<input type="text"/> (c)
Managed investment scheme income from U item 13	<input type="text"/> (d)
Dividend income or managed investment scheme income from foreign companies from M item 20	<input type="text"/> (e)
Forestry managed investment scheme income from A item 23	<input type="text"/> (f)
Any other assessable income from a financial investment	<input type="text"/> (g)
Add all amounts from (a) to (g).	<input type="text"/> (h)

Financial investment deductions	
Dividend deductions from Australian shares from item D8	<input type="text"/> (i)
Managed investment scheme deductions from Y item 13 and H item D8	<input type="text"/> (j)
Forestry managed investment scheme deductions from F item D14	<input type="text"/> (k)
Any other deductions attributable to a financial investment	<input type="text"/> (l)
Add all amounts from (i) to (l).	<input type="text"/> (m)
Take (m) away from (h). Show a loss as a negative.	<input type="text"/> (n)
Total partnerships investment net income or loss. Show a loss as a negative.	<input type="text"/> (p)
Add (n) and (p).	<input type="text"/> (q)
If the amount at (q) is negative, write this amount at X item IT5 . Otherwise leave X blank and go to question IT6 .	

IT6

Net rental property loss

Did you earn rental income or claim rental deductions, or receive a partnership distribution that included rental income or losses?

No Go to question IT7.

Yes Read on.

Completing your tax return

- 1 Complete **worksheet 2** to work out your net rental property loss.

Any loss amounts in **worksheet 2** must be shown as negative amounts (including any totals).

At (c) write your share of net rental property income or loss from the partnership tax return statement of distribution.

At (d) write the net income or loss from carrying on a rental property business which you take into account in working out the amount at **Z** item **P8** of the *Business and professional items schedule for individuals 2012*.

At (f) write the total of the low-value pool deductions relating to your rental properties that you included at item **D6**.

Worksheet 2

Net foreign rent (from R item 20)	<input type="text"/>	(a)
Net rent (from item 21)	<input type="text"/>	(b)
Share of net rental property income or loss	<input type="text"/>	(c)
Net income or loss from rental property business	<input type="text"/>	(d)
Add (a), (b), (c) and (d).	<input type="text"/>	(e)
Total of the low-value pool deductions	<input type="text"/>	(f)
Take away (f) from (e).	<input type="text"/>	(g)

- 2 If the amount at (g) in **worksheet 2** is negative, (that is, a loss), write that amount at **Y** item **IT6**. Otherwise leave **Y** blank and go to question **IT7**.

IT7

Child support you paid

Did you pay amounts or provide benefits to another person for the maintenance of your child?

No Go to **Spouse details – married or de facto**.
Yes Read on.

Completing your tax return

- 1 Add up all the amounts you paid and benefits you provided for the maintenance of your child during 2011–12.
- 2 Write the total at **Z** item **IT7**. Go to **Spouse details – married or de facto**.

Spouse details – married or de facto

Did you have a spouse during 2011–12?

Your spouse includes a person (whether of the same sex or opposite sex) who:

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

No Go to *Taxpayer's declaration* on page 12 of your tax return.

Yes Read on.

Answering this question

You will need:

- your spouse's *Tax return for individuals 2012*
- your spouse's *PAYG payment summary – individual non-business*
- if your spouse has child support obligations, the details of the amount of child support they paid (your spouse can get this information from the Child Support Agency).

If your spouse did not lodge a tax return, you will need to obtain the information required at this item from your spouse or their records.

If you had more than one spouse during 2011–12, complete this section with the details for your spouse on 30 June 2012, or your latest spouse.

Completing your tax return

- 1 You must read the instructions on page 9 of your tax return. Complete that page if you are required to and then go to step 2.

If you are not required to complete **Spouse details – married or de facto**, go to page 12 of the tax return and complete the *Taxpayer's declaration*.

- 2 Complete the relevant labels on page 10 of your tax return by following the instructions on that page and using the information on the next page. If you need more information, go to ato.gov.au/instructions2012 and read Spouse Details.

Label	Explanation
O	At O write the amount your spouse showed at TAXABLE INCOME OR LOSS on page 4 of their tax return
T	At T write the amount of net income of a trust that the trustee was liable to pay tax on because your spouse was under a legal disability, for example, they were: <ul style="list-style-type: none"> ■ a bankrupt ■ a person who was declared legally incapable because of a mental condition, or ■ under 18 years old on 30 June 2012. (Do not include an amount that has already been included in your spouse's taxable income, for example, at O .) Check the trust distribution statements.
U	At U write the amount your spouse showed at X item A4 on their tax return (supplementary section).
S	At S write the amount your spouse showed at W item IT1 on their tax return or the amounts shown as 'reportable fringe benefits amounts' on their payment summaries.
P	At P write the amount your spouse showed at item 6 on their tax return.
Q	At Q write the amount of any exempt pension income that your spouse received in 2011–12. Make sure you include only your spouse's exempt pension income. For a list of the exempt pensions you include at Q , see page 76.
A	At A write the amount your spouse showed at T item IT2 on their tax return.
B	At B write the amount of the following tax-free government pensions your spouse received for the income year: <ul style="list-style-type: none"> ■ a special rate disability pension paid under Part 6 of Chapter 4 of the <i>Military Rehabilitation and Compensation Act 2004</i> ■ a payment of compensation made under section 68, 71 or 75 or mentioned in paragraph 234(1)(b) of the <i>Military Rehabilitation and Compensation Act 2004</i>.

