NOT FOR SALE

Tax Pack 2000

Commissioner's guarantee and important messages

see the inside front cover and page 1

Prefer to use the Internet to prepare and lodge your tax return? Find out about *e-tax*.

see page 7

You may need *TaxPack 2000 supplement*.

see page 5

Complete question M2 Medicare levy surcharge. This question is compulsory for all taxpayers.

see page 96

Lodge your tax return by 31 October 2000 or earlier.

www.ato.gov.au

AUSTRALIAN TAXATION OFFICE

Commissioner's guarantee

TaxPack 2000 offers you the following protections . . .

TaxPack 2000 has been prepared to help you complete your tax return correctly—see **Self-assessment—what it means to you** on page 1. As your guide to this process *TaxPack 2000* offers you the following protections if we ask you to explain something on your tax return:

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

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

. . . if you use it properly.

- Have on hand all your necessary documentation and records for the 1999–2000 income year (1 July 1999 to 30 June 2000).
- Read all the preliminary pages—they provide valuable information ranging from whether you need to lodge a tax return at all, to how you can get a faster refund.
- Read each question caption carefully and
  - if it does not apply to you, go to the next question
  - if it does apply to you, read the question carefully so that you provide the required details on your tax return.
- Make sure that you complete the Medicare levy surcharge question (M2). It applies to **all** taxpayers.
- Be aware of the Index at the back of *TaxPack*—it can help you to find information that is relevant to your circumstances.
- Use the checklist on pages 114–15 before you lodge your tax return.

Michael Carmody
Commissioner of Taxation

MESSAGES

What is *TaxPack 2000*?

TaxPack 2000 is a guide designed to help you complete your *2000 tax return for individuals* for the 1999–2000 income year—from 1 July 1999 to 30 June 2000. **You should have found 2 copies of the tax return and an envelope for lodgment enclosed with *TaxPack 2000*.** If you need more copies of the tax return see page 7.

We recommend that you carefully read page 4 to find out what is new in *TaxPack 2000* that may apply to you.

Self-assessment—what it means to you

Under our system of self-assessment the Australian Taxation Office prepares *TaxPack*, *TaxPack supplement* and our other tax time publications to provide you with the information and guidance you need to complete your tax return. It is then your responsibility to lodge a tax return that is complete and correct. We accept it as such and use the information on your tax return to create your notice of assessment.

When you receive your notice of assessment, you may find that we have made some adjustments—for example, because of an error adding up. However, we do not check everything in your tax return before issuing your notice of assessment. At a later date we may check some of the details more thoroughly—perhaps to review specific parts of your tax return or conduct an audit—but we do not take responsibility for checking that your tax return details are correct.

Please remember, even if someone else helps you to complete your tax return, you have to sign the *Taxpayer's declaration* and you are responsible for the information you provide on your tax return.

And if you have made a mistake on your tax return see page 132 to find out what to do.

Do you have to lodge?

To find out if you need to lodge a tax return, carefully read page 2.

When do you have to lodge?

You have from 1 July 2000 to 31 October 2000 to lodge your tax return, but we encourage you to start early and send it in as soon as you can. The lodgment address is on page 130.

Don't delay sending your tax return, even if you think you will owe tax. The earliest due date for any 1999–2000 personal income tax debt is 1 December 2000.

If you cannot lodge by 31 October 2000

If you cannot lodge your tax return by this date due to circumstances beyond your control, contact us as soon as possible—and certainly before 31 October 2000—to find out if you can lodge at a later date. Ring our lodgment enquiries helpline on the inside back cover of *TaxPack* or send a written request to the address that appeared on your 1999 notice of assessment, if you have one, or your nearest tax office. Explain why you need to lodge late and suggest another date. We will consider your request and reply in writing.

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

If you have not received your group certificate or you have lost it, see YOU NEED TO KNOW on page 14 for information on late or lost group certificates.

Medicare levy surcharge (M2)

This item is compulsory for all taxpayers. If you do not complete the item you may be charged the full Medicare levy surcharge. See pages 96–100 in *TaxPack 2000*.

CONTENTS

INFORMATION

Do you have to lodge a tax return?

There are a number of reasons why you may be required to lodge a tax return for the 1999–2000 income year (1 July 1999 to 30 June 2000). Check each reason below to see if you do or do not need to lodge.

REASON 1 You paid tax during 1999–2000.

You need to lodge if you were an Australian resident (see page 8) and any of the following applied to you:

- You had tax deducted from income you received or earned.
- You paid provisional tax.
- You had amounts deducted from payments to you under the reportable payments system or prescribed payments system.
- You purchased income tax credit vouchers.
- You had amounts deducted from interest, dividends or unit trust distributions because you did not quote your tax file number to the investment body.

REASON 2 You received a Commonwealth of Australia government pension, allowance or payment.

You need to lodge if ANY of the following applied to you:

- You received an allowance or payment listed at question **5** on page 24 and you had other income.
- You received a pension, allowance or payment listed at question **6** on page 25 AND your assessable income was more than the following relevant amount:
  - if you were single or widowed at any time during the year—$12 654 for Centrelink clients or $13 119 for Department of Veterans' Affairs (DVA) clients
  - if you had a spouse but either of you lived in a nursing home or you had to live apart due to illness—$12 344 for Centrelink clients or $12 794 for DVA clients
  - if you lived with your spouse for the full year—$10 764 for Centrelink clients or $11 159 for DVA clients.

  Your assessable income includes the 'taxable pension' shown on your group certificate plus other types of income, such as bank interest, taxable unit trust distributions, dividends, wages, most foreign pensions, eligible termination payments and net capital gains. It does not include exempt income shown on page 12.
- You meet any of the conditions in the REASON 1 or OTHER REASONS boxes.

REASON 3 You received or earned income not covered by REASON 2.

You need to lodge if your taxable income exceeded the following amounts:

$5400	if you were an Australian resident for tax purposes for the full year
$643	if you were under 18 years of age at 30 June 2000 and your income was not salary or wages
$1	if you were a non-resident and you had income taxable in Australia—excluding income that has non-resident withholding tax deducted from it
Part-year tax-free threshold amount	If you stopped full-time education for the first time or you became or stopped being an Australian resident for tax purposes, you will have a part-year tax-free threshold which determines whether you have to lodge a tax return. Page 117 shows you how to work out this amount.

OTHER REASONS

You need to lodge if ANY of the following applied to you:

- You are the liable parent under a child support assessment.
- You have a reportable fringe benefits amount on your group certificate.
- You are entitled to a rebate at question **R5** on pages 84–8.
- You carried on a business.
- You made a loss, or you can claim a loss you made in a previous year.
- 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 overseas income that was not a pension.
- 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 sportspersons.

If after reading the above you find that you do not need to lodge a tax return for 1999–2000, read the information at the top of page 3 to see if you need to complete and send us a non-lodgment advice. If a tax return is required, proceed to page 4.

DECEASED ESTATE If you are looking after the estate of someone who died during 1999–2000, consider the above points on their behalf and, if a tax return is not required, complete the form on the next page and send it to the Australian Taxation Office. If a tax return is required, see page 9 for more information.

If you do not need to lodge a tax return, complete the form below and send it by 31 October 2000 to the Australian Taxation Office at the relevant address on page 131.

Do not send us this form if:

- your only income was from an allowance or payment listed at question **5**
- you received a pension, allowance or payment listed at question **6** and your assessable income was less than the relevant amount in REASON 2.

The agencies that pay these have provided information for us to determine that you do not need to lodge a tax return.

- you have previously sent us a tax return, a form or a letter that told us that you do not need to lodge a tax return for all future years.

CUT ALONG DOTTED LINE TO REMOVE

2000 non-lodgment advice

Australian Taxation Office

Non-lodgment advice

Your tax file number

It is not an offence not to quote your tax file number (TFN). However, your TFN helps the Australian Taxation Office to correctly identify your tax records.

Date of birth

Day Month Year

Your name

Title—for example, Mr, Mrs, Ms, Miss

Surname or family name

Given names

Your postal address

Suburb or town

State Postcode Country if not Australia

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

NO

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

Suburb or town

State Postcode Country if not Australia

Your daytime telephone number—if it is convenient

Area code Telephone number

Reason for not lodging a tax return

I will not have to lodge a tax return for 2000 because none of the reasons listed on page 2 apply.

I will not have to lodge a tax return for future years because:

(please print)

Child support

If you receive child support, complete the following details.

Child Support Agency reference number

If you are liable to pay child support you must lodge a tax return.

Main source of 1999–2000 income—for example, salary or wages

Total amount of 1999–2000 income:

- Include total reportable fringe benefits.
- Include exempt foreign employment income.
- Add back the amount of net rental losses.
- Do not include exempt income described on page 12.

$

Signature Date

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

NAT 2586—6.2000

INFORMATION

What's new this year?

The following is an overview of new *TaxPack* questions and those that contain changes that have taken place this year.

Bonuses for older Australians

If you are 55 years of age or older and your taxable income in either 1998–99 or 1999–2000 was less than $30 000, you may be entitled to the bonuses for older Australians. You will need to apply for the bonuses using a special claim form. In May and June this year, claim forms were posted to people who may be eligible.

If you are claiming the bonuses for older Australians and you made contributions to a superannuation fund during 1999–2000 you may also need to complete item **R4** on your tax return—to make sure that your claim is processed correctly. For more information ring the bonuses for older Australians helpline on **13 2862**.

QUESTION 6—Commonwealth of Australia government pensions and allowances

There has been a change to the rebate code letters used at this question. To make sure that you get your correct rebate entitlement read this question carefully.

QUESTION 8—Total reportable fringe benefits amounts

On 1 April 1999 changes were made to the fringe benefits tax (FBT). Your employer must now show the grossed-up taxable value of your fringe benefits on your group certificate—if the total taxable value is more than $1000 in an FBT year (1 April to 31 March).

While you will not pay income tax on this amount, you need to show it on your tax return. Make sure you read question **8** carefully.

SUBTOTAL

At this new item on the tax return you will subtotal your total income less total deductions. If you do not claim an amount at question **D10**, this subtotal will also be your taxable income. Follow the instructions on page 65 in *TaxPack 2000*.

QUESTION D10—Tax losses of earlier income years deducted this year

This question was previously in *TaxPack supplement*. It has been moved to *TaxPack* and if you are claiming an amount at this question it may affect the way you calculate your taxable income.

QUESTION 14—Capital gains

There have been changes to the legislation for capital gains. Make sure you read the question carefully.

QUESTION R4—Personal undeducted superannuation contributions—for the bonuses for older Australians

If you are claiming the bonuses for older Australians you will need to answer this question if you have made contributions to a complying superannuation fund or retirement savings account during 1999–2000. This will ensure that your claim for the bonuses is processed correctly.

QUESTION A4—Amount on which ultimate beneficiary non-disclosure tax was payable

At this item you will need to show any trust distributions on which ultimate beneficiary non-disclosure tax was payable. These distributions are taken into account in determining your liability for superannuation contributions surcharge.

Depreciation changes

This year the way you may claim depreciation for cars, libraries, computers and other plant acquired on or after 21 September 1999 has changed. Make sure that you carefully read any information about depreciation to find out whether the changes affect you.

Goods and services tax (GST)

The GST will not come into effect until 1 July 2000. However, you may have already paid GST as part of your work or business expenses for services that are to be delivered after 1 July 2000. If you are in business the special information in the *Business and professional items* will tell you what you should do. For employees claiming a work related expense the GST is part of the total expense and is therefore part of any allowable deduction.

Prepayments to tax shelters

Under proposed legislation there will be changes to the rules about when you can claim a deduction for a prepayment. A prepayment is a deductible payment made during this income year for something that will be provided to you in a future income year. The proposed changes broadly cover prepayments to a tax shelter arrangement. If you think this applies to you ring the general enquiries helpline on the inside back cover of *TaxPack*.

What's in *TaxPack 2000* and *TaxPack 2000 supplement*

TaxPack 2000

These questions will help you complete pages 1–8 of the tax return.

Income

1 Salary or wages
2 Allowances, earnings, tips, director's fees etc.
3 Lump sum payments
4 Eligible termination payments
5 Commonwealth of Australia government allowances and payments like Newstart, youth allowance and austudy payment
6 Commonwealth of Australia government pensions and allowances
7 Other Australian pensions or annuities—including superannuation pensions
8 Total reportable fringe benefits amounts
9 Gross interest
10 Dividends

Deductions

D1 Work related car expenses
D2 Work related travel expenses
D3 Work related uniform, occupation specific or protective clothing, laundry and dry cleaning expenses
D4 Work related self-education expenses
D5 Other work related expenses
D6 Interest and dividend deductions
D7 Gifts or donations
D8 Deductible amount of undeducted purchase price (UPP) of an Australian pension or annuity
D9 Cost of managing tax affairs
D10 Tax losses of earlier income years deducted this year

Rebates/tax offsets

R1 Spouse—married or de facto—child-housekeeper or housekeeper
R2 Sole parent
R3 Low income aged person
R4 Superannuation contributions, annuity and pension
R5 30% private health insurance

Private health insurance policy details

Medicare levy related items

M1 Medicare levy reduction or exemption
M2 Medicare levy surcharge

Adjustments

A1 Under 18 excepted net income
A2 Part-year tax-free threshold
A3 Amount on which family trust distribution tax has been paid
A4 Amount on which ultimate beneficiary non-disclosure tax was payable
A5 Family tax assistance

TaxPack 2000 supplement

These questions will help you if you also need to complete the supplementary section of the tax return (pages 9–12).

Income

11 Partnerships and trusts
12 Net income or loss from business
13 Net income equalisation and/or farm management deposits or withdrawals
14 Capital gains or losses—for example, on disposal of assets
15 Foreign entities
16 Foreign source income (including foreign source pension or annuity) and foreign assets or property
17 Rent
18 Bonuses from life insurance companies and friendly societies
19 Other income

Deductions

D11 Australian film industry incentives
D12 Deductible amount of undeducted purchase price of a foreign pension or annuity
D13 Non-employer sponsored superannuation contributions—generally for the self-employed
D14 Other deductions

Rebates/tax offsets

R6 Superannuation contributions on behalf of your spouse
R7 Zone or overseas forces
R8 20% rebate on net medical expenses over $1250
R9 Parent, spouse's parent or invalid relative
R10 Landcare and water facility tax offset
R11 Other rebates/tax offsets

Credits for tax paid

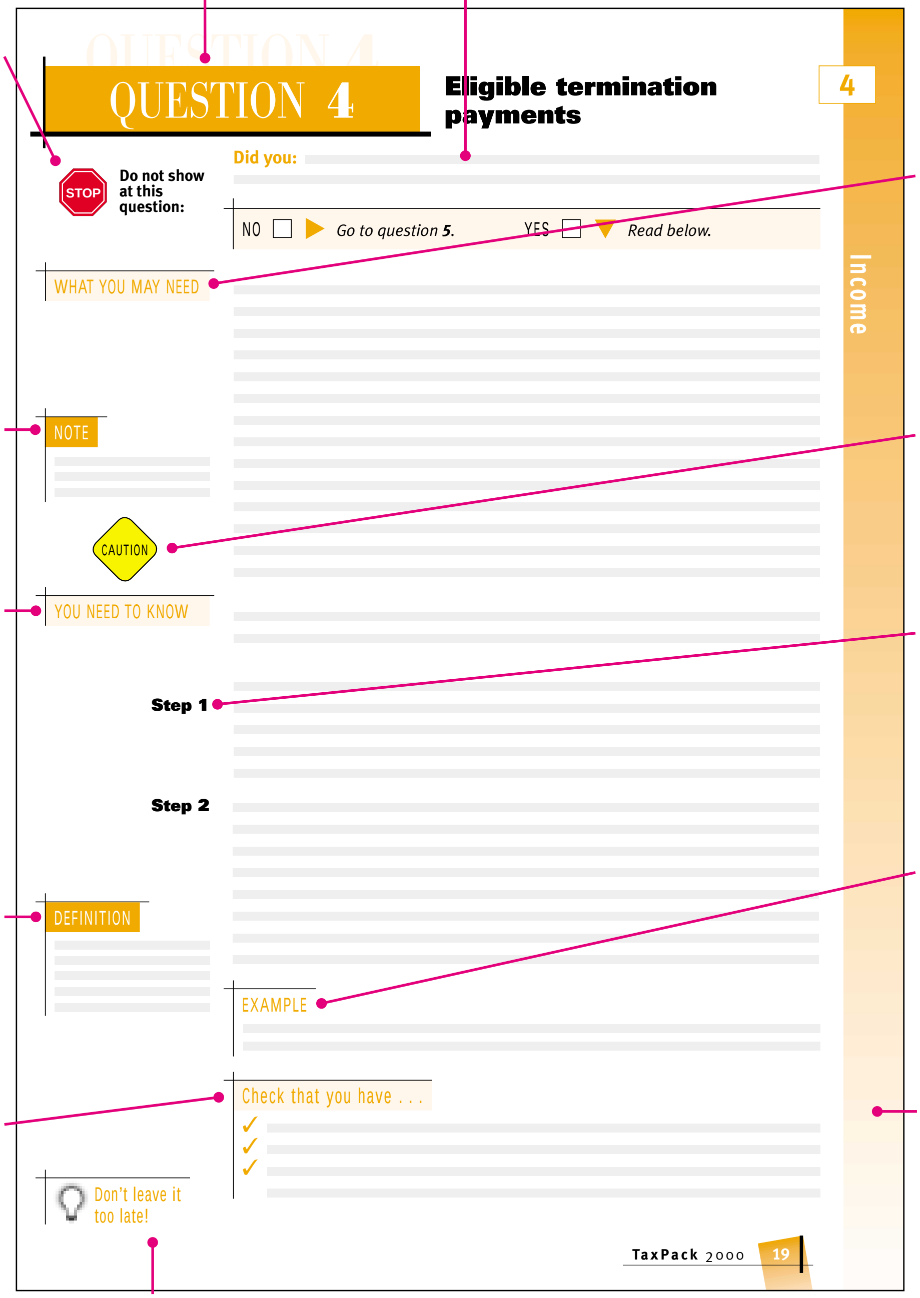
C1 Income tax credit vouchers—not shown elsewhere on your tax return
C2 Credit for interest on early payments—amount of interest

AUSTRALIAN NEWSAGENT

If you have not received *TaxPack 2000 supplement* and need to use it, from 1 July to 31 October 2000 you can get a copy from newsagencies displaying this logo. Copies are also available all year from the Australian Taxation Office.

INFORMATION

Follow the signs — how parts of *TaxPack* questions can help you



QUESTION NUMBERS
Match the item on your tax return.

QUESTION CAPTION
Check each question caption carefully. If it doesn't apply to you, go to the next question.

STOP SIGN
Read this information carefully before completing the question. Relevant topics appear in **bold** to help you when using the Index.

NOTE
Additional information that will assist you.

YOU NEED TO KNOW
Information you need to know before you complete the question.

DEFINITIONS
Definitions of important terms relevant to the question.

CHECK THAT YOU HAVE
Be sure you have really finished the question.

WHAT YOU MAY NEED or WHAT YOU MUST HAVE
Helps you to get organised.

CAUTION
Take care to read all the information.

JUST FOLLOW THE STEPS
Step 1
Step 2
Step 3

EXAMPLES AND WORKSHEETS
Worked examples and calculation worksheets help to explain the steps.

COLOUR BARS
Each question is colour coded to match the section on your tax return.

LIGHT BULB
Tells you about records you need to keep.

What are your choices for doing your tax return?

You can do it yourself. Use *TaxPack 2000*. Just follow the instructions and make sure you lodge your tax return by 31 October 2000.

Can someone else do it for you?

FAMILY MEMBER OR FRIEND
A family member or friend can help you but they cannot charge you a fee.

TAX HELP COMMUNITY VOLUNTEERS
Tax Help is a network of community volunteers who are trained to help people prepare their tax returns.

This free service is available for people on low incomes—including those who are also seniors, people from non-English speaking backgrounds, people with a disability, Aboriginal people or Torres Strait Islander people.

See page 15 of *TaxPack 2000* for more information.

REGISTERED TAX AGENTS
A registered tax agent can prepare and lodge your tax return for a tax deductible fee. If you did not go to a tax agent last year—or you will be going to a different tax agent this year—make sure that you see them before 31 October 2000.

What are your responsibilities?

Even if someone else—a family member, friend or tax agent—helps you to prepare your tax return, you are still legally responsible for the accuracy of the information.

You must sign and date the *Taxpayer's declaration* on your tax return to confirm that it is true and correct.

Do you prefer to use the Internet?

The Australian Taxation Office's secure electronic tax return preparation and lodgment software—*e-tax 2000*—can be used instead of *TaxPack* to prepare and lodge your tax return. *e-tax* will take you through an on-screen interview, complete your tax return and give you an estimate of your personal income tax refund or tax debt. Tax returns lodged via *e-tax* will be processed within 14 days. For more information on *e-tax*, visit our Internet site at **www.ato.gov.au**

If you need more information

You can contact the Australian Taxation Office

You can ring the Australian Taxation Office (ATO) if you need assistance with a question in *TaxPack*, including the supplement, or another matter concerning your tax affairs. If you decide to ring us, please have your *TaxPack* or supplement handy. See the inside back cover of *TaxPack* for the right telephone number to ring. If you would like to visit the ATO, our locations are listed on page 131—along with the phone numbers to make an appointment.

You can get copies of publications

***TaxPack* referred publications**
Because we can't cover everything in *TaxPack*, we will sometimes refer you to other publications that will help you to complete your tax return. To find out how to get these publications, see the inside back cover of *TaxPack*.

Tax returns
Additional copies of the tax return are available from our Publications Distribution Service or the ATO—see the inside back cover of *TaxPack*.

TaxPack 2000 and *TaxPack 2000 supplement*

From 1 July to 31 October 2000 you can get additional copies from newsagencies displaying this logo. Copies are also available all year from the ATO.

You can ask for a taxation ruling

If you have a complex enquiry about your tax affairs, you may want to ask for a private ruling. To do this, complete an *Application for private ruling*. To find out how to get this publication, see the inside back cover of *TaxPack*. A private ruling will relate just to your particular situation. If you lodge your tax return before you receive your private ruling, be aware that the ruling may alter the accuracy of your tax return.

You can ask for a review of a private ruling decision if you disagree with it even if you have not yet received your assessment. The ATO branch that made the ruling can give you more information about objection procedures.

Getting started with your tax return—page 1

Page 1 of your tax return provides the Australian Taxation Office (ATO) with information about you that is vital for the successful completion of the tax return process—for this year and for future years. Make sure that you carefully complete all the items.

Your tax file number

If you already have a tax file number (TFN), it will be on your last notice of assessment or the top left-hand corner of your group certificate. If you do not have these documents, to find out your TFN ring the tax file number helpline on the inside back cover of *TaxPack*. We will ask you to provide information confirming your identity and we will post your TFN to you—**we cannot provide TFNs over the phone**.

If you have changed your postal address and you want to find out your TFN, write to us with your request and your new address.

If you do not have a TFN, ring the tax file number helpline on the inside back cover of *TaxPack* for a *Tax file number application or enquiry*. To lodge your application you will need to provide original, unaltered documents showing proof of your identity. You will find a list of appropriate proof of identity documents on the application, or ring the tax file number helpline on the inside back cover of *TaxPack*.

You can post your application and documents, or bring them to any of the ATO locations listed on page 131. If you post your application we will return your documents to you by registered post. We will post your TFN within 28 days to the address on your application—**we cannot provide TFNs over the phone**.

Are you an Australian resident?

The tax rates that apply to your taxable income depend on whether or not you are an Australian resident. A higher rate of tax is applied to a non-resident's taxable income and non-residents are not entitled to a **tax-free threshold**. See page 117 for more information.

The standards the ATO uses to determine your residency status are not the same as those used by the Department of Immigration and Multicultural Affairs.

Generally, the ATO considers 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 or
- you have actually been in Australia for more than half of 1999–2000—unless your usual home is overseas and you do not intend to live in Australia.

If you go overseas temporarily and you do not set up a permanent home in another country, you may continue to be treated as an Australian resident for tax purposes.

Overseas students coming to Australia to study who are enrolled in a course that is more than 6 months long are generally treated as Australian residents for tax purposes.

If you are visiting Australia on a working holiday, you will generally not be considered an Australian resident for tax purposes.

If you are an Australian resident for tax purposes, *print* **X** in the YES box at this item.

If you are not an Australian resident for tax purposes, *print* **X** in the NO box at this item.

If you need help in deciding whether or not you are an Australian resident for tax purposes, ring the general enquiries helpline on the inside back cover of *TaxPack*.

Important: If your residency status for tax purposes has changed during 1999–2000, you will need to answer question **A2** on pages 103–4. We need this information to work out your tax-free threshold.

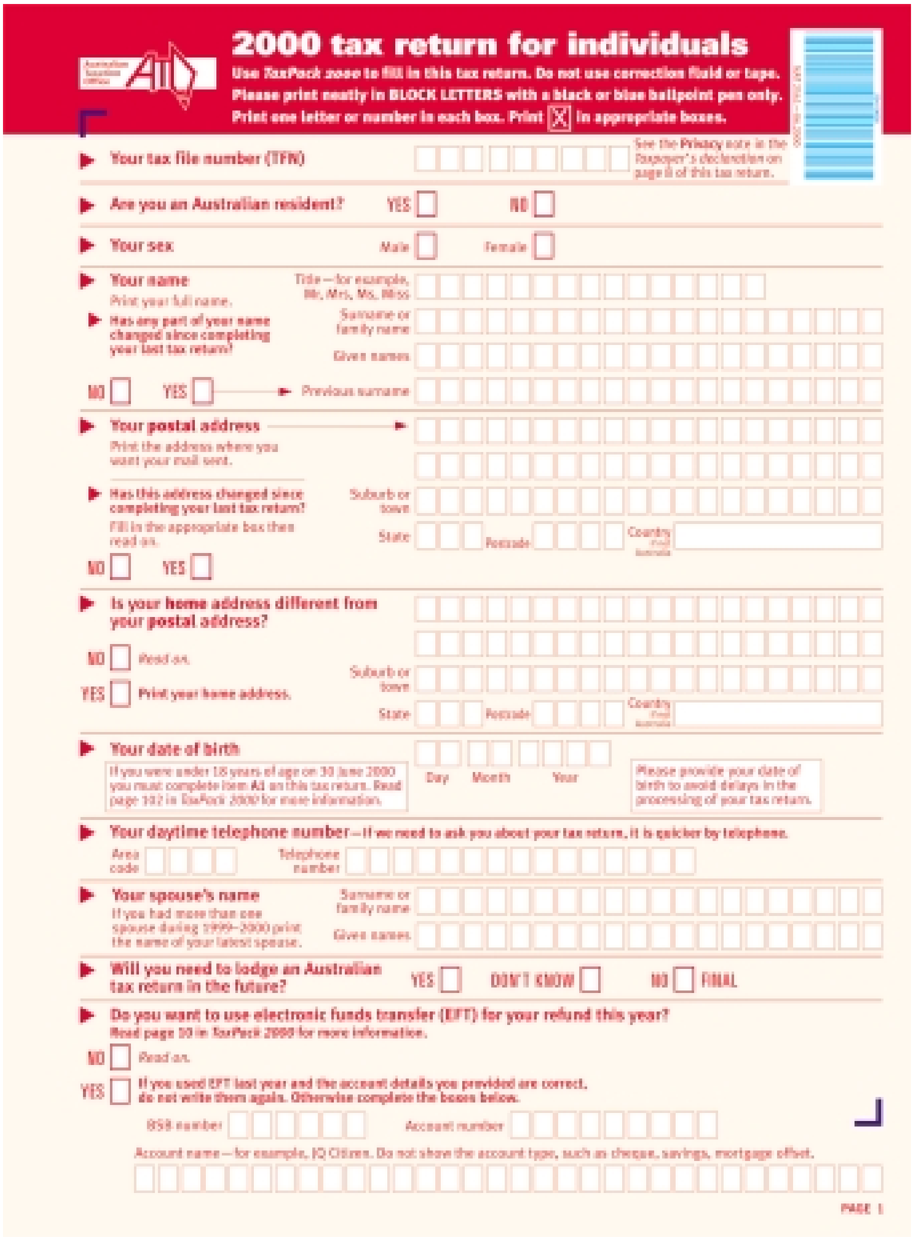
Your personal details

Carefully complete the personal information questions on page 1 of your tax return. These include questions about your name, address, date of birth and contact telephone number.

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

If you know that you will need to lodge an Australian tax return in the future, *print* **X** in the YES box at this question. If you are unsure, *print* **X** in the DON'T KNOW box. If you know that your 1999–2000 tax return will be the last Australian tax return that you will lodge, *print* **X** in the NO box.

This may be your last tax return if:
- your annual taxable income in the future will be below the tax-free threshold, $6000 for 2000–01, or
- your only source of income in the future will be a Commonwealth of Australia government pension or
- you are moving overseas permanently.


2000 tax return for individuals

Use *TaxPack 2000* to fill in this tax return. Do not use correction fluid or tape.
Please print neatly in BLOCK LETTERS with a black or blue ballpoint pen only.
Print one letter or number in each box. Print X in appropriate boxes.

Your tax file number (TFN)

See the Privacy note in the Taxpayer's declaration on page 8 of this tax return.

Are you an Australian resident? YES NO

Your sex Male Female

Your name Print your full name. Title—for example, Mr, Mrs, Ms, Miss. Surname or family name. Given names.

Has any part of your name changed since completing your last tax return? NO YES Previous surname

Your postal address Print the address where you want your mail sent.

Has this address changed since completing your last tax return? Fill in the appropriate box then read on. NO YES Suburb or town State Postcode Country if not Australia

Is your home address different from your postal address? NO Read on. YES Print your home address. Suburb or town State Postcode Country if not Australia

Your date of birth Day Month Year

If you were under 18 years of age on 30 June 2000 you must complete item A1 on this tax return. Read page 102 in *TaxPack 2000* for more information.

Please provide your date of birth to avoid delays in the processing of your tax return.

Your daytime telephone number—If we need to ask you about your tax return, it is quicker by telephone. Area code Telephone number

Your spouse's name If you had more than one spouse during 1999–2000 print the name of your latest spouse. Surname or family name Given names

Will you need to lodge an Australian tax return in the future? YES DON'T KNOW NO FINAL

Do you want to use electronic funds transfer (EFT) for your refund this year? Read page 10 in *TaxPack 2000* for more information.

NO Read on.

YES If you used EFT last year and the account details you provided are correct, do not write them again. Otherwise complete the boxes below.

BSB number Account number

Account name—for example, JQ Citizen. Do not show the account type, such as cheque, savings, mortgage offset.

PAGE 1

Are you lodging a tax return for someone who died during the year?

Page 2 in *TaxPack 2000* will tell you if a tax return is required.

If yes, prepare a final tax return for the income year up to the date of death.

Print DECEASED ESTATE on the top of page 1 of the tax return and *print* **X** in the NO box at **Will you need to lodge an Australian tax return in the future?** The executor or administrator of the estate must sign the tax return on behalf of the deceased person.

Certain types of income received after the date of death may need to be shown in a trust tax return. If you have any questions, ring the general enquiries helpline on the inside back cover of *TaxPack*.

INFORMATION

Do you want a faster refund?

PAGE 1 OF YOUR TAX RETURN

Direct refund

By using electronic funds transfer (EFT) the Australian Taxation Office can deposit your tax refund directly into the bank, credit union or building society account of your choice. EFT gives you quicker access to your money. Direct refund is not available on the full range of accounts. If you are in doubt, check with your financial institution.

Important: If you provide another person's account details, your refund will be sent to that account. Be careful to provide the correct account details.

To use direct refund

Print **X** in the YES box on page 1 of your tax return at the question **Do you want to use electronic funds transfer (EFT) for your refund this year?** If you used EFT last year and the account details you provided are correct, there is no need to provide them again. *Go to* page 11. Otherwise, *go to* step 1.

Step 1 *Write* the bank state branch (BSB) number. This is a 6-digit number that identifies the financial institution. If the account has a cheque facility—excluding credit union accounts—the BSB number can be found on a cheque form. *See* the example on the next page.

If you do not know the BSB number, or it has less than 6 digits, check with the financial institution. Do not include spaces, dashes or hyphens in the BSB number.

Step 2 *Write* the account number as shown on the account records. *See* the example on the next page. An account statement, cheque book or other document from the financial institution will show this information. You cannot use an account number longer than 9 characters. Do not include spaces in the account number.

Step 3 *Print* the account name—also called account title—as shown on the account records. Do **not** print the account type—for example, savings, cheque, mortgage offset.

See Account name instructions below and the example on the next page.

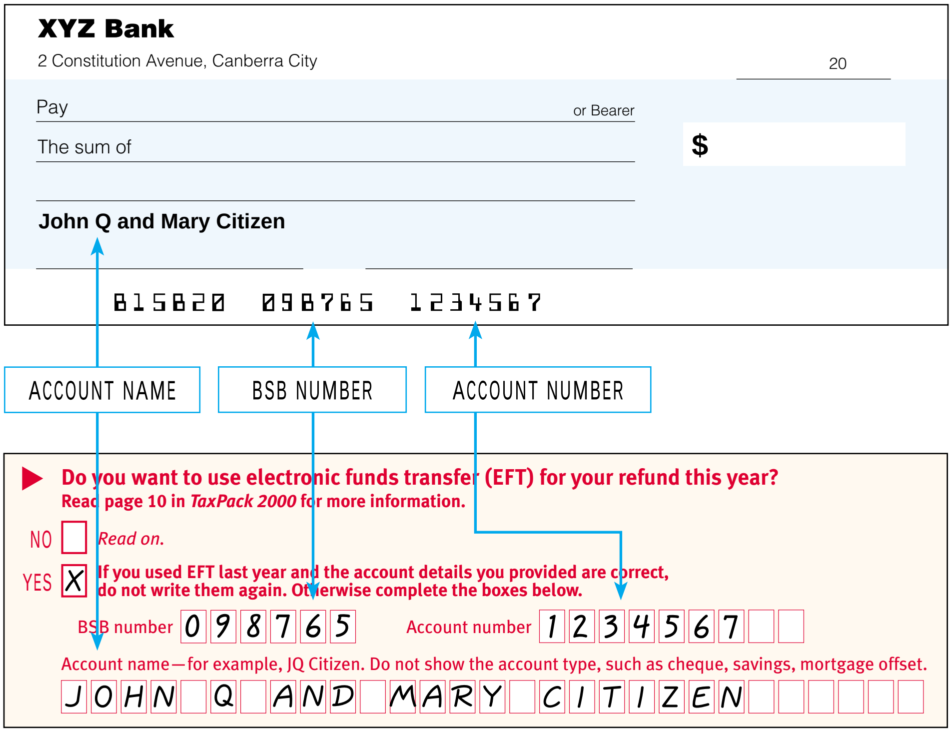
Account name instructions

If your name is *John Q Citizen*, you might have an account with the account name shown as *JQ Citizen* or *John Q and Mary Citizen* or another variation. Quote the account name as it is shown on the account records. Include a space between each word and between any initials in the account name.

On the next page is an example of a completed direct refund request.

Finding BSB number, account number and account name details on a bank or building society cheque (not credit union cheques)

Where to write the BSB number, account number and account name details on your tax return



Do you want to pay your tax debt by EFT?

Direct debit

You can use electronic funds transfer (EFT) direct debit to pay your tax debt directly from your account. Why write cheques or queue to pay tax when you can have your payment made electronically on the due date—no earlier than 1 December for your personal income tax debt.

The account you use for direct debit must be in your name. Accounts in joint names are acceptable, as long as yours is one of the names.

To use direct debit

Your notice of assessment will show a due date that is at least 30 days after the issue date shown on the notice. This gives you time to make a direct debit request—ring the EFT helpline on **1800 802 308** and get a *Direct debit request*, complete it and send it back to the Australian Taxation Office. The instructions about where to post the *Direct debit request* will come with the form. Allow at least 10 working days for processing. A direct debit request remains in force until it is cancelled. See the *Direct debit request* for full instructions.

If you used direct debit last year and the account details you provided are correct you do not need to make another request. Your notice of assessment will display a message that your tax debt will be debited from your nominated account on the due date.

If your account details have changed you will need to complete a *Direct debit request* if you want to use direct debit this year.

For more information about EFT ring the EFT helpline on **1800 802 308**.

You do not have to pay tax on this exempt income

Exempt income is not included in your assessable income. The most common types of exempt income you may have received are listed here.

Note: Some questions in *TaxPack* ask you to show your spouse's exempt income.

Exempt Commonwealth of Australia government pensions, allowances and payments

Pensions

- carer payment where both the carer and either the care receiver or all of the care receivers are under age pension age, or the carer is under age pension age and any of the care receivers has died
- carer service pension and partner service pension where both the carer, or the partner, and the veteran being cared for are under age pension age and the veteran receives an invalidity service pension, or the veteran has died and received an invalidity service pension at the time of death
- invalidity service pension where the recipient is under age pension age
- disability support pension paid by Centrelink to a person who has not reached age pension age
- Veterans' Affairs disability pension and allowances, war widow's and war widower's pension
- double orphan pension
- wife pension where both the recipient and partner are under age pension age or the recipient is under age pension age and the partner has died

Note: *Superannuation Act 1976* and *Defence Forces Retirement Benefits Act 1948* pensions and payments are taxable. Show them on your tax return at item **7**.

Education payments

- allowances for students under 16 years of age including those paid under ABSTUDY, youth allowance and the Veterans' Children Education Scheme
- allowances for students paid under the Assistance for Isolated Children Scheme
- Australian–American Educational Foundation grant
- Commonwealth scholarships or bursaries provided to foreign students
- Commonwealth secondary education assistance
- some scholarships and bursaries received by full-time students
- pensioner education supplement and fares allowance paid by Centrelink

Other payments

- family tax payment
- carer allowance paid under the *Social Security Act 1991*
- child care rebate
- child care assistance
- basic parenting payment (partnered)
- supplementary or additional payment for children received as part of a social security payment
- disaster relief payment
- employment entry payment
- family allowance
- family allowance advance
- farm household support payments that have been converted to a grant
- maternity allowance
- maternity immunisation allowance
- mobility allowance paid under the *Social Security Act 1991*
- open employment incentive bonus
- pharmaceutical allowances paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*
- rent assistance
- remote area allowance
- telephone allowance paid under the *Social Security Act 1991* or *Veterans' Entitlements Act 1986*
- Veterans' Affairs loss of earning allowance
- lump sum pension bonus paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*
- payments from the Commonwealth under the incentives payments scheme relating to certain private health insurance policies

Exempt Defence Force and United Nations payments

- pay and allowances for Defence Force personnel and prescribed civilians who served with certain United Nations peacekeeping forces—your employer will advise you if an amount is exempt
- some allowances paid to Defence Force personnel who served in prescribed overseas areas—your employer will advise you if an allowance is exempt
- pay and allowances for part-time service in the Defence Force Reserve and Emergency Reserve Forces

Other exempt payments

- child support or spouse maintenance payments
- rent and mortgage relief scheme payments
- amounts on which family trust distribution tax has been paid (see question **A3** on page 105)

For information on the type of payment you received, contact the agency or person that paid you.

Income

TaxPack 2000 supplement

Page

You will need to complete the *2000 tax return for individuals* (supplementary section) to answer the following income questions.
For more information see page 35.

1

QUESTION 1 Salary or wages

Did you receive salary or wages, including income earned from part-time and casual jobs, from which tax instalments were deducted?

To complete this question you should have a group certificate, letter or statement from your employer which shows:

- your income in the 'Gross salary, wage, bonus etc.' box AND
- the tax instalments that were deducted.

If you do not have a group certificate, letter or statement read YOU NEED TO KNOW below.

Include payments for lost salary or wages paid under an accident or insurance policy or worker's compensation scheme from which tax instalments have been deducted.

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

Do not show at this question:

- amounts paid from a **Community Development Employment Project** (CDEP)
- amounts in the '**Allowances**' or '**Lump sum payments**' boxes on your group certificate
- reportable **fringe benefits** amounts
- Commonwealth of Australia **government pensions, allowances and payments**
- income from an Australian annuity or **superannuation** pension
- income paid to you as a partner in a **partnership**
- **prescribed payments system** or **reportable payments system** income
- **foreign employment income**.

Other questions deal with these matters.

Read on or refer to the relevant topics in the Index.

YOU NEED TO KNOW

Late, lost or wrong group certificates, letters or statements from your employer
If you do not have all of your documents, or any are wrong, contact the employer who paid you. Ask your employer to give you a letter showing the correct details.

If you are unable to get these documents from your employer, you will need to complete the statutory declaration which is available from the Australian Taxation Office and attach it to page 3 of your tax return.

This statutory declaration identifies the categories of information you need to show in your tax return such as the period or periods of employment covered by your missing documents, the names of your employers, the amounts of tax instalments deducted and the amount of gross salary or wages you earned.

To find out how to get this statutory declaration, see the inside back cover of *TaxPack*.

NOTE

If you lodge your tax return without a group certificate or statutory declaration showing the correct details we will send your tax return back to you to lodge it again with the necessary documents attached.

WHAT YOU MAY NEED

For each job you had during 1999–2000:

- your group certificate or
- a letter or statement from your employer or
- a completed statutory declaration if required.

COMPLETING THIS QUESTION

Step 1 *Print* the occupation from which you earned most of your salary or wages included at this question in the **Your main salary and wage occupation** box at item **1** on your tax return.

Step 2 *Print* the name of the employer shown on each group certificate, letter or statement from your employer, or the statutory declaration you have completed, in a **Name of employer** box at item **1** on your tax return.

Step 3 *Write* the amount of tax instalments deducted as shown on each group certificate, letter or statement from your employer, or the statutory declaration you have completed, at the left of **C** to **G** item **1** on your tax return. Show cents.

Step 4 *Write* the amount of gross salary or wages shown on each group certificate, letter or statement from your employer, or the statutory declaration you have completed, at **C** to **G** item **1** on your tax return. Do not show cents.

Important: If you have **more than 5** group certificates, letters or statements from your employers, *complete* steps 2 to 4 for your first 4 documents only. Then *add up* the tax instalments deducted shown on your fifth and remaining documents and *write* the total at the left of **G** item **1** on your tax return. Show cents.

