Short tax return instructions 2011

To help you complete your short tax return
1 July 2010 – 30 June 2011

Lodge online with *e-tax* – it's free.

- Secure and user friendly
- Most refunds in 14 days or less
- Built-in checks and calculators to help you
- Pre-filling service – download your personal tax information from the ATO

Go to **www.ato.gov.au**

Check that you can use the short tax return.

See the loose leaf cover attached to the short tax return.

Lodge by phone.

The service is available 24 hours a day, seven days a week.

Most short tax returns lodged by phone are processed within 14 days.

Phone **13 28 65** to lodge.

Lodge your tax return by 31 October 2011.

NAT 8417–6.2011

Australian Government
Australian Taxation Office

Commissioner's foreword

***Short tax return 2011* is a guide to help you correctly complete your Short tax return for individuals 2011. We have tried to make it easy to use, and for most people it will provide all you need to know to fill in your short tax return.**

Be assured that if you do your best to fill in your short tax return correctly, you will not be subject to any penalties if you get these things wrong.

Nevertheless, please take care in ensuring that the information you provide to us is as complete and accurate as you can make it.

If you have access to the internet, you can prepare and lodge your tax return online using *e-tax.* It's fast, free and easy, and most refunds are issued within 14 days. It also provides more extensive information than contained in this guide and allows you to automatically include on your tax return some information that we already know about you.

Michael D'Ascenzo

Michael D'Ascenzo
Commissioner of Taxation

HOW TO USE *SHORT TAX RETURN INSTRUCTIONS 2011*

- Have on hand all your necessary documentation and records for the 2010–11 income year (1 July 2010 to 30 June 2011).
- Read all the explanatory pages. They provide valuable information ranging from whether you need to lodge a tax return to how you can get a faster refund.
- Read each question caption carefully and:
  - if it applies to you, read the question carefully so that you provide the required details on your tax return
  - if it does not apply to you, go to the next question.
- Make sure you complete the Medicare levy surcharge item (question **41**); it applies to all taxpayers.
- Use the checklist on page 3 of the loose leaf cover to the short tax return before you lodge your tax return.

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WHAT'S NEW THIS YEAR?

NATURAL DISASTER DONATIONS RECEIPTS

If you made one or more donations of $2 or more to bucket collections conducted by an approved organisation for natural disasters such as the floods in Queensland, New South Wales and Victoria, bushfires in Western Australia, Cyclone Yasi in Queensland, and the earthquakes in Christchurch and north-eastern Japan, you can claim a tax deduction of up to $10 for the total of those contributions without having a receipt.

If you used the web or phone to make a donation over $2, your web receipt or credit card statement is sufficient. If you donated through third parties, such as banks and retail outlets, the receipt they gave you is also sufficient. If you contributed through 'workplace-giving' your payment summary shows the amount you donated. Question **28** deals with donations.

TAX EXEMPTION FOR CERTAIN PAYMENTS

The Government has introduced legislation to grant tax exemption for certain payments made following recent natural disasters. The following payments will be exempt from tax:

- disaster income recovery subsidy paid for Cyclone Yasi and the flooding events which started on 29 November 2010
- ex-gratia payments from the Commonwealth paid to New Zealand non-protected special-category visa holders following an Australian natural disaster in the 2010–11 income year
- clean-up and recovery grants paid to small business and primary producers (under category C of the Natural Disaster Relief and Recovery Arrangements) for:
  - flooding which started on 29 November 2010, and
  - Cyclone Yasi.

At the time of printing, this legislation had not yet become law. For more information go to **www.ato.gov.au**

DO YOU NEED TO LODGE A TAX RETURN?

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

REASON 1

During 2010–11, you were an Australian resident and you:

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

REASON 2

You were eligible for the senior Australians tax offset (see pages 31–2) **and** your 'rebate income' (not including your spouse's) was more than:

- **$30,685** if you were single, widowed or separated at any time during the year
- **$29,600** if you had a spouse but one of you lived in a nursing home or you had to live apart due to illness (see the definition of **Had to live apart due to illness** on page 33), or
- **$26,680** if you lived with your spouse for the full year.

See page 31 to work out your 'rebate income' or use the calculator at **www.ato.gov.au**

REASON 3

You were not eligible for the senior Australians tax offset **but** you received a payment listed at question **16** on page 15 **and** other taxable payments which when added together made your taxable income more than **$16,000**.

REASON 4

You were not eligible for the senior Australians tax offset but you received from **Centrelink** an Australian Government pension, allowance or payment listed at question **17** on page 16 **and** your 'rebate income' was more than:

- **$29,670** if you were single, widowed or separated at any time during the year
- **$28,636** if you had a spouse but one of you lived in a nursing home or you had to live apart due to illness
- **$24,156** if you lived with your spouse for the full year.

See page 31 to work out your 'rebate income' or use the calculator at **www.ato.gov.au**

REASON 5

You were not eligible for the senior Australians tax offset **but** you received from the **Department of Veterans' Affairs** an Australian Government pension, allowance or payment listed at question **17** on page 16, **and** your 'rebate income' was more than:

- **$30,439** if you were single, widowed or separated at any time during the year
- **$29,456** if you had a spouse but one of you lived in a nursing home or you had to live apart due to illness
- **$24,810** if you lived with your spouse for the full year.

See page 31 to work out your 'rebate income' or use the calculator at **www.ato.gov.au**

REASON 6

You were not eligible for the senior Australians tax offset **and** you did not receive a payment listed at question **16** or **17** on pages 15 and 16, **but** your taxable income exceeded:

- **$6,000** if you were an Australian resident for tax purposes for the full year
- **$3,334** if you were under 18 years old at 30 June 2011 and your income was not salary or wages
- **$1** if you were a non-resident and you had income taxable in Australia which did not have non-resident withholding tax withheld from it, or
- **your part-year tax-free threshold amount** if you became or stopped being an Australian resident for tax purposes. Go to **www.ato.gov.au** and enter 'Part-year tax-free threshold amount' in the 'Search for' box at the top of the page to work out your threshold amount or phone **13 28 61**.

OTHER REASONS

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

- You had a reportable fringe benefits amount on your *PAYG payment summary – individual non-business* or *PAYG payment summary – foreign employment*.
- You had reportable employer superannuation contributions on your *PAYG payment summary – individual non-business* or *PAYG payment summary – foreign employment* or *PAYG payment summary – business and personal services income*.
- You were entitled to the private health insurance tax offset; see question **36** on page 36.
- You carried on a business.

- You made a loss or you can claim a loss you made in a previous year.
- You were 60 years old or older and you received an Australian superannuation lump sum that included an untaxed element.
- You were under 60 years old and you received an Australian superannuation lump sum that included a taxed element or an untaxed element.
- You were entitled to a distribution from a trust or you had an interest in a partnership **and** the trust or partnership carried on a business of primary production.
- You are a special professional covered by the income averaging provisions. These provisions apply to authors of literary, dramatic, musical or artistic works, inventors, performing artists, production associates and active sportspeople.
- You received income from dividends or distributions exceeding $6,000 (or $416 if you were under 18 years old on 30 June 2011) **and** you had:
  - franking credits attached, or
  - amounts withheld because you did not quote your tax file number or Australian business number to the investment body.
- You made personal contributions to a complying superannuation fund or retirement savings account and will be eligible to receive a super co-contribution for these contributions.
- You were either a liable parent or a recipient parent under a child support assessment. If this applies to you, you cannot use the short tax return.

Deceased estate

If you are looking after the estate of someone who died during 2010–11, consider all the above reasons on their behalf, and if a tax return is not required complete *Non-lodgment advice 2011* on page 6 and send it to us. If a tax return is required, see page 7 for more information.

Franking credits

If you don't need to lodge a tax return for 2010–11, you can claim a refund of franking credits by using the publication *Refund of franking credits instructions and application for individuals 2011* (NAT 4105) and lodging your claim by mail or phone **13 28 65**.

However, you cannot lodge it by phone if you are also lodging an application for **education tax refund**. In that case you must send all your claims to us together in one envelope, or you could use *e-tax*.

Education tax refund

If you don't need to lodge a tax return for 2010–11, you can claim your education tax refund by completing the application *Education tax refund for individuals 2011* (NAT 72621) and lodging it by mail or phone **13 28 65**.

However, you cannot lodge it by phone if you are also lodging an **application for a refund of franking credits**. In that case you must send all your claims to us together in one envelope, or you could use *e-tax*.

First home saver account

If you had a first home saver account in 2010–11 and believe you are entitled to a first home saver account government contribution, you must lodge either:

- a tax return, or
- a notification of eligibility (if you are not required to lodge a tax return) and you were an Australian resident for at least part of 2010–11. You can find this form on our website at **www.firsthomesaver.gov.au**

If you have read all the above information and know that you do not have to lodge a tax return, you should complete the non-lodgment advice on page 6 and send it to us unless one of the following applies to you:

- You have already sent us a tax return, non-lodgment advice, form or letter telling us that you do not need to lodge a tax return for all future years.
- You are lodging an application for a refund of franking credits for 2011.
- You are lodging an application for an education tax refund for 2011.

- Your only income was from an allowance or payment listed at question **16** on page 15 **or** you received a pension, payment or an allowance listed at question **17** on page 16 and
  - your 'rebate income' was less than the relevant amount in **reason 2** (if you are eligible for the senior Australians tax offset), or
  - your taxable income was less than the relevant amount in **reason 3** (the agencies that paid you have provided information for us to determine that you do not need to lodge a tax return), or
  - your 'rebate income' was less than the relevant amount in **reason 4** or **reason 5** (the agencies that paid you have provided information for us to determine that you do not need to lodge a tax return).

Australian Government
Australian Taxation Office

Non-lodgment advice 2011

1 July 2010 to 30 June 2011

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

Your tax file number

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

Your 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 phone number during business hours – if it is convenient

Area code Phone number

Reason for not lodging a tax return

I will not have to lodge a tax return for 2011 because none of the reasons listed on pages 3–5 in *Short tax return instructions 2011* apply to me.

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

I declare that the information I have given in this non-lodgment advice is true and correct. See the privacy information on page 52.

Signature Date DAY MONTH YEAR

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

Use the pre-addressed envelope provided to send your non-lodgment advice to the ATO by 31 October 2011. If you are not using the pre-addressed envelope, see page 4 of the loose leaf cover to the *Short tax return for individuals 2011* for more details and the address to use.

OTHER WAYS TO PREPARE YOUR TAX RETURN

If you cannot use the *Short tax return for individuals 2011* because the questions do not cover all of your tax affairs, you need to complete the *Tax return for individuals 2011* using either:

- *e-tax* (download *e-tax* at **www.ato.gov.au**) and you can lodge online for a speedier refund, or
- *TaxPack 2011*, and you may need *TaxPack 2011 supplement*.

  From 1 July to 31 October 2011 you can get copies of *TaxPack 2011* and *TaxPack 2011 supplement* from most newsagents. Copies are also available from our Publications Distribution Service on **1300 720 092** and from ATO shopfronts all year.

KEEPING RECORDS

You need to keep records:

- to provide written evidence of your income and expenses
- to help you or your tax agent prepare your tax return
- to ensure that you are able to claim all your entitlements, and
- in case we ask you to prove the information you provided on your tax return.

Generally you should keep most of your written evidence for five years from 31 October 2011 or the date you lodge your tax return, whichever is later. Specific record-keeping requirements for particular types of records appear in the specific questions in *Short tax return instructions 2011*. If you are in dispute with the ATO, you must keep your records until the dispute is settled, if this is later.

If you qualify as an individual with simple tax affairs under the *Shortened Document Retention Periods (Individuals with Simple Tax Affairs) Determination 2006* (SDR 2006/1), you need to keep your payment summaries for only two years. To check whether you qualify for this shorter record-keeping period, go to our website at **www.ato.gov.au**

IF YOU MADE A MISTAKE OR NEED TO AMEND YOUR TAX RETURN

If you realise that you did not include something on your tax return that you should have, or you made a mistake, you need to correct it as soon as possible by **requesting an amendment**.

You can request an amendment by completing the *Request for amendment of income tax return for individuals* form. This form is available from the ATO website at **www.ato.gov.au** under 'Fix a problem', then 'Correct a mistake in your tax return'.

Alternatively, you can write a letter to us. In the letter, provide:

- your name, address, phone number and tax file number
- the year shown on the tax return you wish to amend, for example, 2011
- the tax return item number and description affected by the change
- the amount of income or deductions to be added or taken away, if relevant
- the amount of tax offsets to be increased or decreased, if relevant
- the relevant claim type code, if applicable to the item you are changing
- an **explanation** of why you made the mistake
- any additional information, if applicable, to the item being changed, and
- a signed and dated declaration, 'I declare that all the information I have given in this letter, including any attachments, is true and correct'.