Label	Explanation
C	At C write the amount of any target foreign income of your spouse during the income year. This is any income, periodical payments or benefits by way of gifts or allowances that are: <ul style="list-style-type: none"> ■ from sources outside Australia ■ not included in your spouse's taxable income, and ■ not fringe benefits. You should include any exempt foreign employment income shown at N item 20 on your spouse's tax return. All foreign income must be converted to Australian dollars before you complete this label.
D	Add the amounts shown at IT5 and IT6 on your spouse's tax return and write the total at D .
E	At E write the total amount of child support payments or benefits your spouse provided to another person. Do not count any payments or benefits provided to you by your spouse unless you live apart on a permanent or indefinite basis.
F	At F write the amount your spouse showed at (k) in the 'spouse' column on Worksheet 1 on page 55.

3 Complete the Family Assistance Office section on page 11 of your tax return only if you consent to use part or all of your 2012 tax refund to repay your spouse's Family Assistance Office (FAO) debt.

4 Complete *Taxpayer's Declaration* on page 12 of your tax return.

Checklist

CHECK THAT YOU HAVE...

- ☐ completed the front page of your tax return
- ☐ completed the appropriate details for electronic funds transfer to have your refund paid directly into a financial institution account
- ☐ completed all questions that are relevant to you, including
 - item **M2** which is **compulsory** for all taxpayers
 - **Flood levy exemption** if you are exempt from paying the flood levy
 - **Spouse details-married or de-facto** if required
 - **IT1-IT6** if required
 - **A1** if you were under 18 years old on 30 June 2012; this is compulsory and if not completed, you may be taxed at a higher rate than necessary.
- ☐ written totals at:
 - **TOTAL TAX WITHHELD**
 - **TOTAL INCOME OR LOSS**
 - **TOTAL DEDUCTIONS**
 - **SUBTOTAL**
 - **TAXABLE INCOME OR LOSS**
 - **TOTAL TAX OFFSETS**
- ☐ read and completed the *Taxpayer's declaration* on page 12 of your tax return.

When can you expect your notice of assessment?

Our standard processing time for tax returns posted to us is six weeks. If you lodged your tax return online using *e-tax*, our standard processing time is 12 business days.

If you want to work out your tax refund or debt go to ato.gov.au/instructions2012

Definitions

Some of the following definitions apply to all questions, while some only apply to specific questions. Each definition identifies which question it applies to.

ADJUSTED TAXABLE INCOME (all questions)

Adjusted taxable income (ATI) is an amount that is used to determine eligibility for certain tax offsets and liability for the Medicare levy surcharge and Higher Education Loan Program (HELP).

The following amounts are used to calculate a person's ATI:

- taxable income
- reportable employer superannuation contributions
- deductible personal superannuation contributions
- adjusted fringe benefits
- certain tax-free government pensions or benefits received by the person
- target foreign income
- net financial investment loss
- net rental property loss
- any child support payments the person provided to another person.

To work out a person's ATI you can use our Income tests calculator at ato.gov.au/instructions2012 or use the **ATI worksheet** on the next page.

If you are working out the ATI of a person for the whole year, you can get the amounts for the **ATI worksheet** from the person's tax return.

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

If you are completing a tax return for a deceased person, or your spouse died during the year and you need to know their ATI for the whole of 2011-12, their ATI is the amount at (k) on the ATI worksheet:

- divided by the number of days the person was alive in 2011-12, and
- multiplied by 366.

ATI worksheet

		You	Dependant 1	Dependant 2	Dependant 3
The period for which you need to work out the person's ATI	from:	1/7/2011			
	to:	30/6/2012			
The person's taxable income from TAXABLE INCOME OR LOSS . If taxable income is a loss, write 0 at (a).	(a)	\$	\$	\$	\$
The person's reportable employer superannuation contributions from T item IT2	(b)	\$	\$	\$	\$
The person's deductible personal superannuation contributions from H item D12	(c)	\$	\$	\$	\$
The person's tax-free government pensions or benefits from U item IT3	(d)	\$	\$	\$	\$
The person's target foreign income from V item IT4	(e)	\$	\$	\$	\$
The person's net financial investment loss from X item IT5	(f)	\$	\$	\$	\$
The person's net rental property loss from Y item IT6	(g)	\$	\$	\$	\$
The person's adjusted fringe benefits from W item IT1 , multiplied by 0.535 and rounded down to the nearest dollar	(h)	\$	\$	\$	\$
Add all the amounts from (a) to (h).	(i)	\$	\$	\$	\$
Child maintenance the person provided to a third party from Z item IT7	(j)	\$	\$	\$	\$
Take (j) away from (i). This is the person's ATI for the period.	(k)	\$	\$	\$	\$

AUSTRALIAN RESIDENT FOR TAX PURPOSES (all questions)

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

- have always lived in Australia or you have come to Australia and live here permanently
- have been in Australia continuously for six months or more, and for most of that time you worked in the one job and lived at the same place
- have been in Australia for more than six months during 2011–12, unless your usual home is overseas and you do not intend to live in Australia
- go overseas temporarily and you do not set up a permanent home in another country, or
- are an overseas student who has come to Australia to study and are enrolled in a course that is more than six months long.