Add up the amounts of gross salary or wages shown on your fifth and remaining documents and *write* the total at **G** item **1** on your tax return. Do not show cents.

Check that you have . . .

- ✓ printed on your tax return your occupation
- ✓ printed on your tax return the names of your employers
- ✓ written on your tax return the amounts of tax instalments deducted
- ✓ written on your tax return the amounts of gross salary or wages
- ✓ attached to page 3 of your tax return the employee's tax return copy of all your group certificates, letters or statements from your employers, or the statutory declarations you have completed
- ✓ kept a copy of your group certificate, letter or statement for each employer. You need to keep it for 5 years from 31 October or, if you lodge later, for 5 years from the date you lodge your tax return.

NEED HELP WITH YOUR TAX AFFAIRS?

Are you on a low income?
Tax Help may be your answer

Tax Help is a free and confidential service for people on a low income—including those who are seniors, people from non-English speaking backgrounds, people with a disability, Aboriginal people or Torres Strait Islander people. It operates each year from July until the end of October.

Tax Help community volunteers are trained by the Australian Taxation Office to help taxpayers who get Commonwealth of Australia pensions, allowances and payments, or salary or wages, interest, dividends and overseas pension income.

These volunteers can explain your tax obligations and assist you to prepare your tax return but are not allowed to help with your more complex tax affairs such as capital gains, rental properties, prescribed payments and other business issues.

There are Tax Help centres throughout the metropolitan area of each State and in many country areas. If you want to visit one of the trained volunteers you need to make an appointment first. Don't forget to take your *TaxPack* and any relevant papers with you when you go.

If you cannot locate a Tax Help centre in your area, ring the Australian Taxation Office on **13 2861** for more information.

QUESTION 2 Allowances, earnings, tips, director's fees etc.

Do not show at this question:

- **lump sum payments in arrears** shown as 'LSPA' in the 'Allowances' box on your group certificate
- reportable **fringe benefits** amounts
- Commonwealth of Australia **government pensions, allowances and payments**
- income from sickness and accident **insurance** policies NOT shown on a group certificate
- **foreign employment income**
- income paid to you as a partner in a **partnership**
- income—including commission income—you earned because you were **self-employed**
- income you earned as a non-employee **taxi driver**—for example, a driver operating under a standard bailment agreement with an owner/operator.

Other questions deal with these matters.

Refer to the relevant topics in the Index.

Did you receive any income from working—whether or not it is shown on a group certificate—such as:

- **salary and wage income, including income earned from part-time and casual jobs, from which tax instalments were NOT deducted**
- **allowances**
- **tips, bonuses, gratuities and payments for your services**
- **consultation fees and honoraria—payments for voluntary services**
- **commissions?**

Embassy staff must show at this question salary and wage income from which tax instalments were not deducted and the total amount of any tax paid by purchasing income tax credit vouchers.

Show at this question income from sickness and accident insurance policies shown on a group certificate where no tax instalments have been deducted.

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

YOU NEED TO KNOW

Allowances and earnings from your employer may include:

- car, travel or transport allowances even if they were paid in cash
- allowances for tools, clothing or laundry
- dirt, height, site, risk, meal or entertainment allowances
- allowances for qualifications—for example, a first aid certificate
- any reimbursement of car expenses—calculated by reference to the distance travelled by the car—which is an exempt car expense payment benefit for fringe benefits tax purposes.

Award transport payments

Award transport payments are allowances covering either transport expenses or car expense reimbursements which are paid under an industrial law or award that was in force on 29 October 1986.

These payments are assessable income and must be included at this question.

If you have incurred car or transport expenses associated with these payments, you may be able to claim a deduction at question **D1** or **D2**. See pages 40–9 for more information.

Deductions

You cannot automatically claim a deduction just because you got an allowance. **Carefully read the Deductions section that starts on page 37**.

WHAT YOU NEED

- your group certificates, income tax credit vouchers or statements of earnings
- other details of your income

If you do not have all of your documents, contact the person who paid you.

COMPLETING THIS QUESTION

Step 1 At the left of **K** item **2** on your tax return *write* the total amount of tax instalments deducted from allowances, earnings and other salary and wage income plus the amount of any tax paid by purchasing income tax credit vouchers for this income. Show cents.

Do not include any amounts already shown on your tax return.

Step 2 *Add up* all your allowances, earnings and other salary and wage income. Do not include amounts shown at item **1** or required to be shown at items **3** to **8**.

Include all allowances and earnings you received, whether or not they are shown on a group certificate or statement of earnings.

Make sure you include any reimbursements of car expenses you received that were worked out by reference to the distance travelled by the car.

Step 3 *Write* the total at **K** item **2** on your tax return. Do not show cents.

Check that you have . . .

- ✓ written on your tax return the total amount of tax instalments deducted from allowances, earnings and other salary and wage income plus the amount of any tax paid by purchasing income tax credit vouchers
- ✓ written on your tax return the total amount of allowances, earnings and other salary and wage income required to be shown
- ✓ attached to page 3 of your tax return the employee's tax return copy of all your group certificates, letters or statements from your employers and your tax return copy of any income tax credit vouchers.

QUESTION 3

Lump sum payments

Did you receive any lump sum payments for unused annual leave or unused long service leave?

NO ☐ ▶ *Go to question* ***4***. YES ☐ ▼ *Read below.*

WHAT YOU MAY NEED

- your group certificate showing an amount at **A** or **B** in the lump sum payments box
- a letter or statement from your employer

WHAT ARE THE AMOUNTS AT **A** AND **B**?

The amount at **A** was paid to you:

- for unused long service leave that accrued after 15 August 1978 if you left your job because of bona fide redundancy, invalidity or under an approved early retirement scheme
- for unused annual leave if you left your job because of bona fide redundancy, invalidity or under an approved early retirement scheme
- for unused long service leave that accrued after 15 August 1978 and before 18 August 1993 if you did not leave your job because of bona fide redundancy, invalidity or under an approved early retirement scheme
- for unused annual leave that accrued before 18 August 1993 if you did not leave your job because of bona fide redundancy, invalidity or under an approved early retirement scheme.

The amount at **B** was paid to you for unused long service leave which you accumulated before 16 August 1978.

What to do with amounts shown at A on your group certificate, letter or statement

Step 1 *Add up* the amounts of tax instalments deducted on all your group certificates and letters or statements from your employers. Do not include any amounts already included at question **1** or **2**. *Write* the total at the left of **R** item **3** on your tax return. Show cents.

Step 2 *Add up* the amounts at **A** on all your group certificates and letters or statements from your employers. *Write* the total at **R** item **3** on your tax return. Do not show cents.

What to do with amounts shown at B on your group certificate, letter or statement

Step 1 *Add up* the amounts of tax instalments deducted on all your group certificates and letters or statements from your employers. Do not include any amounts already included at question **1** or **2** or at step 1 above. *Write* the total at the left of **H** item **3** on your tax return. Show cents.

Step 2 *Add up* the amounts at **B** on all your group certificates and letters or statements from your employers. Then *divide* by 20 to work out 5 per cent of the amount.

Step 3 *Write* your answer at **H** item **3** on your tax return. Do not show cents.

Check that you have . . .

✓ written on your tax return the amounts of tax instalments deducted
✓ written on your tax return the amounts of income
✓ attached to page 3 of your tax return the employee's tax return copy of all your group certificates, letters or statements from your employers.

QUESTION 4 Eligible termination payments

Did you receive an eligible termination payment (ETP)?

If you have received a lump sum payment which fits the description of one of the payments set out below—particularly if an ETP group certificate accompanied your lump sum—it is likely to be an ETP.

If you have received a lump sum on termination of foreign employment or from a non-resident superannuation fund, you need to read question **16** in *TaxPack 2000 supplement*.

NO ☐ ▶ *Go to question **5**.* YES ☐ ▼ *Read below.*

YOU NEED TO KNOW

NOTE

On an *ETP group certificate*, your ETP is the assessable amount shown at 'Section 3 ETP cash payment details'.

An ETP is:

- a lump sum paid to you by your employer when you retire or cease employment, such as:
  - a payment in lieu of notice or a 'golden handshake'
  - a payment for unused sick leave or unused rostered days off
  - compensation for loss of a job or wrongful dismissal
  - a bona fide redundancy payment or an approved early retirement scheme payment that exceeded the tax-free threshold for such payments—currently $4858 plus $2429 for each complete year of service
  - a payment received because of invalidity.
- a lump sum payment from a superannuation fund, an approved deposit fund, retirement savings account, a life assurance company or a registered organisation, such as:
  - payments received when you change your superannuation pension or annuity into a lump sum
  - payments received when you make a withdrawal from an approved deposit fund
  - other payments, excluding a pension or annuity, from a superannuation fund.
- a similar payment to those above, paid to you as the beneficiary of a person who has died—we call this a death benefit ETP. However, if the payments were made to you as the trustee of a deceased estate they must be shown in the trust tax return, not your tax return for individuals.
- a payment from the Australian Taxation Office of amounts collected from the Superannuation Guarantee or the Superannuation Holding Accounts Reserve.
- a payment from the sale of an active asset of a small business which would otherwise be an assessable capital gain—called the CGT exempt component.

NOTE

You can also find more information in the publications *Eligible termination payments: a guide to lump sum payments for employees* and *Eligible termination payments: an individuals guide to lump sum superannuation payments*. To find out how to get these publications, see the inside back cover of *TaxPack*.

If you are still unsure whether the payment you received is an ETP, ring our superannuation helpline on **13 1020** for assistance.

What if your ETP was 'rolled over'?

A roll-over means you transferred a part or all of an ETP to a complying superannuation fund, retirement savings account or an approved deposit fund, or you purchased an annuity with it. In this case, the tax payable on the rolled-over component is deferred until the benefit is received. Any tax deducted in 1999–2000 is credited to you.

WHAT YOU MAY NEED

- your *ETP group certificate*. If you have lost it, you will need a letter or statement from your payer that shows all the details of your eligible termination payment (ETP). If you think the details on your *ETP group certificate* are wrong, contact the person who prepared it.

NOTE

If, instead of an *ETP group certificate*, you received an ordinary group certificate and *Statement of termination payment (STP)*, return them to the payer and ask for an *ETP group certificate*. If this cannot be done, ring the superannuation helpline on **13 1020** for assistance.

- your *Reasonable benefit limit determination* if you have an excessive component. Your reasonable benefit limit (RBL) is the maximum amount of retirement and other employment termination benefits you can receive that are taxed at concessional—reduced—rates. In most cases, the payer of the ETP will have reported the payment to the Australian Taxation Office (ATO), and we will work out whether your benefit is within your RBL. The ATO will send you an RBL determination only if some or all of your benefits were above your RBL. We will work out the excessive component and adjust the other components of your ETP. These will also be shown on your RBL determination. You then use the information on the RBL determination instead of the related *ETP group certificate*.

If you are unsure whether you need an RBL determination or if you have any enquiries regarding your RBL, you can ring the superannuation helpline on **13 1020** or write to: RBL Section, Private Bag 6000, Bankstown NSW 1888.

Working out the taxable amount

Parts A, B and C below and the steps in COMPLETING THIS QUESTION will show you how to work out your taxable amount. This is the amount to include in your taxable income at item **4** on your tax return. We work out the tax based on the components of your ETP and it is therefore important that you attach your ETP group certificates and RBL determinations to page 3 of your tax return.

If you lodge your tax return without any *ETP group certificate* we will return it to you and ask you to lodge it again with the document attached.

If you received more than one ETP, check parts A, B and C for each ETP. You may need to add totals before transferring them to your tax return.

PART A—Did you roll over all of an ETP?

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

Your tax on this ETP will be deferred and you do not need to work out its taxable amount for 1999–2000. If you have other ETPs that you did not roll over in total, check parts B and C to see which applies to them. If you have no other ETPs *go to* step 2 of COMPLETING THIS QUESTION.

PART B—Were you aged 55 or over when you received an eligible termination payment (ETP) that you did not roll over?

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

Low rate threshold

If you were aged 55 or over when you received your ETP and have a post-June 1983 component shown on your *ETP group certificate*, this portion of the ETP is taxed at a lower rate—up to a lifetime limit called the low rate threshold. The limit is indexed each year.

The low rate threshold applies to the total of all your post-June 1983 elements (taxed and untaxed), that you have received since 1 July 1988 as long as you were 55 years or older at the time of receiving the ETP.

Once the limit has been used up, it cannot be used again in future years except for any extra amount added for annual indexation. If you exceed this limit you will pay tax on the amount in excess of the threshold at the rates set out in the table on page 23.

If you turned age 55 **on or after 1 July 1988** and you did not receive the benefit of the low rate threshold increased by indexation, write to the Australian Taxation Office (ATO) stating your age at the time you received the ETP, the amount of the ETP, the amount of the post-June 1983 component and the name and address of the payer. Enclose copies of any ETP group certificates you received from the payer. The ATO will work out whether you are entitled to have the amount of tax on your ETP recalculated.

LOW RATE THRESHOLDS FOR 1988–89 TO 1999–2000

1988–89	$60 000	1992–93	$76 949	1996–97	$86 495
1989–90	$64 500	1993–94	$77 796	1997–98	$90 474
1990–91	$68 628	1994–95	$79 586	1998–99	$93 731
1991–92	$73 776	1995–96	$83 168	1999–2000	$96 637

PART C—Did you receive a death benefit ETP—that is, a lump sum you received because of the death of another person?

NO ☐ ▶ *Go to COMPLETING THIS QUESTION.* YES ☐ ▼ *Read below.*

YOU NEED TO KNOW

You cannot roll over a death benefit ETP.

If you received a payment as trustee of a deceased estate, the following instructions do not apply to you. Lodge a trust tax return for the deceased estate and follow the instructions for that return.

If a payment was made to a trustee of a deceased estate, the obligation to pay tax, if any, stays with the trustee. If you received your payment as a distribution from a deceased estate, you do not have to take any further action in relation to that payment.

How death benefit ETPs are taxed

Payments made direct to a person other than as a trustee are taxed in different ways. It depends on whether the person was a dependant of the deceased and whether the payment was more than the deceased person's reasonable benefit limit.

Dependant of the deceased

A dependant of the deceased is a person who, at the time of death or the time the payment was made, was:

- a surviving spouse or de facto spouse
- a former spouse
- a child of the deceased who was under 18 years
- a person financially dependent on the deceased.

Ring the superannuation helpline on **13 1020** if you need to know what financially dependent means.

If you are NOT a dependant of the deceased, *go to* COMPLETING THIS QUESTION.

If you are a dependant of the deceased, has the ATO issued a reasonable benefit limit (RBL) determination showing an excessive component? If not, the death benefit eligible termination payment (ETP) is not taxable. You do not show it anywhere on your tax return. If you have another ETP, *go back* to part A for that other ETP. If you do not have any other ETPs, *go to* question **5**.

If the ATO has issued an RBL determination, the part of the death benefit ETP that is not excessive is not taxable and is not shown anywhere on your tax return. The excessive component is taxable. *Go to* COMPLETING THIS QUESTION.

COMPLETING THIS QUESTION

You will find the necessary ETP components at 'Section 3 ETP cash payment details' on your *ETP group certificate* OR on any RBL determination.

If you have an *ETP group certificate* with a non-qualifying amount, ring the superannuation helpline before completing this question.

Undeducted contributions, post-June 1994 invalidity components and CGT exempt components are exempt from tax and are not included in your taxable amount.

Step 1 *Add* the assessable amounts shown on your ETP group certificates. However, if an RBL determination has been issued in respect of any of your ETP group certificates, use the amounts in the RBL determination, not the amounts on the *ETP group certificate*. *Write* the total at **I** item **4** on your tax return. Do not show cents.

Step 2 *Write* the total amount of tax instalments deducted from all of your ETPs—including any that you rolled over—in the tax instalments deducted column at item **4** on your tax return. You will find this amount on your *ETP group certificate*. Show cents. If an RBL determination was issued in respect of an *ETP group certificate* that shows tax instalments deducted, you should also include these tax instalments.

However, if you have already included these tax instalments at item **1** or **3** on your tax return, do not include them again here.

Step 3 If you have an RBL determination which shows an excessive component, *write* the amount of the excessive component at **N** item **4** on your tax return. This includes an RBL determination in respect of a death benefit ETP. Do not show cents.

Step 4 *Attach* your employee's tax return copy of any ETP group certificates to page 3 of your tax return.

Check that you have . . .

- ✓ written on your tax return the amount of your tax instalments deducted
- ✓ written on your tax return the total taxable amount of your eligible termination payments (ETPs) and any excessive component
- ✓ attached to page 3 of your tax return the employee's tax return copy of any ETP group certificates, letters or statements from your employer and any RBL determinations from the Australian Taxation Office (ATO)
- ✓ kept a copy of your payment instructions. Do not attach these to your tax return but keep them for 5 years.

HOW YOUR TAX IS WORKED OUT

We will work out your tax based on the individual components of your ETP. The tax rates applying to some common ETPs are explained below.

Concessional component and pre-July 1983 component—5 per cent of these components is included in your taxable income and taxed at your usual rate.

Post-June 1983 component—consisting of a 'taxed element' or an 'untaxed element'. 'Taxed element' means that the payer—usually a fund—has paid a contributions tax on this element. 'Untaxed element' means that the payer—usually an employer—has not paid a contributions tax on this element. For this reason the elements are taxed differently.

TAX RATES ON POST-JUNE 1983 ELEMENTS

Age when received	*Taxed element*	*Untaxed element*
Under age 55	20%	30%
Age 55 or over		
– up to $96 637	0%	15%
– excess over $96 637	15%	30%

Any Medicare levy is on top of these rates. A Medicare levy will not apply to a taxed element where the tax rate is zero.

The post-June 1983 component is initially included in your tax return as assessable income. You are then given a rebate to ensure that the correct tax rates are applied. This may affect your entitlement to other rebates—for example, age pension and low income rebates.

Excessive component—the amount, if any, by which your ETP benefits have exceeded your reasonable benefit limit (RBL). In 1999–2000, the RBL is $485 692 if more than half of all benefits are taken as a lump sum and $971 382 if more than half of all benefits are taken as a pension. Any excessive component is taxed at the highest marginal rate plus Medicare levy.

Changing the components of your ETP

It may be in your interest to ask the ATO to change the components of your ETP if:

- you were in a superannuation fund but only received what you contributed with no interest added
- you were receiving a pension or annuity before 1 July 1983 and changed it into a lump sum
- you were in a 'self-employed superannuation fund' or one not supported by your employer and you made contributions before 19 August 1980
- the pre-July 1983 component shown on your *ETP group certificate* is less than the amount that you would have received if you had left your job or withdrawn from your superannuation fund at 30 June 1983.

Your superannuation fund can tell you if you meet these conditions. If you think you are entitled to have the components of your ETP changed, ring the superannuation helpline on **13 1020** for assistance.

TERMINATION PAYMENTS SURCHARGE

A termination payments surcharge will be payable if:

- your ETP was paid to you by your employer AND
- your adjusted taxable income exceeds $78 208.

A death benefit ETP paid to you by the employer of the deceased is not subject to the surcharge.

If your employer ETP was rolled over to a superannuation fund or retirement savings account (RSA), any surcharge will be paid by the fund or RSA. The ATO will work out whether the surcharge applies and will send a surcharge assessment to you, the fund or RSA if there is a surcharge liability.

The surcharge assessment will be sent after your income tax notice of assessment has been issued. This means that while you may have received a refund on your notice of assessment you may still have a surcharge liability.

QUESTION 5

Commonwealth of Australia government allowances and payments

Did you receive:

- **additional parenting payment (partnered)**
- **exceptional circumstances relief payment, restart income support or farm household support (by way of financial assistance)**
- **Newstart allowance**
- **youth allowance**
- **mature age allowance and you started to receive the allowance on or after 1 July 1996**
- **partner allowance**
- **sickness allowance**
- **special benefit**
- **widow allowance**
- **austudy payment**
- **ABSTUDY living or dependent spouse allowance or payment under the Veterans' Children Education Scheme and you were 16 years or over**
- **Training for Employment Program allowance; New Enterprise Incentive Scheme allowance; textile, clothing and footwear special allowance; Green Corps training allowance; or other taxable Commonwealth education or training payments**
- **an income support component from a Community Development Employment Project—shown as 'CDEP Salary or Wages' on your group certificate.**

NOTE

If you received ABSTUDY before December 1999 and continued to receive it in 2000, you will get 2 group certificates from Centrelink.

You will need to have both group certificates before you can complete this question.

Under proposed legislation a CDEP scheme participant supplement paid by Centrelink will be shown at this question. If you received this payment ring the general enquiries helpline on the inside back cover of *TaxPack*.

Show your income from these payments here unless your payment was exempt. Check page 12 if you are not sure.

Do not show Student Financial Supplement Scheme amounts at this question. They are not shown anywhere on your tax return.

NO ☐ ▶ *Go to question **6**.* YES ☐ ▼ *Read below.*

WHAT YOU MAY NEED

- your group certificate
- your statement of allowance or payment from the agency that paid you.

If you have not received these, or you have lost them, contact the agency that paid you.

Step 1 *Add up* all the amounts of tax instalments deducted as shown on your group certificates or statements of allowance or payment. *Write* the total amount of tax instalments deducted at the left of **A** item **5** on your tax return. Show cents.

Step 2 *Add up* all the gross amounts you received. Gross amount might also be called gross allowance or gross payment. *Write* the total amount you received at **A** item **5**. Do not show cents.

You may be entitled to a rebate on this income

If you received one or more of the payments listed above, you may be entitled to a beneficiary rebate. You do not have to work out your rebate. We work it out for you from the income you show at **A** item **5**. If you want to work it out before you receive your notice of assessment, you can use the table on page 125.

QUESTION 6

Commonwealth of Australia government pensions and allowances

Do not show at this question:

- Superannuation Act and Defence Forces Retirement Benefits Act **pensions** and payments
- **eligible termination payments**
- **foreign pensions**.

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

Did you receive a Commonwealth of Australia government:

- **age pension**
- **bereavement allowance**
- **carer payment**
- **disability support pension and you have reached age pension age**
- **mature age allowance and you started to receive the allowance before 1 July 1996**
- **mature age partner allowance**
- **parenting payment (single)**
- **widow B pension**
- **wife pension**
- **age service pension**
- **carer service pension**
- **income support supplement**
- **invalidity service pension and you have reached age pension age**
- **partner service pension?**

Show your income from these payments here unless your payment was exempt. Check page 12 if you are not sure.

NO ☐ ▶ *Go to question **7**.* YES ☐ ▼ *Read below.*

WHAT YOU MAY NEED

- your group certificate
- your statement of pension, allowance or payment
- a letter from the agency that paid your pension, allowance or payment stating the amount that you received

If you have not received these, or you have lost them, contact the agency that paid you.

- your spouse's notional taxable income—this is the taxable income of your spouse, married or de facto, plus any exempt pensions listed on page 12.

COMPLETING THIS QUESTION

Step 1 *Add up* all the amounts of tax instalments deducted as shown on your group certificates, statements or letters. *Write* the total amount of tax instalments deducted at the left of B item **6** on your tax return. Show cents.

Step 2 *Add up* all the income you received. *Write* the total amount at B item **6** on your tax return. Do not show cents.

Step 3 *Find* the rebate code letter that applies to your circumstances in the REBATE CODE LETTERS table on the next page.

YOU NEED TO KNOW

Your rebate code letter tells us the amount of rebate your entitlement will be based on. Rebates/tax offsets may reduce the amount of tax you have to pay. If you do not print a code letter on your tax return or you print an incorrect code letter, processing of your tax return may be delayed.

REBATE CODE LETTERS

	Centrelink	*Department of Veterans' Affairs*
If at any time during 1999–2000 while you were receiving a Commonwealth of Australia government pension or allowance listed at question **6**, you were:		
• single or widowed	**S**	**B**
• separated	**S**	**B**
• a sole parent	**S**	**B**
If you had a spouse, married or de facto, and your spouse did NOT receive any of the Commonwealth of Australia government pensions or allowances listed at question **6** or any exempt pensions listed on page 12 and:		
• you started to receive your pension or allowance before 12 March 1992 and you have been receiving it continuously since then	**S**	**B**
• you started to receive your pension or allowance on or after 12 March 1992 and:		
– you and your spouse had to live apart due to illness or either of you was in a nursing home at any time during 1999–2000	**H**	**C**
– you and your spouse lived together during 1999–2000	**Q**	**D**
If you and your spouse, married or de facto, both received a Commonwealth of Australia government pension or allowance listed at question **6** or you received such a pension and your spouse received any exempt pensions listed on page 12 at any time during 1999–2000 and:		
• you and your spouse had to live apart due to illness or either of you was in a nursing home at any time during 1999–2000	**A**	**E**
• you and your spouse lived together during 1999–2000	**M**	**F**

NOTE

'Had to live apart due to illness' is a term that relates to the payment of pensions. This would apply to you if you were paid the pension at a higher rate because you were separated due to illness. If you are unsure check with Centrelink or the Department of Veterans' Affairs.

If more than one code letter applies to you, use the letter that appears first in the following order: **S A H M Q** if you are a Centrelink client, or **B E C F D** if you are a Department of Veterans' Affairs (DVA) client. For example, if you are a Centrelink client and both code letters **S** and **H** apply to you, use **S**.

Exceptions to these rules:

- If **S** and **M** apply to you, and your spouse's notional taxable income was less than \$8410 if they were a Centrelink client, or \$8805 if they were a DVA client, use code letter **M** as this gives you the correct rebate.
- If **S** and **A** apply to you, and your spouse's notional taxable income was less than \$11 570 if they were a Centrelink client, or \$12 020 if they were a DVA client, use code letter **A** as this gives you the correct rebate.
- If **B** and **F** apply to you, and your spouse's notional taxable income was less than \$8735 if they were a DVA client, or \$8340 if they were a Centrelink client, use code letter **F** as this gives you the correct rebate.
- If **B** and **E** apply to you, and your spouse's notional taxable income was less than \$12 005 if they were a DVA client, or \$11 555 if they were a Centrelink client, use code letter **E** as this gives you the correct rebate.

Step 4 *Print* your rebate code letter in the small box ☐ at the right of **B** item **6** on your tax return.

Step 5 Have you used **A**, **M**, **E** or **F**? If so you must complete **Spouse details—married or de facto** on page 7 of your tax return. Provide relevant details including:

- your spouse's taxable income at **O**—if this amount is zero, *write* **'0'**
- your spouse's exempt pension at **Q**—if this amount is zero, *write* **'0'**
- the source of your spouse's pension or allowance, or exempt pension, in the **SOURCE CODE** box at the right of **O**. If your spouse was a Centrelink client *print* **P**; if your spouse was a DVA client *print* **V**.

If both you and your spouse received any of the Commonwealth of Australia government pensions or allowances shown at this question—or you received such a pension and your spouse received any exempt pensions listed on page 12—you may be able to get any unused portion of your spouse's pensioner rebate. By using the amounts you write on the spouse details section on your tax return, including the code showing the source of your spouse's pension or allowance, we will work out if you are entitled to have the unused portion transferred to you. If so, we will make sure it is taken into account in working out your rebate.

Check that you have . . .

✓ written on your tax return the total amount of tax instalments deducted
✓ written on your tax return the total amount of income you received
✓ printed on your tax return your rebate code letter
✓ if required, written on the spouse details section of your tax return your spouse's income details
✓ attached to page 3 of your tax return your statement or letter and the tax return copy of all group certificates.

DO YOU WANT TO WORK OUT YOUR REBATE?

You do not have to work out your rebate. We will work it out for you from your taxable income details and your rebate code letter. Make sure you print your code letter on your tax return.

If you do want to work out your rebate, *go to* page 126.

QUESTION 7

Other Australian pensions or annuities

Did you receive any income from an Australian:
- **annuity**
- **superannuation or other pension not shown at question 6?**

Do not show foreign pensions or foreign annuities at this question. Refer to the Index.

NO ☐ ▼ *Go to TOTAL TAX INSTALMENTS DEDUCTED.*

YES ☐ ▼ *Read below.*

NOTE

Superannuation funds and retirement savings account (RSA) providers can now use tax file numbers (TFNs) to keep track of superannuation benefits. If your fund or RSA provider has your TFN, you will pay less tax on your benefit. You can ring or write to your fund or RSA provider and quote your TFN.

YOU NEED TO KNOW

Australian annuities and pensions include:
- superannuation and similar pensions and annuities paid to you by an Australian superannuation fund, RSA provider, registered organisation or life assurance company
- pensions paid by a fund established for the benefit of Commonwealth, State or Territory employees and their dependants.

WHAT YOU NEED

Your group certificate or statement from your Australian annuity, superannuation, other pension fund or RSA provider—attach it to page 3 of your tax return. If you have not received your group certificate or statement, or you have lost it, contact your payer to obtain a copy.

Step 1

Print the type of annuity or pension—for example 'annuity' or 'superannuation pension'—in the **Type** box at item **7** on your tax return. If you received more than one type, *print* the type that gave you the largest amount of income.

Step 2

Add up all the tax instalments deducted as shown on your group certificates and statements and *write* the total amount at the left of **J** item **7**. Show cents. Do not include amounts already shown at items **1**, **3** and **4**.

Step 3

Add up all the gross amounts shown on your group certificates and statements and *write* the total amount at **J** item **7**. Do not show cents.

Undeducted purchase price

If your annuity or pension has an undeducted purchase price, you may be able to claim the deductible amount of your undeducted purchase price at question **D8**.

Superannuation rebate

You may be entitled to a rebate for your annuity or pension. *Read* question **R4** on pages 81–3 to find out more about this rebate.

Low income aged person rebate

You may be entitled to a low income aged person rebate. *Read* question **R3** on pages 79–80 to find out more about this rebate.

TOTAL TAX INSTALMENTS DEDUCTED

Completing item TOTAL TAX INSTALMENTS DEDUCTED

Add up all the amounts in the tax instalments deducted boxes at items **1** to **7** on your tax return.

Write the total amount at **$** item TOTAL TAX INSTALMENTS DEDUCTED on your tax return. Show cents. *Go to* question **8**.

Rebates/tax offsets and your tax instalment deductions

If your rebate/tax offset or family tax assistance entitlements have changed since you last filled in an employment declaration, you may need to fill in a new form—a withholding declaration. Contact your payer for more information. Pages 71–89 tell you about rebates/tax offsets.

Additional tax instalment deductions for the Higher Education Contribution Scheme

If you have a Higher Education Contribution Scheme (HECS) debt, the additional tax instalments deducted from your pay form part of your normal tax instalment deductions (TIDs)—shown on your group certificate—and are therefore already included in the total amount you show at **$** item TOTAL TAX INSTALMENTS DEDUCTED on your tax return. Page 116 shows you how your tax is worked out.

QUESTION 8 Total reportable fringe benefits amounts

Do you have a reportable fringe benefits amount shown on a group certificate?

NO ☐ ▶ *Go to question* ***9****.* YES ☐ ▼ *Read below.*

YOU NEED TO KNOW

You need to complete this question if you and/or an associate received certain fringe benefits from an employer and the group certificate(s) provided by your employer showed a **reportable fringe benefits amount** in the top right-hand corner.

Your employer has to keep records of the value of any fringe benefits given to you and/or an associate, but only needs to show them on your group certificate if their taxable value exceeds $1000 in a fringe benefits tax (FBT) year (1 April to 31 March).

However, your employer has to gross-up the taxable value of the fringe benefits for reporting purposes to ensure their value is consistent with other forms of income on your group certificate. As you do not pay income tax on fringe benefits, the grossed-up taxable value of a benefit includes the amount of income tax that you would have paid, had you received cash salary rather than the fringe benefit. The highest marginal rate of income tax plus Medicare levy is used, so that a fringe benefit having a taxable value of $1000 becomes a **reportable fringe benefits amount** of $1941.

NOTE

For further information you or your employer can ring the FBT helpline on **13 3328**.

Therefore, if you have a reportable fringe benefits amount shown on your group certificate which is less than $1941 OR you have received more than one group certificate from a particular employer and the **total** of the reportable fringe benefits amounts shown is less than $1941, you will need to check with that employer about the amount or the method of calculating the amount.

The total reportable fringe benefits amounts you show on your tax return are not included in your total income or loss amount and you do not pay income tax or Medicare levy on them.

However they will be used in determining your entitlement to or liability for:

- Medicare levy surcharge
- superannuation contributions surcharge
- termination payments surcharge
- deductions for superannuation contributions
- superannuation contributions rebate
- rebate for superannuation contributions on behalf of your spouse
- Higher Education Contribution Scheme repayments
- child support obligations
- certain government benefits.

WHAT YOU NEED

- your group certificate(s)

COMPLETING THIS QUESTION

Step 1 *Add up* the reportable fringe benefits amounts shown on your group certificate(s).

Step 2 *Write* the total at **W** item **8** on your tax return. Do not show cents.

QUESTION 9 Gross interest

Do not show at this question:

- distributions of interest you received, or are entitled to receive, from a **partnership** or **trust**—including a cash management, money market, mortgage, property, unit or any similar trust investment product
- interest from a **foreign source**
- tax paid on your interest by purchasing **income tax credit vouchers**
- interest from **land transport facilities tax rebate scheme** or **infrastructure borrowings scheme**.

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

Did you receive, or were you credited with, interest from any source within Australia?

Include interest earned from financial institution accounts and term deposits—unless you are a non-resident and have paid non-resident withholding tax on that interest.

Include any interest you received from, or were credited with by, the Australian Taxation Office (ATO).

NO ☐ ▶ *Go to question **10**.* YES ☐ ▼ *Read below.*

Children's accounts

If you open or operate an account for a child and the funds in that account belong to you, or you spend or use the funds in the account as if they belong to you, you must include any interest from the account at this question. *Taxation Ruling IT 2486—Children's savings accounts* has more detail. To find out how to get this ruling, see the inside back cover of *TaxPack*.

Non-residents

Withholding tax paid by non-residents is a final tax. If you are not an Australian resident for tax purposes, do not include interest at this question if withholding tax was deducted from the interest by your financial institution. However, if you have not paid withholding tax on any interest you earned, you need to show that interest at this question so that the ATO can work out the amount of withholding tax you have to pay on this interest. The ATO will advise you of this amount.

WHAT YOU NEED

- your passbook, your statement or other documentation from your financial institution or other source that shows 1999–2000 income
- any ATO notice of assessment or amended assessment you received during 1999–2000 that shows interest on early payments or interest on overpayments.

Step 1 Using your records, *add up* all the amounts of gross interest received by or credited to you. You do not have to show an amount if the total gross interest you earned from all accounts during the year is less than $1.

If you are not the sole holder of an account, show only your share of interest. For any account where the account holders do not share equally in the interest, keep a record to show how you worked out your share.

The interest amount you show at this question must include any tax file number (TFN) amounts. These are amounts of tax deducted by the financial institution because you did not quote your TFN to the institution. They will be shown on your statement or other document as Commonwealth tax or TFN withholding tax.

NOTE

Do not deduct from your interest amount account keeping fees, charges and Financial Institutions Duty. You may be able to claim these at item **D6**.

Step 2 *Write* your gross interest at **L** item **9** on your tax return. Do not show cents.

Step 3 *Add up* all the TFN amounts shown on your statement and *take away* any TFN amounts already refunded to you—these will also be shown on your statement or other document.

Step 4 *Write* the answer from step 3 at **M** item **9**. Show cents. This amount will be credited to you on your notice of assessment.

QUESTION 10 Dividends

Do not show at this question:

- dividends that you received, or are entitled to receive, as part of a distribution from a **partnership** or **trust**—including a cash management, money market, mortgage, property, unit or similar trust investment product
- that part of a dividend or distribution on which **family trust distribution tax** has been paid.

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

Don't leave it too late!

Did you:

- purchase or inherit any shares
- receive any shares as part of a divorce settlement or as a gift?

If YES, start keeping records now. Incomplete records could mean paying more tax when you dispose of your shares. For further information about shares and other assets that attract capital gains tax and the records you need to keep, see the publication *Guide to capital gains tax*. To find out how to get this publication see the inside back cover of *TaxPack*.

Did an Australian company, corporate unit trust, public trading trust or corporate limited partnership pay or credit you with any dividends or distributions?

If you carried on the business of trading in shares include any dividend income and imputation credits at this question; if you have a profit or loss on the sale of shares, read question **12** in *TaxPack 2000 supplement*.

Do not claim dividend expenses here. Claim them at question **D6**.

If you were paid or credited with dividends from a foreign company you must read question **16** in *TaxPack 2000 supplement*.

If you sold shares during the year you must read question **14** in *TaxPack 2000 supplement* to see if you need to show a capital gain or loss.

NO ☐ ▶ *Go to **Income from the supplementary section**.* YES ☐ ▼ *Read below.*

YOU NEED TO KNOW

You need to show at this question all your assessable dividends including those directly paid to you, dividends applied under a dividend reinvestment plan, dividends which are otherwise dealt with on your behalf, and bonus shares which qualify as dividends.

Dividends include distributions made by a corporate limited partnership. This is a partnership taxed in accordance with Division 5A of Part III of the *Income Tax Assessment Act 1936*.

A dividend is assessable income in the year it was paid or credited to you. Your dividend statement should have the relevant date (generally referred to as the payment date or date paid).

EXAMPLE

Anastasia received a dividend statement notifying her of a final dividend for the year ended 30 June 1999. The payment date shown on the dividend statement was 30 September 1999. Anastasia must include the amount of the dividend as part of her assessable income for the year ended 30 June 2000—on her 1999–2000 tax return.

Payments, benefits and loans to be treated as dividends—deemed dividends

If you are a shareholder, or an associate of a shareholder, of a private company and received payments or loans from the company or had debts forgiven by the company, the value of those payments, loans or debts forgiven are deemed to be dividends unless they are specifically excluded under the provisions of Division 7A of Part III of the *Income Tax Assessment Act 1936*.

Deemed dividends must be combined with any unfranked dividends you received and be included in your assessable income at **S** item **10** on your tax return. For more information, *read* the publication *You and your shares*. To find out how to get this publication, see the inside back cover of *TaxPack*.

Non-residents

If you are not an Australian resident for tax purposes, do not include dividend income at this question if:

- the dividend was fully franked
- the dividend was not fully franked but withholding tax was deducted from the unfranked amount by the company that paid you the dividend.

If your dividends were not fully franked and you have not paid withholding tax on your dividends, you will need to include them at this question so that the Australian Taxation Office (ATO) can work out the amount of withholding tax you have to pay on these dividends. The ATO will advise you of this amount.

IMPUTATION SYSTEM

Dividends paid to shareholders by Australian resident companies are taxed under a system known as imputation. It is called an imputation system because the payment of company tax is imputed, or attributed, to the shareholders. The tax paid by the company is allocated to shareholders by way of imputation credits attached to the dividends they receive.

An amount equal to the imputation credits attached to the dividends is included in the assessable income of the shareholder, who is then entitled to a franking rebate equal to the amount included in their income.

The franking rebate will cover, or partly cover, the tax payable on the dividends. If the rebate is more than the tax payable on the dividends, the excess rebate will be applied to cover, or partly cover, any tax payable on other taxable income received. However, any excess rebate cannot result in a refund, and it does not reduce the amount of Medicare levy that would otherwise be payable.

Some situations are not covered by the imputation system and the tax paid by the company is not allocated to shareholders by way of imputation credits. Imputation credits do not attach to:

- that part of the dividend on which family trust distribution tax has been paid. These dividends are exempt in the hands of the shareholder who cannot claim the imputation credit (The company or corporate limited partnership that paid the dividend should tell you if family trust distribution tax has been paid on it.) and
- dividends where the shareholder has engaged in franking credit trading and failed to satisfy the holding period rule or the related payments rule and
- dividends to the extent that a franking rebate is denied because the shareholder has exceeded the small shareholder franking rebate ceiling contained in the franking credit trading rules.

Franking credit trading

Measures have been introduced to curb the unintended usage of franking rebates by persons who do not effectively own the shares or who only briefly own the shares. These measures, known as the holding period rule and the related payments rule, provide that taxpayers must satisfy certain criteria before they qualify for franking rebates.

The holding period rule could affect you if you have bought shares on or after 1 July 1997 and sold the shares or entered into a risk diminution arrangement, such as a derivative transaction, within 45 days—90 days for certain preference shares—of buying your shares. The related payments rule could affect you if you were under an obligation to make a related payment with respect to a dividend under an arrangement entered into after 7.30pm on 13 May 1997 and you did not hold your shares ‘at risk’ during a specified qualifying period.

If you have failed the holding period rule, and the related payments rule does not apply to you, you may still be entitled to a franking rebate if you qualify for the small shareholder exemption. The small shareholder exemption imposes a maximum franking rebate ceiling on all of your franking rebate entitlements in a given year, whether received directly, or indirectly through a trust or partnership. In 1998–99 the ceiling was $2000 but under proposed legislation it is to increase—ring the general enquiries helpline on the inside back cover of *TaxPack* for more information.

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

Unfranked dividends

Unfranked dividends are paid by an Australian resident company that has not already paid Australian company tax. If the dividend is unfranked, you are not entitled to a franking rebate. The unfranked dividend is taxed in the same way as your other income and must be included in your assessable income at **S** item **10** on your tax return.

If you did not quote your tax file number (TFN) to your investment body for shares or units held, tax may have been deducted from any unfranked dividends at the highest rate plus the Medicare levy, a total of 48.5 per cent.

If you had TFN amounts deducted from your unfranked dividends, these will be shown on your dividend statement. You can claim a credit for any TFN amounts deducted at V item **10** on your tax return. If you have received a refund of some or all of the TFN amounts deducted, you cannot claim a credit for these amounts.

Franked dividends

If you received a franked dividend from a resident company you must include the dividend amount in your assessable income at T item **10**. Franked dividends can be either fully franked, meaning that the whole amount of the dividend carries imputation credit, or partly franked, meaning that only part of the amount of the dividend carries imputation credit.

You must also include any allowable imputation credit in your assessable income at U item 10 on your tax return, so the correct amount of tax and Medicare levy can be calculated. The imputation credit will be automatically allowed as a rebate to reduce your tax.