It is very important that your letter explains why you made the mistake or the reason for the change, so that we can correctly assess any penalty or interest charge.

Post your letter and attachments to:

Australian Taxation Office
GPO Box 3004
Penrith NSW 2740

Keep a copy for your records.

Do not send another tax return unless we ask you to.

If, after lodging your tax return, you voluntarily tell us that you made a mistake and an amendment will result in you paying more tax, the amount of penalty that may otherwise have been imposed will, in most cases, be reduced. In most cases you must lodge your request for an amendment within two years of the date the Commissioner issued your notice of assessment.

AMOUNTS YOU DO NOT PAY TAX ON

You might have received amounts that you do not need to include as income on your tax return. We classify them into three different categories:

- **exempt income**
- **non-assessable non-exempt income**
- some **other amounts** that are not taxable and do not affect any calculation on your tax return.

The most common types of exempt and non-assessable non-exempt income are listed below. If you are not sure whether a payment you have received is exempt income, non-assessable non-exempt income or is another type of amount that is not taxable, phone **13 28 61**.

EXEMPT INCOME

Exempt Australian Government pensions, allowances and payments

- Carer adjustment payment (CAP)
- Carer payment where:
  - **both** the carer **and** the care receivers are under age-pension age, or
  - the carer is under age-pension age and any of the care receivers has died
- Defence Force income support allowance (DFISA) payable to you on a day when the whole of your social security pension or benefit, which is also payable to you on that day, is exempt from income tax under section 52-10 of the *Income Tax Assessment Act 1997*
- Disability support pension paid by Centrelink to a person who is under age-pension age
- Double orphan pension
- Invalidity service pension where the veteran is under age-pension age
- Partner service pension where either:
  - the partner (excluding the non-illness separated spouse of a veteran) and the veteran are under age-pension age and the veteran receives an invalidity service pension, or
  - the partner is under age-pension age and the veteran has died and was receiving an invalidity service pension at the time of death
- Veterans' Affairs disability pension and allowances, war widows and war widowers pension
- Wife pension where both the recipient and their partner are under age-pension age, or the recipient is under age-pension age and their partner has died

Lump sum bereavement payments received as part of any of the payments in the previous column are exempt only up to the tax-free amount. Phone **13 28 61** to find out how much of your payment is exempt.

Exempt Australian Government education payments

- Allowances for students under 16 years old, including the Austudy payment and those allowances paid under ABSTUDY, Youth Allowance, the Assistance for Isolated Children Scheme and the Veterans' Children Education Scheme
- Apprenticeship wage top-up
- The first $1,000 of an apprenticeship early completion bonus provided under a specified state or territory scheme for occupations with skill shortages
- Australian–American Educational Foundation grant
- Commonwealth scholarships or bursaries provided to foreign students
- Commonwealth secondary education assistance
- Commonwealth Trade Learning Scholarship
- Language, literacy and numeracy supplement
- Endeavour awards research fellowships or an Endeavour Executive Award
- Payments under the Military Rehabilitation and Compensation Act Education and Training Scheme 2004 for eligible young persons whose eligibility was determined under:
  - paragraph 258(1)(a) of the *Military Rehabilitation and Compensation Act 2004* and the eligible young person was under 16 years old, or
  - paragraph 258(1)(b) of the *Military Rehabilitation and Compensation Act 2004*
- Pensioner education supplement and fares allowance paid by Centrelink
- Rent assistance paid to Austudy recipients
- Some scholarships and bursaries received by full-time students
- Supplementary allowances for students paid under the Assistance for Isolated Children Scheme

Other exempt Australian Government payments

- Australian Government disaster recovery payments
- Baby bonus paid by Centrelink
- Carer allowance paid under the *Social Security Act 1991*
- Child care benefit

- Child care rebate
- Child disability assistance under Part 2.19AA of the *Social Security Act 1991*
- DFISA bonus and DFISA bonus bereavement payment under Part VIIAB of the *Veterans' Entitlements Act 1986*
- Family tax benefit
- F-111 deseal/reseal ex-gratia lump sum payments
- Loss of earnings allowance paid under the *Veterans' Entitlements Act 1986*
- Lump sum pension bonus paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*
- Lump sum payment under Section 198N paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*
- Maternity immunisation allowance
- Mobility allowance paid under the *Social Security Act 1991*
- Economic security strategy payment to families under the *A New Tax System (Family Assistance) (Administration) Act 1999* or under the scheme determined under Schedule 4 to the *Social Security and Other Legislation Amendment (Economic Security Strategy) Act 2008*
- Economic security strategy payment under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986* or under the scheme determined under Schedule 4 to the *Social Security and Other Legislation Amendment (Economic Security Strategy) Act 2008*
- Back to school bonus and single income family bonus paid under the *A New Tax System (Family Assistance) (Administration) Act 1999*
- Training and learning bonus under the *Social Security Act 1991*
- Farmers hardship bonus under the *Social Security Act 1991*
- Education entry payment supplement under the *Social Security Act 1991*
- Payments under the scheme determined under Schedule 4 to the *Household Stimulus Package Act (No. 2) 2009*
- The ex-gratia payment from the Australian Government known as 'Income recovery subsidy for the Victorian bushfires of January and February 2009'
- The ex-gratia payment from the Australian Government known as 'Income recovery subsidy for the North Queensland floods of January and February 2009'
- Payments from the Australian Government under the incentive payments scheme relating to certain private health insurance policies
- Payments to carers under the scheme determined under Schedule 4 to the *Social Security and Veterans' Affairs Legislation Amendment (One-off Payments and Other 2008 Budget Measures) Act 2008*
- Pension bonus and pension bonus bereavement payments under Part 2.2A of the *Social Security Act 1991* or Part IIIAB of the *Veterans' Entitlements Act 1986*
- Pharmaceutical allowances paid under the *Social Security Act 1991*
- Pharmaceutical allowances paid under the *Veterans' Entitlements Act 1986* that were paid before 20 September 2009
- Phone allowance paid under the *Social Security Act 1991*
- Phone allowance paid under the *Veterans' Entitlements Act 1986*
- Quarterly pension supplement paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*
- Remote area allowance
- Rent assistance
- Seniors concession allowance paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*
- Seniors supplement paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*
- Sugar industry exit grant where you complied with the condition of the grant not to own or operate any agricultural business within five years after receiving the grant
- Tobacco industry exit grant where you complied with the condition of the grant not to own or operate any agricultural business within five years after receiving the grant
- Utilities allowance paid under the *Social Security Act 1991*
- Utilities allowance paid under the *Veterans' Entitlements Act 1986*
- Veterans supplement paid under the *Veterans' Entitlements Act 1986*

- Outer regional and remote (OR&R) payment made under the Helping Children with Autism package

Exempt Australian Defence Force and United Nations payments

- Certain pay and allowances for Australian Defence Force personnel (your employer will advise you if an amount is exempt)
- Compensation payments for impairment or incapacity resulting from service with a United Nations armed force
- Compensation payments made under the *Military Rehabilitation and Compensation Act 2004*, except those that are income-related payments
- Pay and allowances for part-time service in the Australian Naval, Army or Air Force Reserve
- Some allowances paid to Australian Defence Force personnel who served in prescribed overseas areas (your employer will advise you if an allowance is exempt)

Other exempt payments

- Certain annuities and lump sums which are paid to an injured person under a structured settlement
- Certain distributions from an early stage venture capital limited partnership
- Certain distributions from a pooled development fund
- Certain payments relating to persecution during the Second World War
- Certain profits or gains from disposal of shares in a pooled development fund
- Japanese internment compensation payments made under the *Compensation (Japanese Internment) Act 2001* or the *Veterans' Entitlements Act 1986*

NON-ASSESSABLE NON-EXEMPT INCOME

The most common types of non-assessable non-exempt income are:

- the tax-free component of an employment termination payment (ETP)
- that part of the taxable component of a death benefit ETP paid to a dependant below the 2010–11 cap of $160,000
- the tax-free component of a superannuation benefit
- the taxed element of a superannuation income stream or lump sum received by a person 60 years old or older
- the taxed element of a death benefit superannuation income stream paid to a death benefit dependant where
  - the deceased was 60 years old or older at the time of their death, or
  - the recipient was 60 years old or older when the benefit was received
- a tax-free superannuation lump sum benefit paid to a person with a terminal medical condition existing at the time when the lump sum was received or within 90 days after its receipt
- National Rental Affordability Scheme payments or non-cash benefits paid by a state or territory government or a relevant body established under a state or territory law
- a superannuation lump sum death benefit received by
  - a dependant, or
  - someone who is not a dependant but received the benefit because of the death of a member of the Australian Defence Force or an Australian police force (including Australian Protective Services) who died in the line of duty
- genuine redundancy payments and early retirement scheme payments shown as 'Lump sum D' amounts on your payment summary
- amounts on which family trust distribution tax has been paid (see question **A4** on page s66 in *TaxPack 2011 supplement*)
- interest or other earnings credited to a first home saver account that you hold or a payment to you from such an account
- government contributions paid under the *First Home Saver Account Act 2008*
- super co-contributions
- the tax bonus paid under the *Tax Bonus for Working Australians Act 2009*.

OTHER AMOUNTS THAT YOU DO NOT PAY TAX ON

You do not pay tax on most child support and spouse maintenance payments.

QUESTION 1

Are you eligible to use the *Short tax return for individuals 2011*?

You will need to read the loose leaf cover to the *Short tax return for individuals 2011* to see if you can use the short tax return.

For information on other ways to prepare your tax return, see page 7.

QUESTION 2

Your tax file number (TFN)

WHAT YOU MUST DO

Write your TFN in the nine boxes provided at item **2** on your short tax return.

To get the full benefit of the new superannuation rules, make sure all your superannuation funds have your TFN.

QUESTION 3

Are you an Australian resident?

'Australian resident' for tax purposes is not the same as for immigration or social security purposes.

You are an Australian resident for tax purposes if:

- you live here permanently
- you have been in Australia for more than half of 2010–11, unless your usual home is overseas and you do not intend to live in Australia, or
- you are an overseas student studying a course in Australia that is more than six months long.

If you go overseas temporarily and do not set up a permanent home in another country, you are still an Australian resident for tax purposes.

If you have been in Australia continuously for six months or more, and for most of that time you worked in the one job and lived at the same place, you are generally an Australian resident for tax purposes. If in doubt, go to **www.ato.gov.au** or phone **13 28 61**.

> STOP
> If you are not an Australian resident for tax purposes for all of 2010–11, you cannot use the short tax return. For information on other ways to prepare your tax return, see page 7.

WHAT YOU MUST DO

Print **X** in the **Yes** box at item **3** on your tax return if you are an Australian resident for tax purposes for all of 2010–11.

QUESTIONS 4–9

Your personal details

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

If your name or postal address has changed since you last notified us and you want to lodge by phone, you need to update these details before you lodge your 2011 tax return by phone. To update your name or postal address, phone **13 28 61**.

QUESTION 10

Your spouse's name

If you had a spouse (married or de facto) at any time in 2010–11, write their name here. See the definition of spouse on page 49.

This applies even if you no longer live with that person or they have since died.

If you had more than one spouse in 2010–11, give the name of your last spouse in 2010–11.

If you did not have a spouse at any time in 2010–11, you do not need to complete this item.

WHAT YOU MUST DO

Write the full name of your spouse at item **10** on your short tax return.

QUESTION 11

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

There are no instructions for this item. See your tax return.

QUESTION 12

Paying your refund directly into your financial institution account

Electronic funds transfer (EFT) – Direct refund

It's faster and simpler to have your refund paid directly to your financial institution account. Complete your account details even if you have provided them previously. Otherwise we will mail your refund cheque.

Complete the following:

- Print the bank state branch (BSB) number. This six-digit number identifies the financial institution. Do not include spaces, dashes or hyphens in the number.
- Print the account number. You cannot use an account number with more than nine characters. Do not include spaces in the account number.
- Print the account name, as shown on your account records. Do not print the account type (for example savings, cheque or mortgage offset). Include spaces between each word and between initials in the account name.

QUESTION 13

Main salary and wage occupation

This question is about:

your occupation with your main employer in 2010–11.

If you had more than one job, your 'main employer' is the one who paid you the most in 2010–11.

If you did not have a job in 2010–11 leave this item blank.

WHAT YOU MUST DO

Print your main salary and wage occupation at item **13** on your short tax return.