If you need help in deciding whether or not you are an Australian resident for tax purposes, go to ato.gov.au and search for 'Are you a resident?'.

CARER SPOUSE (question T10)

Carer spouse means a person who is your spouse (see page 74), and who is:

- wholly engaged in providing care to an invalid relative; or
- to whom a carer allowance, carer payment or carer service pension is being paid.

CHILD (all questions)

Child includes:

- your adopted child, stepchild or ex-nuptial child
- a child of your spouse, and
- someone who is your child within the meaning of the Family Law Act 1975 (for example, a child who is considered to be a child of a person under a state or territory court order giving effect to a surrogacy agreement).

COMBINED REBATE INCOME (question T2)

The **combined rebate income** of you and your spouse is the total of:

- your rebate income
- your spouse's rebate income, and
- the amount on which the trustee of a trust was liable to pay tax in respect of your spouse because your spouse was under a legal disability, was a bankrupt or was a person who was declared legally incapable because of a mental condition.

DEPENDANT (questions T1, T8 and T10)

A **dependant** must be a person who is an Australian resident for tax purposes (see page 71). A dependant can be:

- your spouse (see page 74)
- your parent or your spouse's parent
- a child who is under 21 years old (see above) and is not a student
- a student under 25 years old who is studying full time at school, college or university
- a child-housekeeper (your child of any age who kept house for you full time)
- an invalid relative (see page 73).

If you want to claim a tax offset for your dependants you may need to work out your and your dependants' adjusted taxable income (ATI) for the relevant period to determine:

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

See ATI on pages 70–1.

DEPENDANTS (question M1 for Medicare levy exemption)

For question **M1**, **dependant** means an Australian resident you maintained who was:

- your spouse
- your child under 21 years old, or
- your child, 21 to 24 years old, who was receiving full-time education at a school, college or university and whose adjusted taxable income (ATI, see pages 70–1) for the period you maintained the child was less than the total of \$282 plus \$28.92 for each week you maintained them.

See **Maintaining a dependant** on page 73.

DEPENDANTS (question M2)

For question **M2**, your **dependants** (regardless of their income) are your:

- spouse
- children under 21 years old
- children who are 21 years old or older and under 25 years old who are full-time students.

Your dependants must have been Australian residents in 2011–12 and you must have contributed to their maintenance.

If the parents of a child lived apart for all or part of the income year and the child was a dependant of each of them, the child is treated as an equal dependant of each parent. However, where a parent receives Family tax benefit (FTB) Part A for the child, including receiving only the rental assistance component, the child is a dependant of that parent for the number of days the child was in their care.

DEPENDENT CHILD (question M1 for Medicare levy reduction)

A **dependent child** is any child who was an Australian resident whom you maintained in 2011–12 and whose adjusted taxable income (ATI, see pages 70–71) was less than:

Categories of dependent children	ATI if not maintained for the whole year	ATI if maintained for the whole year
Any child under 21 years old you maintained who was not a full time student	For the first child: \$282 plus \$28.92 for each week you maintained them.	For the first child: \$1,786
	For each additional child: \$282 plus \$21.70 for each week you maintained them	For each additional child: \$1,410
Any full-time student aged under 25 years old at a school, college or university	\$282 plus \$28.92 for each week you maintained them.	\$1,786

FAMILY AGREEMENT (question M1)

A **family agreement** is a written agreement signed by you and your spouse with details of which of you is claiming the full and the half exemption. Do not send this agreement to us. Keep it with your records.

INCUR OR INCURRED (all questions)

You **incur** an expense in an income year when you:

- receive a bill or invoice for an expense that you are liable for and must pay (even if you don't pay it until after the end of the income year), or
- do not receive a bill or invoice but you are charged and you pay for the expense.

INVALID SPOUSE (questions T1 and T10)

Invalid spouse means a person who is your spouse (see page 74) and who:

- is paid a disability support pension or a special needs disability support pension, or
- has been certified as having a continuing inability to work by a medical officer of the Health Department or by a medical practitioner appointed to examine claimants for disability support pensions.

INVALID RELATIVE (questions T1 and T10)

Invalid relative means a person who:

- is 16 years of age or older, and
- is your or your spouse's child, brother or sister, and who:
 - is paid a disability support pension or a special needs disability support pension, or
 - has been certified as having a continuing inability to work by a medical officer of the Health Department or by a medical practitioner appointed to examine claimants for disability support pensions.

MAINTAINING A DEPENDANT (questions T1, T10, M1 and M2)

You **maintained a dependant** if any of the following applied:

- you and your dependant lived in the same house
- you gave your dependant food, clothing and lodging
- you helped them to pay for their living, medical and educational costs.

If you had a spouse for the whole of 2011–12 and your spouse worked at any time during the year, we still consider you to have maintained your spouse as a dependant for the whole income year.

We consider you to have maintained a dependant even if the two of you were temporarily separated, for example, due to holidays or overseas travel.

If you maintained a dependant for only part of the year, you may need to adjust your claim accordingly.