COMPLETING THIS QUESTION

WHAT YOU NEED

Your statements from the company, corporate unit trust, public trading trust or corporate limited partnership that paid you the dividends or made the distributions.

These should show:

- the amounts of unfranked and franked dividends you received
- the amounts of imputation credit—which the company has already worked out
- the TFN amounts deducted from unfranked dividends.

If you have not received your dividend or distribution statements, contact the company, corporate unit trust, public trading trust or corporate limited partnership that paid or credited you with the dividends or distributions.

Show only your share of any dividends which were paid or credited to you. For example, if you owned the shares in joint names show only your portion of dividend income on your tax return.

Step 1 *Add up* all unfranked dividend amounts—including any TFN amounts deducted—on your statements plus any deemed dividends. *Write* the total amount at S item **10** on your tax return. Do not show cents.

Step 2 *Add up* all franked dividend amounts on your statements and any other franked dividends paid or credited to you. *Write* the total amount at T item **10**. Do not show cents.

Step 3 *Add up* all allowable imputation credit amounts on your statements. *Write* the total amount at U item **10**. Do not show cents.

NOTE

Do not include any imputation credits for which you are not entitled to a franking rebate because of the application of the holding period rule or the related payments rule or a breach of the small shareholder exemption.

Step 4 *Add up* any TFN amounts which were deducted but have not been refunded to you. *Write* the answer at V item **10**. Show cents. This amount will appear as a credit on your notice of assessment.

EXAMPLE OF HOW TO SHOW UNFRANKED AND FRANKED DIVIDENDS

In the following example, the imputation credits attached to dividends are class C credits from dividends franked at the company tax rate of 36 cents. Dividends can also be partly franked or unfranked. Your statement from the company, corporate unit trust, public trading trust or limited partnership will show the amount to which your dividends have been franked.

a) Judy received dividends from XYZ Ltd. Fully franked dividends of $64 and a $36 imputation credit are shown on her dividend statement.

b) Judy was entitled to receive a dividend of $100 from the DEF Public Trading Trust and she did not quote her TFN. Her trust documents showed a TFN amount of $48.50 was deducted and she was paid $51.50 as an unfranked dividend. The unfranked amount to be shown on her tax return is $51.50 plus the TFN amount deducted of $48.50, a total of $100.

c) Judy received dividends from UVW Corporate Unit Trust. $50 in unfranked dividends, $64 in franked dividends and a $36 imputation credit are shown on her dividend statement.

d) Judy was entitled to receive a dividend of $228 from JKL Pty Ltd and she did not quote her TFN. $100 was unfranked and $128 was fully franked. Her statement from the company showed a TFN amount of $48.50 was deducted from the unfranked dividend and a payment of $51.50 was made to her. The unfranked amount to be shown on her tax return is $51.50 plus the TFN amount deducted of $48.50, a total of $100. She was also entitled to a franked dividend of $128 and an imputation credit of $72. No TFN amount is deducted from franked dividends.

	Company or trust	*Unfranked amount **	*Franked amount*	*Imputation credit*	*TFN amounts deducted from dividends*
a)	XYZ Ltd	$ 0.00	$ 64.00	$ 36.00	$ 0.00
b)	DEF PT Trust	$100.00	$ 0.00	$ 0.00	$48.50
c)	UVW CU Trust	$ 50.00	$ 64.00	$ 36.00	$ 0.00
d)	JKL Pty Ltd	$100.00	$128.00	$ 72.00	$48.50
	Total	S $250.00	T $256.00	U $144.00	V $97.00

* Unfranked amount includes both the amount received or credited and the TFN amount deducted. For additional examples, refer to the publication *You and your shares*.

Check that you have . . .

✓ written on your tax return the total unfranked amount
✓ written on your tax return the total franked amount
✓ written on your tax return the total allowable imputation credit amount
✓ written on your tax return the total TFN amount deducted from dividends
✓ kept your dividend statements with your other records.

I

Income from the supplementary section

CAUTION Read this question carefully—you may need to use *TaxPack 2000 supplement*.

Did you derive any of the following types of income?

- partnership and trust distributions
- income or loss from business (including if you are self-employed)
- income equalisation and/or farm management deposits or withdrawals
- capital gain or loss—for example, on disposal of assets
- foreign entity distribution
- foreign source income—including foreign pensions and foreign employment income—and foreign assets or property
- attributed foreign income
- rent
- bonuses from life insurance companies and friendly societies
- income from activities as a special professional—author of a literary, dramatic, musical or artistic work, an inventor, a performing artist, a production associate or an active sportsperson
- other income not shown at items **1** to **10**, including:
  - a non-qualifying component of an eligible termination payment
  - foreign exchange gains
  - benefits from an employee share scheme
  - lump sum payments in arrears
  - royalties
  - taxable scholarships, bursaries, grants or other educational awards
  - benefits or prizes from investment-related lotteries
  - reimbursements of tax-related expenses or election expenses which you have claimed as a deduction
  - payouts from sickness and accident insurance policies—other than those shown on your group certificate
  - balancing adjustment profit from the disposal, loss or destruction of your car for which you have claimed car expenses
  - gains from the disposal of traditional securities
  - interest from the land transport facilities tax rebate scheme or infrastructure borrowings
  - allowances or payments you received as a member of a local government council that you have not already shown at item **1** or **2**
  - jury attendance fees.

NO ☐ ▶ *Go to TOTAL INCOME OR LOSS on page 36.*

YES ☐ ▼ *You must complete the 2000 tax return for individuals (supplementary section). Read below.*

AUSTRALIAN NEWSAGENT

The supplementary section of the tax return is located in the back of *TaxPack 2000 supplement*. If you haven't already got a copy of *TaxPack 2000 supplement*, from 1 July to 31 October 2000 you can get a copy from newsagencies displaying this logo. Copies are also available all year from the Australian Taxation Office.

If you have net income or loss from a business (item **12**) you must also complete the *2000 business and professional items schedule* and attach it to page 3 of your tax return.

COMPLETING THIS QUESTION

Step 1

Complete the page 9 details on your tax return. Use *TaxPack 2000 supplement* to complete the Income section.

Step 2

Transfer the amount you wrote at TOTAL SUPPLEMENT INCOME OR LOSS on page 11 to I on page 2 of your tax return. If you made an overall loss, *print* **L** in the small box ☐ beside that amount.

Deductions

TaxPack 2000 supplement

You will need to complete the *2000 tax return for individuals* (supplementary section) to claim for the following deductions. For more information see page 65.

Claiming deductions for expenses that relate to your work as an employee

INFORMATION

i

You can claim deductions for work related expenses you incurred while performing your job. Generally, a work related expense is incurred when you have spent the money or paid by cheque or credit card. In some cases, you will have incurred a work related expense when you received a bill or invoice for the expense which you are liable for and must pay. Refer to *Taxation Ruling TR 97/7—Meaning of incurred* for more information about when an expense is incurred. To find out how to get this ruling, see the inside back cover of *TaxPack*.

If your work related expense includes an amount of goods and services tax (GST)—the GST is part of the total expense and is therefore part of any allowable deduction.

Basic rules to consider before you decide to make a claim:

- You must have incurred the expense in 1999–2000.
- You cannot claim an expense which has been or will be reimbursed to you by your employer or any other person.
- You must have incurred the expense in the course of earning your assessable income and it must not be private, domestic or capital in nature. For example the costs of normal travel to and from work or buying lunch each day are private. If you incurred an expense that was both work related and private or domestic, you can only claim a deduction for the work related portion of the expense.
- You must be able to substantiate your claims with written evidence if the total claimed is greater than $300.
- You need to be able to show how you worked out your claims if the total claimed is $300 or less—you do not need written evidence.

NOTE

If your income comes from carrying on a business, claim your expenses in the *2000 business and professional items schedule*. This schedule must be filled in before completing item **12** on your tax return (supplementary section).

Allowances

Receiving an allowance from your employer does not automatically entitle you to a deduction—you must still meet the above rules to make a claim.

You can claim only the total amount you incurred even if the allowance is more. For example, if you received a tools allowance of $500 and your tool expenses were $400, you must include the whole amount of the allowance at item **2** on your tax return and the deduction you can claim at item **D5** is $400.

Claims of more than $300—records you need to keep

If your total claims exceed $300, keep written evidence to prove the total amount, not just the amount over $300. The $300 limit does not include claims for car, meal allowance, award transport payments allowance and travel allowance expenses. You must have written evidence to prove your claims for these expenses. There are some exceptions to the written evidence rule—explained in the relevant questions.

Written evidence

Written evidence can be:

- a document from the supplier of the goods or services, showing:
  - the name of the supplier
  - the amount of the expense
  - the nature of the goods or services—if not shown, you may write this on the document before you lodge your tax return
  - the date the expense was incurred
  - the date of the document.

If the document does not show the payment date, you can use independent evidence to show the date the expense was incurred, such as a bank statement. A document from the supplier of the goods or services must be in English unless the expense was incurred outside Australia.

Don't leave it too late!

Will your total claims for work related expenses exceed $300 next year? If you are unsure, you may want to keep written evidence for your expenses—you will need it if you want to claim more than $300.

- your group certificate—for example, it may show your total union fees
- evidence you have recorded yourself:
  - for expenses of $10 each or less and the total of these expenses is $200 or less or
  - where you have been unable to obtain written evidence—for example, for toll or parking fees where you cannot get a receipt.

  Your records must show the same details as a document from a supplier as described on the previous page.

How long you need to keep your records

You must keep your written evidence for 5 years from 31 October or, if you lodge later, for 5 years from the date you lodge your tax return. If at the end of this period you are in a dispute with the Australian Taxation Office (ATO) that relates to a work expense, you must keep the relevant records until the dispute is resolved.

For depreciation expenses, you must keep records for the entire period over which you depreciate an item. You must keep your records for a further 5 years from the date of your last claim. The 5 years start on 31 October or, if you lodge later, from the date you lodge your tax return. This period is extended if, when the 5 years end, you are in a dispute with the ATO that relates to the depreciation claim.

EXAMPLE—Keeping records

Lizzie buys a computer for $4000 in July 1996. Lizzie uses her computer for work 60 per cent of the time. She claimed 60 per cent of the depreciation on the cost of her computer over 4 years. Her last claim for depreciation is in her 1999–2000 tax return which she lodges on 15 October 2000.

She must keep her records until 31 October 2005. If at this time she is in a dispute with the ATO that relates to this claim, she must keep her records until the dispute is resolved.

If you have lost your records, or they have been destroyed, ring the general enquiries helpline on the inside back cover of *TaxPack* to find out what you can do.

Why you need to keep your records

We will work out your refund or tax debt using the information you provide on your tax return. We may audit this information at a later date. You need to keep your records to prove your deduction claims in case you are audited.

Claims of $300 or less

We may ask you to tell us how you worked out your claim and explain why your claim is reasonable, based on the requirements of your occupation. You do not need written evidence—you can make reasonable estimates.

Questions D1 to D5 show you how to claim deductions for expenses that relate to your work as an employee

EXTRA INFORMATION FOR SOME OCCUPATIONS

The ATO provides special information for 16 occupations:

- airline employees
- Australian Defence Force members
- building workers
- cleaners
- lawyers
- factory workers
- hairdressers
- hospitality industry employees
- journalists
- nurses
- performing artists
- police officers
- real estate employees
- shop assistants
- teachers
- truck drivers

Your employer, trade union or association should have copies of this information. Otherwise, see the inside back cover of *TaxPack* to find out how to get it.

If you would like to know more about keeping records, read Taxpayers' Charter explanatory booklet 2—*Your honesty and the tax system* and booklet 13—*Keeping records*. To find out how to get these publications, see the inside back cover of *TaxPack*.

QUESTION D1 Work related car expenses

Did you have any car expenses relating to your work as an employee?

Do not include expenses for vehicles other than cars—for example, motorcycles, utility trucks or panel vans with a carrying capacity of 1 tonne or more, or any other vehicle with a carrying capacity of 9 or more passengers. Show them at item **D2**.

Do not include travel expenses including short-term car hire, public transport fares, bridge and road tolls, parking fees, taxi fares or the work related running costs associated with a car owned or leased by somebody else—a borrowed car. You may be able to claim these at item **D2**.

NO ☐ ▶ *Go to question **D2**.* YES ☐ ▼ *Read below.*

You can claim at this question your work related expenses for using a car that you owned or leased or hired under a hire purchase agreement.

CAUTION

If you received a reimbursement for car expenses—worked out by reference to the distance travelled by the car—or an allowance for car expenses, you must show the amount of the reimbursement or allowance as income at item **1** or **2** on your tax return.

You cannot claim at this question any expenses relating to a car owned or leased by someone else, including your employer or another member of your family. However, you are considered to be the owner or lessee of a car and eligible to claim expenses where a family or private arrangement makes you the owner or lessee even though you are not the registered owner. For example, a family car is given to you as a gift for your birthday. It is not registered in your name but you are the owner of the car, incur all associated expenses and use the car as your own.

If you own or lease a car or hire a car under a hire purchase agreement, you can use one of the 4 methods explained in this question to claim your work related car expenses. Depending on the method you choose, you will need to know or estimate your business kilometres. Business kilometres are the kilometres the car travelled in the course of using it for work related purposes.

YOU NEED TO KNOW

Using your car for work

You cannot claim the cost of normal trips between home and work as the expense is private. The travel is private and cannot be claimed even if:

- you do minor tasks—for example, picking up the mail on the way to work or home
- you have to travel between home and work more than once a day
- you are 'on call'—for example, you are on stand-by duty and your employer contacts you at home to come into work
- there is no public transport near where you work
- you work outside normal business hours—for example, shift work or overtime
- your home is a place of business and you travel directly to a place of employment.

You can claim the cost of trips between home and work where:

- you use your car because you have to carry bulky tools or equipment that you use for work—for example, an extension ladder or cello—and you cannot leave them at work
- your home is a base of employment—you start your work at home and travel to a workplace to continue the work or
- you have shifting places of employment—you regularly work at more than one site each day before returning home. *Taxation Ruling TR 95/34—Employees carrying out itinerant work* has more information on travel expenses for employees who have shifting places of employment. To find out how to get this ruling, see the inside back cover of *TaxPack*.

You can claim the cost of using your car to travel directly between 2 separate places of employment—for example, when you have a second job.

EXAMPLE

Sue is a clerk at a large department store who travels in her own car from her normal workplace to her second job as a waitress. After finishing work as a waitress, she travels directly home. The cost of travel from her normal workplace to her second job is an allowable deduction.

However, Sue cannot claim the cost of travelling from her second job to her home.

You can claim the cost of using your car to travel:

- from your normal workplace to an alternative workplace—for example, a client's premises—while still on duty and back to your normal workplace or directly home
- from your home to an alternative workplace for work purposes and then to your normal workplace or directly home.

EXAMPLE

Sue is a clerk at a large department store in the city. She travels in her own car from her normal workplace to her employer's other store in the suburbs. She attends a meeting at this alternative workplace. After this meeting, she travels directly home.

Sue can claim the cost of each journey.

WHAT YOU MAY NEED

- written evidence to show details of your car expenses—receipts, invoices or diary entries
- car logbook and odometer records
- *Guide to depreciation*
- *Practice statement PS 1999/2*

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

CALCULATING YOUR DEDUCTION

You can use one of 4 methods summarised below to work out your car expenses.

METHOD 1—Cents per kilometre method

- Your claim is based on a set rate for each business kilometre.
- You are able to claim a maximum of 5000 business kilometres.
- You do not need written evidence.

METHOD 2—12 per cent of original value method

- Your claim is based on 12 per cent of the original value of the car.
- The value is subject to depreciation cost limits.
- Your car must have (or would have) travelled more than 5000 business kilometres.
- You do not need written evidence.

METHOD 3—One-third of actual expenses method

- Your claim is based on one-third of each car expense.
- Your car must have (or would have) travelled more than 5000 business kilometres.
- You need written evidence or odometer records for fuel and oil costs.
- You need written evidence for all other car expenses.

METHOD 4—Logbook method

- Your claim is based on the business use percentage of each car expense.
- You need a logbook to calculate the business use percentage.
- You need odometer readings for the start and end of the period you owned or leased the car.
- You can claim fuel and oil costs based on odometer records.
- You need written evidence for all other car expenses.

You can choose the method that gives you the largest deduction as long as you have the evidence required for that method.

NOTE

There are special rules for jointly owned cars. For example, where a car is owned by 2 people—each owning half—under METHOD 2—12 per cent of original value method, each joint owner would claim 6 per cent. *Practice statement PS 1999/2* tells you more about these rules.

Depreciation

If you are claiming a depreciation expense you should refer to the publication *Guide to depreciation* which contains details of changes to the depreciation calculation and balancing adjustments that apply to cars acquired on or after 21 September 1999.

You can only claim a depreciation expense if you own the car or hire it under a hire purchase agreement and you use METHOD 3 or METHOD 4 to calculate your car expenses. If you lease a car that is not a luxury car, you cannot claim a depreciation expense because you are not the owner of the car.

Some important things to remember when you are calculating your depreciation expense:

- Depreciated value is worked out on the cost of the car from the day you purchased it or hired it under

a hire purchase agreement even if you have not used it for work related purposes.
- You can only claim a depreciation expense in a year you use the car for work related purposes.
- You will need to apportion your depreciation expense where the car is used privately as well as for work related purposes or where you owned the car for part of the year.
- When calculating a depreciation expense the cost of the car is limited to the depreciation cost limit. The depreciation cost limits are shown on page 43 METHOD 2.
- If you lease a luxury car special rules apply which require you to claim depreciation based on the depreciation cost limit—if you use METHOD 3 or METHOD 4. A car is considered to be a luxury car where the cost of the car—whether new or secondhand—at the time the lease commences is more than the depreciation cost limit applying for that year. Ring the general enquiries helpline on the inside back cover of *TaxPack* to find out what these special rules are.

Was your car disposed of, lost or destroyed?

If so, a balancing adjustment may need to be made where you have claimed depreciation on the car and you have:

(a) switched between:
  - the one-third of actual expenses method or the logbook method AND
  - the cents per kilometre method or the 12 per cent of original value method or

(b) switched between the one-third of actual expenses method and the logbook method or

(c) used only the one-third of actual expenses method or the logbook method.

Taxation Ruling TR 2000/6—Substantiation rules: calculation of balancing adjustments for cars explains how to make the calculation for (a) and the publication *Guide to depreciation* explains how to make the calculation for (b) and (c). To find out how to get these publications, see the inside back cover of *TaxPack*.

If you have a loss after making the calculation, claim the amount at this question. If you have a profit, include the amount as category 2 income at item **19** on your tax return (supplementary section). Refer to the Index for more information.

Important: A balancing adjustment is not required if you have used only the cents per kilometre or 12 per cent of original value method for calculating car expenses for the car.

Award transport payments

Award transport payments are allowances covering either transport expenses or car expense reimbursements which are paid under an industrial law or award that was in force on 29 October 1986. The car expense reimbursement is calculated in respect of a certain number of kilometres.

Some changes made to the industrial law or award after that date are treated as if they had been made on that day. Your union or employer can tell you the 29 October 1986 amount.

Award transport payments are assessable and must be included as income on your tax return. If you have incurred transport expenses or work related car expenses associated with these payments, you may be able to claim a deduction:
- for transport expenses—under question **D2**
- for car expenses—under either this question or question **D2**.

If you choose to claim no more than the 29 October 1986 amount, claim these work related transport expenses or car expenses at question **D2**. You do not need written evidence.

If you also have a claim for any additional kilometres not covered by the award transport payment, you can make the claim at this question but you can only use METHOD 4—the logbook method—with written evidence or METHOD 1—the cents per kilometre method. Remember, any kilometres travelled that are covered by the award transport payment and claimed at question **D2** are not counted as business kilometres under either method but they are counted as part of the total kilometres travelled for METHOD 4. If you do not know how many business kilometres relate to your award transport payment you can make a reasonable estimate.

Alternatively, you may choose not to limit any part of your claim for work related car expenses to the 29 October 1986 amount of the award transport payment. If this is the case make the claim at this question—do not claim car expenses covered by your award transport payment at question **D2**. When making your car expense claim at this question you can use any of the 4 methods, and any work related kilometres travelled that are covered by the award transport payment are treated as business kilometres. You will need to satisfy the written evidence required by the particular method you select.

The example which follows explains the different ways you can claim when you receive an award transport payment.

EXAMPLE

Val travelled 22 000 kilometres in total during 1999–2000. She received an award transport payment of $2000 which, under her award, covered travel of 5000 work related kilometres. The award transport payment as at 29 October 1986 was $1400. She also travelled an additional 6000 business kilometres that were not covered by her award transport payment.

Val has to show the $2000 at item **2**. She can claim her car expenses in one of the following ways:

- only claim $1400 at item **D2** or
- claim $1400 at item **D2** and then use 5000 of her 6000 business kilometres towards a claim for total car expenses at item **D1** using the cents per kilometre method. See METHOD 1 on this page or
- claim $1400 at item **D2** and then use the 6000 business kilometres towards a claim for total car expenses using METHOD 4 on page 45 if she has written evidence. She divides the 6000 business kilometres by the 22 000 total kilometres to work out her business use percentage:

  $\frac{6000}{22\ 000} \times 100 = 27\%$ or
- not claim the $1400 at item **D2** and treat the kilometres covered by the award transport payment as business kilometres. This gives her a total of 11 000 business kilometres towards a claim for total car expenses using METHOD 4 on page 45 if she has written evidence. She divides the 11 000 business kilometres by the 22 000 total kilometres to work out her business use percentage:

  $\frac{11\ 000}{22\ 000} \times 100 = 50\%$

METHOD 1—Cents per kilometre method

You can use this method to claim a maximum of 5000 business kilometres per car even if you have travelled more than 5000 business kilometres. For example, if you travelled 5085 business kilometres and you want to use this method, you can only claim the cost of travelling 5000 kilometres. You cannot claim for the extra 85 kilometres.

You do not need written evidence if you use this method but you may need to be able to show how you worked out your business kilometres.

Step 1

Multiply the total business kilometres travelled—a maximum of 5000 for each car—by the number of cents allowed for the engine capacity of your car. *Divide* your answer by 100 to work out the amount in dollars that you can claim.

This table shows you the rate per business kilometre to use in working out how much you can claim.

RATES PER BUSINESS KILOMETRE

Ordinary car —engine capacity	*Rotary engine car —engine capacity*	*Cents per kilometre*
1600cc (1.6 litre) or less	800cc (0.8 litre) or less	45.9 cents
1601cc–2600cc (1.601 litre–2.6 litre)	801cc–1300cc (0.801 litre–1.3 litre)	54.9 cents
2601cc (2.601 litre) and over	1301cc (1.301 litre) and over	55.8 cents

Work out the amount you can claim for each car and *add up* all the amounts.

Step 2

Write the total amount at **A** item **D1** on your tax return. Do not show cents. *Print* the code letter **S** in the **CLAIM TYPE** box beside the amount.

METHOD 2—12 per cent of original value method

You can use this method if you used your car to travel more than 5000 business kilometres in 1999–2000. This method is also available if you would have used your car to travel more than 5000 business kilometres if you had used it for the whole of 1999–2000.

You do not need written evidence to use this method but you may need to be able to show how you worked out your business kilometres.

If you bought the car, you can claim 12 per cent of the cost of the car. If you leased the car, you can claim 12 per cent of its market value at the time that you first leased it. The maximum deduction you can claim is 12 per cent of the depreciation cost limit in the year in which you first used or leased the car.

DEPRECIATION COST LIMITS FOR THE LAST 10 YEARS

1999–2000	$55 134 (unchanged)
1998–99	$55 134
1997–98	$55 134
1996–97	$55 134
1995–96	$52 912
1994–95	$51 271
1993–94	$48 415
1992–93	$47 280
1991–92	$45 462
1990–91	$45 056

Step 1

Multiply the cost of the car or the depreciation cost limit, whichever is less, by 12 and *divide* the result by 100. This is the amount you can claim if you owned or leased your car for the whole of 1999–2000 and used it for work during that year.

If you are using this method to claim a deduction for more than one car that belongs to you or you leased, work out the amount you can claim for each car. *Add up* the amounts you have worked out. If you owned or leased the car for the whole of 1999–2000, *go to* step 3. Otherwise, *read on*.

Step 2

If you did not own or lease the car for the whole of 1999–2000, you need to work out if you can use this method. First work out the number of days you owned or leased the car.

If you travelled 5000 business kilometres or less, *multiply* the number of business kilometres you travelled by 366 and *divide* the result by the number of days you owned or leased the car during 1999–2000. This is considered to be the number of kilometres you would have travelled if you had used the car for the whole year.

If your answer is more than 5000 or you travelled more than 5000 business kilometres, you can use this method to claim your expenses. *Go to* **Working out the amount you can claim**. Otherwise, use METHOD 1 or 4.

Working out the amount you can claim

Multiply the amount you worked out at step 1 by the number of days you owned or leased the car. *Divide* the result by 365 as provided for in the legislation.

EXAMPLE

Terry bought a car on 1 March 2000 for $40 000 and he travelled 3600 kilometres for work between 1 March 2000 and 30 June 2000 (122 days).

Because he did not own the car for the full year, Terry needs to work out if he can use METHOD 2.

A As he travelled less than 5000 business kilometres, Terry multiplies the business kilometres he travelled by 366 and divides the result by the number of days he owned the car.

$$\frac{3600 \times 366}{122} = 10\,800$$

Because this is more than 5000 business kilometres, he is able to use this method.

B Terry follows the instructions in step 1 to get 12 per cent of the cost of the car.

$$\frac{\$40\,000 \times 12}{100} = \$4800$$

He multiplies this amount by the number of days he owned the car and divides the result by 365.

$$\frac{\$4800 \times 122}{365} = \$1605$$

This is the amount Terry can claim.

Step 3

Write your claim at **A** item **D1** on your tax return. Do not show cents. *Print* the code letter **T** in the **CLAIM TYPE** box ☐ beside the amount.

METHOD 3—One-third of actual expenses method

This method allows you to claim one-third of each car expense. Car expenses do not include capital costs, such as improvements to your car.

You can use this method if you used your car to travel more than 5000 business kilometres in 1999–2000. This method is also available if you would have used your car to travel more than 5000 business kilometres if you had used it for the whole of 1999–2000.

You must have kept written evidence for all your car expenses—except for fuel and oil costs.

There are 2 ways to work out your fuel and oil costs:

- Use your fuel and oil receipts, if you have them.
- Keep odometer records and make a reasonable estimate based on those records.

Odometer records need to show the odometer readings of the car at the start and end of the period that you owned or leased the car during 1999–2000. They should also show the car's engine capacity, make, model and registration number.

You may need to be able to show how you worked out your business kilometres and any reasonable estimate you made.

EXAMPLE

Alison has made a reasonable estimate that she travelled 7000 business kilometres during 1999–2000. She is able to use this method.

Her odometer records show she used the car to travel a total of 25 000 kilometres during 1999–2000.

She also estimated that the car used 10 litres of fuel per 100 kilometres travelled based on the manufacturer's guidelines and the average fuel price for the period was 70 cents per litre.

Alison's fuel claim would be worked out like this:

25 000 km multiplied by 10 and divided by 100 = 2500

2500 multiplied by $0.70 = $1750

This is the amount Alison would include for fuel in step 1 on the next page.

Complete the following steps to work out how much you can claim using the one-third of actual expenses method.

Step 1

Add up your total expenses for fuel and oil, registration, insurance, interest, repairs and maintenance, depreciation or lease payments and any other costs of running your car.

Step 2

Divide your total car expenses by 3. This is the amount you can claim.

Step 3

Write the amount from step 2 at **A** item **D1** on your tax return. Do not show cents. *Print* the code letter **O** in the **CLAIM TYPE** box beside the amount.

METHOD 4—Logbook method

Using the logbook method, you work out the business use percentage of your car. You can then claim this percentage of each car expense. Car expenses do not include capital costs, such as improvements to your car.

You must keep:

- a logbook
- odometer records
- written evidence for all your car expenses—except for fuel and oil costs.

Business use percentage

You can claim the business use percentage of all your car expenses. To work out your business use percentage, use the details from your logbook and odometer records.

From your records, work out the total kilometres travelled. Then work out how many were business kilometres. *Divide* the number of business kilometres by the total number of kilometres travelled. *Multiply* this amount by 100.

EXAMPLE

At the end of the logbook period, Tony's logbook shows that he travelled a total of 11 000 kilometres of which 6600 were business kilometres.

He divides 6600 by 11 000 and multiplies by 100.

Tony's business use percentage is 60 per cent.

It is in your interest to write in the logbook all journeys you make in your car for work activities. If a work related journey is not recorded, the logbook will indicate a lower business use percentage than it could.

Did your car use change during 1999–2000?

If it changed, make a reasonable estimate of what your business use percentage would have been for the whole of 1999–2000, taking into account your logbook, odometer and other records, any variations in the pattern of use of your car and any changes in the number of cars you used in the course of earning your income.

Your logbook

Your logbook is valid for 5 years. If this is the first year you are using this method, you must have kept a logbook during 1999–2000. The logbook must cover at least 12 continuous weeks. If you started to use your car for business purposes less than 12 weeks before the end of 1999–2000, you are able to continue to keep a logbook into 2000–01 so that your logbook covers the required 12 weeks. If you want to use the logbook method for 2 or more cars, the logbook for each car must cover the same period.

If you have not kept a logbook since 1994–95, you must have kept a new logbook for 1999–2000. If you did not keep a new logbook for 1999–2000, you cannot use the logbook method. You must use another method.

Where you have kept a logbook for 1999–2000 your logbook must contain the following information:

- when the logbook period begins and ends
- the car's odometer readings at the start and end of the logbook period
- the total number of kilometres that the car travelled during the logbook period
- the number of kilometres travelled for work activities based on journeys recorded in the logbook. If you make 2 or more in a row on the same day, they can be recorded as a single journey
- the business use percentage for the logbook period.

If you are using a logbook from an earlier year—which established your business use percentage—you need to keep that logbook and maintain odometer records.

You also need a logbook if the Australian Taxation Office (ATO) told you in writing to keep one. The ATO does not supply logbooks. Preprinted logbooks are available from stationery suppliers or you can draw up your own.

Logbook entries for each journey

Your logbook must also show details of each business trip. You must write down:

- the day the journey began and the day it ended

- the car's odometer readings at the start and end of the journey
- how many kilometres the car travelled on the journey
- the reason for the journey.

The logbook entries must be made at the end of the journey, or as soon as possible afterwards, and they must be in English.

Odometer records

You must keep written odometer records for the period you owned or leased the car during 1999–2000. You need to record:

- the car's odometer readings at the start and end of the period
- the make, model, engine capacity and registration number of the car.

Odometer records can be kept as part of your logbook if you kept one for 1999–2000. If you did not keep a logbook in 1999–2000, you need to have kept a separate record of the odometer readings and other details.

Working out your claim

Once you have worked out your business use percentage, you can apply it to your car expenses.

You need to keep written evidence of all your car expenses except for fuel and oil costs—for example, registration, repairs, interest and insurance.

There are 2 ways to work out your fuel and oil costs:

- Use your fuel and oil receipts, if you have them.
- Make a reasonable estimate based on your odometer records.

EXAMPLE

Christopher's odometer records show he used his car to travel a total of 7000 kilometres during 1999–2000.

Based on the manufacturer's guidelines, he estimated that the car used 10 litres of fuel per 100 kilometres travelled and the average fuel price for the period was 70 cents per litre.

Christopher's fuel claim would be worked out like this:

7000 km multiplied by 10 and divided by 100 = 700

700 multiplied by $0.70 = $490

This is the amount he would include for fuel in step 1.

Complete the following steps to work out how much you can claim using the logbook method.

Step 1

Add up your total expenses for fuel and oil, registration, insurance, interest, repairs and maintenance, depreciation or lease payments and any other costs of running your car.

Step 2

Using your business use percentage, *work out* the business portion of your total expenses from step 1. This is the amount you can claim.

Step 3

Print the amount from step 2 at **A** item **D1** on your tax return. Do not show cents. *Print* the code letter **B** in the **CLAIM TYPE** box ☐ beside the amount.

CLAIMING UNDER MORE THAN ONE METHOD

If you have more than one car and you are claiming expenses under different methods, *add* the amounts you worked out under each method and *write* the total at **A** item **D1** on your tax return. Do not show cents. *Print* the code letter for the method that gave you the largest amount in the **CLAIM TYPE** box ☐ beside the amount.

Check that you have . . .

✓ written on your tax return the amount of your claim for car expenses

✓ printed the correct code letter in the **CLAIM TYPE** box beside the amount

✓ kept written evidence of your car expenses, where required. You need to keep it for 5 years from 31 October or, if you lodge later, for 5 years from the date you lodge your tax return. If at the end of this period you are in a dispute with the Australian Taxation Office that relates to this work expense, you must keep your records until the dispute is resolved.

QUESTION D2 Work related travel expenses

Did you have any travel expenses relating to your work as an employee?

Claim at this question expenses for vehicles other than cars—for example, motorcycles, utility trucks or panel vans with a carrying capacity of 1 tonne or more, or any other vehicle with a carrying capacity of 9 or more passengers.

Claim at this question any work related running costs you are entitled to that are associated with a car owned or leased by somebody else—a borrowed car.

NO ☐ ▶ *Go to question **D3**.* YES ☐ ▼ *Read below.*

YOU NEED TO KNOW

You can claim travel expenses directly connected with your work. If your travel was partly private and partly for work, you can claim only the part that related to work. Travel expenses you may be able to claim include meals, accommodation and incidental expenses incurred while travelling overnight for work—for example, going to an interstate work conference. Generally, if your travel does not involve an overnight stay, you cannot claim for meals even if you received a travel allowance.

Other travel expenses that you may be able to claim include air, bus, train, tram and taxi fares, bridge and road tolls, parking and car hire fees.

You cannot claim a deduction for any expenses you incur for the direct operation of a car that your employer provides, which at any time is used privately by you or your relatives, even if the expenses are work related. Examples of direct operation expenses are petrol, oil and repairs. Such expenses form part of the valuation of the car for fringe benefits tax purposes. However, you may be able to claim expenses—such as parking fees and bridge tolls—which are linked to the car but are not involved in its direct operation.

You cannot claim the cost of normal trips between home and work as the expense is private. The travel is private and cannot be claimed even if:
- you do minor tasks—for example, picking up the mail on the way to work or home
- you have to travel between home and work more than once a day
- you are 'on call'—for example, you are on stand-by duty and your employer contacts you at home to come into work
- there is no public transport near where you work
- you work outside normal business hours—for example, shift work or overtime
- your home is a place of business and you travel directly to a place of employment.

You can claim for the cost of trips undertaken between home and work where:
- you use your vehicle or have other travel expenses because you have to carry bulky tools or equipment that you use for work—for example, an extension ladder or cello—and you cannot leave them at work
- your home is a base of employment—you start your work at home and travel to a workplace to continue the work or
- you have shifting places of employment—you regularly work at more than one site each day before returning home. *Taxation Ruling TR 95/34—Employees carrying out itinerant work* has more information on travel expenses for employees who have shifting places of employment. To find out how to get this ruling, see the inside back cover of *TaxPack*.

You can claim the cost of travelling directly between 2 separate places of employment—for example, when you have a second job.

EXAMPLE

Sue is a clerk at a large department store who travels by bus from her normal workplace to her second job as a waitress. After finishing work as a waitress, she travels directly home.

The cost of travel from her normal workplace to her second job is an allowable deduction.

However, Sue cannot claim the cost of travelling from her second job to her home.

You can claim the cost of travelling:

- from your normal workplace to an alternative workplace—for example, a client's premises—while still on duty and back to your normal workplace or directly home
- from your home to an alternative workplace for work purposes and then to your normal workplace or directly home.

EXAMPLE

Sue is a clerk at a large department store in the city. She travels by bus from her normal workplace to her employer's other store in the suburbs. She attends a meeting at this alternative workplace. After this meeting, she travels directly home by train.

Sue can claim the cost of each journey.

Records you need

The table below explains what records you need if you are claiming domestic or overseas travel expenses for accommodation, food, drink or incidentals.

If you are claiming travel expenses and you receive a travel allowance from your employer, you must show the allowance at item **2** on your tax return.

The Australian Taxation Office (ATO) sets the reasonable allowance amount for your circumstances. Your employer or the ATO can tell you what the amount is.

NOTE

You must have written evidence for the whole of your claim, not just the excess over the reasonable amount. Written evidence is explained on pages 38–9.

TRAVEL EXPENSE RECORDS

	DOMESTIC TRAVEL		OVERSEAS TRAVEL	
	Written evidence	*Travel diary*	*Written evidence*	*Travel diary*
Where a travel allowance is not received:				
• travel less than 6 nights in a row	Yes	No	Yes	No
• travel 6 or more nights in a row	Yes	Yes	Yes	Yes
Where a travel allowance is received and the claim does not exceed the reasonable allowance amount:				
• travel less than 6 nights in a row	No	No	No*	No
• travel 6 or more nights in a row	No	No	No*	Yes**
Where a travel allowance is received and the 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**

A travel diary is a document which shows details of your activities. It must show the dates, places, times and duration of your activities and travel.

* Written evidence is required for overseas accommodation expenses—regardless of the length of the trip.

** Members of international air crews do not need to keep a travel diary if they limit their claim to the amount of the allowance received.

Car owned or leased by somebody else—a borrowed car

You can claim the actual costs you incurred when using a car owned or leased by somebody else for work related purposes—for example, petrol and oil. You cannot use the cents per kilometre method or any other method described at question **D1** to calculate your claim.

Award transport payments

Award transport payments are allowances covering either transport expenses or car expense reimbursements which are paid under an industrial law or award that was in force on 29 October 1986.

Some changes made to the industrial law or award after that date are treated as if they had been made on that day. Your union or employer can tell you the 29 October 1986 amount.

Award transport payments are assessable and must be included as income on your tax return. If you have incurred work related transport expenses or car expenses covered by these payments, you may be able to claim a deduction for these expenses.

If you choose to claim no more than the 29 October 1986 amount, claim these expenses at this question. You do not need written evidence.

If you choose to claim more than the 29 October 1986 amount for work related transport expenses, make the claim at this question. You will need written evidence for the whole of the claim.

If you choose to claim more than the 29 October 1986 amount for work related car expenses or to claim for additional car expenses not covered by the award transport payment, make the claim at question **D1**.

COMPLETING THIS QUESTION

Step 1 *Add up* all your allowable travel expenses.

Step 2 *Write* the total amount at **B** item **D2** on your tax return. Do not show cents.

QUESTION D3

Work related uniform, clothing, laundry and dry cleaning expenses

Did you have any uniform, occupation specific clothing, protective clothing, laundry or dry cleaning expenses that relate to your work as an employee?

NO ☐ ▶ *Go to question **D4**.* YES ☐ ▼ *Read below.*

If you received an allowance from your employer for clothing, uniforms, laundry or dry cleaning, make sure you have shown the amount at item **2**.

You can claim the cost of buying, renting, repairing and cleaning occupation specific clothing, protective clothing and certain work uniforms.

You cannot claim the cost of purchasing or cleaning a plain uniform or everyday clothes that you bought to wear to work even if your employer tells you to wear them—for example, a bartender's black trousers and white shirt or a manager's suit or stockings. If you need more information about everyday clothing, read *Taxation Ruling TR 94/22—Deductibility of expenditure on conventional clothing*, *Taxation Ruling TR 97/12—Deductibility of expenses on clothing, uniform and footwear* and *Taxation Ruling TR 98/5—Calculating and claiming a deduction for laundry expenses*. To find out how to get these publications, see the inside back cover of *TaxPack*.

WHAT YOU MAY NEED

- written evidence from your goods or services supplier
- diary records of your laundry costs, if you need written evidence.

YOU NEED TO KNOW

You cannot automatically claim a deduction just because you got a uniform, clothing, laundry or dry cleaning allowance from your employer. *Carefully read* the section **Claiming deductions for expenses that relate to your work as an employee** on pages 38–9 before claiming a deduction.

Work uniform

This is a work uniform—either compulsory or non-compulsory—that is unique and distinctive to your organisation.

Compulsory work uniform

This is a set of clothing that identifies you as an employee of an organisation which has a strictly enforced policy that makes it compulsory for you to wear the uniform while at work.

You may be able to claim a deduction for shoes, socks and stockings where they are an essential part of a distinctive compulsory uniform, the characteristics of which—colour, style, type—are specified in your employer's uniform policy.

If you need more information about work uniforms, read *Taxation Determination TD 1999/62—What are the criteria to be considered in deciding whether clothing items constitute a compulsory corporate uniform/wardrobe*. To find out how to get this publication see the inside back cover of *TaxPack*.

You may be able to claim for a single item of distinctive clothing, such as a jumper, where it is compulsory for you to wear it at work. Generally, clothing is distinctive where it has the employer's logo permanently attached and the clothing is not available to the general public.

Non-compulsory work uniform
You cannot claim expenses incurred for non-compulsory work uniforms unless your employer has registered the design. Ask your employer for advice.

Shoes, socks and stockings can never form part of a non-compulsory work uniform.

Occupation specific clothing
This is clothing that is specific to your occupation, is not everyday in nature and would allow the public to easily recognise your occupation—for example, a chef's checked pants.

Protective clothing
This is clothing that protects you from injury while you are working—for example, safety boots and fire resistant clothing—or clothing that you wear at work to protect your everyday clothes—for example, overalls, dust jackets and aprons.

Laundry expenses
The costs of washing, drying or ironing eligible work clothes, as described in this question, are laundry expenses which you can claim. They include laundromat expenses. You must have written evidence—for example, diary entries and receipts—for your laundry expenses if:

- the amount of your claim is greater than $150 AND
- your total claim for work expenses—other than car, meal allowance, award transport payments allowance and travel allowance expenses—exceeds $300.

Dry cleaning expenses
You can claim the cost of dry cleaning eligible work clothes, as described in this question. If your total claim for work expenses exceeds $300 you must have written evidence to substantiate your claim.

COMPLETING THIS QUESTION

Step 1
Work out the total cost of laundering your occupation specific clothing, protective clothing or work uniforms.