QUESTION 14

Salary and wages

This question is about:

income you received in 2010–11 from:

- salary
- wages
- commissions
- bonuses
- parental leave pay
- payments for lost salary or wages paid under an accident or insurance policy or workers compensation scheme.

This question is NOT about:

- employment allowances
- payments you received for services (for which you did not receive a payment summary)
- Centrelink, Veterans' Affairs or other Australian Government payments
- income from an Australian annuity or superannuation income stream
- amounts paid from a Community Development Employment Project (CDEP).

You will be asked about these in later questions.

WHAT YOU NEED

Your payment summary from each employer.

The gross payments shown on your payment summary include any parental leave paid to you.

If you did not receive a payment summary or it has been lost, ask your employer for a copy or a statement of details.

If you cannot get any of these documents, you must complete a statutory declaration (available from the ATO) and retain it with your tax records.

WHAT YOU MUST DO

Use the information on each payment summary.

At item **14**, for each payment summary or payer, write:

- the employer's Australian business number (ABN) or withholding payer number (WPN)
- the tax withheld amount (may be shown as 'tax instalments deducted') in the **Tax withheld** column
- the income amount in the **Income** column.

If you had more than five payment summaries, use the fifth row to provide the total tax withheld and total income for the fifth and subsequent documents (leave the employer's ABN blank).

Do not attach your payment summaries to your tax return. Keep them with your tax records.

> **KEEP YOUR RECORDS**
> You need to keep your payment summaries for five years after the end of the income year unless the Commissioner has determined that you are subject to a shorter retention period in which case the period is two years from the date of the assessment for the income year. See **Keeping records** on page 7 for more information.

QUESTION 15

Employment allowances you received

This question is about:

income you received in 2010–11 from employment allowances.

Types of employment allowances include:

- car
- tools
- clothing or laundry
- dirt, height, site or risk
- meal or entertainment.

If an allowance is shown separately on your payment summary, it must be included here.

Allowances not shown on your payment summary

You do not need to show bona fide overtime meal allowances paid under an industrial law, award or agreement of $25.80 or less per meal which are not shown on your payment summary if:

- you have fully spent the allowance on overtime meals, and
- you do not claim a deduction for overtime meal expenses at item **26**.

If you received any other employment allowances which were not shown on your payment summary (either separately or as part of your salary and wages), you must include them here.

QUESTION 16

Newstart allowance, Youth Allowance, Austudy payment and other such Australian Government payments

This question is NOT about:

- allowances which have been included as part of your salary and wages at item **14**
- tips; show these at item **22**
- work-related deductions; you can claim these later at items **24**, **25** and **26**
- travel or transport allowances (other than car).

> STOP
>
> If you received travel or transport allowances you cannot use the short tax return.

WHAT YOU MUST DO

STEP 1

Using the information on your payment summaries and other statements:

- add up any tax withheld amounts relating to the allowances (do not include any tax withheld which you showed at item **14**)
- add up the allowances.

STEP 2

Write the totals at item **15** in the **Tax withheld** column and the **Income** column on your short tax return.

Keep all the original payment summaries with your tax records. Do not attach them to your tax return.

This question is about:

income you received in 2010–11 from the following Australian Government payments:

- Newstart allowance
- Youth Allowance
- Austudy payment
- parenting payment (partnered)
- partner allowance
- sickness allowance
- special benefit
- widow allowance
- exceptional circumstances relief payment
- interim income support payment
- an education payment of any of the following and you were 16 years old or older:
  - ABSTUDY living allowance
  - payment under the Veterans' Children Education Scheme
  - payment under the Military Rehabilitation and Compensation Act Education and Training Scheme 2004, shown as 'MRCA Education Allowance' on your *PAYG payment summary – individual non-business*
- other taxable Commonwealth education or training payments
- an income support component from a Community Development Employment Project (CDEP), shown as 'Community Development Employment Projects (CDEP) payments' on your *PAYG payment summary – individual non-business*
- a CDEP scheme participant supplement.

This question is NOT about:

- any taxable Australian Government payments other than those listed on page 15: you will be asked about these in the next question
- parental leave payments; show these at item **14 Salary and wages**.

Australian Government payments which are exempt from tax are listed under **Amounts you do not pay tax on** on pages 8–10.

> STOP
> If you received an emergency and general assistance payment or transitional income support payment you cannot use the short tax return. These payments are shown at item **24 Other income** on the *Tax return for individuals (supplementary section) 2011*.

WHAT YOU NEED

Your payment summary for each payment period, or a letter from the paying agency stating the amount you received

WHAT YOU MUST DO

STEP 1

Using the information on your payment summaries and agency letters:

- add up the tax withheld amounts
- add up the income amounts.

STEP 2

Write the totals at item **16** in the **Tax withheld** column and the **Income** column on your short tax return.

> NOTE
> You may be entitled to a tax offset on some or all of this income. We will work it out for you.

Keep all the original payment summaries with your taxation records. Do not attach them to your tax return.

QUESTION 17

Age pension, age service pension, carer payment and other such Australian Government payments

This question is about:

income you received in 2010–11 from the following Australian Government payments:

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

This question is NOT about:

- any Australian Government payments mentioned in question **16** on the previous page, or the tax-exempt payments listed under **Exempt Australian government pensions, allowances and payments** on page 8
- an Australian annuity or superannuation income stream; you will be asked about these in the next question.

WHAT YOU NEED

Your payment summary for each payment, or a letter from the paying agency stating the amount you received

WHAT YOU MUST DO

STEP 1

Using the information on your payment summaries and agency letters:

- add up the tax withheld amounts
- add up the income amounts.

STEP 2

Write the totals at item **17** in the **Tax withheld** and **Income** columns on your short tax return.

> **NOTE**
>
> You may be entitled to a tax offset on this income. Tax offsets reduce the amount of tax you have to pay.
>
> You must work through question **33** (**senior Australians** tax offset) and question **34** (**pensioner** tax offset) to see if you can claim a tax offset. We work out your tax offset based on the tax offset code and veteran code (if applicable) that you write on your short tax return.
>
> If you do not print the correct code letters on your short tax return, you may not receive your correct entitlement.

Keep all the original payment summaries with your tax records. Do not attach them to your tax return.

QUESTION 18

Australian annuities and superannuation income streams

This question is about:

income you received in 2010–11 from:

- annuities (also known as non-superannuation annuities) paid to you by Australian life insurance companies or friendly societies
- superannuation income streams paid to you by Australian
  - superannuation funds
  - life insurance companies
  - retirement savings account (RSA) providers.

The taxed element of a superannuation income stream received when or after you turn 60 years old is tax-free; you do not show it anywhere on your tax return.

Show at this item the **taxed** element of a superannuation income stream that you received before you turned 60 years old. You should have received a *PAYG payment summary – superannuation income stream* showing the taxed element amount.

Show at this item the **untaxed** element of a superannuation income stream regardless of your age. You should have received a *PAYG payment summary – superannuation income stream* showing the untaxed element amount.

This question is NOT about:

- the taxed elements of superannuation income streams received on or after your 60th birthday (these amounts are tax-free and not included in your taxable income)
- the taxed element of a superannuation income stream paid to you as a result of the death of another person who died aged 60 years old or older (these amounts are tax-free and not included in your taxable income)
- age, service and other Australian Government pensions or allowances (these are dealt with at question **17**)
- the tax-free component of your superannuation income stream
- reportable employer superannuation contributions (these are dealt with at question **45**).

WHAT YOU NEED

- A *PAYG payment summary – superannuation income stream* or a statement from the payer of your superannuation income stream
- A *PAYG payment summary – individual non-business* or a statement from the payer of your non-superannuation annuity

If you have not received your payment summary or statement, or you have lost it, contact your payer.

You may not have received a *PAYG payment summary – superannuation income stream* because your entire superannuation income stream was tax-free. For example, you may not have received a payment summary if in 2010–11 your superannuation income stream contained only taxed elements received on or after you turned 60 years old.

WHAT YOU MUST DO

STEP 1 – Tax withheld

Add up all the tax withheld amounts on all your payment summaries and statements from your:

- Australian superannuation income streams, and
- Australian non-superannuation annuities.

Write the total amount in the **Tax withheld** column at item **18** on your short tax return.

STEP 2 – Australian superannuation income streams

Work out the total amounts of taxed and untaxed elements of your Australian superannuation income streams. Your *PAYG payment summary – superannuation income stream* shows the taxed and untaxed elements of the taxable component of your benefit.

- Write the total of the **taxed element** amounts at **J** item **18** on your short tax return.
- Write the total of the **untaxed element** amounts at (a) in **worksheet 1**.

STEP 3 – Australian non-superannuation annuities

If you received payments of Australian non-superannuation annuities, you need to work out the relevant assessable amount.

The **assessable amount** is calculated by subtracting the **deductible amount** of the undeducted purchase price (UPP) of your annuity from the gross amount of the annuity shown on your *PAYG payment summary – individual non-business*.

Your annuity may have a UPP if:

- you bought the annuity with your own capital, or
- the annuity reverted to you on the death of another person.

The UPP is that part of the annuity payment made to you that represents the part of the purchase price which you could not claim as a tax deduction in previous years.

The **deductible amount** of the UPP of your annuity is usually calculated by taking the residual capital value away from the purchase price and dividing the result by either:

- the term of the annuity (where the annuity is payable for a fixed term of years), or
- a life expectancy factor determined according to life expectancy statistics (where the annuity is payable during your lifetime).

You may have received a statement from your payer showing the deductible amount of the undeducted purchase price of your annuity. If you do not have details of the deductible amount, contact your payer for assistance. If your payer cannot tell you, phone **13 10 20**.

Add up all the assessable amounts of your Australian non-superannuation annuities.

Write the total of the assessable amounts of your Australian non-superannuation annuities at (b) in **worksheet 1**.

> **NOTE**
>
> If you have taken any part of your annuity as a lump sum, or if there are changes to your annuity, for example, due to commutation, divorce or remarriage, then the deductible amount of your UPP may need to be recalculated.
>
> **The deductible amount of your UPP cannot be more than the amount of the annuity** you have received in the income year; that is, the amount at (b) in **worksheet 1** cannot be less than zero. This means that you cannot use any excess of the deductible amount to reduce any income you have received from an Australian superannuation income stream benefit.

STEP 4
Add (a) and (b) in **worksheet 1**, and transfer the amount at (c) to **N** item **18** on your short tax return.

WORKSHEET 1: Working out the total of untaxed elements and assessable amounts

Total **untaxed element** amounts from your superannuation income streams	$	(a)
Total **assessable amounts** from your non-superannuation annuities	$	(b)
Add (a) and (b).	$	(c)

Transfer the amount at (c) to **N** item **18** on your short tax return.

NOTE
You may be entitled to a tax offset for your Australian superannuation income stream. Read question **35** on page 34 to find out more about it.

This tax offset does not apply to non-superannuation annuities.

Keep all of your original payment summaries with your taxation records. Do not attach them to your tax return.

QUESTION 19

TOTAL TAX WITHHELD

WHAT YOU MUST DO

STEP 1
Check that you have shown all the tax withheld from the income you received.

STEP 2
Add up all the tax withheld amounts, and write the total at item **19** on your short tax return.

QUESTION 20

Interest

This question is about:
interest you received in 2010–11 from Australian financial institutions (such as banks and credit unions) or other sources within Australia.

This includes interest from:
- savings accounts
- term deposits
- cash management accounts
- accounts you shared with another person (such as your spouse)
- children's accounts if the funds belonged to you, or you spent or used the funds as if they belonged to you.

It also includes interest which we credited or paid to you.

Do not show at this item, or anywhere else on your tax return, any interest you earned on a first home saver account you hold. That interest is non-assessable, non-exempt income, that is, tax-free income.

This question is NOT about:
- dividends (you show these at the next question)
- interest from a partnership or trust
- interest from a cash management trust or similar trust investment product.

STOP
If you received interest from a partnership or trust, you cannot use the short tax return.

If you had tax file number (TFN) amounts withheld on interest because you did not provide your TFN, you cannot use the short tax return.

WHAT YOU NEED
- Your statement or similar document for each account
- Notices of assessment you received from us during 2010–11 showing interest on early payments or overpayments

WHAT YOU MUST DO

STEP 1
Using the information on your financial documents, add up the amounts of interest.

For shared accounts, only include your share of the interest.

NOTE
Do not deduct account-keeping fees and charges from your gross interest amount. You may be able to claim these at item **27** (Bank account fees).

STEP 2
Write the total at item **20** on your short tax return.