OTHER DEPENDANTS (question T9)

For question **T9**, **other dependants** means:

- any other child under 21 years old whom you maintained, who was not a student and whose **adjusted**

taxable income (ATI, see page 70) for the period you maintained them was less than

- for the first child under 21 years old
 - the total of \$282 plus \$28.92 for each week you maintained them, or
 - \$1,786 if you maintained them for the whole year
- for any other child under 21 years old
 - the total of \$282 plus \$21.70 for each week you maintained them, or
 - \$1,410 if you maintained them for the whole year
- a student under 25 years old whom you maintained and whose ATI was less than
 - the total of \$282 plus \$28.92 for each week you maintained them, or
 - \$1,786 if you maintained them for the whole year
- a child-housekeeper, but only if you:
 - can claim a tax offset for them at item **T1** on your tax return, or
 - could have claimed a tax offset for them at item **T1** had your ATI or the combined ATI of you and your spouse not exceeded \$150,000
- your or your spouse's invalid relative or parent, but only if you
 - can claim a dependant relative tax offset at item **T10** on your tax return, or
 - could have claimed a tax offset for them at item **T10** had your ATI or the combined ATI of you and your spouse not exceeded \$150,000.

QUALIFYING DEPENDANTS (question T13 supplementary section)

For question **T13**, **qualifying dependant** means:

- your child under 21 years old (see definition of child on page 72) regardless of their income and residency status for tax purposes
- any other child under 21 years old whom you maintained, who was not a student and whose adjusted taxable income (ATI, see page 70) for the period you maintained them was less than
 - the total of \$282 plus \$28.92 for each week you maintained them, or
 - \$1,786 if you maintained them for the whole year
- a student under 25 years old whom you maintained and whose ATI was less than
 - the total of \$282 plus \$28.92 for each week you maintained them, or
 - \$1,786 if you maintained them for the whole year
- your spouse, but only if you
 - can claim a tax offset for them at item **T1** or **T10** on your tax return, or
 - could have claimed a tax offset for them at item **T1** or **T10** had your ATI not exceeded \$150,000

Definitions

- a child-housekeeper, but only if you
 - can claim a tax offset for them at item **T1** on your tax return, or
 - could have claimed a tax offset for them at item **T1** had your ATI or the combined ATI of you and your spouse not exceeded \$150,000
- your or your spouse's invalid relative or parent, but only if you
 - can claim a dependant tax offset at item **T10** on your tax return, or
 - could have claimed a tax offset for them at item **T10** had your ATI or the combined ATI of you and your spouse not exceeded \$150,000.

REBATE INCOME (questions T2, T3 and Do you need to lodge a tax return?)

Your **rebate income** determines whether you are eligible for either the senior Australians tax offset at **T2** or pensioner tax offset at **T3**.

To work out your rebate income, use the following worksheet.

Rebate income worksheet

Your taxable income (from TAXABLE INCOME OR LOSS on page 4 of your tax return)	
If your taxable income is a loss, write 0 at (a).	<input type="text"/> (a)
Your reportable employer superannuation contributions	
(from T item IT2 on page 8 of your tax return)	<input type="text"/> (b)
Your deductible personal superannuation contributions	
(from H item D12 on page 15 of the supplementary section of your tax return)	<input type="text"/> (c)
Your net financial investment loss	
(from X item IT5 on page 8 of your tax return)	<input type="text"/> (d)
Your net rental property loss	
(from Y item IT6 on page 8 of your tax return)	<input type="text"/> (e)

Your adjusted fringe benefits amount

Multiply the amount from **W** item **IT1** on page 8 of your tax return by 0.535. Round down to the nearest dollar.

(f)

Add up all the amounts from (a) to (f). This is your 'rebate income'.

(g)

SPOUSE (all questions)

Your **spouse** includes another person (whether of the same sex or opposite sex) who:

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

SHARED CARE (questions T1, T6, and M1)

You had **shared care** if you, and your spouse if you had one, cared for your child for some of the income year, and someone else, such as a former spouse, cared for the child for the rest of the income year.

If you received family tax benefit (FTB) Part B as part of a shared-care arrangement, you will need to know your FTB shared-care percentage to calculate your spouse offset. Your FTB shared-care percentage is usually not the same as your 'shared care percentage' which appears on correspondence you have received from the Family Assistance Office (FAO).

If you do not know your FTB shared-care percentage, contact the Department of Human Services (previously FAO, see the inside back cover for contact details).

TAX-FREE GOVERNMENT PENSIONS OR BENEFITS THAT ARE TAKEN INTO ACCOUNT IN THE INCOME TESTS (question IT3)

If you receive any of the government pensions or benefits listed below, then you must include at item **IT3** the part of those pensions and benefits that are exempt from tax. In some cases, all of your pension or benefit could be exempt from tax, and in other cases only part of it might be.

Do not include any part of these pensions and benefits that is a bereavement payment, pharmaceutical allowance, rent assistance or remote area allowance, or language, literacy and numeracy supplement.