If you do not need to provide written evidence for your laundry expenses, you may use a reasonable basis to work out your claim.

The Australian Taxation Office (ATO) considers that a reasonable basis for working out your laundry claim would be $1 per load—this includes washing, drying and ironing—if the load is made up only of the clothes described in this question, and 50 cents per load if other laundry items are included. If you choose a different basis to work out your claim, we may ask you to explain that basis.

Step 2
Add up all your allowable clothing, laundry and dry cleaning expenses and *write* the total amount at C item **D3** on your tax return. Do not show cents.

Step 3
Select the code letter that describes the majority of the clothing for which you are claiming:

C compulsory work uniform

N non-compulsory work uniform

S occupation specific clothing

P protective clothing

Print the code letter in the **CLAIM TYPE** box at the right of C item **D3** on your tax return.

Check that you have . . .

✓ written on your tax return the total amount of your uniform, occupation specific clothing, protective clothing, laundry and dry cleaning expenses

✓ printed your code letter in the **CLAIM TYPE** box

✓ kept written evidence to prove your claims, where required. You need to keep it for 5 years from 31 October or, if you lodge later, for 5 years from the date you lodge your tax return. If at the end of this period you are in a dispute with the ATO that relates to this work expense, you must keep your records until the dispute is resolved.

QUESTION D4 Work related self-education expenses

Do not show at this question:

- the cost of formal education courses provided by professional organisations
- the cost of attending seminars, education workshops or conferences that are connected to your work activities.

Show these at **D5**.

Did you have any self-education expenses relating to your work as an employee?

You cannot claim a deduction for Higher Education Contribution Scheme (HECS) payments, Financial Supplement Loan repayments or Open Learning Agency of Australia basic charges.

You cannot claim a deduction for self-education expenses against income you received from youth allowance, austudy payment, ABSTUDY or similar schemes providing payments in the nature of assistance.

NO ☐ ▶ *Go to question **D5**.* YES ☐ ▼ *Read below.*

WHAT YOU MAY NEED

- written evidence from your supplier or educational institution
- written evidence or diary entries you made of any travel expenses relating to your self-education
- *Guide to depreciation*. This publication contains details of changes to depreciation calculations, small item write-offs and balancing adjustments that apply to items acquired on or after 21 September 1999. To find out how to get this publication, see the inside back cover of *TaxPack*.

YOU NEED TO KNOW

You can only claim self-education expenses that relate to your work activities while you were studying. If your self-education was to help you get a new job, you cannot claim your expenses.

Self-education expenses are expenses related to a course of education provided by a school, college, university or other place of education. The course must be undertaken to gain a formal qualification for use in carrying on a profession, business or trade or in the course of employment.

If you are a part-time or full-time student, you may be able to claim the costs of self-education if there is a direct connection between your self-education and your work activities at the time the expense was incurred.

Taxation Ruling TR 98/9—Deductibility of self-education expenses provides additional information. To find out how to get this publication, see the inside back cover of *TaxPack*.

If your total claim for all work expenses is more than $300, you may need to keep written evidence to prove your claim. Read pages 38–9 in *TaxPack 2000* for the written evidence rule.

The cost of meals is generally a private—and non-claimable—expense. However, if:

- you are participating in self-education directly connected to your current work AND
- that self-education requires you to be temporarily absent for one or more nights from your home

you may claim the cost of meals during that absence.

Allowable self-education expenses

You may be able to claim expenses such as textbooks, stationery, student union fees, course fees and depreciation of your computer. If you did not use your computer solely for self-education purposes, you will need to apportion your claim.

This means you divide the amount between private use and work related use. For example, if you use your computer 40 per cent of the time for deductible self-education and 60 per cent of the time for private purposes, then you can only claim 40 per cent of the depreciation amount.

You can claim expenses for travel between:

- home and your place of education
- your place of education and home
- work and your place of education
- your place of education and work.

However, only the first leg of each trip is deductible where you travel:

- from home to your place of education and then to work or
- from your workplace to your place of education and then to home.

To work out the amounts of allowable car or other travel expenses you will need to read question **D1** (car expenses) or **D2** (travel expenses). But you must claim these amounts here at question **D4**.

$250 reduction

In certain circumstances you may have to reduce your allowable self-education expenses by $250. However, you may have other types of expenses—some of which are not allowable as a deduction (category E)—that can be offset against the $250 before you have to reduce the amount you can claim for allowable expenses.

To work out your claim, first list your expenses under the following categories.

Category A

General expenses that are allowable as a deduction. They include textbooks, stationery, student union fees, course fees or car expenses worked out under the logbook or one-third of actual expenses method.

In some cases you may need to reduce your category A expenses by $250—see example 1 on page 54.

Category B

Depreciation on items of equipment used for self-education purposes.

Category C

Repairs to items of equipment used for self-education purposes.

Category D

Car expenses related to your self-education activities which are claimed using the cents per kilometre or 12 per cent of original value method. See page 43 for information on these methods.

You cannot claim car expenses under this category if you have included depreciation or repairs to your car under categories B or C.

You do not have to reduce category B, C and D expenses by $250.

Category E

Self-education expenses you have incurred that are not allowable as a deduction. For example:

- travel expenses in respect of the last leg of each trip:
  - from home to a place of education and then to work or
  - from the workplace to a place of education and then home
- child care costs related to attendance at lectures or other self-education activities
- capital cost of items acquired in 1999–2000 and used for self-education purposes—for example, a computer or desk.

COMPLETING THIS QUESTION

Step 1 If you had any category A expenses, *go to* step 2. Otherwise, *read on*.

If you do not have any category A expenses, you do not have to reduce your claim. *Add* any category B, C and D amounts and *write* the total at **D** item **D4** on your tax return. Do not show cents. *Go to* step 6.

Step 2 If the total of your category C, D and E amounts is less than $250, *go to* step 3. Otherwise, *read on*.

If the total of your category C, D and E amounts is $250 or more you do not have to reduce your claim. *Add* any category A, B, C and D amounts and *write* the total at **D** item **D4** on your tax return. Do not show cents. *Go to* step 6.

Step 3 *Take away* the total of any category C, D and E amounts from $250.

Step 4 *Take* your answer from step 3 away from your total category A amount. If this leaves you with zero or less, your category A amount is reduced to zero.

Step 5 *Add* your step 4 amount—if any—to the total of your category B, C and D amounts. *Write* your answer at **D** item **D4** on your tax return. Do not show cents.

Step 6 *Select* from the list below the code letter that best describes your self-education.

K There is a direct connection between the self-education and your current work activities because the study maintains or improves a skill or specific knowledge required for your current work activities.

I There is a direct connection between the self-education and your current work activities because you can show that the study leads to, or is likely to lead to, increased income from your current work activities.

O Other circumstances exist where there is a direct connection between your self-education and your current work activities.

Remember, self-education expenses are NOT allowable if your study is designed to:
- get you a job
- get you a new job—a different job to your current one—or
- get you income from a new income-earning activity.

Step 7 *Print* your code letter from step 6 in the **CLAIM TYPE** box ☐ at the right of **D** item **D4** on your tax return.

Examples of how to work out a claim

EXAMPLE 1

Michael studies hairdressing at a TAFE college and the course is directly related to his current employment as an apprentice hairdresser.

His expenses		*Category*
Course fees	$180	A
Textbooks	$ 70	A
Student union fees	$ 40	A
Total expenses	$290	
Take away	$250	
Michael can claim	$ 40	

EXAMPLE 2

Allan is currently unemployed and gets a Newstart allowance. He went to a course to gain a second qualification to help his job prospects.

Allan cannot claim any self-education expenses as there is no direct connection between the expense and his current income source.

EXAMPLE 3

Sharon is a clerk in the public service who is studying gourmet cooking part time in order to become a chef.

Sharon cannot claim any self-education expenses as there is no direct connection between the expense and her current income source.

EXAMPLE 4

Katelin studies full time at a university and receives austudy payment as her only source of income.

Katelin cannot claim any self-education expenses as there is not a sufficient connection between the expense and austudy payment.

EXAMPLE 5

Debra studied part time at a university and the course was directly related to her current employment. She travelled by bus from her work to university.

Her expenses		*Category*
Stationery	$ 10	A
Textbooks	$240	A
Course fees	$200	A
Bus fares	$150	A
Student union fees	$150	A
Repair to home printer	$ 70	C
Total allowable expenses	$820	
Self-education expenses not allowable as a deduction		
Child care costs	$520	E

The general expenses for stationery, textbooks, course fees, bus fares and student union fees are category A amounts. The repair expense is a category C amount.

Debra does not have to reduce her category A expenses as the total of her category C (repairs $70) and E (child care costs $520) is more than $250.

Debra can claim $820—her category A and C amounts.

If Debra had no child care costs then her claim would be worked out using the steps from the previous pages, as follows:

Step 3 $250 less $70 (the category C amount) = $180

Step 4 $750 (category A amount) less $180 (step 3 amount) = $570

Step 5 $570 (step 4 amount) plus $70 (category C amount) = $640

Debra could claim $640.

QUESTION D5

Other work related expenses

Did you have:

- **Financial Institutions Duty (FID) charged on salary, wage, pension, allowance or payment income deposited into your bank, building society or credit union account**
- **debits tax charged on any outgoings from your account where the outgoing can be claimed as an allowable work related deduction**
- **any other expenses relating to your work as an employee?**

STOP **Do not show at this question claims for:**

- expenses not related to your work
- expenses from carrying on a **business**
- the cost of sickness and accident **insurance** premiums
- **tax costs**—such as tax agent fees.

Other questions deal with these matters.

Refer to the relevant topics in the Index.

Other expenses include union fees, overtime meals, attending formal education courses provided by professional associations, seminars, conferences or education workshops, books, journals and trade magazines, tools and equipment, computers and software, telephone and home office expenses. Ring the general enquiries helpline on the inside back cover of *TaxPack* if you are not sure if an expense can be claimed.

You cannot claim the cost of entertainment, fines or penalties.

You cannot claim private expenses such as child care expenses or fees paid to social clubs.

NO ☐ ▶ *Go to question **D6**.* YES ☐ ▼ *Read below.*

WHAT YOU MAY NEED

- statements from your bank, building society or credit union
- written evidence from your supplier or association
- other written evidence or diary entries you made to record your expenses
- your group certificate
- *Guide to depreciation*. This publication contains details of changes to depreciation calculations, small item write-offs and balancing adjustments that apply to items acquired on or after 21 September 1999.
- *Taxation Ruling TR 93/30—Deductions for home office expenses*
- *Taxation Ruling TR 98/13—Deductibility of year 2000 (millennium bug) expenses*
- *Practice statement PS 1999/4—Home office expenses.*

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

YOU NEED TO KNOW

Receiving an allowance from your employer does not automatically entitle you to a deduction. To claim a deduction, you must have included the whole of the allowance at item **2** and incurred the expense and it must be related to your work as an employee.

If your total claim for all work expenses as an employee exceeds $300, you may need to keep written evidence to prove your claim. Read pages 38–9 for the written evidence rule.

Financial Institutions Duty (FID), government duty tax (GDT) and debits tax

You can claim a deduction for FID charged on any deposit to your account where that deposit is part of your assessable income—for example, salary, wages, pensions, allowances or payments.

You can claim a deduction for that part of the GDT or debits tax charged on any outgoing from your account where the outgoing can be claimed as an allowable deduction—for example, work related expenses.

You can only claim your share of FID and debits tax charged on joint accounts. For example, if you hold an account jointly with one other person, you can never claim more than one half of the FID or debits tax charged on the account.

Union fees and subscriptions to associations
You can claim a deduction for union fees and subscriptions to trade, business or professional associations. Your group certificate may show fees or subscriptions paid by you.

Overtime meals
You may be able to claim a deduction for overtime meal expenses you incurred if you received an overtime meal allowance from your employer which was paid under an industrial law, award or agreement. To claim a deduction you will need written evidence if your claim is more than $16.20 per meal.

You can only claim for overtime meal expenses incurred on those occasions when you worked overtime and you received an overtime meal allowance payment for that overtime.

An amount for overtime meals that has been folded in as part of your normal salary or wages income is not considered to be an overtime meal allowance.

Amounts received as overtime meal allowance must be included as income at item **2**.

Seminars, conferences or education workshops
You can claim the cost of attending seminars, conferences or education workshops that are sufficiently connected to your work activities.

Books, journals and professional libraries
You can claim the cost of trade magazines, technical journals and reference books that you need to do your work.

You can claim for depreciation on the cost of a professional library that includes books, tapes, compact discs, records and videos that you need to do your work.

Computers and software
You can claim a deduction for the work related proportion of depreciation on the cost of computers. If you use your computer for private purposes you must apportion your depreciation amount between work related and private use. 'Apportion' means you divide the amount between private use and work related use. For example, if you use a computer 30 per cent of the time for work and 70 per cent of the time for non-work purposes, then you can only claim 30 per cent of the depreciation amount.

You can also claim a deduction for the work related proportion of the cost of repairs to your computer and interest on money borrowed to finance the cost of your computer.

Costs incurred in acquiring, developing or commissioning computer software are depreciable and deductible over $2^1/_2$ years at the rate of 40 per cent per year for the part of the year you owned the software. However, you may be able to immediately claim such costs in full where you incurred them:
- before 1 January 2000 and for the principal purpose of ensuring that an existing computer system is year 2000 compliant or
- in acquiring one copy of a particular unit of software during the current year, and its cost was less than $300 or
- in acquiring more than one copy of a particular unit of software during the current year, and the total cost of all the copies you acquired was less than $300.

In all cases, you must apportion your claim between work related and private use.

For more information about claiming deductions for computer expenses, refer to *Taxation Ruling TR 98/13—Deductibility of year 2000 (millennium bug) expenses* or ring the general enquiries helpline on the inside back cover of *TaxPack*.

Telephone expenses

You can claim a deduction for the cost of work related telephone calls.

You can claim a deduction for your telephone rental if you can show you are 'on call' or regularly required to telephone your employer or clients while you are away from your workplace. If you also use your telephone for private purposes you must apportion the cost of telephone rental between work related and private use.

Home office expenses

You can claim the additional running expenses of a home office—for example, depreciation and repairs to your home office furniture and fittings, heating, cooling, lighting and cleaning. You can keep a diary to work out how much of your running expenses relate to doing work in your home office. Alternatively, you can use a fixed rate of 20 cents per hour for home office expenses for heating, cooling, lighting and depreciation of furniture instead of keeping details of actual costs. For further information refer to *Practice statement PS 1999/4—Home office expenses*.

When you use your home office for work as an employee, note the time spent in your diary. Diary records are acceptable evidence of a connection between the use of a home office and your work. Keep diary records during a representative period and for a reasonable time—for example, at least 4 weeks.

For a complete explanation of the limited circumstances in which you may claim for occupancy expenses of your home, such as rates, rent, mortgage interest and insurance, refer to *Taxation Ruling TR 93/30—Deductions for home office expenses*.

Other expenses

You can claim a deduction here for any other expenses you incurred in earning your salary or wages that you have not already claimed.

COMPLETING THIS QUESTION

Step 1 *Add up* all the expenses that you can claim at this question.

Step 2 *Write* the total amount at **E** item **D5** on your tax return. Do not show cents.

QUESTION D6 Interest and dividend deductions

Did you have any expenses that you can claim as deductions against assessable interest and dividend income, such as:
- **Financial Institutions Duty (FID), government duty tax (GDT) or debits tax**
- **account keeping fees or management fees**
- **interest charged on money borrowed to purchase shares?**

You can claim a deduction against assessable interest and dividend income if you are able to show that the duties, taxes and expenses were incurred in earning that income.

You cannot claim a deduction for expenses incurred in deriving exempt income such as an exempt dividend on which family trust distribution tax has been paid. Refer to page 12 and question **A3** on page 105 for further details.

NO ☐ ▶ *Go to question **D7**.* YES ☐ ▼ *Read below.*

Do not show at this question:
- an amount for debits and duty tax on withdrawals relating to an account kept as an essential part of a business

Show this amount on your *2000 business and professional items schedule* and claim it at item **12** on your tax return (supplementary section).
- expenses incurred in earning foreign source interest or dividends. They may be taken into account in working out the amount you show at item **16** on your tax return
- expenses incurred in relation to:
  - a **partnership** or **trust** distribution
  - **rental income**
  - **business income**
  - **tax costs**—such as the costs of managing tax affairs
  - the **land transport facilities tax rebate scheme** or **infrastructure borrowings scheme**.

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

NOTE

If you have made a prepayment under a tax shelter arrangement, see **What's new this year?** on page 4.

Deductions you can claim against your assessable interest and dividends

FID and other taxes

State Governments charge FID, GDT and debits tax for operating certain types of accounts held with financial institutions such as banks, building societies and credit unions. If these were charged to your account, they will be shown on your statements or in your passbooks.

You can claim for FID charged on any deposit of assessable interest or dividend income paid into your account. You can claim that part of GDT or debits tax charged on payments from your account where the payment is for a deductible expense which is also claimed at this question.

Account keeping fees

Some financial institutions charge account keeping fees. You can claim for these fees where the account is held for investment purposes—for example, a term deposit. You will find these fees listed on your statements or in your passbooks.

Remember: If you are not the sole holder of an account you can only claim your share of charges or taxes on the account—for example, where you hold an equal share in an account with your spouse, you can only claim half of any allowable FID, GDT or debits tax paid on that account.

Other deductions

You can claim for ongoing management fees, retainers, interest incurred on money borrowed to purchase shares and other related investments and amounts paid for advice relating to changes in the mix of investment. If the money borrowed is used for both private and income producing purposes, then the interest must be apportioned between each purpose. Only that interest incurred for an income producing purpose is deductible.

You cannot claim:
- a fee charged for drawing up an investment plan unless you are carrying on an investment business
- a fee paid to an investment adviser for drawing up an initial investment plan which includes pre-existing investments.

WHAT YOU MAY NEED
- your bank or financial institution statements or passbooks
- other related documents

Step 1 *Add up* all your interest and dividend deductions.

Step 2 *Write* the total amount at **I** item **D6** on your tax return. Do not show cents.

QUESTION D7 Gifts or donations

Did you make a gift or donation of $2 or more to an eligible organisation such as:

- **certain organisations or charities which gave help in Australia**
- **an approved overseas aid fund**
- **a school building fund**
- **an approved environmental or cultural organisation**
- **a registered political party**

or make an approved cultural bequest?

You cannot claim a deduction for a donation if you received something for it—for example, a pen, raffle ticket or a reduction in your child's school fees.

NO ☐ ▶ *Go to question **D8**.* YES ☐ ▼ *Read below.*

NOTE

If you do not know whether you can claim a deduction, see if the information is on the receipt for your gift. If not, contact the organisation for confirmation. If you still do not know, ring the general enquiries helpline on the inside back cover of *TaxPack*.

WHAT YOU MAY NEED

- your receipts for donations or contributions
- the purchase price and purchase date of any property donated
- your valuation certificates from 2 or more approved valuers for any donation of property to organisations under the Cultural Gifts Program or to a body of the National Trust
- a certificate of approval from the Minister for Communications, Information Technology and the Arts for a cultural bequest.

YOU NEED TO KNOW

- Under the general gift provisions you can claim a donation of property to an eligible organisation only if it is made within 12 months of purchase. You claim the lesser of either the price you paid for it or the market value of the property at the time of donation. This means that you cannot claim for property if you did not purchase it—for example, you inherited or won the property.
- If you made a donation to a school building fund and your receipt includes other payments, you can claim only that part which is the voluntary donation.
- A cultural bequest is your donation of an item of cultural significance to the nation. You must apply to the Minister for Communications, Information Technology and the Arts to have a bequest registered. On approval, a certificate is sent to you stating its value.
  On your death, your executor or administrator can claim a deduction for your cultural bequest in your final individual tax return. If its value reduces your taxable income to nil, any excess value can be claimed in the first trust estate tax return.

Proposed legislation

The Parliament is presently considering changes to the law with respect to the deductibility of gifts or donations. These changes, which may apply this income year, are to:

- allow tax deductible contributions—including membership subscriptions—up to a maximum level of $1500 to registered political parties
- allow tax deductible gifts—also up to a maximum level of $1500—to independent candidates or independent Members of Parliament

- allow deductions for gifts of property valued at more than $5000 made to certain funds, authorities and institutions regardless of when or how the property was acquired. Where the property is a gift or contribution to a political party or independent candidate or independent Member of Parliament, the deduction is to be limited to $1500
- allow deductions for gifts made to specified private funds
- allow taxpayers to elect to spread the deduction for gifts made under the Cultural Gifts Program over 5 income years or less.

If any of these proposed changes are likely to apply to you, ring the general enquiries helpline on the inside back cover of *TaxPack*.

COMPLETING THIS QUESTION

Step 1 *Add up* all the amounts of your eligible gifts and donations and *write* the total at **J** item **D7** on your tax return. Do not show cents.

Step 2 If you are completing the final individual tax return for a deceased person and the amount at **J** includes a cultural bequest, *print* **C** in the **CLAIM TYPE** box at item **D7**. Otherwise, leave the box blank.

QUESTION D8

Deductible amount of UPP of an Australian pension or annuity

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

Pensions from Centrelink and the Department of Veterans' Affairs shown at question **6** do not have a deductible amount.

To claim the deductible amount of a UPP on a foreign pension or annuity complete item **D12** on your tax return (supplementary section).

NO ☐ ▶ *Go to question **D9**.* YES ☐ ▼ *Read below.*

YOU NEED TO KNOW

NOTE

If you need information or assistance with this question, ring the superannuation helpline on **13 1020**.

Undeducted purchase price of a pension or annuity

If you showed income from an Australian pension or annuity at item **7** on your tax return, you may be able to reduce the amount of income that you have to pay tax on if your pension or annuity has a UPP.

The UPP is an amount that can be claimed over the life of your pension or annuity. Each year, a portion of the UPP can be used to reduce the pension or annuity income in your tax return. This is called the deductible amount.

Your pension or annuity may have an undeducted purchase price if:

- you received a superannuation pension and you could not claim for all the personal contributions you made to your superannuation fund or retirement savings account provider in previous years
- you received a pension or annuity that reverted to you on the death of another person
- you bought your annuity or pension.

If you already know your deductible amount, *go to* COMPLETING THIS QUESTION on this page.

If you do not know your deductible amount, *read* Schedule of additional information on this page.

COMPLETING THIS QUESTION

Write the deductible amount of your UPP at **L** item **D8** on your tax return. Do not show cents. This amount cannot be more than the pension or annuity to which it relates that you showed at item **7**.

If you have more than one Australian pension, *write* the total of all the deductible amounts of your UPP at **L** item **D8**.

You have finished this question. *Go to* Check that you have on the next page.

Schedule of additional information

If you do not know how much of your UPP you can claim—the deductible amount—your payer may be able to tell you. Otherwise, the Australian Taxation Office will work it out for you. *Print* SCHEDULE OF ADDITIONAL INFORMATION—QUESTION D8 on the top of a separate piece of paper and tell us your name, address, tax file number and the answers to the following questions.

1 What is your date of birth?

2 On what date did your pension or annuity first become payable? This is the first day of the first payment period of the pension or annuity.

3 What is the name of the provider or company paying your pension or annuity?

4 If you are receiving a superannuation pension:

(a) What amount did you contribute for a pension to your superannuation provider after 30 June 1983? Ask your superannuation provider for this figure.

(b) For what part of this amount did you not get a tax deduction?

(c) Have you rolled over to your superannuation provider any CGT exempt amount? What is the amount?

5 If you are receiving a superannuation pension from a provider which has not paid tax on contributions received—such as some government funds—or your superannuation pension commenced before 1 July 1994, what amounts—for which you did not get a deduction or rebate of tax—did you contribute towards your superannuation before 1 July 1983? The Australian Taxation Office can provide this figure if you do not have it.

6 If you are receiving an annuity or superannuation pension that you bought with one or more eligible termination payments:

(a) What amounts of each component of the payment did you roll over into the annuity or superannuation pension?

Examples are: undeducted contributions, CGT exempt amounts, concessional component, invalidity component, pre-July 1983 or post-June 1983 components.

(b) Did you buy the superannuation pension or annuity you are now receiving solely by rolling over a previous superannuation pension or annuity? If so, when did the previous superannuation pension or annuity commence?

Note: This information is important if you purchased a pension or annuity on or after 1 July 1994 solely by rolling over a previous pension or annuity which had a commencement date earlier than 1 July 1994.

7 If you are receiving an annuity that you bought with money other than as described in question 6 above, how much did you pay for the annuity?

8 Is the period for which you will be receiving the pension or annuity fixed?

(a) If YES, how long is the period?

(b) If NO:

- What are the conditions under which the payments are made?
- Does your pension or annuity have a reversionary beneficiary—this is someone who will be entitled to receive all or part of your pension or annuity payments if you die? If so, what is the name and date of birth of this person?
- If you are receiving your pension or annuity because it reverted to you upon the death of someone else, what is the name, date of birth and tax file number of the person who died?

9 If someone else is now entitled to a share of your pension or annuity, what is the percentage to which they are entitled?

10 When the pension or annuity stops, will an agreed lump sum—often called the residual capital value—become payable? If so, how much?

Print **X** in the **YES** box at *Taxpayer's declaration* question 2a on page 8 of your tax return. *Sign* and *attach* your schedule to page 3 of your tax return.

Check that you have . . .

✓ written on your tax return the total deductible amount of the undeducted purchase price of all your Australian pensions and annuities

✓ attached to page 3 of your tax return your signed SCHEDULE OF ADDITIONAL INFORMATION—QUESTION D8, if you need to send us one.

QUESTION D9

Cost of managing tax affairs

Did you have expenses for:
- **managing your own tax affairs**
- **interest paid to the Australian Taxation Office (ATO)**
- **complying with your legal obligations relating to another person's tax affairs?**

NO ☐ ▶ *Go to* ***Deductions from the supplementary section****.* YES ☐ ▼ *Read below.*

YOU NEED TO KNOW

Expenses for managing your own tax affairs include those relating to:
- preparing and lodging your tax return—for example, buying tax reference material, lodging your tax return through the ***TAX****PACK****EXPRESS*** service, obtaining tax advice from a registered tax agent, barrister or solicitor or dealing with the ATO about your tax affairs. You can also claim at this question the cost of travel associated with obtaining tax advice—for example, the travel costs of attending a meeting with a recognised tax adviser
- appealing to the Administrative Appeals Tribunal or courts
- obtaining a valuation for a gift of property donated under the Cultural Gifts Program.

Interest you paid to the ATO is an allowable expense where you paid it because:
- you paid your income tax late or
- an amendment to an assessment for 1992–93 or later included an amount for interest.

Note: Additional tax payable on a tax shortfall and any other tax penalties are not deductible.

Expenses for complying with your legal obligations relating to another person's tax affairs include those relating to:
- complying with the prescribed payments system—for example, the cost of reporting to the ATO payments made to a builder
- supplying information requested by the ATO about another taxpayer.

COMPLETING THIS QUESTION

Step 1 *Add up* the amounts of all your allowable expenses for managing your own tax affairs, any interest you paid the ATO for underpayment or late payment of tax and any expenses for complying with your legal obligations relating to another person's tax affairs.

Step 2 *Write* the total amount at **M** item **D9** on your tax return. Do not show cents.

D Deductions from the supplementary section

Read this question carefully—you may need to use *TaxPack 2000 supplement*.

Can you claim any of the following types of deductions?

- Australian film industry incentives
- deductible amount of undeducted purchase price of a foreign pension or annuity
- non-employer sponsored superannuation contributions
- election expenses for political candidates
- deductible expenses incurred but not claimed in full prior to ceasing a primary production business
- non-capital losses incurred upon the disposal or redemption of a traditional security
- insurance premiums paid for sickness and accident cover
- deductible foreign exchange losses of a capital nature
- subscriptions for shares in a company licensed to invest in Australian films under the Film Licensed Investment Company Scheme
- interest incurred on money borrowed to invest under the land transport facilities tax rebate scheme or infrastructure borrowings scheme.

AUSTRALIAN NEWSAGENT

The supplementary section of the tax return is located in the back of *TaxPack 2000 supplement*. If you haven't already got a copy of *TaxPack 2000 supplement*, from 1 July to 31 October 2000 you can get a copy from newsagencies displaying this logo. Copies are also available all year from the Australian Taxation Office (ATO).

NO ☐ ▼ *Go to TOTAL DEDUCTIONS below.*

YES ☐ ▼ *You must complete the 2000 tax return for individuals (supplementary section). Read below.*

COMPLETING THIS QUESTION

Step 1 *Complete* the page 9 details on your tax return—if you haven't already. Use *TaxPack 2000 supplement* to complete the Deductions section.

Step 2 *Transfer* the amount you wrote at TOTAL SUPPLEMENT DEDUCTIONS on page 12 to **D** on page 3 of your tax return.

TOTAL DEDUCTIONS

Completing item TOTAL DEDUCTIONS

Step 1 *Add up* all the amounts in the right-hand column of items **D1** to **D9** and item **D** on your tax return.

Step 2 *Write* the amount from step 1 at TOTAL DEDUCTIONS on your tax return. Do not show cents. *Read on*.

SUBTOTAL

Completing item SUBTOTAL

TOTAL INCOME OR LOSS **less** TOTAL DEDUCTIONS

If you have an amount at TOTAL DEDUCTIONS on your tax return, take it away from the income amount at TOTAL INCOME OR LOSS on page 2 of your tax return. *Write* the result at SUBTOTAL.

If the amount at TOTAL INCOME OR LOSS is a loss, increase the amount of the loss by adding to it the amount at TOTAL DEDUCTIONS. *Write* the result at SUBTOTAL.

If the amount at SUBTOTAL is less than zero, *print* **L** in the small box ☐.

QUESTION D10

Tax losses of earlier income years deducted this year

Do you have any tax losses of earlier income years that you can deduct this year?

This question does not apply to capital losses. Capital losses are explained at question **14** in *TaxPack 2000 supplement*.

This question only applies to losses incurred in relation to earning income from Australian sources. Expenses and losses in relation to earning foreign source income are taken into account at question **16**.

A tax loss occurs when the total of your allowable deductions for an income year—excluding tax losses of earlier income years—is greater than the total of your assessable income and your net exempt income. However, some deductions, such as gifts and superannuation contributions by eligible persons, are limited for this purpose and cannot be used either to create such a loss or to increase one.

NOTE

You **cannot** claim a deduction for a tax loss of an earlier income year if your taxable income last year was greater than zero.

NO ☐ ▶ *Go to TAXABLE INCOME OR LOSS.* YES ☐ ▼ *Read below.*

WHAT YOU MAY NEED

- records of your tax losses of earlier income years
- your foreign source income statement.

YOU NEED TO KNOW

Primary production losses may have been made in any income year. Non-primary production losses can be deducted from income in 1999–2000 only if they were made in 1989–90 or a later year. Non-primary production losses made in 1988–89 and earlier income years can no longer be deducted from income.

Where you have tax losses for more than one earlier income year you must, generally, fully deduct the loss from the earliest year before you deduct a loss, or part of a loss, from a later year. A tax loss can only be deducted to the extent that it has not already been deducted.

Before you can deduct tax losses of earlier income years you must reduce them by current year net exempt income. Then any amount of tax losses of earlier income years can be taken away from your Australian source income shown at SUBTOTAL.

NOTE

Your tax losses of earlier income years can only reduce your Australian source income to zero. If your tax losses of earlier income years are more than your Australian source income you will need to keep a record of the losses to claim next year.

For this question, net exempt income includes all your exempt income—including any exempt foreign employment income—but does not include such things as income derived by way of certain employment fringe benefits. To work out your net exempt income, if you are an Australian resident you can deduct any non-capital expenses you have incurred in earning your exempt income and any foreign tax paid on that income.

Effect of bankruptcy

If you have become bankrupt, or are released from any debts by the operation of an Act relating to bankruptcy, tax losses of earlier income years incurred before the day on which you became bankrupt or were released from the debts generally cannot be claimed as a deduction in any income year following the year you became bankrupt or you were released from debt. For further information, ring the general enquiries helpline on the inside back cover of *TaxPack*.

Australian losses and foreign source income

You can choose to use some or all of your tax losses of earlier income years incurred in earning Australian source income to reduce your net foreign source income, as shown in the example below.

EXAMPLE

Peter owns a smallgoods business and has accumulated non-primary production tax losses of earlier income years of $6000. All losses were made in 1989–90 and later years.

He has no exempt income but received $1000 income from Germany. He has elected to use $500 of his tax losses of earlier income years to reduce this foreign income.

Peter's total tax losses of earlier income years at the beginning of 1999–2000	(a)	$6000
Peter's net exempt income for 1999–2000	(b)	nil
Take (b) away from (a)—this is the amount of losses available to Peter for 1999–2000	(c)	$6000
The amount of tax losses of earlier income years Peter used to reduce net foreign source income Peter will show the balance of the foreign source income of $500 at item **16**.	(d)	$500
Take (d) away from (c)—this is the total tax losses of earlier income years available to Peter to reduce net Australian source income at SUBTOTAL	(e)	$5500

If Peter has at least $5500 of net Australian source income at SUBTOTAL which he can reduce, Peter will show $5500 at **Z** item **D10** on his tax return.

If you choose to use your tax losses of earlier income years in this way, you will need to provide additional information. *Print* SCHEDULE OF ADDITIONAL INFORMATION—QUESTION D10 on the top of a separate piece of paper and explain your situation. Include your name, address, tax file number and the amount of tax losses of earlier income years you have used to reduce your net foreign source income. *Print* **X** in the YES box at *Taxpayer's declaration* question 2a on page 8 of your tax return. *Sign* and *attach* your schedule to page 3 of your tax return.

COMPLETING THIS QUESTION

Step 1

Use the worksheet in the next column to work out your total tax losses of earlier income years. You must show your losses separately—as a primary production loss and a non-primary production loss.

WORKSHEET

		Primary production loss	Non-primary production loss
Total tax losses of earlier income years at the beginning of 1999–2000*	(a)	$	$
Net exempt income for 1999–2000	(b)	$	$
Take (b) away from (a)—this is the amount of losses available this year	(c)	$	$
Amount of tax losses of earlier income years used to reduce net foreign source income	(d)	$	$
Take (d) away from (c)—**these are your total tax losses of earlier income years available to deduct from your net Australian source income this year at** SUBTOTAL		$	$

NOTE

Do not include at (a) any non-primary production losses made in 1988–89 and earlier income years.

Step 2

Write any tax losses of earlier income years from primary production from step 1 which you can deduct from your net Australian source income at SUBTOTAL at **F** item **D10** on your tax return. Do not show cents.

If your total tax losses of earlier income years from primary production from step 1 is greater than the amount you can deduct under step 2, you can carry forward the undeducted tax losses of earlier income years from primary production for deduction in future income years.

Step 3

Write any tax losses of earlier income years from non-primary production from step 1 which you can deduct from the remainder of your net Australian source income at SUBTOTAL at **Z** item **D10**. Do not show cents.

If your total tax losses of earlier income years from non-primary production from step 1 is greater than the amount you can deduct under step 3, you can carry forward the undeducted tax losses of earlier income years from non-primary production for deduction in future income years.

* If this includes a film loss, special deduction rules apply. Ring the general enquiries helpline on the inside back cover of *TaxPack* for further information.

TAXABLE INCOME OR LOSS

Completing item
TAXABLE INCOME OR LOSS

If you have NOT completed D10

Write the amount you have shown at SUBTOTAL at TAXABLE INCOME OR LOSS. Do not show cents. If the amount at TAXABLE INCOME OR LOSS is less than zero, *print* **L** in the small box ☐.

NOTE

If the amount of TAXABLE INCOME OR LOSS is less than zero and you have printed **L** in the small box ☐, this amount may not be your tax loss that can be carried forward for next year. Adjustments may have to be made to limit certain deductions, to take into account any exempt income and to make other variations. Ring the general enquiries helpline on the inside back cover of *TaxPack* if you would like more information.

If you have completed D10

Where the amount at SUBTOTAL is a loss

You cannot deduct tax losses of earlier income years and you should not have completed item **D10**—keep a record of these amounts for next year.

Write the amount you have written at SUBTOTAL at TAXABLE INCOME OR LOSS. Do not show cents. *Print* **L** in the small box ☐.

Where the amount at SUBTOTAL is an income amount

Add the amounts at **F** and **Z** item **D10** and *take* the total away from the amount you have written at SUBTOTAL. *Write* the result at TAXABLE INCOME OR LOSS on your tax return. Do not show cents.

Rebate for low income taxpayer

If you are an Australian resident for tax purposes and your taxable income is less than $24 450, you may get a rebate.

We will work out your rebate and make sure it comes off your tax. The rebate will be shown on your notice of assessment. Do not put anything about this rebate on your tax return.

The maximum rebate of $150 applies if your taxable income is $20 700 or less. This amount is reduced by 4 cents for each dollar over $20 700.

Child support clients

You are not entitled to a tax deduction for any child support payments you make. The Child Support Agency may use your taxable income to make an assessment of child support.

The Child Support Agency will include your total reportable fringe benefits amounts (item **8** on your tax return), losses from rental properties and exempt foreign employment income when assessing child support liabilities.

INFORMATION

Dependants and separate net income

The purpose of this section is to give you important information about dependants and separate net income. Various questions in *TaxPack* will refer you to this information when you need it.

Who is a dependant?

NOTE

You can claim a dependant rebate only if you were an Australian resident for tax purposes.

A dependant can be:

- your spouse—married or de facto
- a student who is under 25 years and is a full-time student at school, college or university
- a child—including your spouse's child, adopted child, stepchild or exnuptial child who is under 16 years and is not a student
- a child-housekeeper—your child of any age who works full time keeping house for you
- an invalid relative—your child, brother or sister who is 16 years or over and gets a disability support pension or a special needs disability support pension or rehabilitation allowance, or who has a certificate of invalidity from a Commonwealth-approved doctor certifying a continuing inability to work
- your parents or spouse's parents.

A dependant needs to be an Australian resident for tax purposes (see page 8). For a spouse, student or child only, they will be treated as a resident if you have always lived in Australia or you came to live in Australia permanently—unless they have set up a permanent home outside Australia.

Overseas dependants

Your spouse and dependent children who are waiting to migrate to Australia are considered to be your dependants for rebate purposes but they must migrate within 5 years from when you came to live in Australia permanently. We may ask you to provide evidence.

What is maintaining a dependant?

This means:

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

If you had a spouse for the whole year and your spouse worked for part of the year, you are still considered to have maintained your spouse—as a dependant—for the whole year.

You are considered to have maintained a dependant even if you were temporarily separated—for example, due to holidays. You are still considered to have maintained dependants who were overseas if they were away from Australia only for a short time.

If you maintained a dependant for only part of the year, you may need to adjust your claim.

What is separate net income?

Separate net income (SNI) is income earned in 1999–2000 by your dependant while you maintained them. SNI earned by your dependant may affect any claim you are entitled to. SNI includes:

- salary and wages
- pensions
- interest and dividend income—but not the imputation credit attached to franked dividends
- business, trust and rental income
- most Centrelink payments including additional parenting payment (partnered) and remote area allowance
- amounts included as assessable income under the capital gains tax provisions
- any maintenance payments your spouse received for their own support after divorce or separation—even though your spouse may not need to declare such income for tax purposes
- the maintenance or accommodation component of a scholarship paid by the Commonwealth or State except where that component is paid for helping to educate isolated children under 16.

SNI does not include:

- certain Centrelink payments
  - family allowance
  - basic parenting payment (partnered)
  - child care assistance
  - family tax payments
  - maternity allowance payments
  - maternity immunisation allowance
  - carer allowance
- child care rebate
- the value or amount of any non-government scholarship received in connection with the education of a dependent child or student
- the value or amount of any Commonwealth or State assistance provided for school fees, the purchase of textbooks or travelling expenses
- lump sum severance or retirement payments of a capital nature or as compensation payments for losing a job
- maintenance paid to your spouse for support of their dependent children
- amounts received under the incentive payments scheme relating to certain private health insurance policies.

In calculating SNI your dependant's income can be reduced by:

- any expenses your dependant incurred in 1999–2000 and could claim at questions **D1** to **D6**, even if they did not lodge a tax return
- any amount your dependant could claim in 1999–2000 for the deductible amount of undeducted purchase price of their pension or annuity at question **D8**, or question **D12** in *TaxPack 2000 supplement*
- net child care expenses incurred in 1999–2000 by your dependant because they were working; that is, the amount paid by the dependant less any cash rebates—for example, child care rebate, child care assistance and rebates provided by an employer or union
- their expenses for travel during 1999–2000 to and from child care—because they were working
- their expenses for travel during 1999–2000 to and from work.

If your dependant used the cents per kilometre method—described on page 43—to calculate work related car expenses, the 5000 kilometre limit does not apply.

Your dependant does not need written evidence of expenses which reduce their SNI but they must be able to demonstrate that they actually incurred the relevant expenses.

Your dependant's SNI cannot be reduced by amounts paid by them for gifts, donations, tax agent fees, tax instalments deducted, superannuation contributions, prescribed payments or any losses brought forward from 1998–99 or earlier years.

How much SNI can your dependant earn?

For some claims, the amount you may be entitled to will be affected by the SNI of your dependants. For example, rebates are reduced by $1 for every $4 of SNI over $282 which your dependants earned in 1999–2000. The amount of SNI your dependants can earn is explained at each question.

NOTE

Rebates and your tax instalment deductions

If your rebate entitlement has changed since you last filled in an employment declaration, you may need to fill in a *Withholding declaration*. Contact your payer for more information.

Rebates/tax offsets

Rebates—also called tax offsets—provide you with tax relief. Rebates are not deductions and most will not give you a refund. Deductions are taken off your income to work out your taxable income. We work out the tax on your taxable income. The amount of this tax is then reduced by your rebates.

If your rebates are greater than the tax on your taxable income, they can only reduce the amount of tax you pay this year to zero. There are 2 exceptions:

- the 30% private health insurance rebate, where any excess is refunded to you
- the landcare and water facility tax offset, where any excess is carried forward and used to reduce a future tax liability.

Rebates do not reduce your Medicare levy.