QUESTION 21

Dividends from shares

This question is about:
dividends you received in 2010–11 from shares in Australian companies (but not from managed funds). These include:

- dividends paid directly to you
- dividends applied under a dividend reinvestment plan
- bonus shares which qualify as dividends.

A dividend is assessable income in the year it was paid or credited to you (even if it relates to a previous year).

This question is NOT about:

- dividends paid by a partnership, trust, managed fund or cash management trust
- dividends from a New Zealand company that have Australian franking credits attached.

STOP

You cannot use the short tax return if you had:

- more than $5,000 of franking credits
- tax file number (TFN) amounts withheld on dividends because you did not provide your TFN
- dividends paid by a partnership, trust, managed fund or cash management trust
- dividends from a New Zealand company that have Australian franking credits attached
- payments, loans or forgiven debts from a private company that are treated as dividends.

WHAT YOU NEED

Your dividend statement from each payer

Your statement should show:

- unfranked amount
- franked amount
- franking credit.

Your dividend statement may state that all or a part of an unfranked amount is paid out of 'conduit foreign' income. Include any unfranked amount paid out of conduit foreign income with all other unfranked amounts.

WHAT YOU MUST DO

STEP 1

Using the information on your statements:

- add up all the unfranked amounts
- add up all the franked amounts
- add up all the franking credits.

If your dividend statement does not show the franked and unfranked portions of the dividend, show the total dividend amount as a franked amount.

STEP 2

Write the totals at item **21** on your short tax return.

QUESTION 22

Small payments you received for your services (totalling less than $5,000)

This question is about:
small payments you received for your services in 2010–11 (which were not part of your normal salary and wages shown at item **14**), such as:

- tips
- jury service (which you did not pay back to your employer)
- participation in market research
- book-keeping and secretarial work
- delivering newspapers and advertising brochures
- voluntary services.

The total income from these payments must be less than $5,000.

> STOP
> If the total is $5,000 or more, you cannot use the short tax return.

If you include income at this item, you may be able to claim deductions for associated work-related expenses at later items.

This question is NOT about:
payments you received that:

- had tax withheld (show these at item **14**)
- relate to a hobby (these payments are not taxed)
- reimburse expenses and are not income (for example, travel allowance paid to jurors)
- relate to a business you run.

> STOP
> If you run a business, you cannot use the short tax return.

If you are not sure whether you should include a particular payment you received, phone **13 28 61**.

WHAT YOU MUST DO

Write the total of the payments you received for services at item **22** on your short tax return.

QUESTION 23

TOTAL INCOME

WHAT YOU MUST DO

STEP 1
Check that you have shown all the income you received.

STEP 2
Add up all income amounts and write the total at item **23** on your short tax return.

QUESTION 24

Work-related car expenses (cents per kilometre method)

This question is about:

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

- owned (even if it is not registered in your name)
- leased (even if it is not registered in your name), or
- hired under a hire-purchase agreement

You must use only the cents per kilometre method to calculate your deductions for these expenses.

> **STOP**
>
> If you wish to claim using the 12% of original value method, the one-third of actual expenses method or the logbook method, you cannot use the short tax return. See page 7 for other ways to prepare your tax return.
>
> If you received an allowance from your employer for the use of your car for work-related purposes (the amount is usually shown on your payment summary), make sure you have included the allowance at item **15**.

What can you claim?

You can claim for the kilometres you travelled for work-related purposes in 2010–11.

The most you can claim using the cents per kilometre method is 5,000 kilometres, even if you travelled more.

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

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

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

WHAT YOU MUST HAVE

No written evidence of expenses is necessary, but you may need to be able to show how you worked out your work-related kilometres (for example, by producing odometer records).

WHAT YOU MUST DO

STEP 1

Use the following table to find out how much you can claim per kilometre (km) depending on your car's engine.

Ordinary engine	Rotary engine	Cents per km
1,600cc or less	800cc or less	63 cents
1,601–2,600cc	801–1,300cc	74 cents
2,601cc and over	1,301cc and over	75 cents

STEP 2

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

Total work-related kilometres (cannot be more than 5,000 km)		(a)
Cents per km for your car's engine (63, 74 or 75 cents)		(b)
Multiply (a) by (b).		(c)
Divide (c) by 100.	$	(d)

The amount at (d) is the dollar amount you can claim. Write this amount at item **24** on your short tax return.

EXAMPLE

You used your car to travel 1,000 kilometres for work-related purposes. Your car has a 1,600cc engine, therefore you can claim 63 cents per kilometre.

The amount you can claim is:
(1,000 × 63) ÷ 100 = $630

QUESTION 25

Work-related clothing expenses

This question is about:
deductions for the cost of buying, renting, repairing and cleaning the following types of clothing relating to your work as an employee:

- compulsory work uniforms
- non-compulsory work uniforms
- occupation-specific clothing, and
- protective clothing.

You cannot claim for any other type of clothes you wear to work (such as a suit, black trousers, white shirt or jeans) even if your employer tells you to wear them.

You cannot automatically claim a deduction just because you received a clothing or laundry allowance from your employer (question **15**); you can only claim for what you actually spent.

Compulsory work uniform

This is a single item or a set of **unique** or **distinctive** clothing that identifies you as an employee of an organisation, and it is **compulsory** for you to wear it while at work.

Clothing is **unique** if it has been designed and made only for the employer.

Clothing is **distinctive** if it has the employer's logo permanently attached, and the clothing with the logo is not available to the public.

You may be able to claim for secondary items such as shoes, socks and stockings, but only where they are specified (colour, style) in your employer's compulsory uniform policy.

Non-compulsory work uniform

You can claim for a non-compulsory work uniform only if your employer has registered the design with AusIndustry. Check with your employer (who will be able to find the information at **www.ausindustry.gov.au**).

Occupation-specific clothing

This is clothing that is specific to your occupation and would allow the public to easily recognise your occupation, for example, the checked pants a chef wears.

Protective clothing

Protective clothing is clothing and items that:

- protect you from the risk of injury or illness while you are working, for example, safety boots, gloves, fire-resistant clothing and sun-protection clothing, or
- you wear at work to protect your ordinary clothes from soiling or damage, for example, overalls, smocks and aprons.

Ordinary clothes such as jeans, drill shirts and shorts, trousers and socks that lack protective qualities designed for the risks of your work are not protective clothing.

WHAT YOU MUST HAVE

You must be able to justify your claim for all the costs of buying, renting, repairing and cleaning your work-related clothing.

For washing, drying and ironing you did yourself, you may work out your claim on the basis of $1 per load (or 50 cents if washed with other clothes).

If your total claim at items **25** and **26** (excluding amounts for overtime meals) is more than $300, you must have written evidence (such as receipts, bank or credit card statements, diary entries and calculations) for the whole amount you are claiming at this item (except for the cleaning component if it was less than $150).

Evidence for these purposes generally needs to be a document or combination of documents from either the supplier or a third party showing the amount spent, the date of payment, the name of the supplier, and a description of the item or services supplied.

Diary entries or other records you have prepared yourself are acceptable as written evidence only if:

- each expense is $10 or less and the total of these expenses is $200 or less, or
- you cannot get a receipt or other supplier or third-party documentation to support your claim.

See page 7 for information about how long you must keep your records.

WHAT YOU MUST DO

STEP 1

Work out the total amount of your work-related clothing expenses for 2010–11 and write the total amount at item **25** on your short tax return.

STEP 2

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

Compulsory work uniforms	**C**
Non-compulsory work uniforms	**N**
Occupation-specific clothing	**S**
Protective clothing	**P**

STEP 3

Print your code letter at item **25** on your short tax return.

QUESTION 26

Other work-related expenses

This question is about:

deductions for the following work-related costs:

- union fees and subscriptions to associations
- overtime meals
- protective items (other than protective clothing)
- seminars and conferences
- trade publications
- telephone expenses
- any other expenses relating to your work as an employee.

You can only claim for what you actually spent.

This question is NOT about:

the costs of self-education, computers and software, professional libraries, protective clothing items and home office expenses.

> STOP
> If you wish to claim the costs of self-education, computers and software, professional libraries, and home office expenses, you cannot use the short tax return.

Union fees and subscriptions to associations

You can claim for the cost of union fees and subscriptions to trade, business or professional associations. These may be shown on your payment summary.

You can claim payments of levies to a strike fund only where the fund was used solely to maintain or improve your pay. If you are not sure, check with your union.

Overtime meals

You can claim the cost of overtime meals only if your employer paid an award overtime meal allowance and you showed the allowance at item **15**.

You can claim the amount you actually spent. If your claim is more than $25.80 for a meal, you will need written evidence of the claim (receipts or diary entries).

Protective equipment and other items

You can claim the cost of equipment or other items, other than clothing items, that you used to protect yourself from the risk of injury or illness at work, for example, hard hats, safety glasses, other safety equipment, sunscreen and sunglasses.

The cost of protective clothing can be claimed at item **25**.

Seminars and conferences

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

Trade publications

You can claim for the cost of trade magazines, technical journals and reference books that are related to your work.

Telephone expenses

You can claim the cost of work-related phone calls on your private telephone. Add up the total of your work-related calls using your phone bill.

You can also claim for your telephone rental if you were 'on call' or you were required to regularly phone your employer or clients while you were away from your workplace. You must apportion the cost of telephone rental between work-related and private use.

Other work-related expenses

You can claim other work-related expenses you paid (such as batteries for calculators, classroom materials and stationery).

WHAT YOU MUST HAVE

You must be able to justify your claim.

If your total claim for items **25** and **26** (excluding amounts for overtime meals) is more than $300, you must have written evidence (such as payment summaries, receipts, phone bills, bank or credit card statements, diary entries and calculations) for the amount you are claiming at this item.

Evidence for these purposes generally needs to be a document or combination of documents from the supplier or a third party showing the amount spent, the date of payment, the name of the supplier, and a description of the item or services supplied.

Diary entries or other records you have prepared yourself are acceptable as written evidence only if:

- the expenses are each $10 or less, and the total of these expenses is $200 or less, or
- you cannot get a receipt or other supplier or third-party documentation to support your claim.

See page 7 for information about how long you must keep your records.

WHAT YOU MUST DO

STEP 1

Work out the total amount of your other work-related expenses for 2010–11.

STEP 2

Write this amount at item **26** on your short tax return.

QUESTION 27

Bank account fees

This question is about:
deductions for account-keeping fees for accounts kept for investment purposes, for example, a cash management account.

This question is NOT about:
first home saver accounts. You cannot claim a deduction for account-keeping fees charged on a first home saver account.

WHAT YOU MUST HAVE

Your bank statement or similar document for each account

WHAT YOU MUST DO

STEP 1
Work out the total amount of your relevant account-keeping fees for 2010–11.

For shared accounts, include only your share of the fees.

STEP 2
Write this amount at item **27** on your short tax return.

QUESTION 28

Gifts and donations of money

This question is about:
deductions for:

- gifts or donations of $2 or more to approved organisations, such as:
  - certain funds, organisations or charities which provide help in Australia
  - some overseas aid funds
  - school building funds
- contributions of $2 or more to
  - a registered political party
  - an independent candidate in an election for parliament
  - an individual who was an independent member of parliament or in limited circumstances was an independent member.

Receipts should state that the gift or donation is **tax deductible** or that it is made to a **deductible gift recipient**. If you are in doubt, check with the organisation to which you made the gift or donation.

You can claim only for voluntary donations.

You cannot claim for a donation if you received something for it (for example, a pen, raffle ticket, reduction in school fees or a game of golf).

You can claim for donations to an approved church-run charity, but not to the church itself.

Natural disaster donations
If you made one or more donations of $2 or more to bucket collections conducted by an approved organisation for natural disaster victims, you can claim a tax deduction of up to $10 for the total of those contributions without a receipt. For more information see **What's new this year** on page 2.

Contributions and gifts to political parties and independent candidates and members

You can claim a deduction for contributions or gifts of $2 or more to registered political parties, independent members of parliament (state or Commonwealth) or independent candidates in an election for parliament.

The political parties must be registered under Commonwealth, state or territory electoral laws.

If the total of all your contributions and gifts to political parties during the year is greater than $1,500 then the maximum amount you can deduct is $1,500. A separate deduction limit of $1,500 applies if the total of all your contributions and gifts to independent candidates or independent members of parliament for the year exceeds $1,500.

An independent member of parliament or candidate cannot be a member of, nor be endorsed by, a registered political party.

This question is NOT about:

- gifts or donations of property (other than money)
- making an election to spread your deduction over five income years or less
- contributions relating to fund-raising events when you receive a minor benefit for your contribution. See **Deductions for contributions relating to fund-raising events** in **Special circumstances and glossary** in *TaxPack 2011* for more information. You could be eligible to claim for contributions of more than $150.