- Disability support pension paid by Centrelink to a person who is under age-pension age
- Wife pension where both the recipient and their partner are under age-pension age or the recipient is under the age-pension age and their partner has died

Definitions

- Carer payment under Part 2.5 of the *Social Security Act 1991*
- Pension for defence, peacekeeping or war-caused death or incapacity or any other pension granted under Part II or Part IV of the *Veterans' Entitlement Act 1986*
- Invalidity service pension where the veteran is under age-pension age
- Partner service pension where either:
 - the partner and the veteran are under the age-pension age and the veteran is receiving an invalidity service pension, or
 - the partner is under age-pension age, the veteran has died and was receiving an invalidity service pension at the time of death
- Income support supplement paid under Part IIIA of the *Veterans' Entitlements Act 1986*
- Defence Force income support allowance payable to you on a day when the whole of your social security pension or benefit, which is also payable to you on that day, is exempt from income tax under section 52-10 of the *Income Tax Assessment Act 1997*
- A special rate disability pension under Part 6 of Chapter 4 of the *Military Rehabilitation and Compensation Act 2004*
- A payment of compensation under section 68, 71 or 75 of the *Military Rehabilitation and Compensation Act 2004*
- A payment of compensation mentioned in paragraph 234(1)(b) of the *Military Rehabilitation and Compensation Act 2004*

If you are not sure whether a government pension or benefit you have received is a tax-free government pension or benefit for the purpose of this question, phone **13 28 61**.

VETERAN PENSION AGE TEST (question T2)

You meet the **veteran pension age test** if one of the following applied to you and you were eligible for a pension, allowance or benefit under the *Veterans' Entitlements Act 1986*.

- You have eligible war service, that is, service in World War II or operational service as a member of the Australian Defence Force.
- You are a Commonwealth or allied veteran who served in a conflict in which the Australian Defence Force was engaged during a period of hostilities that is, World War II, or in Korea, Malaya, Indonesia or Vietnam.
- You are an Australian or allied mariner who served during World War II.
- You are the war widow or widower of a former member of the Australian Defence Force.

'Pension, allowance or benefit' includes:

- disability pension
- service pension, and
- white or gold Repatriation health cards for treatment entitlements.

If you are not sure if you meet the veteran pension age test, go to **dva.gov.au** or phone Veterans' Affairs on **13 32 54**.

TRAVEL EXPENSE RECORDS (question D2)

	Domestic travel		Overseas travel	
	Written evidence	Travel diary (note 1)	Written evidence	Travel diary (note 1)
If you did not receive a travel allowance:				
■ travel less than 6 nights in a row	Yes	No	Yes	No
■ travel 6 or more nights in a row	Yes	Yes	Yes	Yes
If you received a travel allowance and your claim does not exceed the reasonable allowance amount:				
■ travel less than 6 nights in a row	No	No	No (note 2)	No
■ travel 6 or more nights in a row	No	No	No (note 2)	Yes (note 3)
If you received a travel allowance and your claim exceeds the reasonable allowance amount:				
■ travel less than 6 nights in a row	Yes	No	Yes	No
■ travel 6 or more nights in a row	Yes	Yes	Yes	Yes (note 3)

Notes

1 A travel diary is a document in which you record the nature, dates, places, times and duration of your activities and travel.

2 Written evidence is required for overseas accommodation expenses regardless of the length of the trip but not for food, drink and incidentals.

3 Members of international aircrews do not have to keep a travel diary if they limit their claim to the amount of the allowance received.

Amounts that you do not pay tax on

You might have received amounts that you do not need to include as income on your tax return. We classify them into three different categories:

- **exempt income**
- **non-assessable non-exempt income**
- some **other amounts** that are not taxable and do not affect any calculation on your tax return.

The most common types of exempt and non-assessable non-exempt income are listed below. If you are not sure whether a payment you have received is exempt income, non-assessable non-exempt income or is another non-taxable amount, phone **13 28 61**.

EXEMPT INCOME

Exempt Australian Government pensions, allowances and payments

- Carer adjustment payment (CAP)
- Carer payment where:
 - **both** the carer **and** the care receivers are under age-pension age, or
 - the carer is under age-pension age and any of the care receivers has died
- Defence Force income support allowance (DFISA) payable to you on a day when the whole of your social security pension or benefit, which is also payable to you on that day, is exempt from income tax under section 52-10 of the *Income Tax Assessment Act 1997*
- Disability support pension paid by Centrelink to a person who is under age-pension age
- Double orphan pension
- Invalidity service pension where the veteran is under age-pension age
- Partner service pension where either:
 - the partner (excluding the non-illness separated spouse of a veteran) and the veteran are under age-pension age and the veteran receives an invalidity service pension, or
 - the partner is under age-pension age and the veteran has died and was receiving an invalidity service pension at the time of death
- Veterans' Affairs disability pension and allowances, war widows and war widowers pension
- Wife pension where both the recipient and their partner are under age-pension age, or the recipient is under age-pension age and their partner has died

Lump sum bereavement payments received as part of any of the payments in the previous column are exempt only up to the tax-free amount. Phone **13 28 61** to find out how much of your payment is exempt.