Generally, being able to claim a rebate depends on things like maintaining a dependant or living in a remote area—or on how much taxable income you earned.

The different types of rebates are shown below.

Dependant rebates/tax offsets

They include:

- spouse
- sole parent
- parent, spouse's parent or invalid relative

Income rebates/tax offsets

They include:

- beneficiary and pensioner
- superannuation
- low income
- low income aged
- superannuation contributions on behalf of your spouse

Other rebates/tax offsets

They include:

- private health insurance
- zone or overseas forces
- medical expenses
- landcare and water facility
- heritage conservation work
- interest from government securities
- interest from land transport facilities tax rebate scheme or infrastructure borrowings scheme

TaxPack 2000 supplement

You will need to complete the *2000 tax return for individuals* (supplementary section) to claim the following rebates. For more information see page 89.

QUESTION R1 Spouse or housekeeper

Did you have a spouse—married or de facto—a child-housekeeper or a housekeeper?

You cannot claim a spouse, child-housekeeper or housekeeper rebate and a sole parent rebate for the same period in 1999–2000 but you may be entitled to part of each rebate for different periods of 1999–2000.

NO ☐ ▶ *Go to question **R2**.* YES ☐ ▼ *Read below.*

YOU NEED TO KNOW

If you are entitled to claim a spouse, child-housekeeper or housekeeper rebate, you may also be eligible for family tax assistance (FTA). Pages 107–13 will tell you more about FTA.

PART A—Did you have a dependent spouse—married or de facto?

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

YOU NEED TO KNOW

If you are claiming the spouse rebate you also need to complete **Spouse details married or de facto** on page 7 of your tax return. You must also complete **Your spouse's name** on page 1 of your tax return.

The maximum dependent spouse rebate that you may be able to claim is:

- $1340 for a spouse without a dependent child or student
- $1452 for a spouse with a dependent child or student.

You can claim a spouse rebate only for the period your spouse was an Australian resident.

Any payments received under the Government's family tax initiative do not affect your eligibility to claim a dependent spouse rebate.

Separate net income

We tell you about separate net income (SNI) in **What is separate net income?** on page 70. *Read* that section carefully before answering this question.

You are not eligible for a spouse rebate if the SNI of your spouse was:

- over $5641 and you did not have a dependent child under 16 or student under 25
- over $6089 and you did have a dependent child under 16 or student under 25.

If you are not eligible for a spouse rebate, *go to* part B on page 75. Otherwise, *read on*.

Children and students are not considered to be dependent if they have SNI of more than $1785 for the whole year.

Parenting payment (partnered)

You or your spouse may have received 2 types of parenting payment (partnered) during 1999–2000—basic and additional. In some cases, there may also have been supplementary amounts.

Centrelink will send you or your spouse a statement or group certificate showing how much of each parenting payment (partnered) you or your spouse received during 1999–2000. Additional parenting payment (partnered) will be shown on the group certificate under the heading 'Additional (taxable)'. Ring Centrelink on **13 1305** if you have any queries about parenting payment (partnered) or if you or your spouse has not received a group certificate or statement by the end of July 2000.

The group certificate you or your spouse received from Centrelink shows:
- the amount of basic parenting payment (partnered)
- the amount of additional parenting payment (partnered)
- any remote area allowance—this is exempt from tax, but is included in your spouse's separate net income (SNI) and may affect your rebate
- the amount of any tax instalments deducted.

Basic parenting payment (partnered)

Basic parenting payment (partnered) that your spouse received is not included in your spouse's taxable income and is not included in their SNI. However, any basic parenting payment (partnered) you or your spouse received directly reduces the amount of spouse rebate **you** may be entitled to.

EXAMPLE

Belinda was married for the whole year and had one dependent child. Belinda's spouse had no SNI and received only basic parenting payment (partnered) of $800.

Belinda is entitled to a dependent spouse rebate of $652. This is the maximum dependent spouse rebate of $1452 (for a spouse with a dependent child) less $800.

If you or your spouse received basic parenting payment (partnered) of:
- $1340 or more for a spouse without a dependent child or student or
- $1452 or more for a spouse with a dependent child or student

you cannot claim a spouse rebate. *Go to* part B on page 75.

Additional parenting payment (partnered)

The amount shown as 'Additional (taxable)' on your spouse's group certificate from Centrelink is the amount of additional parenting payment (partnered) your spouse received.

Additional parenting payment (partnered) is part of your spouse's SNI and therefore affects the amount of dependent spouse rebate **you** may be entitled to.

EXAMPLE

Kelly was married for the whole year and had one dependent child. Kelly's spouse received basic parenting payment (partnered) of $600 and additional parenting payment (partnered) of $300 and had other income of $982. Kelly's spouse's SNI was $1282, or $300 + $982.

Kelly's spouse rebate is reduced by $1 for every $4 of SNI over $282 her spouse received.

The amount of dependent spouse rebate that Kelly can claim is worked out like this:

Maximum spouse rebate entitlement	$1452
less reduction for spouse's SNI:	
$1282 – $282 = $1000	
Divide $1000 by 4 =	$250
	$1202
less basic parenting payment (partnered) received by Kelly's spouse	$600
Amount of dependent spouse rebate that Kelly can claim	$602

Part-year rebate

You may be entitled to claim a part-year rebate if you were an Australian resident for tax purposes, and during 1999–2000:
- your spouse became or ceased to be an Australian resident
- you married or entered into a de facto relationship
- you divorced or separated.

R1

Use the appropriate column in the HOW TO CLAIM YOUR DEPENDENT SPOUSE REBATE table to work out your rebate.

Use COLUMN 1 if you had a spouse and did not have a dependent child under 16 or student under 25.

Use COLUMN 2 if you had a spouse and a dependent child under 16 or student under 25 at any time during 1999–2000.

The child or student is considered to be your dependant if:

- you maintained the child or student for the whole year and their separate net income (SNI) for the year was less than $1786
- you maintained the child or student for part of the year and their SNI for that part of the year was less than $282 plus $28.92 for each week you maintained them.

HOW TO CLAIM YOUR DEPENDENT SPOUSE REBATE

	Follow these steps to work out your correct rebate.		COLUMN 1 *No dependent child or student*	COLUMN 2 *Dependent child or student*
Step 1	If the total amount of basic parenting payment (partnered) you and your spouse received is greater than $1340 for COLUMN 1 or $1452 for COLUMN 2, you cannot claim a dependent spouse rebate. If this applies to you, *go to* part B on page 75.			
Step 2	*Write* your maximum allowable rebate at (a). If you had a spouse for only part of the year, *multiply* the number of days you had a spouse by the daily rate from your column. Otherwise, *write* the whole year amount that applies.	(a)	$1340 for the whole year or $3.66 a day $	$1452 for the whole year or $3.97 a day $
Step 3	If your spouse's SNI was less than $286, *write* the amount from (a) at (f) step 7, then *go to* step 8. Otherwise, *continue* to step 4.			
Step 4	If your spouse's SNI was $286 or more, *write* the amount at (b).	(b)	$	$
Step 5	SNI at which the rebate begins to reduce	(c)	$282	$282
	Take (c) away from (b).	(d)	$	$
Step 6	*Divide* (d) by 4.	(e)	$	$
Step 7	*Take* (e) away from (a).	(f)	$	$
Step 8	*Write* the amount of basic parenting payment (partnered) you and your spouse received at (g) and at W item **R1** on your tax return. Do not show cents.	(g)	$	$
Step 9	*Take* (g) away from (f).	(h)	$	$

If the amount at (h) is equal to or less than **$0** you cannot claim a rebate; *go to* part B on page 75.
If the amount at (h) is more than **$0**, this is your allowable rebate.

Step 10 *Write* your allowable rebate from (h) at P item **R1** or on a piece of notepaper if you are going to claim a child-housekeeper or housekeeper rebate for another part of the year. Do not show cents. If you are going to claim a child-housekeeper or housekeeper rebate, *go to* step 12. Otherwise, *continue* to step 11.

Step 11 *Write* one of the following code letters in the **CLAIM TYPE** box at the right of P item **R1**:
P — if you or your spouse received basic parenting payment (partnered)
D — if you claimed a spouse rebate, you had a dependent child and you or your spouse did not receive basic parenting payment (partnered).
Otherwise, leave the **CLAIM TYPE** box blank.

Step 12 *Complete* **Spouse details — married or de facto** on page 7 of your tax return. Provide relevant details including your spouse's SNI at R. If your spouse did not have any SNI *write* **'0'**. You must also complete **Your spouse's name** on page 1 of your tax return.
If you are going to claim a child-housekeeper or housekeeper rebate, *go to* part B on page 75.
If not, *go to* Check that you have on page 76.

PART B—Did you have a child-housekeeper?

NO ☐ ▶ *Go to part C.*

YES ☐ ▼ *Read below.*

You can claim a child-housekeeper rebate if your child, adopted child or stepchild kept house for you on a full-time basis. Keeping house means more than just childminding or performing domestic duties. It includes having some responsibility for the general running of the household.

You cannot claim a rebate if the separate net income (SNI) of your child-housekeeper was:

- over $5642 and you did not have another dependent child under 16 or student under 25
- over $6706 and you did have another dependent child under 16 or student under 25.

You cannot claim a child-housekeeper rebate for any period that you lived with your spouse—married or de facto.

Your rebate does not increase if you had more than one dependent child or student other than your child-housekeeper.

Use the appropriate column in the HOW TO CLAIM YOUR CHILD-HOUSEKEEPER REBATE table to work out your rebate.

Use COLUMN 1 if you had a child-housekeeper and did not have another dependent child under 16 or student under 25.

Use COLUMN 2 if you had a child-housekeeper and another dependent child under 16 or student under 25 and the SNI of the dependent child or student was less than $1786. If the child or student was your dependant for only part of 1999–2000, you can still use this column if their SNI was less than $282 plus $28.92 for each week you maintained them.

If you had a child-housekeeper for only part of 1999–2000, *multiply* the number of days in that part of the year by the daily rate from your column.

HOW TO CLAIM YOUR CHILD-HOUSEKEEPER REBATE

	Follow these steps to work out your correct rebate.		COLUMN 1 *No other dependent child or student*	COLUMN 2 *Another dependent child or student*
Step 1	*Write* your maximum allowable rebate at (a) step 2. If you had a child-housekeeper for only part of the year, *multiply* the number of days in that part of the year by the daily rate from your column.		$1340 for the whole year or $3.66 a day	$1606 for the whole year or $4.39 a day
Step 2	*Write* your child-housekeeper's SNI at **V** item **R1** on your tax return. Do not show cents. If your child-housekeeper did not have any SNI *write* '**0**'. If your child-housekeeper's SNI was less than $286, you will receive the full rebate shown at (a) in your column. *Go to* step 7. Otherwise, *go to* step 3.	(a)	$	$
Step 3	If your child-housekeeper's SNI for the year was $286 or more, *write* the amount at (b). Do not show cents. Make sure you have also written this amount at **V** item **R1**.	(b)	$	$
Step 4	SNI at which the rebate begins to reduce	(c)	$282	$282
	Take (c) away from (b).	(d)	$	$
Step 5	*Divide* (d) by 4.	(e)	$	$
Step 6	*Take* (e) away from (a).	(f)	$	$

If the amount at (f) is equal to or less than **$0** you cannot claim a rebate; *go to* part C on page 76.
If the amount at (f) is more than **$0**, this is your allowable rebate.

Step 7 *Write* your allowable rebate at **P** item **R1** or add it to the amount you are claiming for spouse rebate. If you are not going to claim a housekeeper rebate for another part of the year at part C of this question, *write* the total at **P** item **R1**. Do not show cents.

If you are going to claim a housekeeper rebate, *write* your rebate entitlement so far on a piece of notepaper and *go to* part C. Otherwise, *continue* to step 8.

Step 8 *Print* one of the following code letters in the **CLAIM TYPE** box ☐ at the right of **P** item **R1**:
H— if you are claiming a child-housekeeper rebate only
C — if you are claiming a spouse rebate for part of the year and a child-housekeeper rebate for another part of the year.

PART C—Did you have a housekeeper?

NO ☐ ▶ *Go to Check that you have.*

YES ☐ ▼ *Read below.*

You cannot claim a housekeeper rebate and a child-housekeeper rebate for the same period of time. You may be eligible to claim a housekeeper rebate and a spouse rebate if your spouse—married or de facto—received a disability support pension.

You may qualify for a rebate if your housekeeper worked full time keeping house in Australia for you and cared for:

- a child of yours under 16, irrespective of the child's separate net income (SNI) or
- any other child under 16 (including a student under 16) who was your dependant and whose SNI was less than $1786 or
- your invalid relative who is your dependant (see page 69) and for whom you can claim a dependant rebate—if you are unsure you will need to read question **R9** in *TaxPack 2000 supplement* or
- your spouse if your spouse received a disability support pension.

You cannot claim this rebate if your housekeeper only keeps house part time. Keeping house means more than just childminding or performing domestic duties. It includes having some responsibility for the general running of the household.

If you had a spouse—special circumstances

Except where your spouse received a disability support pension, you cannot claim both a spouse rebate and a housekeeper rebate for the same period. The general rule is that a housekeeper rebate is not available if you had a spouse. However, if you otherwise qualify for a housekeeper rebate and you are not entitled to a spouse rebate, the fact that you had a spouse may be overlooked in special circumstances.

Examples of special circumstances:

- Your spouse deserted you and your children—and you are not living in a de facto relationship.
- You have a child with a severe mental disability who requires constant attention.
- Your spouse suffers from an extended mental illness and is medically certified as being unable to take part in the care of your children.

If you feel you qualify for special circumstances, you will need to provide additional information. *Print* SCHEDULE OF ADDITIONAL INFORMATION—QUESTION R1 PART C on the top of a separate piece of paper and explain your situation. Include your name, address and tax file number. *Print* **X** in the YES box at *Taxpayer's declaration* question 2a on page 8 of your tax return. *Sign* and *attach* your schedule to page 3 of your tax return.

Step 1

If you had a housekeeper and qualified for the rebate for the whole of 1999–2000 the rebate is $1340.

Step 2

If you qualified under step 1, increase the rebate to $1606 if you had a dependent child under 16 or a dependent student under 25 and the SNI of that child or student was less than $282 plus $28.92 for each week you maintained that dependant.

Step 3

If you had a housekeeper and qualified for the rebate for only part of 1999–2000, *multiply* the number of days in that part by $3.66 to work out your rebate.

Step 4

If you qualified for a part-year rebate under step 3 *multiply* the number of days in that part by $4.39 if you had a dependent child under 16 or a dependent student under 25 and the SNI of that child or student was less than $282 plus $28.92 for each week you maintained that dependant.

Step 5

Write the maximum amount of rebate you are entitled to from step 1, 2, 3 or 4 at **P** item **R1** on your tax return. Do not show cents.

If you are also claiming a spouse or child-housekeeper rebate, add your housekeeper rebate to the amount on your notepaper. *Write* the total at **P** item **R1**.

Step 6

If you are also claiming a spouse rebate, *print* the letter **C** in the **CLAIM TYPE** box at the right of **P** item **R1** on your tax return. If not, *print* the letter **H**.

Check that you have . . .

- ✓ written on your tax return the amount of basic parenting payment (partnered) received by you or your spouse
- ✓ worked out your child-housekeeper's SNI and written the amount on your tax return
- ✓ written on your tax return your total rebate
- ✓ printed on your tax return the correct code letter in the **CLAIM TYPE** box
- ✓ completed **Spouse details—married or de facto**—including SNI—on page 7 of your tax return and **Your spouse's name** on page 1 of your tax return
- ✓ attached to page 3 of your tax return your signed SCHEDULE OF ADDITIONAL INFORMATION—QUESTION R1 PART C, if you need to send us one.

QUESTION R2 Sole parent

Were you a sole parent?

NO ☐ ▶ *Go to question **R3**.* YES ☐ ▼ *Read below.*

You may be able to claim a sole parent rebate if during 1999–2000 you had sole care of:
- a dependent child under 16 or
- a dependent full-time student under 25.

This includes any child for whom you had sole care, not just your own child.

If you claimed a spouse, housekeeper or child-housekeeper rebate, you cannot claim this rebate for the same period.

YOU NEED TO KNOW

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

Special circumstances

If you had a spouse—married or de facto—at any time during 1999–2000 it is only in special circumstances that you are entitled to a sole parent rebate. Generally, for special circumstances to exist, you must be financially responsible for the dependent child or student and have sole care, without the support a spouse normally provides.

Examples of situations where special circumstances may arise:
- You were married at any time during 1999–2000, but during the year you separated from or were deserted by your spouse, and for the period that you will claim the sole parent rebate you were not in a de facto relationship.
- Your spouse was in prison for a sentence of at least 12 months.
- Your spouse is medically certified as being permanently mentally incapable of taking part in caring for the child or student.

If you are unsure whether special circumstances apply ring the general enquiries helpline on the inside back cover of *TaxPack*.

Shared or joint custody after divorce or separation

There are times, after divorce or separation, where both parents share the custody of a child or student. If you can show that you had sole care of a dependent child or student for part of the year, then you may be able to claim the rebate for that part of the year. This means more than just having access visits with the child or student. If you are unsure whether you had sole care ring the general enquiries helpline on the inside back cover of *TaxPack*.

Separate net income

Any separate net income (SNI) received by the child or student may affect your claim. At pages 69–70 we provide more information about the meaning of SNI, maintaining a dependant and the definition of a dependent child or student. Read these pages carefully before answering this question.

It does not matter how many children or students you cared for, you can claim only one rebate. If one child or student qualifies, you are entitled to the rebate.

If the dependent child:

- was not receiving full-time education and turned 16 years of age during 1999–2000 or
- was a full-time student and turned 25 years of age during 1999–2000

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

For you to be eligible to claim the rebate, the maximum amount of separate net income (SNI) the child or student can earn in 1999–2000 is as follows:

- if you had sole care for the whole year—$1785
- if you had sole care for only part of the year—$282 plus $28.92 for each week that you had sole care.

COMPLETING THIS QUESTION

Step 1

Full-year claim

If you had sole care of a child or student for the **whole** of 1999–2000 and their SNI was $1785 or less, you can claim the maximum rebate of $1258. *Write* $1258 at Q item **R2**. Do not show cents. *Go to* step 5.

If their SNI was more than $1785, you cannot claim a rebate. If so, *go to* question **R3**. Otherwise, *read on*.

Step 2

Part-year claim

You may be entitled to claim part of the rebate if you had sole care of a child or student for only part of 1999–2000 and:

- you are not claiming at question **R1** a spouse, housekeeper or child-housekeeper rebate for the same period of 1999–2000 and
- the SNI of the child or student was less than $282 plus $28.92 for each week that you had sole care.

Work out the maximum amount of SNI the child or student can earn, during the period in 1999–2000 that you had sole care, for you to be eligible to claim the rebate.

EXAMPLE—Maximum part-year SNI

Cheryl had sole care of Adam for 10 weeks.
10 × $28.92 = $289.20
$289.20 + $282 = $571.20
The maximum amount of SNI is $571.

Step 3

Work out the SNI of the child or student for the period in 1999–2000 that you had sole care. If it is **less** than the amount you worked out in step 2, you can claim a sole parent rebate. If so, *go to* step 4. Otherwise, *go to* question **R3**.

EXAMPLE—Actual part-year SNI

Adam's SNI during the 10-week period was $500.

As Adam's SNI was less than the maximum of $571, Cheryl will be eligible for a rebate.

Step 4

Work out your rebate by multiplying the number of weeks you had sole care by $24.19.

Write your rebate at Q item **R2**. Do not show cents.

EXAMPLE—Part-year rebate

Cheryl had sole care of Adam for 10 weeks.

10 × $24.19 = $241.90

The sole parent rebate Cheryl can claim is $242.

Step 5

If you did not have a spouse during 1999–2000 you have completed this question. *Go to* the NOTE below.

If you had a spouse during 1999–2000 and you are still able to claim because special circumstances applied, *print* the letter **C** in the **CLAIM TYPE** box ☐ at the right of Q item **R2**.

You will need to provide additional information. *Print* SCHEDULE OF ADDITIONAL INFORMATION—QUESTION R2 on the top of a separate piece of paper and explain your situation. You will need to show that your current spouse did not provide any financial support for the dependent child or student. Include your name, address and tax file number. *Print* **X** in the YES box at *Taxpayer's declaration* question 2a on page 8 of your tax return. *Sign* and *attach* your schedule to page 3 of your tax return.

NOTE

Are you claiming the sole parent rebate through reduced tax instalments from your salary or wages?

On 1 July 2000 the sole parent rebate was replaced with the family tax benefit. If you are having your tax instalments reduced for the sole parent rebate you must complete a *Withholding declaration* for your payer so any relevant changes can be made.

Check that you have. . .

- ✓ written your rebate on your tax return. Do not show cents
- ✓ printed the letter **C** in the **CLAIM TYPE** box at the right of Q if you are claiming this rebate because you had a spouse during 1999–2000 and special circumstances applied, and attached to page 3 of your tax return your SCHEDULE OF ADDITIONAL INFORMATION.

QUESTION R3 Low income aged person

On 30 June 2000 were you a male aged 65 years or more or a female aged 61.5 years or more but did not receive an age pension or service pension?

NO ☐ ▶ *Go to question **R4**.*

YES ☐ ▼ *You may be eligible for the rebate for low income aged persons. Read below.*

To be eligible for this rebate, you must meet these conditions:

- You must have been an Australian resident for age pension purposes—generally for 10 years.*
- You must not have received a Commonwealth of Australia government pension, allowance or payment listed at question **5** or **6**.
- You must not have been in prison for the whole of 1999–2000.
- You satisfy the income test that applies to you:
  - You did not have a spouse—married or de facto—and your taxable income was less than $23 054.
  - You did have a spouse—married or de facto—and the combined taxable income of you and your spouse was less than $36 280.
  - You did have a spouse—married or de facto—and the combined taxable income of you and your spouse, where you 'had to live apart due to illness' or either of you was in a nursing home at any time in 1999–2000, was less than $44 496.

DEFINITION

'Had to live apart due to illness' is a term used to describe a situation where the living expenses of you and your spouse—married or de facto—are increased because you are unable to live together in your home due to the indefinitely continuing illness or infirmity of either or both of you.

NOTE

If you had a spouse—married or de facto—these eligibility tests are based on combined taxable income. However, your rebate amount—excluding any transfer of unused spouse's rebate—is calculated using your taxable income and the income limits set out in the REBATE THRESHOLDS table on page 126.

If you are not eligible, *go to* question **R4**. Otherwise, *read on*.

YOU NEED TO KNOW

This rebate applies at the same rate as the pensioner rebate for Commonwealth of Australia government pensions.

Before you answer this question, make sure you have written your date of birth and your spouse's name on the front of your tax return and your income at the relevant questions in the income section of your tax return.

You need to know your spouse's taxable income for 1999–2000. You also need to know your spouse's share for 1999–2000 of any net income of a trust estate to which they are presently entitled and on which the trustee is assessed under section 98 of the *Income Tax Assessment Act 1936*, and which has not been included in your spouse's taxable income.

A reference to combined taxable income in this question includes the amount of any net income of a trust estate to which you or your spouse are presently entitled and on which the trustee is assessed under section 98.

* If you have been an Australian resident for less than 10 years you may be considered to have been a resident for age pension purposes if you have special circumstances—some examples are refugees and people covered by Social Security International Agreements. If this applies to you, ring the general enquiries helpline on the inside back cover of *TaxPack* for more information.

R3

COMPLETING THIS QUESTION

Step 1

Find the code letter that applies to your circumstances from the REBATE CODE LETTERS table below. This code letter tells us the amount of rebate your entitlement will be based on.

If more than one code letter applies to you, use the letter that appears first in the following order: **A, B, C, D, E**. For example, if both **B** and **D** apply to you, use **B**.

Exceptions to this rule:

- If both **A** and **D** apply to you and your spouse's taxable income and any net income of a trust estate to which your spouse is presently entitled and on which the trustee is assessed under section 98 was less than $8410, use **D** as this gives you the correct rebate.
- If both **A** and **B** apply to you and your spouse's taxable income and any net income of a trust estate to which your spouse is presently entitled and on which the trustee is assessed under section 98 was less than $11 570, use **B** as this gives you the correct rebate.

REBATE CODE LETTERS

If at any time during 1999–2000, you were: • single or widowed • separated • a sole parent (as defined at question **R2** on page 77)	 **A** **A** **A**
If you and your spouse—married or de facto—'had to live apart due to illness' or either of you was in a nursing home at any time in 1999–2000 and you are both eligible for this rebate	**B**
If you and your spouse—married or de facto—'had to live apart due to illness' or either of you was in a nursing home at any time in 1999–2000 but your spouse is ineligible to claim this rebate due to the conditions on page 79	**C**
If you and your spouse—married or de facto—were living together and you are both eligible for this rebate	**D**
If you and your spouse—married or de facto—were living together but your spouse is ineligible to claim this rebate due to the conditions on page 79	**E**

Step 2

Print your code letter from the table above in the small box at the right of **N** item **R3** on your tax return.

NOTE

If you do not print a code letter on your tax return or you print an incorrect code letter, processing of your tax return may be delayed.

Step 3

Have you used **B, C, D** or **E**? If so, you must complete **Spouse details—married or de facto** on page 7 of your tax return. Provide relevant details including your spouse's taxable income at **O**. If your spouse had no taxable income write **'0'**.

Show at **T** your spouse's share of trust income on which the trustee is assessed under section 98 if it is not already included in your spouse's taxable income.

Remember to complete **Your spouse's name** on page 1 of your tax return.

If you have used code **B** or **D** and the combined taxable income of you and your spouse is less than $44 496 for code **B** or $36 280 for code **D**, you may be able to get any unused portion of your spouse's rebate. By using the amount you write at **O** and **T** on your spouse details we will work out if you are entitled to have the unused portion transferred to you. We will make sure it comes off the amount of tax you would have to pay.

Check that you have . . .

- ✓ printed your rebate code letter at **N** item **R3**
- ✓ written the relevant amounts at **O** and **T** **Spouse details—married or de facto** on page 7 of your tax return
- ✓ written on the front of your tax return your date of birth and your spouse's name.

DO YOU WANT TO WORK OUT YOUR REBATE?

You do not have to work out your rebate. We will work it out for you from your taxable income details and your rebate code letter.

If you do want to work out your rebate, *go to* page 126.

NOTE

A rebate reduces the amount of tax you have to pay—see page 71.

QUESTION R4

Superannuation contributions, annuity and pension

Do not show at this question:
- deductible non-employer sponsored **superannuation contributions**
- **superannuation contributions** on behalf of your spouse.

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

Did you:
- **make contributions to a complying superannuation fund or retirement savings account (RSA) OR**
- **receive income—shown at item 7—from an Australian superannuation annuity or pension?**

NO ☐ ▶ *Go to question **R5**.* YES ☐ ▼ *Read below.*

YOU NEED TO KNOW

There are 3 parts to this question—each part deals with a different type of entitlement.

Part A shows you how to record your personal undeducted superannuation contributions on your tax return. This information is necessary to establish your eligibility for the superannuation contributions rebate. The Australian Taxation Office (ATO) also uses this information to calculate the bonuses for older Australians, for taxpayers who are claiming the bonuses.

Part B is the superannuation contributions rebate.

Part C is the superannuation annuity or pension rebate.

CAUTION

If you are claiming the bonuses for older Australians read this question carefully. Page 4 has more information about the bonuses for older Australians or you can ring the bonuses for older Australians helpline on **13 2862**.

PART A—Did you make personal contributions to a complying superannuation fund or RSA?

If you do not know whether your superannuation fund or RSA provider complies, contact your fund or provider.

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

YOU NEED TO KNOW

Personal undeducted superannuation contributions are contributions you made to a complying superannuation fund or RSA that you have not claimed a deduction for at item **D13** on your tax return (supplementary section). Item **D13** is where you would claim a deduction for personal superannuation contributions and usually only applies to self-employed people.

Undeducted contributions do not include contributions:
- made by your employer or
- made as part of a salary sacrifice or
- made on behalf of another person—for example, your spouse.

You must complete part A if you are claiming the superannuation contributions rebate in part B or the bonuses for older Australians.

Step 1 *Write* the amount of your personal undeducted superannuation contributions at **T** item **R4** on your tax return. Do not show cents. If you do not know the amount contact your employer, superannuation fund or RSA provider.

Step 2 To know whether you need to continue with this question you need to know the sum of your assessable income and total reportable fringe benefits amounts. These are explained on the next page.

Assessable income for the purposes of this question is the amount you wrote at TOTAL INCOME OR LOSS on page 2 of your tax return, unless:

- you have a distribution from a partnership or trust, business or rental income or losses, or
- you claimed a deductible amount for an annuity at item **D8** on your tax return or **D12** on your tax return (supplementary section).

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

Total reportable fringe benefits amounts is the amount you wrote at item **8** on your tax return.

If the sum of your assessable income and total reportable fringe benefits amounts is below $31 000, *go to* part B.

If the sum of your assessable income and total reportable fringe benefits amounts is $31 000 or more, and for 1999–2000 you did not receive a superannuation annuity or pension, *go to* question **R5**.

If the sum of your assessable income and total reportable fringe benefits amounts is $31 000 or more, and you did receive a superannuation annuity or pension, *go to* part C.

PART B—If the sum of your assessable income and total reportable fringe benefits amounts is less than $31 000 you may be eligible for the superannuation contributions rebate.

YOU NEED TO KNOW

If you have claimed a deduction for your personal superannuation contributions at item **D13** on your tax return you are not entitled to claim a rebate here for that amount. *Go to* part C.

HOW TO CALCULATE YOUR REBATE

Step 1
Make sure you have completed part A.

Step 2
Work through worksheet 1.

WORKSHEET 1

Your total 1999–2000 contributions (amount at **T** from part A)	(a)	$
Maximum rebatable contributions	(b)	$1000
Write here the lesser of (a) or (b).	(c)	$
Divide (c) by 10.	(d)	$

If the sum of your assessable income and total reportable fringe benefits amounts is less than $27 004, your rebate is the amount at (d). *Go to* step 4.

If the sum of your assessable income and total reportable fringe benefits amounts is more than $27 003 but less than $31 000, *go to* step 3.

Step 3
Work through worksheet 2.

WORKSHEET 2

Maximum rebatable contributions	(e)	$1000
Write the sum of your total assessable income and total reportable fringe benefits amounts here.	(f)	$
Threshold at which rebate reduces	(g)	$27 000
Take (g) away from (f).	(h)	$
Divide (h) by 4.	(i)	$
Take (i) away from (e).	(j)	$
Divide (j) by 10.	(k)	$

Your rebate is whichever is the lesser of the amounts you worked out at (d) on worksheet 1 or (k) on worksheet 2.

Step 4

Write your superannuation contributions rebate on some notepaper together with the letter **S**. *Read on*.

PART C—Did you receive income from an Australian superannuation annuity or pension?

If you showed income from an Australian annuity or pension at item **7** on your tax return, you may be eligible for a rebate.

NO ☐ ▶ *Go to COMPLETING THIS QUESTION.*

YES ☐ ▼ *Read below.*

Before working out the rebate, you will need to know the following about your annuity or pension:

- whether it qualifies for a rebate and how much of it is eligible for a rebate—contact your annuity or pension fund if you do not know either of these points
- the rebatable proportion—this will be 1 unless you are issued with a reasonable benefit limit (RBL) determination stating otherwise. Ring the superannuation helpline on **13 1020** if you need assistance
- any deductible amount from item **D8**.

How to work out your annuity or pension rebate

(a) Work through steps 1 to 3 if:
- you were 55 years of age before 1 July 1999
- you turned 55 on or after 1 July 1999 and your pension started on or after your 55th birthday
- you are receiving a death or disability pension at any age.

(b) Work through steps 4 to 11 if:
- you turned 55 years of age on or after 1 July 1999 and your pension started before your 55th birthday.

Step 1

Take away any deductible amount from item **D8** from that part of your annuity or pension which is eligible for a rebate.

Step 2

Multiply the answer from step 1 by the rebatable proportion of your annuity or pension.

Step 3

Work out 15 per cent of the answer you got at step 2. This is your rebate. *Write* your annuity or pension rebate on your notepaper together with the letter **A**. *Go to* COMPLETING THIS QUESTION.

Step 4

Work out the amount of your annuity or pension that was paid to you on or after your 55th birthday.

Step 5

Work out the number of days from your 55th birthday to 30 June 2000.

Step 6

Work out the number of days from the day your annuity or pension started, to 30 June 2000. If it started before 1 July 1999, use 366 days.

Step 7

Divide the number of days at step 5 by the number of days at step 6.

Step 8

Multiply any deductible amount by the answer you got at step 7.

Step 9

Take away the answer you got at step 8 from the answer at step 4.

Step 10

Multiply the answer you got at step 9 by the rebatable proportion of your annuity or pension. Your rebatable proportion will be 1 unless you are issued with a reasonable benefit limit determination stating otherwise.

Step 11

Work out 15 per cent of the answer you got at step 10. This is your annuity or pension rebate. *Write* your rebate on your notepaper together with the letter **A**. *Read on*.

COMPLETING THIS QUESTION

Step 1

Add up any amounts on your notepaper that you are entitled to claim as a rebate from part B and part C of this question. *Write* the total figure at **S** item **R4** on your tax return. Do not show cents.

Step 2

If you are claiming the superannuation contributions rebate only, *print* the letter **S** in the **CLAIM TYPE** box ☐ at the right of **S** item **R4**. If you are claiming the annuity or pension rebate only, *print* **A**. If you are claiming both, *print* **C**.

Check that you have . . .

- ✓ written on your tax return the total of your 1999–2000 contributions
- ✓ written on your tax return the total of the amounts that you are entitled to claim as a rebate in parts B and C. Do not write the amount of pension you received
- ✓ printed on your tax return the correct code letter in the **CLAIM TYPE** box.

QUESTION R5

30% private health insurance

Did you pay the premium, or did your employer pay the premium for you, for an appropriate private health insurance policy?

NO ☐ ▶ *Go to **Rebates/tax offsets from the supplementary section**.* YES ☐ ▼ *Read below.*

Did you receive your full entitlement to the 30% private health insurance rebate from your health fund or Medicare?

NO ☐ ▼ *Read below.* YES ☐ ▶ *Go to **Rebates/tax offsets from the supplementary section**.*

YOU NEED TO KNOW

The private health insurance rebate is 30% of the premium paid to a registered health fund for appropriate private health insurance cover. The rebate is not affected by your level of income.

The rebate can be claimed as:
- a reduction in your private health insurance premium through the health fund or
- a cash or cheque rebate from Medicare or
- a rebate at the end of the income year through your tax return or
- a combination of all options.

NOTE

If 2 people make payments for the same policy—for example, you make payments from a joint bank account—each person can claim a proportion of the rebate.

Are you eligible for the 30% private health insurance rebate?

You are eligible to claim the rebate if you have paid, or your employer has paid for you, the premium for an appropriate private health insurance policy. An 'appropriate private health insurance policy' is one provided by a registered health fund for hospital, ancillary—also known as Extras—or combined hospital and ancillary cover where every person covered by the policy is a person who is eligible to claim benefits under the Medicare system. Not all funds are registered. Check with your health fund if you are unsure.

How the rebate works

The rebate is on the premium you paid, or your employer has paid for you, for appropriate health insurance cover including payments made for cover for more than one income year—you work out your entitlement at 30% of the premium paid.

However, if the policy was one that was in existence during the 1998–99 income year and, before 1 January 1999, a person was eligible to apply for registration under the health insurance incentive scheme that operated until that date—the **old incentive scheme**—you may be able to claim more. You should compare the rebate that would have been available if the old incentive scheme was still operating, with the present scheme based on 30% of the premium you paid, or your employer has paid for you, and claim the higher amount at this question.

The eligibility tests that applied for registration under the old incentive scheme are explained on pages 87–8.

Did you receive a private health insurance statement from your health fund?
Your health fund may have sent you a statement showing the premium you have paid. If you paid a premium for more than one policy, you should have received a statement for each policy.

If you did not receive a statement you can contact your health fund or, if you know the premium you paid, you can still work out your entitlement from the steps below.

COMPLETING THIS QUESTION

WHAT YOU MAY NEED

- a private health insurance statement
- the amount of any cash or cheque rebate received from Medicare for your private health insurance.

If you did not receive a statement you may also need:
- the amount of the premium paid
- the number of days covered by private health insurance
- the amount of premium reduction received from your health fund.

Step 1 If you did NOT receive a statement, *go to* step 3.

If you have a statement from all of the health funds you paid a premium to and the amounts at **G** on your statement(s) are **'0'** you have already received your full entitlement and you do not need to read any further in this question. *Go to* **Rebates/tax offsets from the supplementary section** on page 89.

If you have a statement and:
- no person was eligible to apply for registration under the old incentive scheme, you can claim the 30% amount shown at **G** on your statement less any cash or cheque rebate you have received from Medicare for your private health insurance. *Go to* WORKSHEET 1
- a person was eligible to apply for registration under the old incentive scheme, you may have 2 **G** amounts—30% of premiums paid, and the rebate that would have been available under the old incentive scheme. You can claim the higher amount, less any cash or cheque rebate you have received from Medicare for your private health insurance. *Go to* WORKSHEET 1.

WORKSHEET 1

Amount shown at **G** on your statement	(a)	$
Amount of any cash or cheque rebate you have received from Medicare for your private health insurance	(b)	$
Take (b) away from (a).	(c)	$

If (c) is **'0'** or a negative amount you have already received your full entitlement. *Go to* **Rebates/tax offsets from the supplementary section** on page 89.

The amount at (c) is the rebate that you are eligible to claim on your tax return. If the amount includes cents, *round up* to the nearest dollar. *Go to* step 2.

Step 2 *Write* at **G** item **R5** on your tax return the amount of rebate that you are entitled to claim. You must also complete **Private health insurance policy details**—see page 90 in *TaxPack 2000* for assistance. You have now completed this question. *Go to* **Rebates/tax offsets from the supplementary section** on page 89.

Step 3 If you do not have a statement you need to use the following worksheets to help you calculate your rebate entitlement.

The examples on page 87 will help you with the worksheets.

WORKSHEET 2—CALCULATING THE 30% AMOUNT

Total premiums for the policy *	(d)	$
Multiply (d) by 30.	(e)	$
Divide (e) by 100.	(f)	$
Your premium reduction amount from your health fund—if any	(g)	$
Take (g) away from (f).	(h)	$
Amount of any cash or cheque rebate you have received from Medicare for your private health insurance	(i)	$
Take (i) away from (h). *Round* this amount up to the nearest dollar.	(j)	$

* This is the total amount of premiums before any premium reduction or any cash or cheque rebate you have received from Medicare.

If no person was eligible to apply for registration under the old incentive scheme the amount at (j) is what you are entitled to claim. If (j) is **'0'** or a negative amount you have already received your full entitlement. *Go to* **Rebates/tax offsets from the supplementary section** on page 89. Otherwise *go to* step 4.

If a person was eligible to apply for registration under the old incentive scheme *complete* WORKSHEET 3 to find out if the rebate that would have been available under the old incentive scheme would have resulted in a higher rebate.

Use the table below to work out the maximum annual rebate under the old incentive scheme.

	MAXIMUM ANNUAL REBATE AMOUNT—OLD INCENTIVE SCHEME		
Policy type	*Hospital cover only*	*Ancillary cover only*	*Hospital and ancillary cover*
Single	$100	$25	$125
Couple	$200	$50	$250
Family	$350	$100	$450

If the policy type changed during the year, you will need to take the maximum annual amount for each policy type and multiply it by the number of days that type of policy existed, and then divide it by 365 to get the incentive amount for each policy type.

WORKSHEET 3—CALCULATING THE REBATE UNDER THE OLD INCENTIVE SCHEME

Write the maximum annual rebate under the old incentive scheme or the amount you have worked out where the policy type changed.	(k)	$
Multiply (k) by the number of days the premium provided cover for.*	(l)	$
Divide (l) by 365.	(m)	$
Take away from (m) any amount at (g) in WORKSHEET 2.	(n)	$
Take away from (n) any amount at (i) in WORKSHEET 2. *Round* this amount up to the nearest dollar.	(o)	$

* The number of days you use here relates to the policy, not the calendar or income year.

The amount at (o) is the rebate that would have been available under the old incentive scheme. You are eligible to claim amount (j) in WORKSHEET 2 or amount (o) in WORKSHEET 3—whichever is higher. *Go to* step 4.

Step 4 *Write* at G item **R5** on your tax return the amount of rebate that you are eligible to claim. You must also complete **Private health insurance policy details**—see page 90 in *TaxPack 2000* for assistance.

Examples of how to work out your rebate entitlement

EXAMPLE 1

Before 1 January 1999 Natalie took out a policy which provided hospital and ancillary cover for herself and her children. She paid a final premium of $950 in September 1999 for 6 months cover—1 September 1999 to 29 February 2000.

Natalie did not have a spouse on 30 June 2000. Her taxable income was $42 000. Natalie satisfied all the eligibility tests for registration under the old incentive scheme—see below—and did not receive a premium reduction or any cash or cheque rebate from Medicare. Natalie used WORKSHEET 2 to work out her 30% amount and WORKSHEET 3 to work out her rebate entitlement under the old incentive scheme. Her 30% amount is $285. Her rebate entitlement under the old incentive scheme is $224.38—rounded up to $225.

Natalie will claim the higher amount—$285—at G item **R5** and complete **Private health insurance policy details** on her tax return.

EXAMPLE 2

Brendan has had a family policy for combined cover for himself, his wife Kylie, and their dependent child Nicholas since 1 July 1998. The annual premium was $1200. On 1 July 1999, Brendan paid a further premium to continue the policy for another year.

On 1 May 2000 Nicholas turned 25 and therefore no longer qualified as a dependent child.

Brendan received a $100 refund when the policy changed from a family policy to a couple policy. Brendan satisfied all of the eligibility tests for registration under the old incentive scheme—see below—and did not receive a reduced premium or any cash or cheque rebate from Medicare.

Brendan used WORKSHEET 2 to work out his 30% amount—$330 (30% of $1200 – $100). Because he was eligible to apply for registration under the old incentive scheme he also used WORKSHEET 3 to work out the rebate he would have got under the old incentive scheme.