> STOP
> You cannot use the short tax return if any of the three dot points above applies to you.

WHAT YOU MUST HAVE

Receipts for all your gifts and donations (or your payment summary for any donations you made under a workplace-giving program)

WHAT YOU MUST DO

STEP 1

Work out the total amount of your gifts and donations for 2010–11.

STEP 2

Write this amount at item **28** on your short tax return.

QUESTION 29

Cost of managing your tax affairs

This question is about:

deductions for:

- expenses for managing your tax affairs
- interest charges that we imposed on you
- expenses for complying with any legal obligations relating to another person's tax affairs.

Managing your tax affairs

Expenses for managing your tax affairs may include the cost of:

- stationery items you bought to do your tax preparation and for record keeping
- preparing and lodging your previous tax return using a registered tax agent
- tax reference material you bought
- travel associated with obtaining tax advice
- obtaining tax advice from a recognised tax adviser, that is, from a registered tax agent, barrister or solicitor.

You cannot claim for the cost of tax advice given by someone who is not a recognised tax adviser.

A list of registered tax agents can be found at **www.tpb.gov.au** or you can check with the Tax Practitioners' Board on **1300 362 829**.

Interest charges

You can claim any interest charges that we imposed on you. You cannot claim any penalty or extra tax you had to pay.

Legal obligations

If we asked you to supply information about another person's tax affairs, you can claim the expenses which you incurred in complying with our request.

WHAT YOU MUST DO

STEP 1

Work out the total amount of your expenses for managing your tax affairs during 2010–11.

STEP 2

Write this amount at item **29** on your short tax return.

QUESTION 30

TOTAL DEDUCTIONS

WHAT YOU MUST DO

STEP 1
Check that you have shown all the deductions you can claim.

STEP 2
Add up all deduction amounts and write the total at item **30** on your short tax return.

QUESTION 31

TAXABLE INCOME

WHAT YOU MUST DO

STEP 1
Take **total deductions** (shown at item **30**) away from **total income** (shown at item **23**).

STEP 2
Write the result at item **31** on your short tax return.

QUESTION 32

Dependent spouse, no dependent children

You may be able to claim a dependent spouse tax offset for **any period** in 2010–11 when **all** the following applied:

- your adjusted taxable income (ATI) was $150,000 or less
- you lived with your spouse, or you helped your spouse to pay living expenses
- your spouse was an Australian resident for tax purposes
- you and your spouse did not have any dependent children.

For the purposes of the short tax return, **ATI** is your:

- taxable income (shown at item **31**) *plus*
- adjusted fringe benefits (which are your reportable fringe benefits shown at item **44** multiplied by 0.535, ignoring cents) *plus*
- reportable employer superannuation contributions (shown at item **45**).

A spouse can be of the same or opposite sex (see the definition of spouse on page 49).

The maximum spouse offset you can claim is $2,286.

Spouse's adjusted taxable income (ATI)
The amount you can claim will depend on your spouse's ATI for the period you are claiming. For the purposes of the short tax return, this is the sum of your spouse's taxable income plus adjusted fringe benefits (which are their reportable fringe benefits multiplied by 0.535, ignoring cents).

You cannot use the short tax return if you wish to claim this tax offset and your spouse has any of the following:

- net financial investment losses
- net rental property losses
- reportable employer superannuation contributions
- a deduction claimed for personal superannuation contributions
- target foreign income
- a tax-free pension including a tax-free pension or benefit paid to your spouse under the *Military Rehabilitation and Compensation Act 2004*
- deductible child maintenance expenditure.

See page 31 for an explanation of these terms.

If you are claiming for the full year, your spouse's ATI for the full year must have been less than $9,426. (This amount reduces if you are claiming for part of the year.)

WHAT YOU MUST DO

STEP 1

Work out the period (or periods) when **all** the conditions for dependent spouse tax offset applied; this is the period for which you can claim.

STEP 2

If you are claiming for the **full year**:

- work out your spouse's ATI for 2010–11. This is the sum of their taxable income plus adjusted fringe benefits (which are reportable fringe benefits multiplied by 0.535).
- if your spouse's ATI was more than **$282**, go to step 3
- if your spouse's ATI was **less than or equal to $282**, you can claim the full amount of $2,286. Write this amount at item **32** on your short tax return. You have finished this question.

If you are claiming for **part of the year**:

- work out the number of days in the period (or periods) you are claiming
- then work out your spouse's ATI for the period you are claiming. If you are claiming for more than one period, the ATI you show at step 3 is the total of the ATI for each of the periods you are claiming.

STEP 3

Use the following table to work out your tax offset:

Number of days you are claiming (The full year is 365 days.)		(a)
Multiply (a) by $6.26 or use $2,286 for the full year.	$	(b)
Your spouse's ATI for the period (or periods) you are claiming	$	(c)

If the amount at (c) is **less than or equal to $282**, your tax offset is the amount at (b); write this amount at item **32** on your short tax return.

Otherwise, continue working:

Take **$282** away from (c).	$	(d)
Divide (d) by 4.	$	(e)
Take (e) away from (b).	$	(f)

If the amount at (f) is $0 or less, you cannot claim a dependent spouse tax offset.

If the amount at (f) is more than $0, that amount is your tax offset for the period; write this amount at item **32** on your short tax return.

If you are claiming this tax offset, you must also complete your spouse's details at items **10** and **46** and complete items **47**– **50** as applicable.

QUESTION 33

Senior Australians

What we call **rebate income** for you or your spouse is taxable income plus the following amounts if they apply (note that if you have net financial investment losses, rental property losses or deductible personal superannuation contributions you are not able to use the short tax return):

- adjusted fringe benefits (the total reportable fringe benefits amount multiplied by 0.535)
- reportable superannuation contributions (the sum of reportable employer superannuation contributions and deductible personal superannuation contributions)
- net financial investment loss (the amount by which financial investment deductions for the income year exceeded the financial investment income for that year), and
- net rental property loss (the amount by which rental property deductions for the income year exceeded the rental property income for that year).

You are eligible for the senior Australians tax offset if you satisfy **all** of the following **four conditions**.

Condition 1

On 30 June 2011 you were:

- a male
  - aged 65 years old or older, or
  - veteran or war widower aged 60 years old or older, who met the veteran pension age test

  or
- a female
  - aged 64 years old or older, or
  - veteran or war widow aged 59 years old or older, who met the veteran pension age test.

Condition 2

Any of the following applied in 2010–11:

- You did not have a spouse, and your rebate income was less than **$48,525**.
- You lived apart from your spouse because of ongoing illness, or either of you was in a nursing home at any time during the year, and the combined rebate income* of you and your spouse was less than **$91,840**.
- You did have a spouse, and the combined rebate income* of you and your spouse was less than **$78,992**.

The definition of spouse includes same-sex relationships. See the definition of spouse on page 49.

* **Combined rebate income** includes your spouse's share 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*.

Condition 3

Any of the following applied at any time in 2010–11:

- You received the age pension from Centrelink, or a pension, allowance or benefit from the Department of Veterans' Affairs (DVA).
- You did not receive or apply for the age pension, but you would satisfy one or more of the following *Social Security Act 1991* age pension eligibility tests:
  - the Australian residency test
  - you had a qualifying residence exemption (refugee or special humanitarian program)
  - you received a partner allowance, mature age allowance, widow B pension or widow allowance immediately before turning age-pension age
  - you would qualify for the Australian age pension under an international social security agreement.

  If you are unsure about these tests, phone Centrelink on **13 23 00**.
- You were a veteran with eligible war service or a Commonwealth veteran, allied veteran or allied mariner with qualifying service who did not receive a pension, allowance or benefit from Department of Veterans' Affairs (DVA) because you did not make a claim or because of the application of the income test or assets test.

Condition 4

You meet this condition unless you were in jail for the whole of the 2010–11 income year.

WHAT YOU MUST DO

STEP 1

If you satisfy **all four conditions**, select all the code letters that applied to you at any time in 2010–11:

You were single, widowed or separated.	**A**
You and your spouse lived apart because of illness or infirmity and you are **both** eligible for the senior Australians tax offset.	**B**
You and your spouse lived apart because of illness or infirmity but your spouse is **not** eligible for the senior Australians tax offset.	**C**
You and your spouse lived together and you are **both** eligible for the senior Australians tax offset.	**D**
You and your spouse lived together but your spouse is **not** eligible for the senior Australians tax offset.	**E**

If only **one** code letter applied, go to step 2.

If **more than one** code letter applied, use the first code letter in the list above that applied to you, **except**:	
If both **A** and **B** applied, and your spouse's rebate income was less than $18,334, use	**B**
If both **A** and **C** applied, and your spouse received an Australian Government payment listed at question **17 Age pension, age service pension, carer payment and other such Australian Government payments** and your spouse's rebate income was less than $22,734, use	**C**
If both **A** and **D** applied, and your spouse's rebate income was less than $12,494, use	**D**
If both **A** and **E** applied, and your spouse received an Australian Government payment listed at question **17 Age pension, age service pension, carer payment and other such Australian Government payments** and your spouse's rebate income was less than $15,167, use	**E**

STEP 2

Write your code letter in the **Tax offset** code box at **N** item **33** on your short tax return.

We will work out the amount of your tax offset.

You may not get the senior Australians tax offset even if you meet all the eligibility conditions as the amount of the tax offset is based on your individual income, not your combined income if you have a spouse.

STEP 3

If your spouse or you were a veteran, war widow or war widower, work out your **veteran code** – select the code letter that applies to you:

You were a veteran, war widow or war widower.	**V**
Your spouse was a veteran, war widow or war widower.	**W**
Both **V** and **W** apply to you.	**X**

Write the code letter in the **Veteran** code box at **Y** item **33** on your short tax return.

QUESTION 34

Pensioner offset

Do not complete this item if you completed item **33**. Go to question **35**.

This question is about:
tax offset for persons who showed income at item **17** and who do not qualify for the senior Australians tax offset.

WHAT YOU MUST DO

STEP 1
Select the code letter that applied to you in 2010–11 at the time you were receiving any of the payments referred to in question **17**. The code letter tells us how to work out the amount of your tax offset.

TABLE 1: Pensioner tax offset code letters

While you were receiving an Australian Government pension or allowance listed at question **6** paid to you by:		
	Centrelink	**Veterans' Affairs**
and, at any time during 2010–11:		
■ you were single, widowed or separated, use	**S**	**L**
■ you and your spouse lived together, use	**P**	**M**
■ you and your spouse 'had to live apart due to illness'* or you lived apart because one of you was in a nursing home, use	**I**	**A**

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

If only **one** code letter applied, go to step 2.

If **more than one** code letter applied to you, use the following code letter:

■ If both **P** and **I** apply to you, use	**I**
■ If **S**, **P** and **I** all apply to you, use	**J**
■ If both **S** and **I** apply to you, use	**J**
■ If both **S** and **P** apply to you, use	**Q**
■ If both **M** and **A** apply to you, use	**A**
■ If **L**, **M** and **A** all apply to you, use	**K**
■ If both **L** and **A** apply to you, use	**K**
■ If both **L** and **M** apply to you, use	**R**

Go to step 2.

STEP 2
Print your code letter in the **Tax offset** code box at **O** item **34** on your short tax return.

STEP 3
If you or your spouse were a veteran, war widow or war widower, select the **veteran code letter** that applies to you:

You were a veteran, war widow or war widower.	**V**
Your spouse was a veteran, war widow or war widower.	**W**
Both **V** and **W** apply to you.	**X**

Print the code letter in the **Veteran** code box at **T** item **34** on your short tax return.

STEP 4
If you received reportable fringe benefits or had reportable employer superannuation contributions complete **Income tests** item **44** and **45**.

If both you and your spouse are eligible for the senior Australians tax offset or the pensioner tax offset and your spouse doesn't use it all, the unused portion may be available for transfer to you. We will work out whether you will receive a transfer from the amounts you write in the spouse details section of your short tax return.

QUESTION 35

Australian superannuation income stream

If you have shown income from an Australian superannuation income stream at item **18**, you may be entitled to a tax offset equal to 10% or 15% of all or part of the taxable component of your superannuation income stream benefit.

You are not entitled to a tax offset for the taxed element of any superannuation income stream you received before you turned 55 years old unless the superannuation income stream was either:

- a disability superannuation benefit, or
- a death benefit income stream.

You are not entitled to a tax offset for the untaxed element of any superannuation income stream received before you turned 60 years old unless the superannuation income stream is a death benefit income stream and the deceased died after they turned 60 years old.