Exempt Australian Government education payments

- Allowances for students under 16 years old, including the Austudy payment and those allowances paid under ABSTUDY, Youth Allowance, the Assistance for Isolated Children Scheme and the Veterans' Children Education Scheme
- Apprenticeship wage top-up
- The first \$1,000 of an apprenticeship early completion bonus provided under a specified state or territory scheme for occupations with skill shortages
- Australian–American Educational Foundation grant
- Commonwealth scholarships or bursaries provided to foreign students
- Commonwealth secondary education assistance
- Commonwealth Trade Learning Scholarship
- Language, literacy and numeracy supplement
- Endeavour awards research fellowships or an Endeavour Executive Award
- Payments under the Military Rehabilitation and Compensation Act Education and Training Scheme 2004 for eligible young persons whose eligibility was determined under:
 - paragraph 258(1)(a) of the *Military Rehabilitation and Compensation Act 2004* and the eligible young person was under 16 years old, or
 - paragraph 258(1)(b) of the *Military Rehabilitation and Compensation Act 2004*
- Pensioner education supplement and fares allowance paid by Centrelink
- Rent assistance paid to Austudy recipients
- Some scholarships and bursaries received by full-time students
- Supplementary allowances for students paid under the Assistance for Isolated Children Scheme

Other exempt Australian Government payments

- Australian Government disaster recovery payments
- Baby bonus paid by Centrelink
- Carer allowance paid under the *Social Security Act 1991*
- Child care benefit

Amounts that you do not pay tax on

- Child care rebate
- Child disability assistance under Part 2.19AA of the *Social Security Act 1991*
- DFISA bonus and DFISA bonus bereavement payment under Part VIIAB of the *Veterans' Entitlements Act 1986*
- Family tax benefit
- F-111 desal/reseal ex-gratia lump sum payments
- Loss of earnings allowance paid under the *Veterans' Entitlements Act 1986*
- Lump sum pension bonus paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*
- Lump sum payment made under section 198N of the *Veterans' Entitlements Act 1986*
- Maternity immunisation allowance
- Mobility allowance paid under the *Social Security Act 1991*
- Economic security strategy payment to families under the *A New Tax System (Family Assistance) (Administration) Act 1999* or under the scheme determined under Schedule 4 to the *Social Security and Other Legislation Amendment (Economic Security Strategy) Act 2008*
- Economic security strategy payment under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986* or under the scheme determined under Schedule 4 to the *Social Security and Other Legislation Amendment (Economic Security Strategy) Act 2008*
- Back to school bonus and single income family bonus paid under the *A New Tax System (Family Assistance) (Administration) Act 1999*
- Training and learning bonus under the *Social Security Act 1991*
- Farmers hardship bonus under the *Social Security Act 1991*
- Education entry payment supplement under the *Social Security Act 1991*
- Payments under the scheme determined under Schedule 4 to the *Household Stimulus Package Act (No. 2) 2009*
- The ex-gratia payment from the Australian Government known as the Disaster Income Recovery subsidy for the floods that occurred in Australia during the period starting on 29 November 2010
- The ex-gratia payment from the Australian Government known as the Disaster Income Recovery subsidy for Cyclone Yasi
- The ex-gratia payment from the Commonwealth known as assistance for New Zealand non-protected special category visa holders for:
 - a disaster that occurred in Australia during the 2010–11 financial year
 - floods that occurred in Queensland and New South Wales in January, February and March 2012** At the time of printing this legislation was not yet law. Go to ato.gov.au for more information.
- The ex-gratia thalidomide payment from the Australian Government
- Payment from the Thalidomide Australia Fixed Trust
- Payments from the Australian Government under the incentive payments scheme relating to certain private health insurance policies
- Payments to carers under the scheme determined under Schedule 4 to the *Social Security and Veterans' Affairs Legislation Amendment (One-off Payments and Other 2008 Budget Measures) Act 2008*
- Pension bonus and pension bonus bereavement payments under Part 2.2A of the *Social Security Act 1991* or Part IIIAB of the *Veterans' Entitlements Act 1986*
- Pharmaceutical allowances paid under the *Social Security Act 1991*
- Pharmaceutical allowances paid under the *Veterans' Entitlements Act 1986* that were paid before 20 September 2009
- Phone allowance paid under the *Social Security Act 1991*
- Phone allowance paid under the *Veterans' Entitlements Act 1986*
- Quarterly pension supplement paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*
- Remote area allowance
- Rent assistance
- Seniors concession allowance paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*
- Seniors supplement paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*
- Sugar industry exit grant where you complied with the condition of the grant not to own or operate any agricultural business within five years after receiving the grant

- Tobacco industry exit grant where you complied with the condition of the grant not to own or operate any agricultural business within five years after receiving the grant
- Utilities allowance paid under the *Social Security Act 1991*
- Utilities allowance paid under the *Veterans' Entitlements Act 1986*
- Veterans supplement paid under the *Veterans' Entitlements Act 1986*
- Outer regional and remote (OR&R) payment made under the Helping Children with Autism package
- Outer regional and remote (OR&R) payment made under the Better start for children with disability initiative
- Prisoner of War Recognition Supplement payment under Part VIB of the *Veterans' Entitlements Act 1986*

Exempt Australian Defence Force and United Nations payments

- Certain pay and allowances for Australian Defence Force personnel (your employer will advise you if an amount is exempt)
- Compensation payments for impairment or incapacity resulting from service with a United Nations armed force
- Compensation payments made under the *Military Rehabilitation and Compensation Act 2004*, except those that are income-related payments
- Pay and allowances for part-time service in the Australian Naval, Army or Air Force Reserve
- Some allowances paid to Australian Defence Force personnel who served in prescribed overseas areas (your employer will advise you if an allowance is exempt)