Referring to the MAXIMUM ANNUAL REBATE AMOUNT—OLD INCENTIVE SCHEME table Brendan worked out his rebate amount for the time that Nicholas was a dependant (family policy)—1 July 1999 to 30 April 2000 (305 days)—and when he was not a dependant (couple policy)—1 May 2000 to 30 June 2000 (61 days).

During the time Nicholas was a dependant, Brendan's rebate entitlement under the old incentive scheme would have been $377. For the time Nicholas was not a dependant the rebate entitlement under the old incentive scheme would have been $42. This gives Brendan a total of $419 under the old incentive scheme.

Brendan's rebate under the old incentive scheme is higher than his 30% amount.

Brendan will write $419 at G item **R5** and complete **Private health insurance policy details** on his tax return.

The old incentive scheme

If the private health insurance policy is one that was in existence during 1998–99 and, before 1 January 1999, a person was registered or eligible to apply for registration under the Private Health Insurance Incentive Scheme (the old incentive scheme) that operated until that date, you may be entitled to a larger rebate than one based on 30% of the premium you paid this income year. If the policy qualifies, you are entitled to compare the 2 amounts—the rebate that would have been available if the old incentive scheme was still operating, and the present rebate based on 30% of the premium paid—and claim the higher amount.

Any person covered by the policy, other than a dependent child, could have registered, or been eligible to register, under the old incentive scheme. If the policy only covered dependent children, any one of their parents was eligible to register. However, the particular private health insurance policy had to be one:

- that was in existence before 1 January 1999 and provided appropriate private health insurance cover for 1998–99 and
- where the annual premium for 1998–99 was above the minimum premium threshold amount and
- where certain income tests were satisfied for 1998–99.

A policy provided appropriate private health insurance cover if it provided hospital cover or ancillary cover or both and the health fund annual premium during 1998–99 was not less than the relevant amount shown in the following table.

MINIMUM PREMIUM

Hospital cover	*Ancillary cover*
1 person $250	1 person $125
2 or more $500	2 or more $250

Definitions

Single policy income test—A single policy covers one person only. If you had a single policy and you did not have a spouse at any time in 1998–99, the income test was satisfied if your 1998–99 taxable income was less than $35 000.

If you did have a spouse at any time in 1998–99, the income test was satisfied if combined taxable income (see next column) for 1998–99 was less than $70 000.

Couple policy income test—A couple policy covers 2 adults only. These adults may be related—for example, spouse or sibling—or unrelated. For a couple policy, the income test was satisfied if combined taxable income for 1998–99 was less than $70 000.

Family policy income test—A family policy can be:

- cover for one or more adults—related or unrelated—and at least one dependent child. This includes single parent families. The income test was satisfied if combined taxable income for 1998–99 was less than $70 000 plus $3000 for each dependent child after the first dependent child
- cover for 3 or more adults. The income test was satisfied if combined taxable income for 1998–99 was less than $70 000
- cover for 2 or more dependent children only. The income test was satisfied if combined taxable income for 1998–99 was less than $70 000 plus $3000 for each dependent child after the first dependent child.

Combined taxable income—used in the income tests above—means:

- the sum of the taxable income of each adult covered by the policy and their spouse—married or de facto—if they had a spouse on 30 June 1999
- for a policy that covered only a dependent child or children, the sum of the taxable income of each parent or guardian and their spouses—married or de facto—if they had a spouse on 30 June 1999. This applies only to a parent or guardian who contributed to the payment of the premiums, or arranged for a third party, such as an employer, to contribute.

Taxable income of a person includes any share of net income of a trust estate to which the person was entitled, and on which a trustee of the trust estate is assessed under section 98 of the *Income Tax Assessment Act 1936*.

If you had a child who was not a dependent child—for example, an adult child, such as an employed 19-year-old who lived with you—AND that child was covered by the policy, then their 1998–99 income must also be included in the taxable income amount.

Income derived by any dependent children is not included in the combined taxable income amount.

Spouse—includes a de facto spouse but does not include a person from whom you are permanently separated.

Dependent child

A child was regarded as a dependant for the old incentive scheme if all of the following applied:

- The child was under the age of 18 years or a full-time student under the age of 25 years.
- The child was covered by the policy and the health fund that issued the policy accepted the child as a dependent child for the purposes of the policy.
- The child did not have a spouse—married or de facto.

R Rebates/tax offsets from the supplementary section

CAUTION

Read this question carefully—you may need to use *TaxPack 2000 supplement*.

Are you entitled to claim a rebate/tax offset for any of the following?

- superannuation contributions on behalf of your spouse
- living in a remote or isolated area of Australia
- serving overseas as a member of the Defence Force
- net medical expenses over $1250
- maintenance of your parent, spouse's parent or invalid relative
- landcare and water facility
- heritage conservation work
- interest from government securities
- interest from land transport facilities tax rebate scheme or infrastructure borrowings scheme

NO ☐ ▼ *Go to TOTAL REBATES/TAX OFFSETS.*

YES ☐ ▼ *You must complete the 2000 tax return for individuals (supplementary section). Read below.*

The supplementary section of the tax return is located in the back of *TaxPack 2000 supplement*. If you haven't already got a copy of *TaxPack 2000 supplement*, from 1 July to 31 October 2000 you can get a copy from newsagencies displaying this logo. Copies are also available all year from the Australian Taxation Office (ATO).

COMPLETING THIS QUESTION

Step 1 *Complete* the page 9 details on the supplementary section of your tax return—if you haven't already. Use *TaxPack 2000 supplement* to complete the Rebates section.

Step 2 *Transfer* the amount you wrote at TOTAL SUPPLEMENT REBATES on page 12 to **R** on page 4 of your tax return.

TOTAL REBATES/TAX OFFSETS

Completing item TOTAL REBATES/TAX OFFSETS

Step 1 *Add up* all the rebate/tax offset amounts at items **R1** to **R5** and **R** in the right-hand column on your tax return.

Step 2 *Write* the total amount at TOTAL REBATES/TAX OFFSETS on your tax return. Do not show cents. If you do not have any rebates/tax offsets, *write* **'0'**. *Read on*.

Rebate for low income taxpayers

If you are an Australian resident for tax purposes and your taxable income is less than $24 450, you may get a rebate.

The maximum rebate of $150 applies if your taxable income is $20 700 or less. This amount is reduced by 4 cents for each dollar over $20 700.

We will work out your rebate and make sure it comes off your tax. The rebate will be shown on your notice of assessment. **Do not write anything about this rebate on your tax return**.

PRIVATE HEALTH INSURANCE POLICY DETAILS

Completing item Private health insurance policy details

YOU NEED TO KNOW

If questions **R5** or **M2** asked you to complete this item or you made premium payments towards private health insurance to a registered fund, you must complete **Private health insurance policy details**—page 4 on your tax return.

If you received a statement from your registered health fund your private health insurance policy details will be shown on the statement. If you did not receive a statement from your health fund contact your fund.

Step 1 *Print* the identification (ID) code of your health fund at **B** **Health fund ID** on your tax return.

Step 2 *Print* your private health insurance membership number at **C** **Membership number**.

Step 3 In the **Type of cover** box *print* the code letter that describes the type of private health insurance cover you had.

TYPE OF COVER

	Code letter
Ancillary cover—also known as Extras	**A**
Hospital cover	**H**
Combined hospital and ancillary cover	**C**

NOTE

If you have used code letter **H** or **C** your liability for the Medicare levy surcharge may be reduced. Make sure you carefully read question **M2** on pages 96–100 in *TaxPack*.

If you changed your type of cover during the year, *print* the code letter for the type of cover that gave you the highest level of cover. For example, if you had hospital cover and added ancillary cover during the year, use code letter **C**—for combined hospital and ancillary cover.

Did you have more than one policy during the year?
If you had up to 5 policies during 1999–2000 you will need to complete steps 1 to 3 for each policy. If you had more than 5 policies during 1999–2000, complete steps 1 to 3 for the first 5 policies, then on a separate piece of paper *print* SCHEDULE OF ADDITIONAL INFORMATION—PRIVATE HEALTH INSURANCE POLICY DETAILS. Tell us your name, address and tax file number, and list the ID code, membership number and type of cover for each of the policies you held. *Print* **X** in the YES box at *Taxpayer's declaration* question 2a on page 8 of your tax return. *Sign* and *attach* your schedule to page 3 of your tax return.

Medicare levy related items

QUESTION M1 Medicare levy reduction or exemption

Were you a low income earner or in one of the Medicare levy reduction or exemption categories?

Information to help you decide whether you are eligible for a Medicare levy reduction or exemption is given below.

NO ☐ ▶ *Go to question **M2**.* YES ☐ ▼ *Read below.*

YOU NEED TO KNOW

Most Australians are liable to pay the Medicare levy.

The normal levy is 1.5 per cent of your taxable income; however, this may vary according to your circumstances. Your taxable income is the amount you wrote at TAXABLE INCOME OR LOSS on page 3 of your tax return.

The amounts in part A below and the FAMILY INCOME table on the next page are contained in Medicare Levy Amendment (CPI Indexation) Bill 1999.

WHAT YOU MAY NEED

- your 1999–2000 taxable income
- the 1999–2000 taxable income of your spouse—married or de facto—if you had a spouse on 30 June 2000. If your spouse died during 1999–2000, you are considered to have had a spouse on 30 June 2000 for the purposes of calculating any Medicare levy reductions based on family income
- the number of your dependent children and students during 1999–2000
- the number of days you, your spouse and dependent children and students were in an exemption category.

PART A—Low income earner

You do not need to complete this question if:

- your taxable income was $13 550 or less. You do not have to pay the Medicare levy. Do not write anything at item **M1** on your tax return. *Go to* question **M2**
- your taxable income was more than $13 550 but less than $14 649 and you were not in either a Medicare levy reduction category based on family income—see part B on this page—or in one of the exemption categories on page 93. Your levy is reduced—calculated at 20 cents for every dollar above $13 550 but below $14 649.

Do not write anything at item **M1**. We will work out how much Medicare levy you have to pay. *Go to* question **M2**. Otherwise, *read on*.

PART B—Medicare levy reductions based on family income

YOU NEED TO KNOW

In part B, 'dependent children and students' means:

- any child under 16 you maintained who was not a full-time student and whose separate net income was less than $1786 (for the first child) or $1410 (for any additional child) and
- any full-time student under 25 you maintained whose separate net income was less than $1786.

If you were not married on 30 June 2000, or were married but living separately and apart from your spouse, for any child or student to be included within the term 'dependent children and students', family allowance must have been payable to you in respect of that child or student for the whole or part of 1999–2000.

NOTE

See **What is maintaining a dependant?** and **What is separate net income?** on pages 69–70.

To be eligible for a reduced levy based on family income, you must have been in one of the following categories:

- You had a spouse—married or de facto—on 30 June 2000.
- Your spouse died during 1999–2000.
- You are entitled to a sole parent rebate at item **R2** on your tax return or a child-housekeeper or housekeeper rebate at item **R1**.

Your family income is the combined taxable income of you and your spouse—if you had a spouse on 30 June 2000 or your spouse died during the year. Otherwise, it is your taxable income.

If you were in one of the part B categories and your family income was less than or equal to the relevant lower income limit in the FAMILY INCOME table below, you do not pay the levy. However, you still need to complete steps 1 and 2. *Go to* step 1.

If your family income was greater than the relevant lower income limit but less than or equal to the relevant upper income limit, you pay a reduced levy. *Go to* step 1.

If your family income is above the relevant upper income limit you do not qualify for a reduced levy. *Go to* MEDICARE LEVY EXEMPTION CATEGORIES below.

FAMILY INCOME

Number of dependent children and students during 1999–2000	*Lower income limit*	*Upper income limit*
0	$22 865	$24 718
1	$24 965	$26 989
2	$27 065	$29 259
3	$29 165	$31 529
4	$31 265	$33 799

If you have more than 4 dependent children or students, you can extend this table. The lower income limit increases by $2100 for each additional child or student and the upper income limit increases by $2270 for each additional child or student.

To claim your reduced levy:

Step 1 If you had a spouse at any time during 1999–2000, you must complete **Spouse details—married or de facto** on page 7 of your tax return. You must also complete **Your spouse's name** on page 1 of your tax return.

Step 2 *Write* the number of your dependent children and students at **Y** item **M1** on your tax return. If you had none, *write* **'0'**. We will work out your reduced levy based on this information. If you wish to calculate the levy yourself, see pages 127–9. *Read on* to see if you are entitled to an exemption.

MEDICARE LEVY EXEMPTION CATEGORIES

YOU NEED TO KNOW

You were in one of the exemption categories if:

1. you were a blind pensioner or you received the sickness allowance from Centrelink
2. 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
3. you were not an Australian resident for tax purposes
4. you were a resident of Norfolk Island
5. you were a member of a diplomatic mission or consular post in Australia—or a member of such a person's family and you were living with them—you were not an Australian citizen and you do not ordinarily live in Australia
6. you have a certificate from the Levy Exemption Certification Unit of the Health Insurance Commission showing that you are not entitled to Medicare benefits. A letter from Medicare is not sufficient.

If you were not in one of these exemption categories, you are not entitled to an exemption. *Go to* question **M2**.

If you were in exemption category 3 or 4 on the previous page for the whole income year you qualify for a full Medicare levy exemption regardless of whether or not you had dependants. *Write* 366 at V item **M1** on your tax return and *go to* question **M2**.

If you were in any other exemption category, you will need to complete part C or D.

YOU NEED TO KNOW

For parts C and D, 'dependant' means an Australian resident you maintained who was:
- your spouse
- a child of yours less than 16 years
- a child of yours aged 16 years or over but less than 25 years who was receiving full-time education at a school, college or university and whose separate net income was less than $1786.

See **What is maintaining a dependant?** and **What is separate net income?** on pages 69–70.

If the parents of a child lived separately or apart for all or part of the financial year and the child was a dependant of each of them, the child is treated as a dependant only of the parent to whom family allowance was paid or is payable for that child in respect of that period.

PART C—Full levy exemption for all or part of 1999–2000

CATEGORY 1 OR 2

You will qualify for a full exemption from the Medicare levy for a period in 1999–2000 if you were in exemption category 1 or 2 on the previous page and you satisfied any of the following conditions during the whole of that period:
- You had no dependants for the period.
- All your dependants were also in one of the exemption categories.
- Your only dependant was your spouse who was not in an exemption category and has to pay the Medicare levy.
- You had dependent children who were not in an exemption category but they were also dependants of your spouse, who either has to pay the Medicare levy or who was in exemption category 1 or 2 and you have completed a FAMILY AGREEMENT on page 95, declaring that your spouse will pay the half levy for your joint dependants.

To be eligible to complete a FAMILY AGREEMENT it is a condition that both you and your spouse would, apart from your exempt category status, have to pay the Medicare levy.

If you do not meet any of these conditions, *go to* part D. If you meet any of the conditions, *go to* step 1.

CATEGORY 3 OR 4 FOR PART OF THE INCOME YEAR, OR CATEGORY 5 OR 6

If you were in exemption category 3 or 4 on the previous page for part only of 1999–2000 or exemption category 5 or 6 for any period of 1999–2000, you will qualify for a full Medicare levy exemption for that period if one of the following conditions applied:
- You had no dependants for that period.
- All your dependants were in an exemption category for that period.

If you do not meet either of these conditions you are not entitled to an exemption; *go to* question **M2**. If you meet either of these conditions, *go to* step 1.

To get a full levy exemption for a period:

Step 1

Write the total number of days that you and your dependants—if any—met the required conditions, at V item **M1** on your tax return.

If you were in more than one exemption category and the time you were in one exemption category overlaps with the time you were in another exemption category, only add up the number of days from the day you started in the first category to the last day you were in the last category.

For example: You were in category 1 for the period 1 August to 30 September and category 2 from 15 September to 1 November. The number of days from 1 August to 1 November is 93 days. You would show 93 days at V item **M1**.

Step 2

If you have completed V and you are in exemption category 6 *print* the letter **C** in the **CLAIM TYPE** box at the right of V item **M1**. Otherwise leave the box blank.

Step 3

If you did not have any dependent children or students during 1999–2000, *go to* step 4. Otherwise, *write* the number of your dependent children and students during 1999–2000 at Y item **M1**.

Step 4
If you had a spouse at any time during 1999–2000 you must complete **Spouse details—married or de facto** on page 7 of your tax return. You must also complete **Your spouse's name** on page 1 of your tax return.

Step 5
If the number of days you wrote at V is 366, you will not have to pay any Medicare levy. You have finished this question. *Go to* question **M2**.

If you were in exemption category 3, 4, 5 or 6, you have finished this question. *Go to* question **M2**.

If the number of days you wrote at V is less than 366, and you were in exemption category 1 or 2, you may qualify for a half levy exemption. *Read on*.

PART D—Half levy exemption for all or part of 1999–2000

You will qualify for a half exemption from the Medicare levy for a period in 1999–2000 if you were in exemption category 1 or 2 on page 93 and you satisfied any of the following conditions during the whole of that period:

- You did not have a spouse but you had one or more dependants who were not in one of the exemption categories.
- You had a spouse—with or without dependent children for that period—who was not in an exemption category and who did not have to pay the Medicare levy because of the low income earner threshold.
- Your spouse was in exemption category 1 or 2 on page 93 and you had a child who was a dependant of both you and your spouse and the child was not in an exemption category. In this case, either you or your spouse can claim a full levy exemption at part C and the other can claim a half levy exemption at part D by completing a FAMILY AGREEMENT.

If you do not meet one of these conditions, *go to* question **M2**.

To get a half levy exemption for a period:

Step 1
Write the total number of days that you and your dependants met the required conditions, at W item **M1** on your tax return.

If you were in both exemption categories and the time you were in one exemption category overlaps with the time you were in the other exemption category, only *add up* the number of days from the day you started in the first category to the last day you were in the second category.

For example: You were in category 1 for the period 1 August to 30 September and category 2 from 15 September to 1 November. The number of days from 1 August to 1 November is 93 days. You would show 93 days at W item **M1**.

Step 2
If you did NOT have any dependent children or students during 1999–2000, *go to* step 3. Otherwise, *write* the number of your dependent children and students during 1999–2000 at Y item **M1**.

Step 3
If you had a spouse at any time during 1999–2000, you must complete **Spouse details—married or de facto** on page 7 of your tax return. You must also complete **Your spouse's name** on page 1 of your tax return.

Step 4
If you had a child who was a dependant of both you and your spouse and you are claiming a half levy exemption under part D, both you and your spouse will need to complete a FAMILY AGREEMENT declaring that you will pay the half levy for your joint dependants. You will need to keep this with your tax records for 5 years from 31 October or, if you lodge your tax return later, for 5 years from the date you lodge your tax return.

FAMILY AGREEMENT

We Your name	
Your spouse's name	

hereby agree that the half Medicare levy payable in respect of our dependant or dependants for 1999–2000 will be paid by

Name of person claiming half exemption	
Spouse's signature	/ /
Your signature	/ /

We will work out your exemption based on the information on your tax return. If you wish to calculate the exemption yourself, see pages 127–9. Otherwise, *go to* question **M2**.

QUESTION M2

Medicare levy surcharge

STOP

THIS QUESTION IS COMPULSORY FOR ALL TAXPAYERS

For the WHOLE of 1999–2000 did you and all of your dependants (including your spouse)—if you had any—have private patient hospital cover?

NO ☐ *Print* ***X*** *in the NO box to the right of* **E** *item* ***M2*** *on your tax return. Read below.*

YES ☐ *Print* ***X*** *in the YES box to the right of* **E** *item* ***M2*** *on your tax return. Make sure you have completed* ***Private health insurance policy details****—see page 90 in TaxPack 2000 for assistance. Go to* ***Adjustments*** *contents.*

For the WHOLE of 1999–2000 were you:

- **a single person—without a dependent child or children—and your taxable income for Medicare levy surcharge purposes was $50 000 or less OR**
- **a member of a family—which may consist of a couple (married or de facto) with or without a dependent child or children; or a sole parent with a dependent child or children—and the combined taxable income for Medicare levy surcharge purposes of you and your spouse (if you had one) was $100 000 or less (plus $1500 for each dependent child after the first, if you have children)?**

NOTE

Taxable income for Medicare levy surcharge purposes is explained on page 97.

NO ☐ *You may have to pay the surcharge. Print* ***X*** *in the relevant NO box at item* ***M2*** *on your tax return. Read below.*

YES ☐ *You do not have to pay the surcharge for any of the 366 days during the year. Print* ***X*** *in the relevant YES box at item* ***M2*** *on your tax return. Go to COMPLETING THIS QUESTION on page 100.*

YOU NEED TO KNOW

Individuals and families on higher incomes who do not have private patient hospital cover pay a Medicare levy surcharge (MLS) based on an extra 1 per cent of their taxable income for any period during 1999–2000 they did not have this cover.

MLS is in addition to the 1.5 per cent Medicare levy.

For MLS purposes you will need to understand the following terms:

private patient hospital cover—is cover provided by an insurance policy issued by a registered fund for some or all hospital treatment provided in an Australian hospital or day hospital facility. Travel insurance is not private patient hospital cover for MLS purposes.

If you have a private hospital insurance policy with an overseas fund or your policy has been issued by an unregistered organisation, you need to check with the Private

Health Insurance Administration Council to determine whether your policy is one that provides the appropriate private patient hospital cover for Medicare levy surcharge (MLS) purposes.

ancillary cover—is commonly known as 'Extras'. Ancillary cover is NOT private patient hospital cover. It covers items such as optical, dental, physiotherapy or chiropractic treatment.

spouse—married or de facto. If your spouse died during the year and you did not have another spouse before the end of the year, you are considered to have had a spouse until the end of 1999–2000 and you retain the benefit of the family surcharge threshold. If you are living separately and apart from your spouse you are treated as not being married.

dependants—a dependant is an Australian resident, being:
- your spouse—even if they worked during 1999–2000
- any of your children who were under 16 years of age
- any of your children aged 16 years and over but under 25 years of age who were full-time students.

For Medicare levy surcharge (MLS) purposes you need to have contributed to your dependant's maintenance. See **What is maintaining a dependant?** on page 69.

family—you are considered to be a member of a family during any period of 1999–2000 that you contributed to the maintenance of a dependant. A family includes a sole parent who contributed to the maintenance of a dependent child or children.

taxable income for MLS purposes—is the total of:
- your taxable income AND
- your total reportable fringe benefits amounts at W item **8** on your tax return AND
- the net amount on which family trust distribution tax has been paid (see question **A3** page 105).

If you have any exempt foreign employment income you need to complete this question as if the exempt income was added to your taxable income.

Taxable income for MLS purposes does not include any post-June 1983 elements of an eligible termination payment where the maximum tax rate is zero. If you are unsure of the tax rate, you can ring the superannuation helpline on **13 1020** for assistance.

The taxable income of your spouse for MLS purposes is the total of:
- your spouse's taxable income AND
- your spouse's total reportable fringe benefits amounts AND
- any share in the net income of a trust estate to which your spouse is presently entitled and on which the trustee of the trust is assessed under section 98 of the *Income Tax Assessment Act 1936*—and which has not been included in your spouse's taxable income AND
- the net amount on which family trust distribution tax has been paid which your spouse would have had to show as assessable income if that tax had not been paid.

Will you have to pay the surcharge?

You will have to pay the surcharge for any period that you or any of your dependants did NOT have private patient hospital cover during 1999–2000 AND you were:
- a single person with a taxable income for MLS purposes greater than $50 000 or
- a member of a family—including a sole parent—and the combined taxable income for MLS purposes of you and your spouse (if you had one) was above the relevant family surcharge threshold shown in the table on the next page.

NOTE

If your spouse died during the year and you did not have another spouse before the end of the year, you are considered to have had a spouse until the end of the year and you retain the benefit of the family surcharge threshold.

FAMILY SURCHARGE THRESHOLD

Number of dependent children	*Surcharge income threshold*
0–1	$100 000
2	$101 500
3	$103 000
4	$104 500
More than 4 dependent children	$104 500 plus $1500 for each additional child

If the combined taxable income for Medicare levy surcharge (MLS) purposes of you and your spouse was above the family surcharge threshold but your own taxable income was below $13 551 you are not liable for the surcharge. However, your spouse may still be liable.

It is possible that both the single and family surcharge thresholds applied to you at different periods during 1999–2000.

If only one of the surcharge thresholds—single or family—applied to you for the whole of 1999–2000 and

- your taxable income or combined taxable income for MLS purposes did not exceed the relevant threshold—you are not liable for the surcharge, for any of the 366 days during the year. *Go to* COMPLETING THIS QUESTION on page 100.
- your taxable income or combined taxable income for MLS purposes exceeded the relevant threshold and you were not in one of the exemption categories on page 93 or you did not have private patient hospital cover during 1999–2000—you will have to pay the surcharge for the whole of 1999–2000. *Go to* COMPLETING THIS QUESTION on page 100. Otherwise, *read on*.

Which income threshold do you use if, during the year, you had a new spouse or separated from your spouse, or you became or ceased to be a sole parent?

To work out if you are liable for MLS for any period during 1999–2000 that you were single—that is, you had no spouse and no dependent child or children—apply the single surcharge threshold of $50 000 to your own taxable income for MLS purposes.

To work out if you are liable for MLS for any period during 1999–2000 that you had a spouse or a dependent child or children, apply the family surcharge threshold of $100 000 plus $1500 for each dependent child after the first, to your own taxable income for MLS purposes. EXAMPLE 2 on page 99 may help you.

What if you are exempt from the Medicare levy?

Only read this section if you were exempt or partially exempt from the Medicare levy at any time during 1999–2000—for example, you were a Defence Force member. For more information on the exemption categories for the Medicare levy, read page 93 in *TaxPack 2000*.

If you were in an exemption category for the whole of 1999–2000 and you did not have any dependants; or if you had dependants and they also were all in an exemption category and/or they all had private patient hospital cover for the whole of 1999–2000, you do not have to pay the surcharge for the full year—366 days. *Go to* COMPLETING THIS QUESTION on page 100.

If the taxable income for MLS purposes of you and your spouse—if you had one—was above the relevant surcharge threshold, you are liable for the surcharge for any period during 1999–2000 that:

- you were not in an exemption category and did not have private patient hospital cover or
- one or more of your dependants were not in an exemption category and did not have private patient hospital cover.

What if you had private patient hospital cover for only part of the year?

Only read this section if you had private patient hospital cover for part of the year.

If you and your dependants—if any—were not in a Medicare levy exemption category at any time during 1999–2000 and your taxable income or combined taxable income for Medicare levy surcharge (MLS) purposes was above the relevant threshold, you are liable for the surcharge for the number of days you or any of your dependants did not have private patient hospital cover during 1999–2000. *Go to* COMPLETING THIS QUESTION on page 100.

EXAMPLE 1—Part-year private patient hospital cover

Graeme is not married and in 1999–2000 had a taxable income for MLS purposes of $59 000. He was not in a Medicare levy exemption category at any time during the year.

Graeme took out private patient hospital cover on 15 December 1999.

Because Graeme's taxable income was above the single surcharge threshold of $50 000 and he did not have private patient hospital cover for the full year he will have to pay MLS for the part of the year that he did not have private patient hospital cover.

Graeme will NOT have to pay the surcharge for the number of days he had private patient hospital cover—15 December 1999 to 30 June 2000—199 days.

Graeme will write the number of days in 1999–2000 that he is NOT liable for the surcharge—199 at A item **M2** on his tax return and complete **Private health insurance policy details**.

EXAMPLE 2—Spouse for part-year

Beth separated from George on 12 October 1999 and stayed single. Neither Beth nor George had any dependent children. Beth and George were dependants of each other for MLS purposes only for the period they were together. For 1999–2000, George's taxable income for MLS purposes was $45 000 and Beth's taxable income for MLS purposes was $60 000. Beth and George did not have private patient hospital cover at any time during 1999–2000.

As they are considered to be a family for the period 1 July 1999 to 12 October 1999, they are each entitled to the family surcharge threshold of $100 000 for this period. For the period 1 July 1999 to 12 October 1999, Beth is not liable for the surcharge as her taxable income for MLS purposes of $60 000 was under the family surcharge threshold. George is also not liable for the surcharge for this period as his taxable income for MLS purposes of $45 000 was also under the family surcharge threshold.

For the period 13 October 1999 to 30 June 2000—262 days—the single person surcharge threshold of $50 000 applies to both of them. For this period, George is not liable for the surcharge because he had a taxable income for MLS purposes of $45 000.

George will write 366 at A item **M2** on his tax return.

Beth is liable to pay the surcharge for the period 13 October 1999 to 30 June 2000—262 days—because her taxable income for MLS purposes was $60 000.

Beth will write the number of days in 1999–2000 that she is NOT liable for the surcharge—104—at A item **M2** on her tax return.

EXAMPLE 3—Part-year liability

Sue and Kevin are married. They have 3 dependent children. Sue, Kevin and their children were not in a Medicare levy exemption category at any time during the year. Sue and the children were covered by private patient hospital cover for the full financial year. Kevin had his name added to the policy on 10 December 1999.

Sue and Kevin had a combined taxable income for MLS purposes of $115 000. Because not everyone was covered for the full period 1 July 1999 to 9 December 1999, Sue and Kevin are both liable for the surcharge for this period—162 days. Sue and Kevin would both write the number of days in 1999–2000 that they were NOT liable for the surcharge—204—at A item **M2** on their tax returns and complete **Private health insurance policy details**.

COMPLETING THIS QUESTION

WHAT YOU MAY NEED

- your taxable income for Medicare levy surcharge (MLS) purposes
- your spouse's taxable income for MLS purposes, if you had a spouse for the whole of 1999–2000*
- the number of your dependent children during 1999–2000
- the number of days you and all your dependants had private patient hospital cover during 1999–2000
- the number of days you do NOT have to pay the surcharge.

Step 1 *Write* the number of days during 1999–2000 that you do NOT have to pay the surcharge at **A** item **M2** on your tax return:

- If you have to pay the surcharge for the whole period 1 July 1999 to 30 June 2000 *write* **'0'** at **A**.
- If you do NOT have to pay the surcharge for the whole period 1 July 1999 to 30 June 2000 *write* 366 at **A**.
- If you have to pay the surcharge for part of the period 1 July 1999 to 30 June 2000 *write* the number of days you do NOT have to pay the surcharge at **A**.

If you had a dependent child during 1999–2000 *go to* step 2. Otherwise, *go to* step 3.

Step 2 *Write* the number of your dependent children during 1999–2000 at **D** item **M2** on your tax return.

Step 3 If you had a spouse during 1999–2000 and you and all of your dependants were not covered by private patient hospital cover for the full year, complete **Spouse details—married or de facto** on page 7 of your tax return. If you had a spouse for all of 1999–2000 include:

- your spouse's taxable income, at **O** *
- your spouse's share of trust income on which the trustee is assessed under section 98 of the *Income Tax Assessment Act 1936* and which has not been included in your spouse's taxable income, at **T** *
- the net amount of any distributions to your spouse on which family trust distribution tax has been paid which your spouse would have had to show as assessable income if that tax had not been paid, at **U** *
- your spouse's total reportable fringe benefits amounts, at **S**.*

You must also complete **Your spouse's name** on page 1 of your tax return.

Step 4 If you had private patient hospital cover during the year you must complete **Private health insurance policy details**—see page 90 in *TaxPack 2000* for assistance.

You have now completed this question. *Go to* **Adjustments** contents.

NOTE

If you received any exempt foreign employment income a special formula is used to work out the amount of tax—including MLS—you have to pay on your taxable income. You will not be able to calculate your MLS. We will do this calculation for you.

DO YOU WANT TO WORK OUT YOUR SURCHARGE?

You do not have to work out your MLS. We will work it out based on the information you provide. If you would like to work it out for your records, see page 129.

* If you cannot find out your spouse's exact taxable income for MLS purposes, you may make a reasonable estimate. *Print* SCHEDULE OF ADDITIONAL INFORMATION—QUESTION M2 on a separate piece of paper and write your estimate of your spouse's taxable income for MLS purposes. Include your name, address and tax file number. *Print* **X** in the YES box at *Taxpayer's declaration* question 2a on page 8 of your tax return. *Sign* and *attach* your schedule to page 3 of your tax return.

Adjustments

QUESTION A1

Under 18 excepted net income

Were you under 18 years of age at 30 June 2000?

NO ☐ ▶ *Go to question **A2**.* YES ☐ ▼ *Read below.*

Certain types of income earned by individuals under 18 years of age may be taxed at higher rates. To ensure that you pay the correct amount of tax, read the following.

Did any of the following apply to you at 30 June 2000?

- You were working full time and do not intend to study full time before 1 July 2001.
- You were not working full time but you have worked full time for more than 3 months between 1 July 1999 and 30 June 2000 and you do not intend to study full time before 1 July 2001. Do not count any full-time work that was followed by full-time study.
- You were entitled to a disability support pension or a rehabilitation allowance, or someone received a carer allowance to care for you.
- You were permanently blind.
- You were disabled and, because of that disability, you are likely to require special care on a daily basis.
- You were entitled to a double orphan pension and you received little or no financial support from your relatives.
- You were unable to work full time because of mental or physical illness and you received little or no financial support from your relatives.

NO ☐ ▼ *Go to step 1 below.* YES ☐ ▼ *Read below.*

If you were in any of the above categories on 30 June 2000, all of your income will be taxed at ordinary rates.

Write ‘**0**’ at **J** item **A1** on your tax return. Then *print* the code letter **A** in the **TYPE** box ☐ at the right of **J**. This is all you have to do at this question. *Go to* question **A2**.

Step 1 *Add up* the following excepted income that you have shown on your tax return. Although you will be showing this income twice, you will not be taxed twice.

- 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 under a will or intestacy, or because of family breakdown
- 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 above
- income from investment of any of the amounts listed above.

NOTE

If you received a distribution from a trust, read question **11** in *TaxPack 2000 supplement*, on pages s4–8.

Step 2 *Add up* all your allowable deductions that relate to the income from step 1. (See the Deductions section that starts on page 37.) *Take away* the total of those deductions from the total income from step 1.

Step 3 *Write* the amount from step 2 at **J** item **A1** on your tax return. Do not show cents. This is your excepted net income. If you do not have any of the income listed in step 1 or the amount from step 2 is zero, *write* ‘**0**’ at **J** item **A1** on your tax return.

Step 4 If you are turning 18 years of age between 1 July 2000 and 30 June 2001, *print* **N** in the **TYPE** box ☐ at the right of **J** item **A1**. If not, *print* **M** in the **TYPE** box ☐ at the right of **J** item **A1**.

The amount you have shown at **J** item **A1** will be taxed at ordinary rates.

QUESTION A2

Part-year tax-free threshold

In 1999–2000 did you:
- **stop full-time education for the first time**
- **become an Australian resident**
- **stop being an Australian resident?**

See page 8 of *TaxPack* for information on residency for tax purposes.

NO ☐ ▶ *Go to question **A3**.* YES ☐ ▼ *Read below.*

The Australian Taxation Office uses the following information to work out your tax-free threshold. If more than one part applies to you, ring the general enquiries helpline on the inside back cover of *TaxPack*.

PART A—Did you first stop full-time education in 1999–2000?

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

YOU NEED TO KNOW

NOTE

If you had income from a business that you carried on alone, a partnership or a trust, ring the general enquiries helpline on the inside back cover of *TaxPack*.

You stopped full-time education if:
– at any time during 1999–2000 you were in a course of full-time education at a school, college, university or similar institution and
– you were not in a course of full-time education on 30 June 2000 and
– in the case where you stopped full-time education between 1 March 2000 and 30 June 2000, you did not begin another course of full-time education within 4 months of stopping the earlier one.

Your income is separated into these categories:
- salary or wages—also includes amounts you have shown at item **5**
- non-salary and wage income—for example, dividends, interest and rent
- earnings from your own business, as a partner in a partnership or as a beneficiary of a trust.

Step 1 *Write* the **number of months** from when you stopped full-time education to 30 June 2000—counting the month you stopped—at **N** item **A2** on your tax return. For example, if you stopped full-time education on 19 November 1999, the number of months you would show on your tax return would be 8 (November 1999 to June 2000).

Step 2 *Work out* your net income earned while you were a full-time student. The example on the next page shows you how to work out this amount. The amount is made up of:
- your net salary and wage income earned while you were a full-time student AND
- the proportion of your net non-salary and wage income for the year earned while you were a full-time student.

Calculate net non-salary and wage income separately.

Step 3 *Write* all of your net income earned while you were a full-time student at **O** item **A2**. Do not show cents.

Check that you have . . .

For part A

✓ written the number of months from when you stopped being a full-time student
✓ written all of your net income earned while a full-time student in 1999–2000.

PART A EXAMPLE

1. TAXPAYER WITH SALARY AND WAGE INCOME—Sally was a full-time student for 95 days during 1999–2000. During that period she also worked part time.

Sally's income from salary or wages during her period of full-time study	$750
Deductions relating to this salary and wage income Do not include tax taken out of salary and wage income.	$90
Sally's net salary and wage income—assessable income less deductions	$660

2. TAXPAYER WITH NON-SALARY AND WAGE INCOME—Sally also received non-salary and wage income from interest.

Non-salary and wage income Sally earned during 1999–2000	$120
Deductions relating to this income	$20
Sally's net non-salary and wage income	$100
The number of days during Sally's study period	95
Multiply Sally's net income by the number of days above—$100 ✕ 95.	$9500
Number of days in 1999–2000	366
Divide by the number of days in 1999–2000—*divide* 9500 by 366.	$26

The $26 is Sally's net non-salary and wage income for the period of full-time study.

CAUTION

If your residency changed during 1999–2000 and you showed income at item **5** or **6** on your tax return, you may not have a part-year tax-free threshold. Ring the general enquiries helpline on the inside back cover of *TaxPack*.

SUMMARY OF EXAMPLE

AMOUNT TO BE SHOWN AT O ITEM A2

Net salary and wage income—see part 1 of example	$660
Net non-salary and wage income—see part 2 of example	$26
Amount Sally needs to show at O item **A2** on her tax return	$686

PART B—Did you become an Australian resident in 1999–2000?

If you are unsure read **Are you an Australian resident?** on page 8.

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

Step 1 *Write* the date you became an Australian resident for tax purposes in the **Date** box at item **A2** on your tax return.

Step 2 *Write* the **number of months** that you lived in Australia in 1999–2000—counting the month you started to live here—at N item **A2** on your tax return.

PART C—Did you stop being an Australian resident in 1999–2000?

If you are unsure read **Are you an Australian resident?** on page 8.

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

Step 1 *Write* the date you stopped being an Australian resident for tax purposes in the **Date** box at item **A2** on your tax return.

Step 2 *Write* the **number of months** from 1 July 1999 to when you left Australia—counting the month you left Australia—at N item **A2** on your tax return.

Check that you have . . .

For part B
- ✓ written in the **Date** box the date you became an Australian resident
- ✓ written the number of months that you lived in Australia in 1999–2000.

For part C
- ✓ written in the **Date** box the date you left Australia
- ✓ written the number of months from 1 July 1999 to when you left Australia.

QUESTION A3 Amount on which family trust distribution tax has been paid

Did a trust, company or partnership distribute anything to you for 1999–2000 on which family trust distribution tax has been paid?

Distributions on which family trust distribution tax is payable may include:
- income or property from a trust or partnership
- dividends or property from a company
- the use of property owned by the trust, partnership or company for which you have not paid full value, such as the free use of a holiday house.

The trust, partnership or company should be able to tell you if family trust distribution tax has been paid on a distribution to you.

NO ☐ ▶ *Go to question **A4**.* YES ☐ ▼ *Read below.*

YOU NEED TO KNOW

Family trust distribution tax is payable on any distribution made to a person outside a 'family group' by a trust which has elected to be a family trust or by a trust, partnership or company which has elected to be included in the family group of a family trust.

To the extent that family trust distribution tax has been paid on a distribution to you, the part of that distribution that is included in your assessable income is reduced proportionately. However, any part of the distribution that would have been included in your assessable income if family trust distribution tax had not been paid—reduced by any expenses that would have been deductible against it—is taken into account in determining your liability for the Medicare levy surcharge. This is the amount that would be shown at this question.

EXAMPLE

During 1999–2000 the Jones family trust distributed $1000 to Sharon. The Jones family trust had elected to be a family trust from before the time the distribution was made but, because Sharon is not a member of the family group of the Jones family trust, family trust distribution tax is payable on the $1000 distribution. This was paid in full by the trustee of the Jones family trust.

As a result, Sharon does not include in her assessable income any part of the $1000 distribution. However, had family trust distribution tax **not** been paid, Sharon would have had to include in her assessable income any part of the distribution that was assessable.

COMPLETING THIS QUESTION

Step 1 *Add up* the amounts or value of all distributions to you by a trust, partnership or company during 1999–2000 which would have been assessable income if family trust distribution tax had not been paid.

Step 2 *Add up* any expenses which you would have been able to claim as a deduction if the distributions had been included in your assessable income.

Step 3 *Take away* your step 2 amount, if any, from your step 1 amount.

Step 4 *Write* the amount from step 3 at X item **A3** on your tax return. Do not show cents.

If the amount from step 3 is zero or less than zero do not write anything on your tax return. You have finished this question.

QUESTION A4

Amount on which ultimate beneficiary non-disclosure tax was payable

Did you receive a distribution of income from a trust on which the trustee was liable for ultimate beneficiary non-disclosure tax?

The trustee should be able to tell you if ultimate beneficiary non-disclosure tax was payable on a distribution made to you.

NO ☐ ▶ *Go to question **A5**.* YES ☐ ▼ *Read below.*

YOU NEED TO KNOW

Ultimate beneficiary non-disclosure tax is payable by the trustee of a closely held trust where net income of the trust is distributed to another trust and the trustee does not or cannot disclose to the Australian Taxation Office the name and certain other details about the person or persons who are ultimately entitled to that income.

Any trust distribution you show on your tax return that has ultimate beneficiary non-disclosure tax payable on it is not included in your assessable income and you do not pay income tax, Medicare levy or Medicare levy surcharge on it. However the distribution is taken into account in determining your liability for superannuation contributions surcharge.