For the purposes of this question, a death benefits dependant also includes a person who receives a death benefit income stream that commenced before 1 July 2007.

> For more information on the taxation of death benefits paid from super funds as lump sums or income streams to death benefits dependants and others, see *Understanding a death benefit paid from a super fund* at **www.ato.gov.au**

If you are not entitled to a tax offset go to question **36**.

WHAT YOU NEED

Your *PAYG payment summary – superannuation income stream* shows whether your superannuation income stream qualifies for a tax offset and the amount of your tax offset. If you cannot find your payment summary, or are not sure whether you can claim a tax offset, contact your superannuation provider.

If your tax offset amount is not shown on your payment summary, you can work it out by multiplying the taxed element and the untaxed element of the taxable component by the relevant percentage shown in **table 1** on the next page.

Work out the tax offset for each element and add them together.

If you turned 55 or 60 years old during the 2010–11 income year, a different percentage of tax offset may apply to the superannuation income stream you were receiving before and after your birthday. You can ask your payer what amounts of your superannuation income stream attract a tax offset, or you can use **worksheet 1** to work out the amount of your tax offset.

WHAT YOU MUST DO

STEP 1

Work out the total amount of your tax offset.

If you are using **worksheet 1** use steps (a) to (g) to work out the tax offset for each element of your superannuation income stream. If you received more than one superannuation income stream repeat steps (a) to (g) for each of those income streams.

If you are not using **worksheet 1**, add up the tax offset amounts shown on each *PAYG payment summary – superannuation income stream*.

STEP 2

Write the total amount of your tax offset at item **35** on your short tax return. Do not show cents.

TABLE 1: Percentages used to work out your Australian superannuation income stream tax offset

Income stream	Age of the deceased	Your age at date of each payment	Taxed element	Untaxed element
Death benefit	Under 60 years old	Under 60 years old	15%	0%
		60 years old and older	Not applicable*	10%
	60 years old and older	Any age	Not applicable*	10%
Disability superannuation benefit	Not applicable	Under 60 years old	15%	0%
		60 years old and older	Not applicable*	10%
All other income streams	Not applicable	Under 55 years old	0%	0%
		55–59 years old	15%	0%
		60 years old and older	Not applicable*	10%

* The tax offset does not apply because this is non-assessable non-exempt income, that is, tax-free income.

WORKSHEET 1: Working out the amount of your tax offset

The amount of the part of the superannuation income stream benefit paid to you before your 55th or 60th birthday for which you are entitled to a tax offset	$	(a)
Relevant percentage from **table 1**		(b)
Multiply (a) by (b).	$	(c)
The amount of the part of the superannuation income stream benefit paid to you on or after your 55th or 60th birthday for which you are entitled to a tax offset	$	(d)
Relevant percentage from **table 1**		(e)
Multiply (d) by (e).	$	(f)
Add (c) and (f).	$	(g)

The amount at (g) is your tax offset for this income stream

Add up all the amounts you have worked out at (g).	$	(h)

The amount at (h) is the total amount of your tax offset.

QUESTION 36

Private health insurance

This question is about:
claiming the private health insurance tax offset for the premium you or your employer paid towards a complying private health insurance policy

- provided by a registered health insurer
- for **hospital**, **general** (also known as 'extras') or **combined hospital and general** cover
- where every person covered by the policy is eligible to claim benefits under the Medicare system. Check with your health insurer if you are unsure.

> **STOP**
> You cannot use the short tax return if:
> - you had more than two private health insurance policies in 2010–11, or
> - the statement from your health insurer is based on projected figures, and the amounts actually paid by you differ from the amounts projected.

Check the statements from the health insurers you paid premiums to. If the amounts at **G** on your statements are $0, you have already received your full entitlement and you do not need to complete this item. Go to question 37.

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

Claiming the tax offset

The tax offset can be claimed as:

- a reduction in your health insurance premium
- cash or a cheque from Medicare
- a refundable tax offset at the end of the income year, or
- a combination of all these options, each for a different period.

WHAT YOU MUST HAVE

- You need a private health insurance statement from your health insurer. If you did not receive a statement, you should contact your health insurer and request one. If you were covered by a second health insurer during the year, you should have a statement from that health insurer.
- You need the total amount of cash or cheque payments you have received from Medicare for your private health insurance premium for 2010–11.

WHAT YOU MUST DO

STEP 1
Add up all the amounts shown at **G** on your statements.

STEP 2
Deduct any cash or cheque rebates you received from Medicare for your private health insurance premiums.

STEP 3
If the result from step 2 is $0 or a negative amount, you have already received your full entitlement.

If the result from step 2 is greater than $0, write that amount at **G** item **T5**.

If you and another person made payments for the same policy (for example, from a joint bank account) you can each claim the proportion of the amount you worked out at step 2 that reflects the amount of the premiums that you paid.

QUESTION 37

Zone (remote area)

You may claim a tax offset if you lived or worked in **one of the zones** (zone A, zone B or a special area) specified on pages 37–8 for a total of **183 days or more** in 2010–11.

The 183 days do not have to be continuous.

STOP

You cannot use the short tax return if you wish to claim the zone offset:

- for living or working in more than one zone during 2010–11
- using qualifying days from previous years
- for service overseas as a member of the Australian Defence Force or a United Nations armed force
- if you have dependents (this includes your spouse).

You cannot claim a zone tax offset for working on an offshore oil or gas rig.

Who can you claim for?

You may be able to claim amounts for yourself.

WHAT YOU MUST DO

Determine your offset amount, if any, using the table below.

Category	Tax offset amount	
Single with no dependants for all of 2010–11	Special area	**$1,173**
	Zone A	**$338**
	Zone B	**$57**

At item **37** on your short tax return write your tax offset amount **less** any remote area allowance* you received. You have finished this question.

* Remote area allowance you received from Centrelink or the Department of Veterans' Affairs, or any equivalent amount included in an exceptional circumstances relief payment.

Localities for zone tax offset

Locations that are within 250 kilometres of the localities marked with an asterisk (*) are also in the relevant zone.

Other less well-known isolated locations may be in a zone or special area. You can check if your location is in a zone by phoning **13 28 61**.

ZONE A

Western Australia	Northern Territory
Bidyadanga (Lagrange)	Alice Springs*
Broome*	Batchelor
Carnarvon	Darwin
Dampier	Hermannsburg
Derby	Katherine*
Goldsworthy	Pine Creek
Karratha	Santa Teresa
Marble Bar	Tindal
Newman*	**Queensland**
Pannawonica	Camooweal
Paraburdoo	Cloncurry
Port Hedland*	Mount Isa*
Roebourne	
Shay Gap	
Tom Price*	
Wittenoom	

ZONE B

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

New South Wales
Bourke
Brewarrina
Broken Hill
Cobar
Collarenebri
Lightning Ridge
Menindee
Wilcannia

Tasmania
Queenstown
Rosebery

South Australia
Woomera

Queensland
Airlie Beach
Atherton
Augathella
Ayr
Barcaldine
Blackall
Bowen
Cairns
Cardwell
Charleville
Charters Towers
Clifton Beach
Collinsville
Coppabella
Cunnamulla
Greenvale
Home Hill
Ingham
Innisfail
Longreach
Mackay
Mareeba
Mossman
Port Douglas
Proserpine
Quilpie
Sarina
Tambo
Townsville
Tully
Winton

SPECIAL AREAS – SOME WELL-KNOWN LOCATIONS

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

Northern Territory
Alyangula
Angurugu
Borroloola
Elliott
Galiwinku
Jabiru
Lajamanu (Hooker Creek)
Maningrida
Milikapiti
Milingimbi
Nguiu
Ngukurr
Nhulunbuy (Gove)
Numbulwar
Oenpelli
Papunyah
Ramingining
Tennant Creek
Yirrkala
Yuendumu
Yulara

New South Wales
White Cliffs

Tasmania
Furneaux Group Islands
King Island

South Australia
Amata Aboriginal Community
Coober Pedy
Cook
Innamincka
Leigh Creek
Marree
Nullarbor
Oodnadatta
Penong
Roxby Downs
Tarcoola

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

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

QUESTION 38

TOTAL TAX OFFSETS

WHAT YOU MUST DO

STEP 1
Check that you have shown all the tax offsets you can claim.

STEP 2
Add up all the tax offset amounts, and write the total at item **38** on your short tax return.

MEDICARE LEVY

Medicare is the scheme which gives Australian residents access to health care.

To help fund the scheme, resident taxpayers are subject to a Medicare levy (normally 1.5% of taxable income). The amount you have to pay will be calculated automatically.

In some cases, you may be entitled to a Medicare levy reduction or exemption, or you may have to pay more (a surcharge). Questions **39**, **40** and **41** deal with these situations.

Medicare levy reduction (question **39**); you may be entitled to this if you are a low income earner.

Medicare levy exemption (question **40**); you may be entitled to this for periods you were in an exemption category.

Medicare levy surcharge (MLS) (question **41**); if your income for MLS purposes or in some circumstances your combined income for MLS purposes was above certain limits, you may have to pay the surcharge for any periods you or your dependants did not have an appropriate level of private patient hospital cover.

The Medicare levy surcharge is in addition to the normal Medicare levy and is calculated at 1% of your

- taxable income,
- total reportable fringe benefits, and
- any amount on which family trust distribution tax has been paid.

Question **41** is **COMPULSORY**. If you do not answer it, you may be charged the full Medicare levy surcharge.

Refer to pages 39–45 when completing the Medicare levy items on the short tax return.

QUESTION 39

Medicare levy reduction

Low income earners may be eligible for a Medicare levy reduction. If you are a low income earner, we will work out any reduction to which you are entitled from the information you provide on your short tax return.

You need to complete this item only if you have a spouse or dependent children, and either your taxable income or your family taxable income is below the relevant limits shown in the next column.

WHAT YOU MUST DO

STEP 1

If you had a spouse on 30 June 2011 or your spouse died during the year, you must write your spouse's taxable income at item **46**. If your spouse had no taxable income, write **0**. For the definition of spouse, see page 49.

STEP 2 – Working out your number of dependent children

A dependent child is any child who was an Australian resident whom you maintained in 2010–11 and was:

- less than 21 years old, or
- 21 to 24 years old who was receiving full-time education at a school, college or university and whose adjusted taxable income (ATI, see page 29) was less than $282 plus $28.92 for each week you maintained them.

Count all your dependent children if:

- you had a spouse on 30 June 2011, or
- your spouse died during 2010–11 and you did not have another spouse during the rest of the year.

Otherwise, if you were single or separated on 30 June 2011, then count only those dependent children for whom you were eligible, at any time during 2010–11, for:

- family tax benefit (FTB) Part A, or
- the rental assistance component of FTB Part A.

STEP 3

Write the number of your dependent children at item **39** on your short tax return. If none, write **0**.

For your information:

The Medicare levy **reduction** is first worked out on **your** taxable income. Your Medicare levy may be reduced if your taxable income is not more than the following limit:

Your taxable income limits	
If you are eligible* for the senior Australians tax offset (question **33**)	**$36,100**
If you are eligible for the pensioner tax offset (question **34**)	**$35,810#**
All other taxpayers	**$22,163#**

* Even though you might meet all the eligibility conditions for the senior Australians tax offset you may not get it, as the amount of the tax offset is based on your individual taxable income, not your combined taxable income if you have a spouse. If you do not get it, you will not get a Medicare levy reduction.

\# At the time of printing these instructions this amount had not become law.

If you had a spouse or a dependent child, and you are not eligible for a reduction based on your taxable income, the Medicare levy reduction is then worked out on your **family** taxable income (the **combined** taxable incomes of you and your spouse, or **your** taxable income if you were a sole parent). Your Medicare levy may be reduced if your family taxable income is not more than the following limit:

Family taxable income limit	
If you are eligible for the senior Australians tax offset (question **33**)	**$52,352***
All other taxpayers	**$37,398*#**
* plus $3,434# for each dependent child	

\# At the time of printing these instructions this amount had not become law.

If you want to estimate your Medicare levy and reduction, go to **www.ato.gov.au** and use the Medicare levy calculator.

QUESTION 40

Medicare levy exemption

You may qualify for an exemption from paying the Medicare levy if you were in any of the following exemption categories at any time in 2010–11.

STOP

You cannot use the short tax return if you are claiming Medicare levy exemption and you have a dependent child or student (see definition in the first NOTE box in the next column) for whom you are in a shared-care arrangement.