Other exempt payments

- Certain annuities and lump sums which are paid to an injured person under a structured settlement
- Your share of certain profits or gains arising from disposal of investments by a venture capital limited partnership (VCLP), an early stage venture capital limited partnership (ESVCLP) or an Australian venture capital fund of funds (AFOF)
- Certain distributions from an early stage venture capital limited partnership
- Certain distributions from a pooled development fund

- Certain payments relating to persecution during the Second World War
- Certain profits or gains from disposal of shares in a pooled development fund
- Japanese internment compensation payments made under the *Compensation (Japanese Internment) Act 2001* or the *Veterans' Entitlements Act 1986*

NON-ASSESSABLE NON-EXEMPT INCOME

The most common types of non-assessable non-exempt income are:

- the tax-free component of an employment termination payment (ETP)
- that part of the taxable component of a death benefit ETP paid to a dependant below the 2011–12 cap of \$165,000
- the tax-free component of a superannuation benefit
- the taxed element of a superannuation income stream or lump sum received by a person 60 years old or older
- the taxed element of a death benefit superannuation income stream paid to a death benefit dependant where
 - the deceased was 60 years old or older at the time of their death, or
 - the recipient was 60 years old or older when the benefit was received
- a tax-free superannuation lump sum benefit paid to a person with a terminal medical condition existing at the time when the lump sum was received or within 90 days after its receipt
- National Rental Affordability Scheme payments or non-cash benefits paid (whether directly or indirectly, such as through an NRAS consortium of which you are a member) by a state or territory government or a relevant body established under a state or territory law
- a superannuation lump sum death benefit received by
 - a dependant, or
 - someone who is not a dependant but received the benefit because of the death of a member of the Australian Defence Force or an Australian police force (including Australian Protective Services) who died in the line of duty
- genuine redundancy payments and early retirement scheme payments shown as 'Lump sum D' amounts on your payment summary

- amounts on which family trust distribution tax has been paid (see question **A4** on page s43 in *Individual tax return instructions supplement 2012*)
- interest or other earnings credited to a first home saver account that you hold or a payment to you from such an account
- government contributions paid under the *First Home Saver Account Act 2008*
- super co-contributions
- the tax bonus paid under the Tax Bonus for *Working Australians Act 2009*.

Tax-free income for temporary residents

If you are a temporary resident your foreign income is non-assessable non-exempt income, except income you earn from your employment overseas for short periods while you are a temporary resident.

You are a temporary resident if:

- you hold a temporary visa granted under the *Migration Act 1958*
- you are not an Australian resident within the meaning of the *Social Security Act 1991*, and
- your spouse (if you have one) is not an Australian resident within the meaning of the *Social Security Act 1991*.

If, at any time on or after 6 April 2006, you have been an Australian resident for tax purposes but not a temporary resident, you will not be entitled to the temporary resident exemptions from that time, even if you later held a temporary visa.

For more information, read *Foreign income exemption for temporary residents – introduction*. Go to ato.gov.au to get a copy of this publication.

OTHER AMOUNTS THAT YOU DO NOT PAY TAX ON

You do not pay tax on most child support and spouse maintenance payments.

Important information

WHO CAN COMPLETE YOUR TAX RETURN?

You can get someone else to complete your tax return for you.

- A **family member or friend** can help you but they cannot charge you a fee. You must still sign it and you are still legally responsible for the accuracy of the information.
- **Tax Help** is a free service provided by community volunteers trained to help people on low incomes prepare their tax returns. Tax Help operates out of approved community-based centres. Volunteers do not charge a fee for their assistance.
- Only a **registered tax agent** can charge you a fee for preparing your tax return.

LODGE YOUR TAX RETURN BY 31 OCTOBER 2012

You have until 31 October 2012 to lodge your tax return, unless we have allowed you to lodge it late, or you have a later due date because a registered tax agent prepares your tax return.

If you cannot lodge your tax return by 31 October 2012 contact us as soon as possible, before 31 October 2012, to find out whether you can lodge at a later date.

Failure to lodge on time penalty

We may apply a penalty for failure to lodge on time if your tax return is not lodged by the due date.

Generally, we apply a penalty of \$110 for every 28 days (or part thereof) that your tax return is overdue, to a maximum of \$550. We may apply the penalty even where there is no tax payable. However, our policy is not to apply a penalty where:

- you lodge your tax return voluntarily, and
- no tax is payable.

WHERE TO SEND YOUR TAX RETURN

Within Australia

If you decide to lodge a paper tax return, you can use the pre-addressed envelope provided to send it to us, or send it to:

**Australian Taxation Office
GPO Box 9845
IN YOUR CAPITAL CITY**

Do not replace the words IN YOUR CAPITAL CITY with the name of your capital city and its postcode – they are not needed because of a special agreement with Australia Post.

From overseas

You can lodge your tax return online using *e-tax* – go to **ato.gov.au/etax** for more information. Most refunds are issued within 12 business days and you have the option to use the pre-filling service which downloads information reported to the ATO directly to your tax return.

Alternatively, you can lodge a paper tax return and use the pre-addressed envelope to send it to us. Change the address by crossing out **IN YOUR CAPITAL CITY** and replace with **SYDNEY NSW 2001, AUSTRALIA**.