Any distribution that you show at this item on your tax return can be reduced by expenses you would have been able to claim as a deduction if the distribution had been included in your assessable income.

WHAT YOU NEED

- a statement or advice from the trustee showing any distribution on which the trustee was liable for ultimate beneficiary non-disclosure tax
- details of any deductions you could have claimed against that distribution.

COMPLETING THIS QUESTION

Step 1 *Add up* all the trust distributions you received during 1999–2000 on which the trustee was liable for ultimate beneficiary non-disclosure tax.

Step 2 *Add up* any expenses which you would have been able to claim as a deduction for 1999–2000 if the trust distributions had been included in your assessable income.

Step 3 *Take away* your step 2 amount, if any, from your step 1 amount.

Step 4 *Write* the amount from step 3 at **Z** item **A4** on your tax return. Do not show cents.

If the amount from step 3 is zero or less than zero, do not write anything on your tax return. You have completed this question.

QUESTION A5 Family tax assistance

Were you an Australian resident and did you care for a dependent child under 18 years of age at any time during the period from 1 July 1999 to 30 June 2000?

NO ☐ ▶ *You cannot claim family tax assistance (FTA).* *Go to **Is your tax return complete?** on page 114.*

YES ☐ ▼ *Read below.*

CAUTION

If you or any person in your household has received family tax payment in full from Centrelink you cannot claim family tax assistance.

Did any person in your household receive family tax payment (FTP) IN FULL from Centrelink for ALL your dependent children from 1 July 1999 to 30 June 2000?

The maximum FTP for a full year is $200 per child for Part A and $500 in total for Part B.

NO ☐ ▼ *Read below.*

YES ☐ ▶ *You cannot claim FTA.* *Go to **Is your tax return complete?** on page 114.*

YOU NEED TO KNOW

Depending on your answers to the questions above (eligibility tests), you may be able to claim FTA. It is important to remember that usually only one member of your household can claim either FTA from the Australian Taxation Office or FTP from Centrelink. To claim, you and your dependent children must also be residents of Australia.

FTA is split into Part A benefit and Part B benefit. Part A benefit is a maximum of $1000 increase in your tax-free threshold, which means you pay $200 less tax, for each eligible child. Part B benefit is a maximum of $2500 increase in your tax-free threshold, which means you pay $500 less tax if you have at least one eligible child under 5 years of age. Income tests apply to determine if you are eligible for Part A benefit, Part B benefit, or both.

Read below to find out if you can claim.

Important information

Before you begin, it is important for you to understand the following terms:

Dependent child

A child was your dependant for FTA purposes if all of the following apply:

- The child was an Australian resident.
- You contributed to the maintenance of the child—explained in the section **What is maintaining a dependant?** on page 69.
- The child was either:
  - under the age of 16 or
  - aged 16 or 17 and in full-time secondary education.
- The child's taxable income was less than the following relevant income limit.

DEPENDENT CHILD INCOME LIMITS

Age of dependent child	*Annual income limit*	*Daily income limit*
under 16 years in 1999–2000 and in full-time education for at least 1 full day in 1999–2000	no limit	no limit
under 16 years in 1999–2000 and not in full-time education at any time in 1999–2000	$6685	$18.27
16 or 17 years in 1999–2000 and in full-time secondary education	$7045*	$19.25*

* In working out these limits *exclude* income from youth allowance paid to full-time students, ABSTUDY, Veterans' Children Education Scheme or Assistance for Isolated Children Scheme.

Household
A household consists of all the people, other than dependent children, who ordinarily live together.

Spouse
A spouse includes a de facto spouse but does not include a person from whom you are permanently separated.

Spouse's taxable income
Taxable income of your spouse includes any net income of a trust estate to which your spouse is presently entitled and on which a trustee is assessed under section 98 of the *Income Tax Assessment Act 1936*.

Main earner
If your dependent child was also a dependent child of your spouse, who ordinarily lived with you, the main earner is either you or your spouse, whoever has the higher taxable income for 1999–2000. Otherwise, the main earner is always yourself.

Patterns of care
You may have different patterns for different dependent children.

Full care
You had full care for a period if during that period you did not share the care of your child with a person from another household—for example, a former spouse.

Shared care
You had shared care of a dependent child if you and a person from another household had the care of the child on different nights during the year. Short absences of the child such as visits by the child to friends or relatives, school or holiday camps are not periods of shared care. Shared care usually occurs because a couple have separated and they alternately care for the child under a shared custody arrangement.

Single period of shared care
This is a period of shared care during 1999–2000 which is not a multiple period of shared care. See 2, 3, 4 or 5 in the PATTERN OF CARE DURING 1999–2000 table on the next page.

Multiple periods of shared care
If a period of shared care stops because you started full care and subsequently a new period of shared care starts, you are considered to have had multiple periods of shared care.

PATTERN OF CARE DURING 1999–2000

Pattern during year	*Type*
1 full care only	full
2 shared care only	single period of shared care
3 full care followed by shared care only	single period of shared care
4 shared care followed by full care only	single period of shared care
5 full care then shared care then full care only	single period of shared care
6 shared care then full care then shared care	multiple periods of shared care

30 per cent test (applies to each child)

For any period of shared care, you need to have provided care for the child for at least 30 per cent of the nights in the period. (This averages 3 nights per week or 5 nights per fortnight.) If you do not meet this test for the child in any period of shared care, you cannot claim for that child for that period.

If you had full care of a child with or without a period of shared care during 1999–2000, you may be eligible to claim family tax assistance (FTA).

If you had only shared care for all of your children during 1999–2000, with no full care, you cannot claim FTA unless you met the 30 per cent test above for at least one child during 1999–2000.

PART A BENEFIT

You are eligible to claim the Part A benefit for a child if:

- your child was a dependent child for FTA purposes during 1999–2000 (see page 107) AND
- providing you did not have full care of the child for any period during 1999–2000, you met the 30 per cent test above for the child in 1999–2000 AND
- you or another person in your household did not receive family tax payment Part A in full for the child AND
- you met the income test below.

The combined taxable income of you and your spouse must be below:

- $70 000 if you have one dependent child or
- $70 000 plus $3000 for each additional dependent child you had in 1999–2000 after the first child.

Include your spouse's taxable income in the income test only if you had a spouse on 30 June 2000.

If a child aged 16 or over left full-time secondary education, or turned 18 during 1999–2000, a part-year claim applies as they are no longer a dependant for FTA. Income earned when they are no longer a dependant is not included in the income limit. Use the applicable *Daily income limit* from the table on page 108 for the time they were a dependant.

EXAMPLE—PART A BENEFIT

Terry and Maria are married and have cared for their 12-year old son, Barry, for the full year. Terry's taxable income was $26 000 and Maria's was $31 000. Barry is a full-time student under 16, so no income tests apply to him. No family tax payment has been received.

Terry and Maria are able to claim Part A benefit for their son because their combined taxable income is less than $70 000. Terry and Maria signed a family agreement for Terry to claim the full amount. Terry will receive a $1000 increase in his tax-free threshold under Part A benefit, which will reduce his tax by $200.

PART B BENEFIT

You are eligible to claim the Part B benefit if:

- you are the main earner (see page 108) AND
- you had a dependent child for family tax assistance (FTA) purposes (see page 107) who was under 5 at any time in 1999–2000 AND
- you or another person in your household did not receive the maximum family tax payment Part B of $500 AND
- you met the income test below AND
- providing you had a spouse on 30 June 2000, their taxable income was below $4651* AND
- providing you did not have full care of the child for any period during 1999–2000, you met the 30 per cent test on page 109 for the child in 1999–2000.

Your taxable income for 1999–2000 must be below:

- $65 000 if you had one dependent child or
- $65 000 plus $3000 for each additional dependent child you had in 1999–2000 after the first child. Include all dependent children, not only those under 5 years of age.

EXAMPLE—PART B BENEFIT

Daryl and Nikki live in a de facto relationship and have cared for their 3 children—Christina aged 2, William aged 4 and Josh aged 10—for the full year. Daryl had a taxable income of $4000 and Nikki had a taxable income of $55 000. Christina and William did not earn income from any means during the year, and Josh is a full-time student under 16, so no income tests apply to him. No family tax payment has been received.

Nikki is able to claim Part A benefit because their combined taxable income was less than $76 000. This will be a $3000 increase in Nikki's tax-free threshold, and will reduce her tax by $600. She can also claim Part B benefit because her income was below the main earner's income limit of $71 000, she had at least one dependent child under 5 years of age, and because Daryl's income was below $4651. This will be a $2500 increase in Nikki's tax-free threshold which will reduce her tax by a further $500. No family agreement is necessary between Daryl and Nikki because Nikki is the main earner.

If you met the Part B tests, you can claim the Part B benefit. *Go to* **Claiming your benefit**.

If you did NOT meet the Part B tests, but you met the Part A tests on page 109 and you can therefore claim the Part A benefit, *go to* FAMILY AGREEMENT.

FAMILY AGREEMENT

You do NOT need to read this section if either of the following applies to you:

- you are entitled to claim the Part B benefit—in this case the main earner claims any entitlement to both Part A and Part B benefits OR
- the child was not a dependent child (see page 107) of any other person in your household at any time between 1 July 1999 and 30 June 2000.

If the above applies to you, *go to* **Claiming your benefit**. Otherwise, *read on*.

You can make a family agreement if your child was a dependent child of both you and other persons in your household at any time during 1999–2000—for example, if you lived with your spouse and both of you are entitled to claim Part A benefit for your dependent children.

* This income test excludes any amount of Commonwealth of Australia government pension, allowance or payment which was included in your spouse's assessable income—see questions **5** and **6** for a list of these pensions, allowances and payments.

A family agreement is an agreement between you and the other carer(s) of your dependent children who were in your household stating who will claim the family tax assistance (FTA) benefit. A new agreement is required each year.

If you choose not to make a family agreement, your children will be considered not to be dependent children of you, your spouse or the other carer(s) in your household for the period you were in the same household. In that case, none of you will be able to claim FTA for them for that period.

A family agreement must be:
- made in writing
- made before anyone who was in your household and who is eligible to claim FTA for your children lodges their tax return
- signed by every person who was in your household and who is eligible to claim FTA for your children
- kept by one of the signatories for a period of 5 years from the date of the agreement—do not attach it to your tax return.

2000 FAMILY AGREEMENT

We Your name ______________________

Your spouse's or other carer's name(s) ______________________

hereby agree that—for family tax assistance (FTA) purposes—the child or children who were in our care will be treated as dependants of

Name of person claiming FTA ______________________

Signature of person claiming ______________________

Signature(s) of spouse or other carer(s) ______________________

____

Date / /

I am the spouse of the person claiming FTA. I have provided my tax file number to them for FTA purposes.

Signature of spouse ______________________

Date / /

If you make a 2000 FAMILY AGREEMENT agreeing that your dependent children will only be considered dependants of your spouse or another carer(s) who was in your household for all of 1999–2000, then you cannot claim any FTA for your children. Do not complete item **A5**. *Go to* **Is your tax return complete?** on page 114.

50/50 exception

If you did not make a family agreement and you separated permanently from your spouse or other carer between 1 July 1999 and 30 June 2000, you can claim half each of the Part A entitlement for when you lived together. If you separated permanently after 30 June 2000 and no family agreement can be made, you can claim half each of the Part A entitlement for when you lived together.

Claiming your benefit

WHAT YOU MAY NEED

- a family agreement
- any Centrelink statement of family tax payment received by you or anyone living with you who provided care for your children
- spouse details—including tax file number, date of birth, taxable income and any government payments included in your spouse's taxable income
- details of dependent children you can claim family tax assistance (FTA) for—including name and date of birth
- details of the number of nights you provided full care for your dependent children during 1999–2000.

If you provided shared care for your dependent children during 1999–2000, you will also need:

- details of the number of nights you provided care for your dependent children during any period of shared care
- details of the number of nights any other carer(s) provided care for your dependent children
- the publication *Family tax assistance: shared care during two or more periods of separation* if you had multiple periods of shared care during 1999–2000 (see page 108). To find out how to get this publication, see the inside back cover of *TaxPack*.

COMPLETING THIS QUESTION

You need to provide details in the table at item **A5** on your tax return for each of your dependent children for whom you are entitled to claim FTA. If you have more than 5 dependent children, you will need to provide separate details. *Print* SCHEDULE OF ADDITIONAL INFORMATION—QUESTION A5 on the top of a separate piece of paper. Include your name, address, tax file number and the details for the extra dependent children.

Complete steps 1 to 5 for each eligible child.

Step 1 *Print* the name of the child and their date of birth at **A** item **A5** on your tax return.

Step 2 If you had multiple periods of shared care in 1999–2000 for the child (see page 108), *go to* step 5.

Step 3 *Write* at **B** the number of nights you provided full care for the child during 1999–2000.

If your child was your dependent child for only part of the year, then only write at **B** the number of nights you provided full care for the child when they were a dependent child. For example:

- If your child was born during 1999–2000, *write* at **B** the number of nights you provided full care for the child since its birth.
- If your child was under 16 during the whole of 1999–2000 but became a non-resident during the year, *write* at **B** the number of nights you provided full care for the child while the child was a resident.
- If your child was in full-time secondary education and turned 16 during 1999–2000, and did not satisfy the applicable dependent child income limit after they turned 16, *write* at **B** the number of nights you provided full care for the child before the child turned 16.

If the 50/50 exception on page 111 applies to you in relation to a night of care you provided during a period of full care, you must divide by 2 the number of nights of care you provided while you lived together with your spouse or other carer.

If you did not share care of that child at any time during 1999–2000, *go to* step 6.

Step 4

For the period you shared care, *write* the number of nights you provided care for the child at **C** and the number of nights the other carer provided care at **D**. The total number of nights that care was provided for a child cannot be more than 366.

Do not include in the number you write at **C** or **D** any night when your child was no longer a dependent child. See step 3 for examples.

If the 50/50 exception on page 111 applies to you in relation to a night of care you provided during a period of shared care, you must divide by 2 the number of nights of care you provided while you lived together with your spouse or other carer.

Go to step 6.

Step 5

Write at **E** the number of nights you worked out after reading *Family tax assistance: shared care during two or more periods of separation*.

Step 6

Make sure you have completed steps 1 to 5 for each eligible child.

Step 7

Write at **F** the maximum number of dependent children you cared for at any one time during 1999–2000.

Step 8

If you had one or more dependent children under 5 years of age in 1999–2000, *write* at **G** the number of nights you provided care for these children whilst they were under 5 years of age—maximum 366. Do not count any night you provided care during a period of shared care for which you have not met the 30 per cent test on page 109. If you had more than one child under 5 years of age during 1999–2000, do not count the same night more than once.

Step 9

Write at **H** the amount of any family tax payment (FTP) Part A received by you, your spouse or another person living with you for the dependent children for whom you are claiming family tax assistance (FTA).

Write at **I** the amount of any FTP Part B received.

Step 10

If you did NOT have a spouse during 1999–2000, *go to* step 12.

Step 11

If you had a spouse during 1999–2000 you must also complete **Spouse details—married or de facto** on page 7 of your tax return. Provide the relevant spouse information at **J** to **N**. If you had a spouse on 30 June 2000, *write* your spouse's taxable income at **O**; your spouse's share of trust income on which the trustee is assessed under section 98 and which has not been included in spouse's taxable income, at **T**; and the amount of government payments included in your spouse's taxable income at **P**. If these amounts are zero, *write* '**0**'.

You must also complete **Your spouse's name** on page 1 of your tax return.

Step 12

If you have completed a separate schedule where you have more than 5 children eligible for FTA, *print* **X** in the YES box at *Taxpayer's declaration* question 2a on page 8 of your tax return. *Sign* and *attach* your schedule to page 3 of your tax return.

NOTE

Are you claiming FTA through reduced tax instalments from your salary or wages?

On 1 July 2000 FTA was replaced with family tax benefit. If you are having your tax instalments reduced for FTA you must complete a *Withholding declaration* for your payer so any relevant changes can be made.

You have now completed this question. The Australian Taxation Office will work out the amount of FTA you are entitled to. If you would like to work it out yourself, see pages 123–5. Otherwise, *go to* **Is your tax return complete?** on page 114.

INFORMATION

Is your tax return complete — pages 1–8?

Use this checklist to make sure your tax return is complete before you lodge it with the Australian Taxation Office. See page 130 for where to lodge your tax return. Please use the envelope provided with your *TaxPack*.

Check that you have . . .

✓ written your tax file number at the top of page 1 of your tax return

✓ filled in all your personal details—including your spouse's name (if you had a spouse)— on page 1 of your tax return

✓ filled in the appropriate details on page 1 of your tax return if you want to have your refund paid directly into your financial institution account

✓ filled in the small boxes—if you were asked to do so—at items **6**, **D1**, **D3**, **D4**, **D7**, **R1**, **R2**, **R3**, **R4**, **M1** and **A1**

✓ completed item **M2**—this is compulsory for all taxpayers

✓ if required, completed pages 9–12 of the tax return and worked through the checklist on page s63 in *TaxPack 2000 supplement*

✓ written totals at:

TOTAL TAX INSTALMENTS DEDUCTED

TOTAL INCOME OR LOSS

TOTAL DEDUCTIONS

SUBTOTAL

TAXABLE INCOME OR LOSS

TOTAL REBATES/TAX OFFSETS

✓ attached to the top left-hand corner of page 3 of your tax return copies of:
- all group certificates, including any ETP group certificates
- any income tax credit vouchers
- all statements or letters from your employers that detail income and tax instalments deducted
- any statutory declarations required
- all statements or letters of pensions, allowances or payments
- all letters, statements or RBL determinations relating to eligible termination payments
- other attachments as instructed by any section or question in *TaxPack 2000*

✓ completed **Spouse details—married or de facto** on page 7 of your tax return if you were required to

✓ read, completed, signed and dated the *Taxpayer's declaration* on page 8 of your tax return

✓ if required, attached pages 9–12 of your tax return to the top right-hand corner of page 8

✓ kept copies of your tax return, all attachments and relevant papers for your own records. Where you are required to keep written evidence, you must keep it for 5 years from 31 October or, if you lodge your tax return later, for 5 years from the date you lodge your tax return.

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

We will work out your tax refund or tax debt and the amount of Medicare levy you have to pay. If you want to work out these amounts yourself, go to page 116.

If you are entitled to a tax refund, any outstanding taxation or child support amounts may be deducted from it.

Our current standards for processing most tax returns are 6 weeks for ordinary tax returns or 2 weeks for tax returns lodged through the *TAX*PACK*EXPRESS* service.

To allow for time in the mail, please wait 7 weeks for ordinary tax returns or 3 weeks for *TAX*PACK*EXPRESS* tax returns before ringing. After that time you can ring 13 2863 to check on our progress with your tax return.

To help you know when to expect your assessment write the date you lodged your tax return here:	/ /

How your tax is worked out

INFORMATION

How your tax is worked out

TaxPack questions **1** to **10** and *TaxPack supplement* questions **11** to **19** help you to work out what income you need to declare for tax purposes. You show your total income at TOTAL INCOME OR LOSS on your tax return.

Income

MINUS

TaxPack questions **D1** to **D9** and *TaxPack supplement* questions **D11** to **D14** help you to claim your deductions. You show the total at TOTAL DEDUCTIONS and any tax losses of earlier income years at **D10** on your tax return.

Allowable deductions

EQUALS

You show your taxable income at TAXABLE INCOME OR LOSS on your tax return.

Taxable income

This amount is based on your taxable income after taking account of your tax-free threshold—explained at page 117. Your threshold increases if you are eligible for family tax assistance—question **A5** helps you to work out whether you are eligible.

The information you provide in your tax return lets us work out your tax-free threshold and your gross tax. Pages 117–29 show you how to work these out, if you want to.

Tax on taxable income

MINUS

TaxPack questions **R1** to **R5** and *TaxPack supplement* questions **R6** to **R11** help you to work out your rebates/tax offsets. You show your total rebates/tax offsets at TOTAL REBATES/TAX OFFSETS on your tax return.

Generally rebates/tax offsets can only reduce the amount of tax you pay to zero. If the total of your rebates/tax offsets exceeds the tax on your taxable income, the excess is not refunded to you and cannot be used to reduce any other liability. The 30% private health insurance rebate—see question **R5**—and the landcare and water facility tax offset—see question **R10**—are exceptions. Any amount shown at item **R5** should be included in the amount for **Tax credits** below. If you are entitled to a low income, low income aged person, beneficiary or pensioner rebate/tax offset, we work it out for you.

Rebates/tax offsets

EQUALS

Net tax payable

PLUS

If you have to repay a Higher Education Contribution Scheme (HECS) debt or Student Financial Supplement Scheme (SFSS) debt, we work out your repayment. Your HECS debt repayment is based on your HECS repayment income, which is your taxable income plus total reportable fringe benefits amounts plus any net rental losses. Your SFSS debt repayment is based on your taxable income. Pages 120–1 show you how to work these out, if you want to.

Any HECS and SFSS liability

PLUS

TaxPack question **M1** tells you if you are exempt from some or all of the Medicare levy. Pages 127–9 show you how to work this out, if you want to.

TaxPack question **M2** tells you if you are liable for a Medicare levy surcharge. Page 129 shows you how to work this out, if you want to.

Medicare levy and surcharge

MINUS

This is all credits available to you—including the 30% private health insurance rebate from item **R5** and any amounts of tax you paid during the year—including any amounts deducted by your employer for HECS or the Medicare levy.

Tax credits

EQUALS

This will be shown on your notice of assessment. Your entitlement to a refund may be affected by any outstanding liabilities to the Australian Taxation Office or Child Support Agency. These amounts will appear on your notice of assessment as 'Other amounts payable'.

Refund or amount owing

What you need to know before you can work out your tax refund or tax debt

You do not have to work out your tax refund or tax debt. We will work it out from the information you provide in your tax return and advise you of the result in your notice of assessment.

If you do want to work out your tax refund or tax debt for your own purposes, we show you how on the following pages.

There are some situations where we cannot show you how to work out your tax refund or tax debt because the nature of the calculation is too complex to explain in *TaxPack*.

These situations include where you:
- had income subject to capital gains tax
- had an eligible termination payment
- are entitled to use your spouse's unused pensioner or low income aged person rebate
- had a lump sum payment in arrears
- had a lump sum payment because you retired or finished working in a job
- were under 18 years and earned more than $643 in interest, dividends or other investment income
- received credit for any tax paid by a trustee
- had exempt foreign employment income
- had income that was subject to averaging
- had film industry investment deductions.

Working out your tax refund or tax debt

To do this you need to work out:
- your tax-free threshold—part A
- the tax on your taxable income—part B
- your low income taxpayer rebate, if any—part C
- your Medicare levy amount (including any surcharge), or reduction or exemption amount—part D
- your Higher Education Contribution Scheme repayment amount, if any—part E
- your Student Financial Supplement Scheme repayment amount, if any—part F.

PART A—Tax-free threshold

To work out the tax on your taxable income you need to know your **tax-free threshold**. This is the amount of income you can earn before tax must be paid.

For most people the tax-free threshold is $5400.

A **higher amount** will apply if you were eligible for family tax assistance—question **A5**. We show you how to work out your higher tax-free threshold at **Family tax assistance calculation** on pages 123–5.

A **lower amount**—part-year tax-free threshold—may apply if you answered YES to question **A2**. Question **A2** applies if you:

(i) stopped full-time education for the first time in 1999–2000

(ii) became an Australian resident during 1999–2000

(iii) stopped being an Australian resident during 1999–2000.

If category (ii) or (iii) applies to you and you showed income at items **5** or **6**, you may not have a part-year tax-free threshold—ring the general enquiries helpline on the inside back cover of *TaxPack* for help.

If more than one category applies to you, ring the general enquiries helpline on the inside back cover of *TaxPack* for help.

Otherwise, work out if you have a part-year tax-free threshold. The following steps will help you to do this.

(i)—You stopped full-time education for the first time in 1999–2000

Step 1

Work out the number of months in 1999–2000 that you were not in full-time education. Include the month that you stopped full-time education.

Step 2

Multiply the number of months by $450.

Step 3

Add the amount you wrote at O item **A2** on your tax return to your step 2 amount.

Step 4

If the amount you worked out at step 3 is less than $5400, the amount you worked out is your part-year tax-free threshold. If the total is $5400 or more, then a part-year tax-free threshold does not apply and your tax-free threshold is $5400.

(ii) and (iii)—You became or stopped being an Australian resident during 1999–2000

Step 1

Work out the number of months in 1999–2000 that you lived in Australia. Include the month that you started to live here or stopped living here.

Step 2

Multiply the number of months by $450. The result is your part-year tax-free threshold.

If you were a non-resident for the full year you are not entitled to a tax-free threshold.

PART B—Tax on taxable income

To work out the tax on your taxable income follow the table that applies to you.

If you were a resident for the full year, not eligible for family tax assistance and you are entitled to a $5400 tax-free threshold, use TABLE 1.

If you were a non-resident for the full year you are not entitled to a tax-free threshold; use TABLE 2.

Otherwise, *go to* WHERE TAX-FREE THRESHOLD IS ADJUSTED on this page.

TABLE 1 RESIDENT FOR FULL YEAR

Taxable income	*Tax on this income*
$1–$5400	Nil
$5401–$20 700	20 cents for each $1 over $5400
$20 701–$38 000	$3060 + 34 cents for each $1 over $20 700
$38 001–$50 000	$8942 + 43 cents for each $1 over $38 000
$50 001 and over	$14 102 + 47 cents for each $1 over $50 000

Note: To work out your tax identify the income amount less than but nearest your taxable income and the tax on that income, and use at (b) and (c).

Tax on: $5400 is nil
$20 700 is $3060
$38 000 is $8942
$50 000 is $14 102

Example

Copy taxable income from TAXABLE INCOME OR LOSS on your tax return.	$ 25 682	(a)			
Tax on income amount less than but nearest your taxable income	$ 20 700	(b)	=	$3 060.00	(c)
Tax on remaining income: *Take* (b) away from (a).	$ 4 982	(d)			
Multiply (d) by tax rate.	$ 0.34		=	$1 693.88	(e)
Tax on your taxable income *Add* (c) and (e)			=	$4 753.88	

Go to WORKING OUT YOUR TAX—TABLE 1 OR 2.

TABLE 2 NON-RESIDENT FOR FULL YEAR

Taxable income	*Tax on this income*
$1–$20 700	29 cents for each $1
$20 701–$38 000	$6003 + 34 cents for each $1 over $20 700
$38 001–$50 000	$11 885 + 43 cents for each $1 over $38 000
$50 001 and over	$17 045 + 47 cents for each $1 over $50 000

Note: To work out your tax identify the income amount less than but nearest your taxable income and the tax on that income, and use at (b) and (c).

Tax on: $20 700 is $6003
$38 000 is $11 885
$50 000 is $17 045

Example

Copy taxable income from TAXABLE INCOME OR LOSS on your tax return.	$ 25 682	(a)			
Tax on income amount less than but nearest your taxable income	$ 20 700	(b)	=	$6 003.00	(c)
Tax on remaining income: *Take* (b) away from (a).	$ 4 982	(d)			
Multiply (d) by tax rate.	$ 0.34		=	$1 693.88	(e)
Tax on your taxable income *Add* (c) and (e)			=	$7 696.88	

Read on to work out your tax.

WORKING OUT YOUR TAX—TABLE 1 OR 2

Calculate your tax here

Copy taxable income from TAXABLE INCOME OR LOSS on your tax return.	$	(a)			
Tax on income amount less than but nearest your taxable income	$	(b)	=	$	(c)
Tax on remaining income: *Take* (b) away from (a).	$	(d)			
Multiply (d) by tax rate.	$		=	$	(e)
Tax on your taxable income *Add* (c) and (e)			=	$	

If you were an Australian resident in 1999–2000, *go to* part C.

If you were a non-resident of Australia in 1999–2000, *go to* part E.

WHERE TAX-FREE THRESHOLD IS ADJUSTED

Use TABLE 3 or TABLE 4 on the next page if:

- you are eligible for family tax assistance for all or part of the year. Your tax-free threshold **(T)** is the amount you worked out on page 125 or
- you have a part-year threshold and you are not eligible for family tax assistance. Your tax-free threshold **(T)** is the amount you worked out at part A on pages 117–18.

Write your tax-free threshold here. $ = **T**

Use TABLE 3 if your taxable income is $20 700 or less.

Use TABLE 4 if your taxable income is over $20 700.

TABLE 3 TAXABLE INCOME OF $20 700 OR LESS

Taxable income	*Tax on this income*
$1–**T**	Nil
T–$20 700	20 cents for each $1 over **T**

Working out your tax

Copy taxable income from TAXABLE INCOME OR LOSS on your tax return. $ (a)

T = $ (b)

Take (b) away from (a). $ (c)

Tax on your taxable income *Multiply* (c) by tax rate of 20 cents (0.20) = $

Now *go to* part C.

TABLE 4 TAXABLE INCOME OVER $20 700

In this table you will first need to work out **S**.

S = ($20 700 minus **T**) × 0.20 = $

S is the tax you would pay on $20 700.

Taxable income	*Tax on this income*
$20 701–$38 000	**S** + 34 cents for each $1 over $20 700
$38 001–$50 000	**S** + $5882 + 43 cents for each $1 over $38 000
$50 001 and over	**S** + $11 042 + 47 cents for each $1 over $50 000

Note: To work out your tax identify the income amount less than but nearest your taxable income and the tax on that income, and use at (b), (c) and (d).

Tax on: $20 700 is S
$38 000 is S + $5882
$50 000 is S + $11 042

Example

Assume **T** = $3850
S = ($20 700 − $3850) × 0.20 = $3370.00

Copy taxable income from TAXABLE INCOME OR LOSS on your tax return. $ 38 544 (a)

Tax on income amount less than but nearest your taxable income $ 38 000 (b) = **S** $3 370.00 (c)

+ $5 882.00 (d)

Tax on remaining income: *Take* (b) away from (a). $ 544 (e)

Multiply (e) by tax rate. $ 0.43 = $ 233.92 (f)

Tax on your taxable income *Add* (c), (d) and (f) = $9 485.92

Working out your tax

Copy taxable income from TAXABLE INCOME OR LOSS on your tax return. $ (a)

Tax on income amount less than but nearest your taxable income $ (b) = **S** $ (c)

+ $ (d)

Tax on remaining income: *Take* (b) away from (a). $ (e)

Multiply (e) by tax rate. $ = $

Tax on your taxable income *Add* (c), (d) and (f) = $ (f)

Read on.

PART C—Low income rebate (also called tax offset)

If your taxable income is $24 450 or more, you are not entitled to the rebate. *Go to* part D.

If your taxable income is $20 700 or less, you are entitled to the maximum rebate of $150. The rebate reduces by 4 cents for each dollar of taxable income over $20 700.

Use the worksheet to work out your rebate if your taxable income is more than $20 700 but less than $24 450.

WORKSHEET

Maximum rebate	(a)	$	150
Write your taxable income here.	(b)	$	
Threshold at which rebate reduces	(c)	$	20 700
Take (c) away from (b).	(d)	$	
Divide (d) by 100.	(e)	$	
Multiply (e) by 4.	(f)	$	
Take (f) away from (a).	(g)	$	

The amount at (g) is the rebate you are entitled to. You can use the amount at (g) when you work out your tax refund or tax debt on page 122.

Do not write the amount at (g) anywhere on your tax return. We will work out your low income rebate and make sure it reduces your tax.

PART D—Medicare levy, including reduction, exemption or surcharge

You do not pay any Medicare levy if your taxable income is $13 550 or less. If your taxable income is:

- more than $13 550 but less than $14 649, your Medicare levy is 20 cents for every dollar above $13 550
- $14 649 or more, your Medicare levy is 1.5 per cent of your taxable income.

If you have claimed a Medicare levy reduction or exemption, you can work out your reduced Medicare levy on pages 127–9.

If you are liable to pay the Medicare levy surcharge, you can work it out on page 129. Remember, the surcharge is in addition to the Medicare levy you pay.

PART E—Higher Education Contribution Scheme repayment amount

You do not have to repay any money towards your outstanding Higher Education Contribution Scheme (HECS) debt if:

- you are entitled to a reduction of $1 or more from the Medicare levy due to low family income. Question **M1** part B on pages 92–3 shows you how to work out if you qualify for a reduction OR
- your HECS repayment income is less than $21 984. HECS repayment income is your taxable income plus total reportable fringe benefits amounts at item **8** on your tax return plus any net rental losses at item **17** on your tax return .

Step 1 *Read* the table to find out the rate that applies to you.

HECS RATES TABLE

HECS repayment income	*Repayment rate % of HECS repayment income*
Below $21 984	Nil
$21 984 – $23 183	3%
$23 184 – $24 982	3.5%
$24 983 – $28 980	4%
$28 981 – $34 976	4.5%
$34 977 – $36 814	5%
$36 815 – $39 572	5.5%
$39 573 and above	6%

Step 2 *Multiply* your HECS repayment income by the rate from step 1. The result is your HECS repayment amount.

Use this amount when working out your tax refund or tax debt on page 122. Do not write this amount anywhere on your tax return.

PART F—Student Financial Supplement Scheme (SFSS) repayment amount

Only Financial Supplement Loans taken out in 1993, 1994 or 1995 are subject to compulsory repayment through the taxation system in the 1999–2000 income year.

You do not have to repay any money towards your outstanding SFSS debt if your taxable income is less than $31 127.

Your taxable income is the amount you show at TAXABLE INCOME OR LOSS on page 3 of your tax return.

Step 1 *Read* the following table to find out the rate that applies to you.

SFSS RATES TABLE

Taxable income	*Repayment rate % of taxable income*
Below $31 127	Nil
$31 127–$35 372	2%
$35 373–$49 523	3%
$49 524 and above	4%

Step 2 *Multiply* your taxable income by the rate from step 1.

The result is your SFSS repayment amount which will be shown on your notice of assessment as your financial supplement assessment debt.

Use this amount when working out your tax refund or tax debt on page 122. Do not write this amount anywhere on your tax return.

For more information concerning repaying your 1993, 1994 or 1995 Financial Supplement Loan, refer to the publication *How to repay Financial Supplement Loans*. To find out how to get this publication, see the inside back cover of *TaxPack*.

CALCULATIONS

Working out your tax refund or tax debt

The following steps will show you how to work out how much of a refund you will get or how much tax you will have to pay.

Items marked with * appear on the supplementary section of the tax return and do not apply if you did not need to complete that section.

Complete all the steps. If any of the amounts listed do not apply to you, write **'0'** in the appropriate box.

Step 1 Tax on taxable income

Transfer the amount of tax you worked out on page 118 or 119. **A**

Step 2 Rebates (also called tax offsets)

Total rebates claimed on page 4 of your tax return—*do not include your 30% private health insurance rebate—this is shown at step 9*

Pension or beneficiary rebate *from pages 125–6. If you have both, use the one that gives you the most.*

Franking rebate—*your imputation credit from items **10** or **11*** on your tax return*

Rebate on life assurance bonuses *from question **18*** on page s25*

Low income rebate *from part C on page 119*

***Add up* all your rebates.** **B**

Step 3 Tax payable

Take B away from A. *If the result is less than zero write '0' here.* **C**

Step 4 Medicare levy and Medicare levy surcharge

Medicare levy *from part D on page 120*

Medicare levy surcharge *from page 129*

***Add up* your Medicare levy related amounts.** **D**

Step 5 Total tax payable

***Add* C and D.** **E**

Step 6 Foreign tax credits

Foreign tax credits *from item **16*** on your tax return* **F**

Take F away from E. *If the result is less than zero write '0' here.* **G**

Step 7 HECS repayments and SFSS repayments

HECS repayments *from part E on page 120*

SFSS repayments *from part F on page 121*

***Add up* your HECS and SFSS repayments.** **H**

Step 8 ***Add* G and H.** **I**

Step 9 Credits and the refundable rebate

Total credits from group certificates *from TOTAL TAX INSTALMENTS DEDUCTED on your tax return*

Credits for TFN amounts withheld *from items **9**, **10** and **11*** on your tax return*

PPS and RPS credits—*from items **11*** and **12*** on your tax return*

Income tax credit vouchers *from items **11*** and **C1*** on your tax return*

Early payment interest credit *from item **C2*** on your tax return*

30% private health insurance rebate *from item **R5** on your tax return*

1999–2000 provisional tax paid *from your assessment notice*

***Add up* your credits and refundable rebate.** **J**

Step 10 Net tax payable

***Take* J away from I.** **K**

If **K** is negative (less than zero), this is the amount of **refund due to you**—excluding any other tax debts or child support payments. If **K** is positive (more than zero), this is the amount of **tax you have to pay**.

Family tax assistance (FTA) calculation

In the following calculations you will need to refer to your entries at item **A5** on your tax return.

PART A CALCULATION

The Part A increase to your tax-free threshold is $1000 for each FTA dependant whom you cared for for the whole of 1999–2000. If you cared for any of your dependants for less than the full year you need to work out the percentage of the year that you cared for each of them.

The following steps will show you how to work out the increase for each of your dependants.

Step 1 Examine your entries at item **A5** on your tax return for **each** of your eligible dependants.

If you have entered numbers for a dependant at **C** and **D** or at **B** and **C** and **D** on your tax return, *go to* step 2.

If you have entered a number for a dependant only at **B** or only at **E** on your tax return, *transfer* the number to COLUMN 2 of WORKSHEET 1. *Go to* step 4.

You should not have any other combinations of numbers for the dependant at **A5** on your tax return. If you have, re-check question **A5** at pages 107–13 of *TaxPack 2000*.

Step 2 *Use* WORKSHEET 2 to work out your percentage of care during the period of shared care. Do not round up the COLUMN 5 result.

Step 3 If any entry in COLUMN 5 of WORKSHEET 2 is less than 30 per cent you cannot claim Part A for that dependant for that period of shared care. *Transfer* only the number of nights you showed at **B**, if any, on your tax return for that dependant to COLUMN 2 of WORKSHEET 1. *Go to* step 4.

If the percentage is between 30 per cent and 70 per cent, *add* the number of nights that you showed at **C** on your tax return to the number of nights you showed at **B**, if any, for that dependant.

Write the result in COLUMN 2 of WORKSHEET 1 for that dependant. *Go to* step 4.

If the percentage is more than 70 per cent, *add* the number of nights that you showed at **C** and **D** on your tax return to the number you showed at **B**, if any, for that dependant.

Write the result in COLUMN 2 of WORKSHEET 1 for that dependant.

Step 4 *Repeat* steps 1 to 3 for each dependant. If you have more than 5 dependants use some notepaper to extend the worksheet(s). Then *go to* step 5.

Step 5 *Complete* COLUMN 3 of **WORKSHEET 1** for all your dependants.

Step 6 *Add* the values in COLUMN 3 of **WORKSHEET 1** to give amount **(a)**.

Enter amount **(b)** and calculate amounts **(c)** and **A**.

The amount at **A**, if positive, is the Part A increase to your tax-free threshold. If it is zero or negative it means that you or your spouse have already received Part A family tax benefits in full from Centrelink.

Step 7 If you cared for a dependant under 5 years of age *go to* **PART B CALCULATION** on the next page. Otherwise, *go to* **TOTAL TAX-FREE THRESHOLD CALCULATION** on the next page.

WORKSHEET 1—PART A CALCULATION

COLUMN 1 *Dependants shown at item **A5** on your tax return*	COLUMN 2 *Number of nights you cared for dependant*		COLUMN 3 *Part A amounts* $		
Dependant 1		× $1000 ÷ 366 =			
Dependant 2		× $1000 ÷ 366 =			
Dependant 3		× $1000 ÷ 366 =			
Dependant 4		× $1000 ÷ 366 =			
Dependant 5		× $1000 ÷ 366 =			
		Total =		**(a)**	
		Any amount shown at **H** item **A5** on your tax return		**(b)**	
		(b) × 5 =		**(c)**	
		Take **(c)** from **(a)**.		**A**	**Part A threshold increase**

WORKSHEET 2—PERCENTAGE OF CARE DURING A PERIOD OF SHARED CARE

COLUMN 1 *Name of any dependants for whom you showed a number at **C** and **D** on your tax return*	COLUMN 2 *Number of nights at **C** on your tax return*	COLUMN 3 *Number of nights at **D** on your tax return*	COLUMN 4 *Add* COLUMN 2 *to* COLUMN 3.	COLUMN 5 *Percentage of care Multiply* COLUMN 2 *by 100. Divide the result by* COLUMN 4. *Do not round up.*

PART B CALCULATION

The Part B increase to your tax-free threshold is $2500 if you cared for a child under the age of 5 for the whole of 1999–2000. If you cared for a child under 5 for only part of the year the value of the threshold increase is calculated according to the period of the year you provided care.

Step 1 *Transfer* the number of nights shown at **G** for a dependant under the age of 5 from item **A5** on your tax return to COLUMN 1 of WORKSHEET 3.

Step 2 If the number of nights is 366 enter $2500 at **(a)**. Otherwise, *calculate* amount **(a)**.

Step 3 *Enter* amount **(b)** and *calculate* amounts **(c)** and **B**. The amount at **B**, if positive, is the Part B increase to your tax-free threshold.

WORKSHEET 3—PART B CALCULATION

COLUMN 1 *Highest number of nights of care of dependants under 5*		COLUMN 2 *Part B amount* $		
	× $2500 ÷ 366 =		**(a)**	
Any amount shown at **I** item **A5** on your tax return			**(b)**	
	(b) × 5 =		**(c)**	
	Take **(c)** from **(a)**.		**B**	**Part B threshold increase**

TOTAL TAX-FREE THRESHOLD CALCULATION

Complete WORKSHEET 4. Your basic tax-free threshold at **(t)** is either $5400 or the amount you worked out at pages 117–18 in *TaxPack 2000* if you had a part-year tax-free threshold.

Total **T** is your total tax-free threshold. Use this amount at **T** in TABLE 3 or TABLE 4 on page 119 to work out the tax on your taxable income.