Category 1: Medical

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

Category 2: Resident of Norfolk Island

Category 3: Not entitled to Medicare benefits

You must have a certificate from the Medicare Levy Exemption Certification Unit of Medicare Australia showing that you were not entitled to Medicare benefits because you were a temporary resident for Medicare purposes (a letter from Medicare is not sufficient).

If you were not in any of the above exemption categories, leave this item blank. You have finished this question.

If you were in one of the exemption categories, read on.

WHAT YOU MUST DO

STEP 1

Use the information on this page and the next to work out whether you qualify for a full exemption, a half exemption or no exemption.

NOTE

A dependent child is any child who was an Australian resident whom you maintained in 2010–11 and was:

- under 21 years old, or
- 21 to 24 years old who was receiving full-time education at a school, college or university and whose adjusted taxable income (ATI, see page 29) was less than $282 plus $28.92 for each week you maintained them.

For the definition of spouse, see page 49.

STEP 2

If you do qualify for an exemption, work out the number of days for which you can claim a full exemption and the number of days for which you can claim a half exemption.

NOTE

- The year is 365 days.
- Each day can only be counted once. If you have overlapping qualifying periods, count the days in those overlapping periods only once.

STEP 3

Write the number of days in the appropriate boxes at item **41** on your short tax return.

Leave the code box blank unless you have a certificate from the Medicare Levy Exemption Certification Unit because you were a temporary resident for Medicare purposes (see category 3 on page 43). If you were a temporary resident for Medicare purposes and have a certificate, print **C** in the code box.

We will work out the amount of exemption you are entitled to.

Category 1: Medical

If you were in the medical category for any period in 2010–11 **and** you met one of the following conditions, you qualify for a full or half exemption.

If you did not have a spouse or a dependent child, then you can claim **full** exemption for that period.

If you did not have a spouse **but** you had a dependent child who:

- was not in an exemption category, **and**
- did not have to pay the Medicare levy (for example, because of low income)

then you can claim **half** exemption for that period.

If you had a spouse who had to pay the Medicare levy **and** you had dependent children who:

- were not in an exemption category, **and**
- were dependent on both of you

then you can claim **full** exemption for that period.

If you had a spouse and/or dependent children **and** each of them:

- was in an exemption category, **or**
- had to pay the Medicare levy

then you can claim **full** exemption for that period.

If you had a spouse or a dependent child who:

- was not in an exemption category, **and**
- did not have to pay the Medicare levy (for example, because of low income)

then you can claim **half** exemption for that period.

If you had a spouse who is also in this medical category **and** you had a dependent child who:

- was not in an exemption category, **and**
- was dependent on both of you

then either you or your spouse can claim **full** exemption for that period, and the other can claim **half** exemption for that period.

You will have to decide who claims the full exemption (usually the higher income earner) and who claims the half exemption, then complete and keep the **Family agreement** in the next column.

FAMILY AGREEMENT

We agree that the Medicare levy exemption in respect of our dependants for the 2010–11 year will be claimed as follows:

NAME OF PERSON CLAIMING **FULL** EXEMPTION

NAME OF PERSON CLAIMING **HALF** EXEMPTION

YOUR SIGNATURE

YOUR SPOUSE'S SIGNATURE

Category 2: Resident of Norfolk Island

If you were a resident of **Norfolk Island** for the **full year**, then you can claim **full** exemption for the year (365 days).

If you were a resident of **Norfolk Island** for only **part of the year and**

- you did not have a spouse or a dependent child for that period, **or**
- your spouse and all your dependants were in an exemption category for that period

then you can claim **full** exemption for that period that you were a resident of **Norfolk Island**.

Category 3: Not entitled to Medicare benefits

If you were officially not entitled to Medicare benefits for any period of 2010–11 **and**

- you have a certificate from the Medicare Levy Exemption Certification Unit of Medicare Australia because you were a temporary resident for Medicare purposes, **and either**
- you did not have a spouse or a dependent child for that period, **or**
- your spouse and all your dependants were in an exemption category for that period

then you can claim **full** exemption for that period that you were not entitled to Medicare benefits.

For more information on how to apply for an exemption certificate as a temporary resident, contact Medicare Australia on **1300 300 271** or visit their website at **www.medicareaustralia.gov.au**

QUESTION 41

THIS QUESTION IS COMPULSORY FOR ALL TAXPAYERS.

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

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

Medicare levy surcharge

You may have to pay Medicare levy surcharge (MLS) if you or your dependants (including your spouse, even if they had their own income) did not have an appropriate level of private patient hospital cover for the whole of 2010–11 and your income was above a certain amount.

An appropriate level of **private patient hospital cover** is cover provided by a registered health insurer for hospital treatment in Australia which has an excess of:

- $500 or less (for a policy covering only one person), or
- $1,000 or less (for all other policies).

Excess is the amount you pay before your health insurer pays for any claim you make.

General cover (formerly called ancillary cover) or 'extras' is not private patient hospital cover because it only covers items such as optical, dental, physiotherapy or chiropractic treatment.

Dependants

For this question, a dependant (regardless of their income) includes:

- your spouse, even if they worked during 2010–11 or had their own income
- your children under 21 years old
- your children, who are 21 years old or older and under 25 years old, who are full-time students.

Dependants must have been Australian residents and you must have contributed to their maintenance.

The definition of child includes children of people who are in same-sex relationships. See the definition of child on page 41.

STOP

You cannot use the short tax return if you have to pay MLS for the sole reason that your spouse has shown on their tax return (supplementary section) a lump sum payment in arrears at item **20 Foreign source income and foreign assets or property** or at item **24 Other income**. In that instance, you may be entitled to a tax offset up to the amount of MLS you have to pay.

WHAT YOU SHOULD HAVE

A statement from your health insurer which covers you for private hospital cover showing the number of days covered by an appropriate level of health cover

If you do not have this statement, contact your health insurer.

WHAT YOU MUST DO

Use the following steps to work out what you must write at this item.

STEP 1

Item **41** on your short tax return asks 'Did you and **all** your dependants (including your spouse) have an appropriate level of private patient **hospital cover** for all of 2010–11?'

Print **X** in the **Yes** or **No** box at **E**.

If **yes**, you do not have to pay MLS. You have finished this question.

If **no**, go to step 2.

STEP 2

Whether you have to pay MLS depends on:

- your income for MLS purposes, and
- your combined income for MLS purposes, if you had a spouse for the whole of 2010–11.

Use the following worksheets to work out your income for MLS purposes and your combined income for MLS purposes, and then go to step 3.

Your income for MLS purposes

Your taxable income (item **31**)	$	(a)
Your total reportable fringe benefits (item **44**)	$	(b)
Your reportable employer superannuation contributions (item **45**)	$	(c)
Add (a), (b) and (c).	$	(d)

The amount at (d) is your **income** for MLS purposes.

Your combined income for MLS purposes

Your income from (d) above	$	(e)
Your spouse's taxable income (item **31** on their short tax return or from page 3 of their tax return for individuals)	$	(f)
Your spouse's total reportable fringe benefits (**W** item **44** on their short tax return or item **IT1** on page 8 of their tax return for individuals)	$	(g)
Your spouse's share of trust income on which the trustee was assessed under section 98 of the *Income Tax Assessment Act 1936* and which has not been included in your spouse's taxable income (which you also show at **T** item **48** on your short tax return)	$	(h)
Distributions to your spouse on which family trust distribution tax has been paid, and your spouse would have had to show the distribution as assessable income if the tax had not been paid (which you also show at **U** item **49** on your short tax return or at **X** item **A4** on your spouse's tax return for individuals supplementary section)	$	(i)
Add (e), (f), (g), (h) and (i).	$	(j)

The amount at (j) is your **combined income** for MLS purposes.

STEP 3

1 Work out whether you were in one or more of the following categories for the whole of 2010–11:

Your income for MLS purposes was **$77,000 or less** and you were single without a dependent child for the whole of 2010–11.
You were single with a dependent child and your income for MLS purposes was **$154,000 or less** (plus $1,500 for each dependent child after the first).
You had a spouse* (with or without dependent children), and your combined income for MLS purposes was **$154,000 or less** (plus $1,500 for each dependent child after the first).
You and all your dependants (including your spouse, if any) were in a Medicare levy exemption category (question **40**).
The combined income of you and your spouse for MLS purposes was above the limit, but your own income for MLS purposes was **equal to or less than $18,839**.

* If your spouse died in 2010–11 and you did not have another before the end of the year, you are treated as having a spouse for the remainder of 2010–11.

2 If you were in one or more of the above categories for the whole of 2010–11 write **365** at **A** item **41** on your short tax return. You do not have to pay MLS. You have finished this question.

If you were in one or more of the above categories for only part of 2010–11, go to step 4 in the next column.

STEP 4

You may have to pay MLS.

1 For 2010–11, work out the number of days you do not have to pay MLS. This is:

(a) the number of days you and all your dependants (including your spouse, if any) either

- had an appropriate level of private patient hospital cover, or
- were in a Medicare levy exemption category (from item **40**)

plus

(b) the number of days, not already counted in **(a)**, that you had a spouse or dependent child, if

- for part of 2010–11 you were single without a dependent child **and**
- during the balance of the year you had a spouse (and your spouse, if you had one, did not die during the year) and/or a dependent child **and**
- your income for MLS purposes was less than $154,000 (plus $1,500 for each dependent child after the first).

Write the total number of days you do **not** have to pay MLS at **A** item **41** on your short tax return.

2 Write the number of your dependent children at **D** item **41** on your short tax return.

We will work out any MLS you have to pay.

QUESTION 42

Private health insurance policy details

At this item, give details of the private health insurance policies which covered you in 2010–11 (even if the policies did not include hospital cover).

You may be covered under a family policy (for example, your spouse's or your parents' policy).

> **STOP**
> If you had more than two private health insurance policies during the year, you cannot use the short tax return.

WHAT YOU SHOULD HAVE

Statements from the registered health insurers which covered you. These statements should have the details you need to be able to complete this item.

If you do not have a statement, contact your health insurer.

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

WHAT YOU MUST DO

At item **42** on your short tax return, list the private health insurance policies which covered you in 2010–11.

You must show:

- the health insurer ID
- your membership number
- the type of cover.

For the type of cover, use the following code letters:

Hospital	**H**
General (also known as 'extras')	**A**
Combined hospital and general	**C**

If you changed the cover under a policy during the year, use the code letter for the highest level of cover.

QUESTION 43

Under 18

If you were aged under 18 years old on 30 June 2011, you must complete this item or you may be taxed at a higher rate than necessary.

This question will help you work out whether your tax needs to be adjusted.

WHAT YOU MUST DO

STEP 1

Tick any of the following that applied to you on 30 June 2011:

- ☐ You were working full time.
- ☐ You had worked full time for three months or more in 2010–11 (ignoring full-time work that was followed by full-time study),
  and
  you intended to work full time for most or all of 2011–12 and not study full time in 2011–12.
- ☐ You were entitled to a disability support pension or a rehabilitation allowance, or someone was entitled to receive a carer allowance to take care of you.
- ☐ You were permanently blind.
- ☐ You were disabled with the likelihood of that disability being permanent or long term.
- ☐ 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 permanent mental or physical disability, and you received little or no financial support from your relatives.

If you ticked any of the above, write **0** at item **43** on your short tax return and print **A** in the **Age code** box. This will ensure all your income will be taxed at normal rates. You have finished this question.

If you did not tick any of the above read on.

STEP 2
Use the following worksheet to work out how much of your income will be taxed at normal rates. (Such income is called 'excepted net income'.) Any other income you received will be taxed at a higher rate.

Total of the income amounts you showed at items **14** to **18**, and **22**	$	(a)
Income you showed at items **20** and **21** which was received from the investment of: ■ amounts shown at items **14** to **18**, and **22** ■ similar amounts received in previous years of income	$	(b)
Add (a) and (b).	$	(c)
Total of the deduction amounts you showed at items **24** to **26**	$	(d)
Expenses at item **27** which related to the investment of: ■ amounts shown at items **14** to **18**, and **22** ■ similar amounts received in previous years of income	$	(e)
Add (d) and (e).	$	(f)
Take (f) away from (c).	$	(g)

The amount at (g) will be taxed at normal rates. Write this amount at item **43** on your short tax return.

If the amount at (g) is $0 or less, write **0** at item **43**.

Print **M** in the **Age code** box.

QUESTION 44

Total reportable fringe benefits amounts

This question is about:
fringe benefits that you received in 2010–11, such as the use of a company car or reimbursement of your expenses.

Certain fringe benefits are reportable. Your payment summary should show the reportable fringe benefits amount.

