

## Individual Tax Return Checklist 2016

Tax Return Reference	Section of the Income Tax Return	Attached	N/A
<b>INCOME</b>			
1	<b>Salary or wage</b> Obtain and attach PAYG payment summaries.		
2	<b>Allowances, earnings, tips, director's fees etc.</b> Receipt of an allowance does not automatically entitle an employee to a deduction for expenditure to which the allowance relates (e.g. tool allowance).		
4	<b>Employment termination payments (ETPs)</b> Obtain and attach any ETP payment summaries and employer termination statements.		
5	<b>Australian Government allowances</b> Payments like Newstart, Australian Government allowances and payments like Newstart, youth allowance and Austudy payment. Provide details of all youth allowances, Newstart, sickness allowance or special benefit, or other educational or training allowances.		
6	<b>Australian Government pensions and other allowances</b>		
7	<b>Australian annuities and superannuation income streams</b> Obtain details of taxable and rebatable components of pension.		
8	<b>Australian superannuation lump sum payments</b> Superannuation lump sums paid from a taxed source to a person aged 60 or over are tax free. Lump sums paid to persons under 60 are still taxable. Obtain details of recipient's age and amount of the lump sum payment.		
10	<b>Gross interest</b> Please provide us with a summary of interest received from all bank accounts and term deposits held during the financial year either individually or jointly. Also provide any expenses incurred in earning this income.		
11	<b>Dividends</b> Please provide us with documents relating to any dividends that you received during this financial year. Also, provide any expenses incurred in earning this income.		
12	<b>Employee share schemes (ESS)</b> Please provide us with the employee share scheme documents.		

SUPPLEMENT INCOME OR LOSS			
13	<b>Partnerships and trusts</b> Details of the partnership, trust or a managed investment trust fund payment and type of income received are required.		
15	<b>Net income or loss from business</b>		
18	<b>Capital gains</b> Obtain a description of the asset, the purchase date, the purchase cost, date and amount of any expenditure incurred by the taxpayer that forms part of the asset's cost base including eligible incidental costs, the sale date and the sale proceeds amount.		
20	<b>Foreign source income and foreign assets or property</b> Obtain details of country, amount received, exchange rate utilised, foreign tax withheld. Care must be shown with foreign source salary and wage income that may be exempt from tax. Note: income derived from foreign service lasting greater than 91 consecutive days is no longer exempt unless the employment is related to specific activities e.g. deployment by the Australian Armed Forces		
21	<b>Rent</b> Obtain details of: <ul style="list-style-type: none"> <li>• rental income earned</li> <li>• interest charged on money borrowed for the rental property</li> <li>• details of other expenses relating to the rental property</li> <li>• details of any capital works expenditure to the rental property.</li> </ul> Borrowing costs are claimed over the life of the loan or five years, whichever is the lesser.		
24	<b>Other income</b> Ask the client whether they received any other benefit / income during the year that has not been discussed. Examples include: <ul style="list-style-type: none"> <li>• a non-qualifying component of an ETP</li> <li>• lump sum payments in arrears</li> <li>• foreign exchange gains</li> <li>• royalties • scholarships, bursaries, grants</li> <li>• any assessable balancing adjustments on depreciating assets • jury service fees.</li> </ul>		

DEDUCTIONS			
D1	<p>Work related car expenses</p> <p>The four methods available are:</p> <p>1. Cents per kilometre method</p> <p>The claim is based on a set rate for each business kilometre travelled. Rates are based on the vehicle's engine capacity. The taxpayer is able to claim costs by applying the set rate up to a maximum of 5,000 kilometres. The rates for 2015 are as follows:</p> <p>Engine capacity (non-rotary) Rate per kilometre Up to 1600cc 65 cents 1,601 to 2,600cc 76 cents Over 2,600cc 77 cents</p> <p>Engine capacity (rotary) Rate per kilometre Up to 800cc 65 cents 801 to 1,300cc 76 cents Over 1,300cc 77 cents</p> <p>2. 12% of original value method</p> <p>The claim is based on 12% of the original value of the car. Maximum car value that can be claimed is \$57,466. The taxpayer's car must have travelled greater than 5,000 business kilometres.</p> <p>3. One-third of actual expenses method</p> <p>The claim is based on one third of car expenses. Examples of car expenses include fuel, repairs, maintenance, registration, lease costs, depreciation, interest on borrowings, car washing and parking. The taxpayer's car must have travelled greater than 5,000 business kilometres.</p> <p>4. Logbook method</p> <p>The claim is based on the business use percentage of car expenses. Ensure log is kept for 12 consecutive weeks and business use percentage did not vary more than 10%. The resulting business use percentage may then be applied to all car expenses to calculate a deductible amount.</p>		
D2	<p><b>Work related travel expenses</b></p> <p>Domestic travel</p> <p>Generally requires client to sleep away from home. Expenses include meals, accommodation, car hire and incidentals (such as tolls, parking and hire of third party vehicles).</p> <p>Overseas travel</p> <p>Must obtain documentary evidence as well as diary. Substantiation is not required where 'reasonable allowance' paid to employee for accommodation (domestic only), food, drink and incidentals if allowance is within ATO limits.</p>		
D3	<p><b>Work related uniform</b></p> <p>Occupation specific or protective clothing, laundry and dry cleaning expenses</p> <ul style="list-style-type: none"> <li>• protective clothing and safety footwear: clothing or footwear that is specifically designed to protect or</li> <li>• compulsory uniforms: non-conventional clothing that the employee is compelled to wear or</li> <li>• occupation specific: clothing that identifies a person as a member of a specific profession, trade, vocation, occupation or calling.</li> </ul> <p>Substantiation not necessary for reasonable claims up to \$150 in respect of above mentioned clothing.</p> <p>Tax tips: you can only claim laundry and dry cleaning expenses in respect of work-related uniforms and occupation specific clothing.</p>		