It will help us if you cross out the barcode above the address.

YOUR RIGHT TO COMPLAIN

If you are dissatisfied with a particular decision we have made, or with one of our services or actions, you have the right to complain.

We recommend that you first try to resolve the issue with the tax officer you have been dealing with, or phone the number you have been given.

If you are not satisfied, talk to the tax officer's manager.

If you are still not satisfied, phone our complaints line on **1800 199 010**.

Other ways to make a complaint:

- go to 'Contact us' at **ato.gov.au**
- write to:

**Complaints
Australian Taxation Office
PO Box 1271
Albury NSW 2640**

- send a fax to **1800 060 063**.

THE COMMONWEALTH OMBUDSMAN

If you are not satisfied with our decisions or actions, you can raise the matter with the Commonwealth Ombudsman.

The Commonwealth Ombudsman's office can investigate most complaints relating to tax administration and may recommend that we provide a solution or remedy to your problem. Investigations are independent, private, informal and free of charge.

To contact the Commonwealth Ombudsman's office:

- go to **ombudsman.gov.au**
- phone **1300 362 072**
- email **ombudsman@ombudsman.gov.au**
- write to:

**The Commonwealth Ombudsman
GPO Box 442
Canberra ACT 2601**

THE PRIVACY COMMISSIONER

The Privacy Commissioner receives complaints under the *Privacy Act 1988* and the tax file number guidelines issued under the Act. To contact the Privacy Commissioner:

- go to **oaic.gov.au**
- phone **1300 363 992**
- write to:

**The Privacy Commissioner
GPO Box 5218
Sydney NSW 2001**

More information

WEBSITE

Go to ato.gov.au/instructions2012 for information on anything that you read in the *Individual tax return instructions 2012*.

Our tools and calculators at ato.gov.au/calculators can help you complete your tax return.

PUBLICATIONS

To get publications, taxation rulings, practice statements and forms referred to in the *Individual tax return instructions 2012* you can:

■ **go to our website** ato.gov.au/publications

■ **phone our Publications Distribution Service** **1300 720 092**

An automated self-help publications ordering service is available 24 hours a day, every day where you know the title of the publication. For each publication you order, quote the full title printed in the *Individual tax return instructions 2012*.

■ **visit an ATO shopfront.**

For our shopfront addresses you can visit our website. Phone **13 28 61** for an appointment.

PHONE

We can offer a more personalised service if you provide your tax file number (TFN) and have your last notice of assessment with you when you phone us. If you require access to your ATO records you will be asked to prove your identity by providing your TFN and either details from your last notice of assessment or some personal details.

Our phone lines are open Monday to Friday 8.00am to 6.00pm except where otherwise indicated.

You can find a list of our phone numbers in your White Pages.

ATO personal self-help **13 28 65**

Our automated phone service is available 24 hours a day, every day, so you can:

- check the progress of your refund
- find lost superannuation
- make an arrangement to pay a tax debt
- lodge your application for a refund of franking credits.

Note: Although providing your TFN is voluntary, you need to quote your TFN to use these self-help services.

Individuals **13 28 61**

Phone between 8.00am and 6.00pm Monday to Friday. You can enquire about the following subjects from this service:

- e-tax – our free online tax preparation and lodgment software
- pay as you go (PAYG), including instalment activity statements
- student loan schemes (HELP and SFSS)
- questions in the *Individual tax return instructions 2012*

- capital gains, rental income, foreign income and other questions in the *Individual tax return instructions supplement 2012*
- lodging your return
- your notice of assessment
- your income tax account, payment arrangements and lost refund cheques
- binding oral advice.

Phoning from overseas

If you are phoning us from overseas, phone **+61 2 6216 1111** during our business hours, 8.00am to 5.00pm (Australian Eastern Standard or Daylight-saving Time) Monday to Friday. Note that our phone numbers may not work from all countries.

You can also fax us: **+61 2 6216 2830**

Aboriginal and Torres Strait Islander **13 10 30**

Specialises in helping Indigenous clients with their personal tax matters.

People with a hearing, speech or vision impairment

If you are deaf or have a hearing or speech impairment, you can phone us through the **National Relay Service** on one of the numbers listed below, and ask for the ATO number you need:

- TTY users, phone **13 36 77**. For ATO 1800 free call numbers, phone **1800 555 677**.
- Speak and Listen (speech-to-speech relay) users, phone **1300 555 727** and ask for the ATO number you need. For ATO 1800 free call numbers, phone **1800 555 727**.
- Internet relay users, connect to the NRS at **relayservice.com.au**

For information about the *Individual tax return instructions 2012* in accessible formats for the vision impaired, go to the outside back cover.

Business **13 28 66**

Complaints

Go to our website and go to 'Contact us' **ato.gov.au**
Phone **1800 199 010**
Fax **1800 060 063**

EFT **1800 802 308**

For enquiries about direct deposit of your tax refund

Department of Human Services Families and Parents line (previously the Family Assistance Office contact number) **13 61 50**

Superannuation **13 10 20**

To report tax evasion confidentially

Phone (FREECALL) **1800 060 062**
Fax (FREECALL) **1800 804 544**
Go to our website **ato.gov.au/reportevasion**
Mail Locked Bag 6050, Dandenong VIC 3175