The reportable fringe benefits amount is not counted as part of your total income, and you do not pay income tax on it. However, it is used to work out your entitlement to or liability for:

- Medicare levy surcharge
- deductions for personal superannuation contributions
- super co-contributions
- certain tax offsets
- compulsory Higher Education Loan Program (HELP) repayments
- compulsory Student Financial Supplement Scheme (SFSS) repayments
- child support obligations
- certain income-tested government benefits.

WHAT YOU NEED

Your payment summary from each employer

WHAT YOU MUST DO

Using the information on your payment summaries, add all the amounts shown as a reportable fringe benefits amount, and write the total at **W** item **44** on your short tax return. Do not show an amount that is less than $3,738.

Keep all the original payment summaries with your tax records. Do not attach them to your tax return.

QUESTION 45

Reportable employer superannuation contributions

This question is about:

superannuation contributions made by your employer for your benefit.

Reportable employer superannuation contributions are additional to the compulsory contributions your employer must make. An example of a reportable employer superannuation contribution is a contribution made on your behalf under a salary sacrifice arrangement. For more information go to **www.ato.gov.au** and enter 'Guide for employees and self employed – Reportable super contributions' in the 'Search for' box at the top of the page.

WHAT YOU NEED

Your payment summary from each employer

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

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

WHAT YOU MUST DO

Using the information on your payment summaries, add all the amounts shown as reportable employer superannuation contributions, and write the total at **T** item **45** on your short tax return.

Keep all the original payment summaries with your tax records. Do not attach them to your tax return.

QUESTION 46

Your spouse's details

DEFINITION

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

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

You must complete this item if you completed any of the following items:

- **32** Dependent spouse – no dependent children
- **33** Senior Australians
- **34** Pensioner offset
- **39** Medicare levy reduction
- **40** Medicare levy exemption
- **41** Medicare levy surcharge.

If your spouse's income at items **46**–**50** is zero, you must write **0** at these items on your tax return.

WHAT YOU MUST DO

At item **46** on your short tax return:

- specify your spouse's sex; print **X** in the relevant **Male** or **Female** box.
- write your spouse's date of birth.

We use these details to work out whether your spouse is below the age-pension age.

- answer the question 'Did you have a spouse for **all** of 2010–11?'; print **X** in the relevant **Yes** or **No** box.
- if you did not have a spouse for the full year, write the start and end dates of the period you had a spouse between 1 July 2010 and 30 June 2011 in the appropriate boxes.

If you had more than one spouse in 2010–11, give the date of birth of the last spouse, and the start and end dates of the period you had the last spouse.

QUESTION 47

Label O
Your spouse's 2010–11 taxable income

Complete **O** if any of the following applies:

- you claimed the dependent spouse – no dependent children tax offset (item **32**)
- you claimed the senior Australians tax offset (item **33**)
- you claimed the pensioner tax offset (item **34**)
- you are eligible for a Medicare levy reduction based on your family taxable income (item **39**) and you had a spouse on 30 June 2011 or your spouse died in 2010–11
- you claimed a Medicare levy exemption (item **40**)
- you and your dependants did not have an appropriate level of private patient hospital cover for all of 2010–11 (you answered **No** at **E** item **41**).

Your spouse must first work out their taxable income, usually by doing their tax return.

If your spouse does not have to lodge a tax return, provide an estimate of their taxable income.

WHAT YOU MUST DO

Write your spouse's taxable income at **O**. If your spouse did not have a taxable income, write **0**.

QUESTION 48

Label T
Your spouse's share of trust income

Complete **T** if any of the following applies:

- you claimed the senior Australians tax offset (item **33**)
- you claimed the pensioner tax offset (item **34**)
- you and your dependants did not have an appropriate level of private patient hospital cover for all of 2010–11 (you answered **No** at **E** item **41**).

WHAT YOU MUST DO

If your spouse received a share of trust income on which the trustee was assessed under section 98 of the *Income Tax Assessment Act 1936* and which has not been included in your spouse's taxable income, write the amount at **T**. Otherwise, write **0**.

QUESTION 49

Label U
Your spouse's income from family trust distribution

Complete **U** if you and your dependants did not have an appropriate level of private patient hospital cover for all of 2010–11 (you answered **No** at **E** item **41**).

WHAT YOU MUST DO

If your spouse received a distribution on which family trust distribution tax has been paid, and your spouse would have had to show the distribution as assessable income if the tax had not been paid, write the amount of distribution at **U**. Otherwise, write **0**.

Label S
Your spouse's total reportable fringe benefits amounts

Complete **S** if:

- you claimed the dependent spouse – no dependent children tax offset (item **32**)
- you claimed the senior Australians tax offset (item **33**)
- you claimed the pensioner tax offset (item **34**)
- you and your dependants did not have an appropriate level of private patient hospital cover for all of 2010–11 (you answered **No** at **E** item **41**).

WHAT YOU MUST DO

If your spouse received any reportable fringe benefits amounts, write the total amount at **S**. Otherwise, write **0**.

QUESTION 50

Label P
Age pension and other such government payments paid to your spouse in 2010–11

Complete **P** if either of the following applies:

- you claimed the senior Australians tax offset (item **33**)
- you claimed the pensioner tax offset (item **34**).

WHAT YOU MUST DO

Check to see whether your spouse received any of the following Australian Government payments (ignore any 'exempt pension' income – this is covered at **Q**):

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

Add up the total amount of these payments paid to your spouse in 2010–11. (Exclude any exempt pension payments.) Write this amount at **P**. If your spouse did not receive any payment listed, write **0**.

Label Q
Exempt pension income your spouse received in 2010–11

Complete **Q** if any of the following applies:

- you claimed the dependent spouse – no dependent children tax offset (item **32**)
- you claimed the senior Australians tax offset (item **33**)
- you claimed the pensioner tax offset (item **34**).

WHAT YOU MUST DO

Check to see whether your spouse received any of the following exempt pension income:

- carer payment where
  - 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
- DFISA, payable to them on a day when the whole of their social security pension or benefit, which is also payable to them on that day, is exempt from income tax under section 52–10 of the *Income Tax Assessment Act 1997*
- disability support pension paid by Centrelink to a person who is under age-pension age
- double orphan pension
- invalidity service pension where the veteran is under age-pension age
- partner service pension where either
  - the partner (excluding the non-illness separated spouse of a veteran) and the veteran are under age-pension age and the veteran receives an invalidity service pension, or
  - the partner is under age-pension age and the veteran has died and was receiving an invalidity service pension at the time of death
- Veterans' Affairs disability pension and allowances, war widows and war widowers pension
- wife pension where both the recipient and partner are under age-pension age or the recipient is under age-pension age and the partner has died.

Lump sum bereavement payments received as part of any of the above payments are exempt only up to the tax-free amount. Phone **13 28 61** to find out how much of a lump sum bereavement payment is exempt.

Add up the total amount of exempt pension income paid to your spouse in 2010–11. Write this amount at **Q**. If your spouse did not receive any payment listed, write **0**.

QUESTION 51

Your declaration

Read the declaration, then sign and date it.

You have now completed your *Short tax return for individuals 2011*.

You can lodge your tax return with us by phone or mail. To lodge by phone, call **13 28 65**, press **2** and **2** again.

RECEIPT NUMBER

If you are lodging your short tax return by phone, you will be given a receipt number which will be your proof of lodgment. Write this number in the space provided at the bottom of the short tax return.

STOP

Do not send us the paper copy of your tax return if you have lodged by phone and received a receipt number. Keep it for your records.

PRIVACY AND ACCESS TO INFORMATION

COLLECTING YOUR INFORMATION

We are authorised by the *Taxation Administration Act 1953* to ask you for your tax file number (TFN). It is not an offence not to provide your TFN. However, your assessment may be delayed if you do not provide your TFN.

We are authorised by the taxation and superannuation laws, including the *Income Tax Assessment Act 1936*, the *Income Tax Assessment Act 1997*, the *A New Tax System (Australian Business Number) Act 1999* and the *Superannuation (Unclaimed Money and Lost Members) Act 1999* to ask for the other information on this tax return. We need this information to help us to administer the taxation and superannuation laws.

WHO CAN WE GIVE YOUR INFORMATION TO?

We can give your tax information to some government agencies and non-government organisations specified in the taxation and superannuation laws, for example:

- benefit payment agencies such as Centrelink, the Department of Education, Employment and Workplace Relations, and the Department of Families, Housing, Community Services and Indigenous Affairs
- law enforcement agencies such as state and federal police
- other agencies such as the Child Support Agency (CSA) and the Australian Bureau of Statistics
- superannuation funds.

This disclosure is usually to check eligibility for government benefits, for law enforcement purposes, for collecting statistics or for the purpose of reuniting lost members with their superannuation accounts. The CSA may use the information you give to assess or collect child support. If you receive a refund cheque with your notice of assessment, we provide details of your refund to the Reserve Bank of Australia to assist in clearing your cheque. Information you provide on your tax return may also be used to update the Australian Business Register (ABR).

We can also disclose your information in performing our duties under the tax law. Otherwise, we can only give your information to you or someone appointed to act for you.

HOW DO WE PROTECT YOUR INFORMATION?

The tax laws contain secrecy provisions that prohibit any officer of the ATO (including employees and contractors) or any other government agency from improperly accessing or disclosing any information you provide on your tax return. These provisions only allow officers to disclose your tax information in the performance of their duties and in certain other specified circumstances.

In addition, the *Privacy Act 1988* protects personal information held by federal government agencies. It also protects TFNs, no matter who holds them.

ASKING ABOUT YOUR ASSESSMENT

If you phone

When you phone we will ask you to provide your TFN and other information to confirm your identity, for example, details from a recent notice of assessment.

If you want a representative to phone us on your behalf, you must first authorise us, usually in writing, to discuss your information with them. When the person contacts us, they will need to quote your written authority and provide information to prove their identity.

This requirement is to protect your privacy.

If you write

Provide your TFN, full name, address and phone number, if it is convenient. Remember to sign the letter.

ACCESSING YOUR TAX RETURNS AND OTHER DOCUMENTS

To obtain your tax return and other documents, for example, payment summaries and notices of assessment, we suggest you first phone **13 28 61**. 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.

Keep copies of your tax returns, as a request for a copy from us may involve a charge.

DO YOU NEED MORE INFORMATION?

If you need more information about how the law protects your personal information or have any concerns about how we have handled your personal information, phone **13 28 61**.

HOW WE WORK OUT YOUR TAX

INCOME

You show this amount at item **23 TOTAL INCOME** on page 2 of your tax return.

minus

ALLOWABLE DEDUCTIONS

You show this amount at item **30 TOTAL DEDUCTIONS** on page 3 of your tax return.

equals

TAXABLE INCOME

You show this amount at item **31 TAXABLE INCOME** on page 3 of your tax return. We use this amount to work out your **TAX ON TAXABLE INCOME**.

TAX ON TAXABLE INCOME

If you want to estimate the tax on your taxable income, use the calculator on our website.

minus

TAX OFFSETS

You show most tax offsets at item **38 TOTAL TAX OFFSETS** on page 3 of your tax return. If you are entitled to a low-income, beneficiary, senior Australians, pensioner, mature age worker, or Medicare levy surcharge lump sum tax offset, we work it out for you. You can estimate some tax offsets for yourself using the calculators on our website. These tax offsets only reduce the amount of tax you pay.

Refundable tax offsets, on the other hand, are included below in the amount for **TAX CREDITS AND REFUNDABLE TAX OFFSETS**.

equals

NET TAX PAYABLE

plus

HELP AND SFSS REPAYMENTS

If you have a Higher Education Loan Programme (HELP) debt or Student Financial Supplement Scheme (SFSS) debt, we work out your repayment. If you want to estimate it, use the calculators on our website.

plus

MEDICARE LEVY AND SURCHARGE

We work out these amounts from items **39**, **40** and **41** on your tax return. If you want to estimate them, use the calculator on our website.

minus

TAX CREDITS AND REFUNDABLE TAX OFFSETS

We work out these amounts from tax you paid during the year and any refundable tax offsets that have not already been credited or refunded to you. The refundable tax offsets are the private health insurance tax offset (item **36**, and franking credits (item **21**).

equals

REFUND OR AMOUNT OWING

We show this amount on your notice of assessment. Your refund may be affected by any outstanding liabilities to the ATO, Child Support Agency or the Family Assistance Office (including family tax benefit and child care benefit debts). Alternatively, your amount owing to the ATO may be reduced by any Family Assistance Office entitlement owing to you. These amounts will appear on your notice of assessment.

OUR COMMITMENT TO YOU

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

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

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

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

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

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