WORKSHEET 4—TOTAL TAX-FREE THRESHOLD

Basic tax-free threshold	$	**(t)**
Part A threshold increase from WORKSHEET 1	$	**A**
Part B threshold increase from WORKSHEET 3	$	**B**
Total tax-free threshold	$	**T**

Beneficiary rebate (from question 5)

HOW TO WORK OUT YOUR REBATE

Total amount of allowance or payment you received—from **A** item **5** on your tax return	(a)	$
Take $5400 away from (a)—If your tax-free threshold is lower than $5400, *take away* the lower amount from (a) to work out (b).	(b)	$
Multiply (b) by 20 and *divide* by 100.	(c)	$

This is your rebate on income up to $20 700. If the amount you have shown at (a) is more than $20 700, you are entitled to an additional 14 per cent rebate on the excess.

Do not write your rebate anywhere on your tax return.

Pensioner or low income aged person rebate (from question 6 or R3)

If you want to work out your rebate, you need to know your taxable income. This is the amount you will show at TAXABLE INCOME OR LOSS on page 3 of your tax return.

If you are single you will not get a rebate if your taxable income is equal to or more than $23 054 for Centrelink clients or $24 263 for Department of Veterans' Affairs (DVA) clients.

If you have a spouse and your taxable income is more than $18 140 for Centrelink clients or $19 167 for DVA clients you may still get a rebate because of a transfer of the unused portion of your spouse's pensioner or low income aged person rebate.

Do not write your rebate amount anywhere on your tax return.

Step 1

Find the rebate code letter that applies to you in the REBATE THRESHOLDS table. This is the code letter you showed at either item **6** if you are a pensioner or item **R3** if you claimed a low income aged person rebate.

Step 2

You may get up to the full rebate shown in COLUMN 3 if your taxable income is equal to or less than the amount in COLUMN 1 for your rebate code letter. If your taxable income is more than the amount in COLUMN 1 and less than the amount in COLUMN 2, use the HOW TO WORK OUT YOUR REBATE table below.

REBATE THRESHOLDS

Your pensioner code letter	*Your low income aged person code letter*	COLUMN 1 *You may get up to the full rebate if your taxable income is equal to or less than this amount*	COLUMN 2 *You will not get a rebate if your taxable income is equal to or more than this amount* [1]	COLUMN 3 *Maximum rebate*
S	**A**	$12 190	$23 054	$1358
A*, H	**B*, C**	$11 880	$22 248	$1296
M*, Q	**D*, E**	$10 300	$18 140	$980
B		$12 655	$24 263	$1451
C, E*		$12 330	$23 418	$1386
D, F*		$10 695	$19 167	$1059

[1] For the code letters with an asterisk you may still get a rebate because of a transfer of the unused portion of your spouse's pensioner or low income aged person rebate. The Australian Taxation Office will work it out for you.

HOW TO WORK OUT YOUR REBATE

Your taxable income	(a)	$
Income amount from COLUMN 1	(b)	$
Take (b) away from (a).	(c)	$
Your maximum rebate from COLUMN 3	(d)	$
Divide (c) by 8.	(e)	$
Take (e) from (d).		$
		This is your rebate.

The rebate you work out here will not include any unused portion of your spouse's pensioner or low income aged person rebate that we may transfer to you.

CALCULATIONS

Medicare levy reduction or exemption (from question M1)

If you want to work out your Medicare levy before you receive your notice of assessment, you can follow the steps below.

The amounts used in these calculations are contained in Medicare Levy Amendment (CPI Indexation) Bill 1999.

For the purposes of working out your Medicare levy, including any reduction or exemption, your taxable income excludes the amount of any post-June 1983 component of an eligible termination payment on which the maximum tax rate is zero.

Step 1 **Work out your basic levy**

If your taxable income is:

- $13 551 or more but less than $14 649, your levy is 20 cents for every dollar above $13 550.
  For example: the levy you pay on a taxable income of $13 761 is $42.20

  $$(\$13\,761 - \$13\,550) \times \frac{20}{100} = \$42.20$$

- $14 649 or more, your levy is 1.5 per cent of your taxable income.
  For example: the levy you pay on a taxable income of $14 700 is $220.50

  $$\$14\,700 \times \frac{1.5}{100} = \$220.50$$

Step 2 Did you claim for a reduction or exemption at question **M1**? If not, your Medicare levy is the amount you worked out at step 1. If you are claiming a reduction or exemption, *read on*.

Step 3 If you only completed part B of question **M1**, *go to* step 4.

If you completed part B and either of or both parts C and D, *go to* step 4.

If you completed part C, part D or both, *go to* step 6.

Step 4 **Work out your family income**

If you had a spouse on 30 June 2000, your family income is the combined taxable income of you and your spouse.

If you did not have a spouse on 30 June 2000 but you were entitled to a sole parent, housekeeper or child-housekeeper rebate, your family income is your taxable income.

Refer to the following table. If your family income is less than or equal to your relevant lower income limit for the number of dependent children and students you had, you do not pay a levy. If your family income is greater than your relevant lower limit but less than or equal to your relevant upper income limit, you pay a reduced levy.

FAMILY INCOME

Number of dependent children and students during 1999–2000	*Lower income limit*	*Upper income limit*
0	$22 865	$24 718
1	$24 965	$26 989
2	$27 065	$29 259
3	$29 165	$31 529
4	$31 265	$33 799

If you have more than 4 dependent children or students, you can extend this table. The lower income limit increases by $2100 for each additional child or student and the upper income limit increases by $2270 for each additional child or student.

The tables on the next page show you how to work out the amount of Medicare levy you pay. An example is presented and there is space left for your own calculations.

Example: Bill has 2 dependent children and had a spouse on 30 June 2000. His taxable income is $14 700 and his spouse's taxable income is $13 671—a family income of $28 371. This is between his family income limits.

Step 5 *Work out* your family reduction amount. You need to do this in 2 parts.

PART 1

		Bill		You
Family income	(a)	$28 371	(a)	
Lower limit from step 4	(b)	$27 065	(b)	
Take (b) away from (a).	(c)	$1306	(c)	
Multiply (b) by 1.5 and *divide* by 100.	(d)	$405.98	(d)	
Multiply (c) by 18.5 and divide by 100.	(e)	$241.61	(e)	
Take (e) away from (d) to get your family reduction amount.	(f)	$164.37	(f)	

If your spouse's taxable income is less than $13 551, *go to* step 6. If it is $13 551 or more, you will share the reduction amount as shown below.

PART 2

		Bill		You
Family reduction amount from (f)	(g)	$164.37	(g)	
Taxable income	(h)	$14 700	(h)	
Multiply (g) by (h).	(i)	$2 416 239	(i)	
Family income	(j)	$28 371	(j)	
Divide (i) by (j) to get your share of the family reduction amount.	(k)	$85.17	(k)	

Your family reduction amount is unlikely to be more than your basic levy. If it is, the difference is taken off the levy your spouse pays. Any excess family reduction amount your spouse has may be transferred to you.

Example: The levy Bill's spouse would pay is:

$$(\$13\,671 - \$13\,550) \times \frac{20}{100} = \$24.20$$

As it is less than Bill's spouse's share of the family reduction amount of $79.20 ($164.37 – $85.17), the balance of $55.00 ($79.20 – $24.20) can be transferred to Bill.

TRANSFER OF ANY EXCESS FROM SPOUSE

		Bill		You
Excess family reduction amount transferred from Bill's spouse	(l)	$55.00	(l)	
Add (k) and (l) to get your share of the family reduction amount.	(m)	$140.17	(m)	

Step 6

NET BASIC LEVY

		Bill		You
Basic levy from step 1	(n)	$220.50	(n)	
Family reduction amount if applicable—from (f), (k) or (m)	(o)	$140.17	(o)	
Take (o) away from (n) to get net basic levy.	(p)	$80.33	(p)	

If you did not complete either part C or part D of question **M1**, the amount of levy you have to pay is (p). If you completed one or both of these parts, *read on*.

Step 7 How much of your net basic levy (p) do you pay?

FULL EXEMPTION

Number of days at V item **M1** on your tax return, if any	(q)	
Net basic levy at (p)	(r)	$
Multiply (q) by (r).	(s)	$
Divide (s) by 366.	(t)	$

HALF EXEMPTION

Number of days at W item **M1** on your tax return, if any	(u)	
Net basic levy at (p)	(v)	$
Multiply (u) by (v).	(w)	$
Divide (w) by 366.	(x)	$
Divide (x) by 2.	(y)	$

YOUR EXEMPTION AMOUNT

Add (t) to (y) to get your exemption amount.	(z)	$

The amount of Medicare levy you pay, if any, is your net basic levy at (p) less any exemption amount at (z).

Medicare levy surcharge (from question M2)

You do not have to work out the amount of Medicare levy surcharge you will pay. We will work it out from the information you provide on your tax return. We will tell you the result on your notice of assessment. If you do want to work it out before you receive your notice of assessment, follow the steps below.

WORKING OUT YOUR MEDICARE LEVY SURCHARGE

Your taxable income from **TAXABLE INCOME OR LOSS** on your tax return	(a)	$
Add to (a) any amount you have shown at item **8** on your tax return.	(b)	$
Add to (b) any amount you have shown at item **A3** on your tax return.	(c)	$
Take away from (c) any post-June 1983 component of an eligible termination payment where the maximum tax rate is zero.	(d)	
Divide (d) by 100 to get 1 per cent.	(e)	$

If you have to pay the surcharge for the WHOLE year, the amount you have to pay is (e). If you have to pay the surcharge for PART of the year, continue with the steps below.

Number of days at A item **M2** on your tax return	(f)	
Take (f) away from 366.	(g)	
Multiply (e) by (g).	(h)	
Divide (h) by 366.	(i)	$

The amount of the surcharge you have to pay is (i).

NOTE

If you had exempt foreign employment income you will not be able to work out your Medicare levy surcharge. We will do this when working out the amount of tax (including the surcharge) you have to pay on your other income.

INFORMATION

Lodgment address

To make sure your tax return is processed as quickly as possible, use the pre-addressed envelope enclosed with your copy of *TaxPack*. The address shown on the pre-addressed envelope is the official lodgment address. If you post your tax return to an address other than this, you may experience delays.

The envelope is only for lodgment of your tax return and its attachments. You must send other correspondence to Australian Taxation Office (ATO) locations listed on the next page.

If you did not receive an envelope with your *TaxPack* or you have misplaced it, please post your tax return in a business size envelope to:

ATTACH STAMP

Australian Taxation Office

GPO Box 9845

IN YOUR CAPITAL CITY

NOTE

The address must appear on your envelope as shown. Do not replace the words 'in your capital city' with the name of your capital city. Because of a special agreement with Australia Post there is no need for you to include the name of your capital city or a post code.

NOTE

Instead of posting your tax return to the ATO you can use ***TAX****PACK****EXPRESS.*** Through this service Australia Post will process your tax return and lodge it electronically with the ATO. The ATO will issue your notice of assessment in around 14 days. The fee of $21.50 in stamps is tax deductible. For more information see the brochure that came with *TaxPack* or visit your nearest post office.

STOP

Lodge your tax return at the address shown on page 130.

Australian Taxation Office locations

Below are our street addresses, and mailing addresses for other correspondence. Please send correspondence to the office shown on your last notice of assessment, if you have one; otherwise send it to the nearest tax office.

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

If you prefer to make your enquiry in person, we request that you make an appointment by phone. The numbers to ring for an appointment are provided in the list below.

New South Wales

Albury
567 Smollett Street Albury
PO Box 9990 Albury 2640
Phone **13 2861** for an appointment.

Bankstown
ATOaccess
2 Meredith Street Bankstown
Private Bag 8000 Bankstown 1888
Phone **13 2861** for an appointment.

Chatswood
ATOaccess
Shop 43 Lemon Grove
Shopping Centre
441 Victoria Avenue Chatswood
GPO Box 9990 Sydney 2001
Phone **13 2861** for an appointment.

Hurstville
ATOaccess
1st Floor MacMahon Plaza
14–16 Woodville Street Hurstville
PO Box 9990 Hurstville 2220
Phone **13 2861** for an appointment.

Newcastle
266 King Street Newcastle
PO Box 9990 Newcastle 2300
Phone **13 2861** for an appointment.

Parramatta
Commonwealth Offices
2–12 Macquarie Street Parramatta
PO Box 422 Parramatta 2123
Phone **13 2861** for an appointment.

Penrith
121–125 Henry Street Penrith
PO Box 1400 Penrith 2740
Phone **13 2861** for an appointment.

Sydney
100 Market Street Sydney
GPO Box 9990 Sydney 2001
Phone **13 2861** for an appointment.

Wollongong
93–99 Burelli Street Wollongong
PO Box 9990 Wollongong 2500
Phone **13 2861** for an appointment.

South Australia

Adelaide
91 Waymouth Street Adelaide
GPO Box 800 Adelaide 5001
Phone **13 2861** for an appointment.

Queensland

Brisbane
ATOaccess
280 Adelaide Street Brisbane
GPO Box 9990 Brisbane 4001
Phone **13 2861** for an appointment.

Chermside
ATOaccess
766 Gympie Road Chermside
PO Box 9990 Chermside 4032
Phone **13 2861** for an appointment.

Townsville
ATOaccess
Stanley Place
235 Stanley Street Townsville
PO Box 9990 Townsville 4810
Phone **13 2861** for an appointment.

Upper Mt Gravatt
2221–2233 Logan Road
Upper Mt Gravatt
PO Box 9990 Upper Mt Gravatt 4122
Phone **13 2861** for an appointment.

Australian Capital Territory

Canberra
ATOaccess
Ground floor Ethos House
28–36 Ainslie Avenue Canberra
GPO Box 9990 Canberra 2601
Phone **13 2861** for an appointment.

Tasmania

Hobart
200 Collins Street Hobart
GPO Box 9990 Hobart 7001
Phone **13 2861** for an appointment.

Victoria

Box Hill
990 Whitehorse Road Box Hill
PO Box 9990 Box Hill 3128
Phone **13 2861** for an appointment.

Casselden Place
2 Lonsdale Street Melbourne
PO Box 9990 Moonee Ponds 3039
Phone **13 2861** for an appointment.

Cheltenham
ATOaccess
4A, 4–10 Jamieson Street Cheltenham
PO Box 9990 Dandenong 3175
Phone **13 2861** for an appointment.

Dandenong
14 Mason Street Dandenong
PO Box 9990 Dandenong 3175
Phone **13 2861** for an appointment.

Geelong
92–100 Brougham Street Geelong
PO Box 9990 Geelong 3220
Phone **13 2861** for an appointment.

Moonee Ponds
6 Gladstone Street Moonee Ponds
PO Box 9990 Moonee Ponds 3039
Phone **13 2861** for an appointment.

Northern Territory

Alice Springs
ATOaccess
Jock Nelson Centre
16 Hartley Street Alice Springs
GPO Box 2650 Adelaide SA 5001
Phone **(08) 8958 4111** for an appointment.

Darwin
ATOaccess
Cnr Mitchell & Briggs Streets Darwin
GPO Box 2650 Adelaide SA 5001
Phone **(08) 8943 9000** for an appointment.

Western Australia

Cannington
48–54 Grose Avenue Cannington
PO Box 9990 Cannington 6987
Phone **13 2861** for an appointment.

Northbridge
45 Francis Street Northbridge
GPO Box 9990 Perth 6848
Phone **13 2861** for an appointment.

If you made a mistake on your tax return

If you realise that you did not include something on your tax return that you should have, or there is some other error on your tax return, you need to correct it as soon as possible by requesting an amendment.

To request an amendment write a letter to the Australian Taxation Office.

In your letter provide your name, address, telephone number and tax file number and information about what you want to amend. Include:

- the year shown on the tax return you want to amend—for example, 1998
- the tax return item number and description affected by the change
- the amount of income or deductions to be added or taken away
- the amount of rebates or credits to be increased or decreased
- the relevant claim type code—if applicable to the item being changed
- an explanation of why you made the mistake.

If you voluntarily tell us that you made a mistake and an amendment will result in your paying more tax, you will not have to pay any penalty or interest if you tell us within 31 days from the date of issue shown on your notice of assessment.

However, if you have used *TaxPack* properly and have made an honest mistake (for example, you transposed an amount incorrectly on to your tax return), you will not be charged a penalty, although you may have to pay interest on any shortfall of tax. Our decision will be based on your particular circumstances that you explain in your letter.

If you made the mistake because something in *TaxPack* was misleading, you will not be charged any penalty or interest.

It is very important that your letter provides an explanation of why you made the mistake so that we can assess any penalties or interest correctly.

Penalties will not be raised if the amendment reduces the tax assessed—for example, where you increase your deductions or rebates/tax offsets.

Make sure you sign and date your letter, and attach any group certificates or additional information if applicable to the item being changed. Post your letter and attachments to your nearest tax office—addresses are shown on page 131 in *TaxPack*. Do not send in another tax return unless we ask you to.

NOTE

For the example, Mr Citizen would send his letter and attachment to his nearest tax office as shown on page 131.

John Q Citizen
137 Bunduluk Loop
Brownsville 1234

Tax file number: 123 456 789
Phone: (01) 2345 6789

Dear Deputy Commissioner of Taxation

Please amend my 1999 tax return. My employer sent me a letter advising me that my group certificate was incorrect. Please increase my income at question 1 by $1450 and also increase my tax instalments by $368.20. A copy of the letter is attached.

John Citizen
23 February 2000

Example of a letter requesting an amendment

Privacy and access

PRIVACY

How does the Australian Taxation Office (ATO) protect your tax information?

Taxation Acts have secrecy provisions that prohibit any officer of the ATO or any other government department from accessing, recording or disclosing anyone's tax information except in performing their duties.

A person can be fined up to $10 000 and sentenced to 2 years in prison for breaking these provisions.

In addition, the Privacy Act protects personal information held by federal government agencies. It also protects tax file numbers, no matter who holds them.

Can the ATO give your information to anyone?

The ATO can give your information to some government agencies which are named in law. This is usually to check eligibility for government benefits, for law enforcement purposes or for collecting statistics. Any further use of your information by these agencies is also controlled by law. ATO officers can only disclose your information in performing their duties.

Otherwise, the ATO can give personal information only to you or to someone who can show that they have your permission to act for you.

What about Child Support Agency (CSA) clients?

Information you give may be used by the CSA in assessing or collecting child support.

Who can ask you for your tax file number (TFN)?

Only certain people and organisations can ask you for your TFN. These include employers, some federal government agencies, trustees for superannuation funds, payers under the prescribed payments system and the reportable payments system, higher education institutions, the CSA and investment bodies such as banks. You do not have to give your TFN but there may be consequences if you do not. For example, if you are applying for a pension and you do not give your TFN, you may not be paid the pension.

Do you need more information?

If you need more information about how the tax laws protect your personal information, ring the general enquiries helpline on the inside back cover of *TaxPack*.

If you have any concerns about privacy and your taxation information, you can also contact the Privacy Commissioner by ringing the privacy hotline—**1300 363 992** for the cost of a local call—or by writing to the Privacy Commissioner, GPO Box 5218, Sydney NSW 1042.

FREEDOM OF INFORMATION

The *Freedom of Information (FOI) Act 1982* gives you the right to see your tax return and other documents—for example, public rulings and determinations, group certificates and notices of assessment. In some circumstances this information may be provided free of charge, but usually there is a charge to cover the time and expense involved in getting the information for you. We suggest you make enquiries by phone before you ask for information under the FOI Act.

Please keep copies of your tax returns, as a request for a copy from the ATO may involve a charge.

INFORMATION

Your notice of assessment

What is your notice of assessment?

Your notice of assessment is an itemised account of the amount of tax the Australian Taxation Office (ATO) has worked out you owe on your taxable income. It also includes information like the amount of tax you have already paid through the year and any rebates/tax offsets. When you receive your notice of assessment check it to make sure that everything appears correct. If you have made a mistake see page 132 in *TaxPack*.

Unless you are using electronic funds transfer, the bottom section of your notice of assessment will be either your refund cheque or, if you owe tax, your payment advice.

How long do you have to wait for your notice of assessment?

Our current standards for processing most tax returns are 6 weeks for ordinary tax returns and 2 weeks for returns lodged electronically through the ***TAX****PACK****EXPRESS*** service or over the Internet using *e-tax 2000*.

To allow for time in the mail, please wait 7 weeks for ordinary tax returns or 3 weeks for ***TAX****PACK****EXPRESS*** or *e-tax 2000* tax returns before ringing. After that time you can ring **13 2863** to check on our progress with your tax return.

Asking about your assessment

It's quicker by phone
When you phone we will ask you to provide your tax file number (TFN) and other information to confirm your identity—for example, details from a recent notice of assessment.

If you want a representative to be able to phone on your behalf, you must provide written authorisation beforehand to the ATO. Your representative will need to quote this authorisation and also provide information to prove their identity.

This requirement is to protect your privacy.

If you write
Quote your TFN, your full name and your address. Please provide your telephone number if it is convenient. Remember to sign the letter.

Can you get your refund before 6 weeks?

The ATO may be able to help you get a quicker refund if you are experiencing severe financial hardship.

Phone the ATO before you lodge your tax return to find out if you are eligible for this quicker service. Have on hand your tax return, TFN, pension or benefit statement, group certificates, and other papers that show you are in severe financial hardship.

What if you think your assessment is wrong?

Check all the details from your notice of assessment with those in your tax return. If you still think there is a problem, ring the general enquiries helpline on the inside back cover of *TaxPack* for help. You will need your notice of assessment and, if possible, a copy of your tax return.

What if you *still* think your assessment is wrong?

You can write to the Australian Taxation Office (ATO) and request an amendment—see **If you made a mistake on your tax return** on page 132—or you can object to your assessment.

If you object to your assessment, you have a formal right to appeal against our decision on your objection if you disagree with it. If you request an amendment, you do not have any formal right to appeal. If your objection or request for an amendment is successful you have a right to receive interest on any overpaid tax. You cannot use the ***TAX****PACK****EXPRESS*** service or *e-tax 2000* to lodge your objection.

When writing to the ATO, make sure you:
- address your letter to the Deputy Commissioner of Taxation at the office that sent your notice of assessment
- include your tax file number (TFN) and the year of the assessment
- include your address and, if convenient, give your daytime phone number so we can contact you to talk about your letter if necessary
- use the word **object** if you are objecting and give full details of what you think is wrong
- include a copy of your notice of assessment and copies of any relevant papers or documents such as receipts
- use the words **ATO error** in your letter—if you believe this is so
- sign and date your letter
- keep a copy of your letter for your records.

Post your letter to the tax office that sent your notice of assessment. Do not send us another tax return for this income year unless we ask you to.

Is there any time limit for you to object or request an amendment?

Your objection must be lodged within 4 years of the date of service of your notice of assessment. You need to lodge your amendment request within 4 years of the due date of payment. If a due date is not specified, the request must be lodged within 4 years and 30 days of the service of the notice of assessment.

If you wish to object to an assessment which has already been amended, you need to do so by:
- 60 days from the date of service of the notice of amended assessment or
- 4 years after the date of service of the notice of the original assessment which has been amended

—whichever is later.

If your objection is not lodged within the above time limits, you may request an extension of time to lodge your objection. If your extension request is refused, you may apply to the Administrative Appeals Tribunal (AAT) for a review of the decision.

How will you know what the ATO decides?

The ATO will either write to you or send you a notice of amended assessment or both.

What can you do then?

If you are still not satisfied with the ATO's decision on your objection, you have the right to appeal to the AAT, which includes the Small Taxation Claims Tribunal, or the Federal Court.

If we do not allow your objection in full, we will tell you what to do if you want to appeal when we send you our decision.

INFORMATION i

Pay as you go instalments (replacing provisional tax)

On 1 July 2000 the pay as you go (PAYG) instalments system replaced the provisional tax system. Any provisional tax you paid during 1999–2000 will be credited against the tax payable on your 1999–2000 notice of assessment.

What are PAYG instalments?

The PAYG instalment system requires you to pay instalments during the income year to meet your expected tax liability for that year. PAYG instalments will need to be paid if you earn more than $999 of business or investment income—this includes rental income and distributions from partnerships and trusts, but not capital gains. The amount of your instalments will generally be worked out by applying an instalment rate, which the Australian Taxation Office (ATO) will give you, to your business and investment income for 2000–01. However, certain people will be able to choose to pay a set amount notified by the ATO.

PAYG instalments are usually paid at the end of each quarter of the income year. However, you may choose to pay only one PAYG instalment for the year if:

- the part of your tax that relates to your business and investment income (excluding any capital gains) is less than $8000
- you are not required to be registered for GST in relation to your business activities AND
- you are not a partner in a partnership that is required to be registered for GST.

The ATO will send you information concerning your rights and obligations under the PAYG system, including information explaining how you can choose to pay your PAYG instalments—annually or as a set amount—and when you must make that choice. You should receive this information by the end of July.

The ATO will give you a credit for PAYG instalments on your 2000–01 assessment.

Have you completed item 6 or R3?

You will not need to pay PAYG instalments if you have shown income at item **6** or a rebate code letter at item **R3** on your tax return and you were:

- single with a taxable income below $23 055, or $24 264 for Department of Veterans' Affairs (DVA) clients only
- married or de facto, in receipt of the married rate of pension, with a combined taxable income below $36 280, or $38 335 for DVA clients only
- married or de facto, in receipt of the separated rate of pension and separated due to illness, with a combined taxable income below $44 497, or $46 837 for DVA clients only
- married or de facto, commenced receiving a pension after 11 March 1992, with a taxable income below $18 141, or $19 168 for DVA clients only, and your spouse did not receive a pension
- married or de facto, commenced receiving a pension after 11 March 1992, and you and your spouse were separated due to illness, with a taxable income below $22 249, or $23 419 for DVA clients only, and your spouse did not receive a pension.

Do you need more information about PAYG instalments?

Read *Guide to pay as you go for individuals with investment income* or *Guide to pay as you go for business*. To find out how to get these publications, see the inside back cover of *TaxPack*.

INFORMATION

Paying your tax debt

How do you know how much you have to pay?

Your notice of assessment will tell you how much tax you have to pay, if any, and when you must pay to avoid being charged a penalty for late payment.

What if you don't agree with your assessment?

You must pay your tax debt by the due date even if you have lodged an objection or asked for an amendment. If the objection is decided in your favour, you will receive a refund of the amount you have overpaid plus interest.

How and where do you pay your tax debt?

This information is set out on the back of your notice of assessment. If you need more information, ring the cash management helpline on FREECALL **1800 815 886**.

Please note, due to the high service fees that would be incurred, the Australian Taxation Office (ATO) does not accept payment by credit card.

What if you cannot pay your tax debt by the due date?

If you cannot pay your tax debt on time, email your questions to **debtpayment@ato.gov.au** or ring the debt collection helpline on **13 2550**. You may be given extra time to pay, depending on your particular circumstances.

In some circumstances you will need to provide written details of your financial position, including a statement of your assets and liabilities and details of your income and expenditure.

The ATO will also want to know what steps you have taken to obtain funds to pay your debt and what steps you are taking to make sure you meet future tax debts on time.

If we allow you to pay your tax debt late, you are required by law to pay interest in the form of a general interest charge (GIC). The GIC is set according to market rates and is tax deductible in the income year that you pay it. The law also provides for remission of the GIC. This means that in some circumstances the Commissioner of Taxation may excuse you from all or part of the GIC. Ring the debt collection helpline for further information.

NOTE

For all other general client account enquiries you can email your questions to **clientaccounting@ato.gov.au**

What if payment will cause you serious hardship?

You can apply to the Tax Relief Board for a release from payment of your tax debt. The ATO can give you further information and an application.

The Tax Relief Board will consider your application and decide whether to grant you a release. With some larger debts you may need to appear before the Administrative Appeals Tribunal before the board can consider the matter. Even if you lodge an application, action may still be taken to recover your unpaid tax debt.

Need more information?

The Taxpayers' Charter explanatory booklet 15—*Paying your taxes* contains more information. To find out how to get this publication, see the inside back cover of *TaxPack*.

INFORMATION

Complaints

If you are dissatisfied with a particular action, decision or service of the Australian Taxation Office (ATO), you have the right to complain, as set out in the *Taxpayers' Charter*.

The Problem Resolution Service

The Problem Resolution Service (PRS) has been set up to help with your complaints about the ATO. It operates independently of ATO business areas and reports to the Commissioner of Taxation.

If you have a complaint the PRS recommends that you:

- first try to sort it out with the tax officer with whom you are dealing
- if you are not satisfied, talk to the tax officer's manager
- if you are still not satisfied, ring the PRS complaints hotline on **13 2870**.

The PRS complaints hotline can put you in touch with the right areas of the ATO. The PRS can also review your complaints and make recommendations about how the problem may be resolved.

If you prefer you can write to the PRS at Locked Bag 3120, Melbourne 3001.

The Commonwealth Ombudsman

The Commonwealth Ombudsman's Office has wide powers to conduct independent investigations of complaints about Commonwealth government agencies, including the ATO.

The Commonwealth Ombudsman's Office can investigate most complaints relating to tax administration and may recommend that the ATO provides a solution or remedy to your problem. Investigations are independent, private, informal and free of charge.

If you are not satisfied with the ATO's decisions or actions, you can raise the matter with the Commonwealth Ombudsman's Special Tax Adviser.

You can contact the Commonwealth Ombudsman's Office by ringing the National Complaints Line on **1300 362 072** (for the cost of a local call) or by visiting your nearest Commonwealth Ombudsman's Office (located in all Australian capital cities). You can also visit the Commonwealth Ombudsman's Internet site at **www.comb.gov.au** or write to:

The Special Tax Adviser
Commonwealth Ombudsman
GPO Box 442
Canberra ACT 2601

The Privacy Commissioner

The Privacy Commissioner receives complaints under the *Privacy Act 1988* and tax file number guidelines. You can contact the Privacy Commissioner by ringing the privacy hotline on **1300 363 992** or by writing to the Privacy Commissioner, GPO Box 5218, Sydney 1042.

Taxpayers' Charter — an overview

The *Taxpayers' Charter* was developed by the Australian Taxation Office (ATO) in consultation with the general public, business and community groups, tax practitioners, ATO staff and other government agencies.

The *Taxpayers' Charter* outlines:

- your rights as a taxpayer under the law
- the service and other standards you can expect
- what you can do if you are dissatisfied with ATO decisions, actions or service or you wish to complain and
- your important tax obligations.

YOU CAN EXPECT THE ATO TO:

- treat you fairly and reasonably
- treat you as being honest in your tax affairs unless you act otherwise
- be accountable for what we do—for example, we publish service standards and report our results against them
- offer you professional service and assistance to help you understand and meet your obligations
- respect your privacy
- keep the information we hold about you confidential, in accordance with the law
- give you access to information we hold about you, in accordance with the law
- explain to you the decisions we make about your tax affairs
- accept that you can be represented by a person of your choice and get advice about your tax affairs
- give you advice and information that you can rely on
- help you to minimise your costs in complying with the tax laws.

YOUR IMPORTANT OBLIGATIONS ARE TO:

- be truthful in your dealings with the ATO
- keep records in accordance with the law
- take reasonable care in preparing your tax returns and other documents and in keeping records
- lodge tax returns and other required documents or information by the due date
- pay your taxes and other amounts by the due date.

NEED MORE INFORMATION?

To find out how to get a copy of the *Taxpayers' Charter* see the inside back cover of *TaxPack*.

INFORMATION

Child Support Agency client charter

helping parents manage their responsibilities

This charter was developed with the assistance of clients, community representatives and staff. It outlines the commitment of the Child Support Agency (CSA) to provide a quality service, and your responsibilities as a CSA client.

THE ROLE OF THE CSA

is to help separated parents meet their child support responsibilities.

How the CSA does this

The CSA's service ranges from providing information to help you manage your child support responsibilities, through to working out, registering and collecting child support payments.

The CSA aims to provide a high standard of service to all clients, by being:

- objective and unbiased
- prompt
- accurate
- respectful
- sensitive to your needs
- professional

The CSA will

- respect your privacy
- keep your information confidential
- give you access to your personal information.

YOUR ROLE

is to support your children after you have separated. This will depend on the circumstances of both parents.

To help the CSA provide a high standard of service:

- keep the CSA informed when things change
- treat the CSA staff fairly
- recognise that the CSA has responsibilities to both parents.

Taking complaints seriously

The CSA is genuine in making service commitments, but recognises that they do not always get it right.

- Contact the CSA if you have a complaint.
- Speak to the staff member you've been dealing with, or their manager who will try to solve the problem.
- If you are still not satisfied, call (for the cost of a local call) the complaints service on **13 2919**.
- You may contact the Commonwealth Ombudsman if you are not satisfied with the complaints service.

HOW TO CONTACT THE CSA

General enquiries	**13 1272**
Complaints service	**13 2919**
Freefax for complaints	**1800 062 610**
Teletypewriter (for people with hearing and speech difficulties)	**1800 631 187**
The *Child Support Agency client charter* is also available on the CSA Internet site at	**www.csa.gov.au**

INDEX

All page references with an 's' refer to pages in *TaxPack 2000 supplement*. All other page references refer to pages in *TaxPack 2000*.

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TaxPack 2000

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PUBLICATIONS

Publications, taxation rulings, practice statements, forms and the *Taxpayers' Charter*

To get publications referred to in *TaxPack*

- Visit our Internet site—for publications, taxation rulings, practice statements and the *Taxpayers' Charter*—at **www.ato.gov.au**
- Ring our Publications Distribution Service—for all referred publications, including forms.

From July until the end of October, this service operates from 8 a.m. to at least 10 p.m. on weekdays and from 10 a.m. to 5 p.m. on weekends—Eastern Standard Time. Before you ring, check to see if there are other publications you may need—this will save you time and help us.

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

- Visit an ATO office—see page 131 for our street addresses.

Your HELPLINES for further information

HELPLINES

If you have an enquiry about your tax, ring the relevant helpline number below.

Our helplines provided below are open Monday to Friday during normal business hours except where otherwise indicated. You can ring any '13' number for the cost of a local call.

Tax file number (TFN) enquiries

For information on how to get your TFN or how to apply for one, and for assistance in completing a *Tax file number application or enquiry*, ring **13 2863** between 8 a.m. and 6 p.m. **Tax file numbers cannot be given over the phone**.

Lodgment enquiries

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

Superannuation

TaxPack 2000 questions **4**, **D8**, **R4** and *TaxPack 2000 supplement* questions **16**, **D12**, **D13** and **R6**.

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

Reportable fringe benefits

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

Internet site—*ATOassist*

The Internet site at **www.ato.gov.au** gives access to ATO publications and general information on tax matters—24 hours a day, every day.

a FAX from TAX

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

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

General enquiries

Our general enquiries helpline is for tax questions on topics other than those already described. Ring **13 2861** between 8 a.m. and 6 p.m. Please have your *TaxPack 2000* handy when you ring.

National Aboriginal and Islander Resource Centre

This centre specialises in helping Indigenous clients and can assist with a wide range of tax matters. The number is **13 1030**.

Refunds

Our current standards for processing most tax returns are 6 weeks for ordinary tax returns and 2 weeks for tax returns lodged through the ***TAX**PACK**EXPRESS*** service.

To allow for time in the mail, please wait 7 weeks for ordinary tax returns or 3 weeks for ***TAX**PACK**EXPRESS*** tax returns before ringing. After that time you can ring **13 2863** between 8 a.m. and 6 p.m. to check on our progress with your tax return.

When you enquire about the progress of your tax return we will ask you to provide your tax file number and other information to confirm your identity—for example, details from a recent notice of assessment.

Hearing, speech or vision impairment

People with a hearing or speech impairment and with access to appropriate TTY or modem equipment can communicate with a tax officer by first contacting the Australian Communication Exchange National Relay Service.

To contact the ATO, ring the National Relay Service on **13 3677** and quote one of the helplines listed on this page.

People with a vision impairment may be able to use *TaxTape 2000* or *TaxDisk 2000*—check the outside back cover of *TaxPack* for more information.

You can find a list of ATO helpline numbers in your White Pages.

If you do not speak English and need help from the Australian Taxation Office, ring the Translating and Interpreting Service (TIS) on 13 1450. TIS staff can assist with translating and interpreting in over 100 languages. Ask them to set up a 3-way conversation between you, an interpreter and a tax officer.

إذا كنت لا تتكلّم الإنكليزية وتحتاج إلى مساعدة «مكتب الضرائب الأسترالي» Australian Taxation Office، إتصل بـ «خدمة الترجمة الخطيّة والشفهيّة» Translating and Interpreting Service على الرقم ١٣ ١٤٥٠، واطلب منهم فتح ثلاثة خطوط لوصلك بمترجم وبموظف مكتب الضرائب.

ARABIC

如果您需要向澳洲稅務局尋求協助卻又不懂說英語，請撥電13 1450給翻譯及傳譯服務(TIS)，請他們接駁可以使您和稅務局官員及傳譯員三方面同時在電話上通話，讓傳譯員來幫助您。

CHINESE

Ako ne govorite engleski i trebate pomoć od Australskog poreznog ureda, nazovite Službu prevoditelja i tumača (TIS) na 13 1450. Zamolite ih da uspostave trosmjeran razgovor s Vama, s tumačem i s poreznim službenikom.

CROATIAN

Αν χρειάζεστε βοήθεια από την Υπηρεσία Αυστραλιανής Εφορίας (Australian Taxation Office) και δεν μιλάτε Αγγλικά, τηλεφωνήστε στην Υπηρεσία Μεταφραστών και Διερμηνέων (TIS) στο 13 1450, Ζητήστε τους να κανονίσουν μια ταυτόχρονη συνομιλία μεταξύ εσάς, του Διερμηνέα και του υπαλλήλου της Εφορίας.

GREEK

Apabila Anda tidak dapat berbicara bahasa Inggris dan membutuhkan bantuan dari "Australian Taxation Office" (Kantor Perpajakan Australia), silakan menelepon "Translating and Interpreting Service" (Pelayanan Terjemahan) pada nomor 13 1450. Anda bisa meminta pelayanan komunikasi tiga arah antara Anda, penterjemah dan petugas kantor pajak.

INDONESIAN

Se non parli inglese e hai bisogno dell'assistenza dell'Australian Taxation Office, ossia dell'Ufficio australiano delle imposte, telefona al Servizio traduzioni e interpreti (TIS) al numero 13 1450, chiedendo ad esso di allestire una conversazione a tre tra te, un interprete e un rappresentante dell'ufficio delle imposte.

ITALIAN

호주세무서에 용무가 있으나 영어로 소통이 안되시는 분은 전화 13 1450 번역및 통역서비스(TIS)로 전화하셔서 귀하와 통역사와 세무직원간에 삼자통화를 할 수 있도록 요청하십시요.

KOREAN

Ако не зборувате англиски јазик, а ви треба помош од Australian Taxation Office - Австралиската даночна канцеларија, ѕвонете на Translation & Interpreter Service (TIS) - Писмената и усмена преведувачка служба на 13 1450. Замолете ги да воспостават трисмерен разговор помеѓу вас, преведувач и даночен службеник.

MACEDONIAN

Jekk ma titkellimx bl-Ingliż u tehtieġ l-ghajnuna mill-Uffiċċju Awstraljan tat-Taxxa, ċempel is-Servizz ta' Interpreti u Traduzzjonijiet [TIS] fuq in-numru 13 1450. Itlobhom jirranġawlek konversazzjoni bit-telefon tlieta min-nies, bejnek, bejn l-interpritu u l-uffiċjal tat-taxxa.

MALTESE

Zadzwoń do Telefonicznej Służby Tłumacza na numer 13 1450 jeśli nie znasz angielskiego i potrzebujesz pomocy od Urzędu Skarbowego *(Taxation Office)*. Poproś o zaaranżowanie konferencji telefonicznej z udziałem tłumacza i urzędnika podatkowego.

POLISH

Se não fala o Inglês e necessitar de contactar o Departamento de Impostos ('Australian Taxation Office'), por favor ligue para 13 1450 dos Serviços de Intérpretes e Tradutores ('TIS'), para que, suimultâneamente, o ponham em contacto telefónico com um intérprete e um funcionário do Departamento.

PORTUGUESE

Если вы не говорите по-английски и вам нужна помощь Австралийского Налогового Управления, позвоните в Переводческую Службу (TIS) по телефону 13 1450. Попросите Службу организовать трехсторонний телефонный разговор между вами, переводчиком и сотрудником Управления.

RUSSIAN

Ако не говорите енглески и треба вам помоћ Аустралијског пореског уреда, назовите Службу преводиоца и тумача (TIS) на 13 1450. Замолите их да успоставе тросмеран разговор са вама, са тумачем и са пореским службеником.

SERBIAN

Si no habla inglés y necesita ayuda de la Oficina Australiana de Recaudación de Impuestos (Australian Taxation Office) póngase en contacto con el Servicio de Traducción e Interpretación (TIS) llamando al 13 1450. Pida una conexión para conversación de tres personas para que puedan comunicarse usted, el intérprete y un funcionario de la oficina de impuestos.

SPANISH

İngilizce konuşamıyor ve Avustralya Vergi Dairesi'nden yardıma gereksinim duyuyorsanız, 13 1450'den Çeviri ve Tercümanlık Servisi'ni (TIS) arayınız. Onlardan siz, tercüman ve bir vergi memuru arasında üçlü bir konuşma hattı kurmalarını isteyiniz.

TURKISH

Nếu quý vị không hiểu tiếng Anh và cần Sở Thuế Vụ Úc giúp đỡ, xin gọi điện thoại Dịch Vụ Phiên Dịch Và Thông Dịch (TIS) số 13 1450. Yêu cầu họ nối đường giây để quý vị, một thông ngôn và một nhân viên Sở Thuế nói chuyện với nhau.

VIETNAMESE

Tax Help

If you want to prepare your own tax return but think you may need some assistance, Tax Help could be the answer.

Tax Help is available for people on low incomes—including those who are also seniors, people from non-English-speaking backgrounds, people with a disability, Aboriginal people or Torres Strait Islander people.

A network of trained community volunteers provides this free service.

See page 15 in *TaxPack 2000* for more information—including the phone number to ring for Tax Help.

Assistance for people who cannot read standard print

TaxTape 2000 and *TaxDisk 2000* for people with a vision impairment are freely available through the Royal Blind Society.

To obtain a copy ring Freecall **1800 644 885**.

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