D4	<p><b>Work related self-education expenses</b> Examples include student union fees, books, stationery, consumables, travel and depreciation. Tax tips: the ATO pays particular attention to these items so ensure that all claims can be substantiated appropriately. Note also that \$250 of eligible self-education expenditure is not allowable.</p>		
D5	<p><b>Other work related expenses</b> Examples include union fees, seminars, overtime meals, home office, telephone, subscriptions, briefcase, calculator, electronic organizer and assets not exceeding \$300. Note: deductions differ for a home office depending on whether it is a place of business or an office used away from the normal workplace. If the appropriate diary has been maintained, you can use the cents per hour method (currently 34 cents) when calculating the amount of the deduction for additional running expenses able to be claimed, subject to maintaining a diary for a required period.</p>		
D7	<p><b>Interest deductions</b> Cannot be claimed unless income at question 10.</p>		
D8	<p><b>Dividend deductions</b> Cannot be claimed unless income at question 11.</p>		
D9	<p><b>Gifts or donations</b> Ensure that all donations are endorsed deductible gift recipients and that the client did not receive any tangible benefit from making the donation.</p>		
D10	<p><b>Cost of managing tax affairs</b> Note: this also includes GIC and travel to tax agent.</p>		
D12	<p><b>Personal superannuation contributions</b> Strict rules apply to when an employee can claim a tax deduction. Following recent changes, a self-employed taxpayer may be able to claim all their contributions to a complying superannuation fund as fully tax deductible up to age 75, provided no more than 10% of their assessable income, reportable fringe benefits and reportable employer superannuation contributions is attributable to their employment as an employee. Notes: - Care should be exercised to avoid breaching the annual superannuation concessional contributions cap for the individual, which is set at \$30,000 for each individual for the 2015 year under 50 years old. The superannuation contributions cap for individuals aged 50 and over is \$35,000. Where this threshold is breached excess concessional contributions tax at a rate of 31.5% will be imposed. - From 2013, the effective tax rate for individuals earning more than \$300,000 has increased from 15% to 30% (excluding Medicare Levy). The extra 15% tax becomes payable on the amount (if any) which exceeds the individual's combined income for Medicare Levy surcharge purposes (ignoring reportable employer superannuation contributions) and eligible concessional contributions which exceeds \$300,000. - You must lodge a notice of intent to claim a deduction with your superannuation fund and have received an acknowledgement from them before your return can be lodged.</p>		

D15	<b>Other deductions</b> For example, blackhole expenditure, accident and sickness insurance premiums.		
<b>TAX OFFSETS</b>			
T6	20% tax offset on net medical expenses over the threshold amount. Obtain details of gross medical expenses (and subtract related refunds the taxpayer received or is entitled to receive from Medicare or a private health fund). A 20% offset will be available where the total of all the net medical expenses of a taxpayer (and dependants) exceeds \$2,162 for individuals whose adjusted taxable income is equal to or less than \$88,000 for singles or \$176,000 for families. For taxpayers with adjusted taxable income above \$88,000 for singles, or \$176,000 for families, a 10% offset will be available for net medical expenses of a taxpayer (and dependants) exceeding \$5,100. Tax tip: the rebate applies to most medical and related therapeutic treatment of a taxpayer and dependents but excludes certain cosmetic surgery. Note: the net medical expense offset is phased out from 1 July 2013. Only individuals who received the assessment in the 2014 financial year may claim the offset in the 2015 financial year.		
<b>MEDICARE LEVY RELATED ITEMS</b>			
M2	<b>Private Health Insurance</b> Please attached your private health annual statement.		
<b>ADJUSTMENTS</b>			
A3	<b>Super co-contribution</b> The labels are not compulsory disclosures. Note: non completion may lead to a reduced co-contribution payment.		