

Overview for new arrivals

Tax in Australia

What you need to know



For more information
visit www.ato.gov.au

ENTERING THE AUSTRALIAN TAX SYSTEM

If you work while you are in Australia, you will almost certainly deal with Australia's tax system.

GETTING PERMISSION TO WORK IN AUSTRALIA

If you are a non-resident, before you can start work you must obtain permission to work from the Department of Immigration and Citizenship (DIAC). DIAC can provide you with useful information including which visas allow you to work in Australia.



For more information about permission to work in Australia phone DIAC on **13 18 81**.

WHY WE PAY TAX

Tax is money that people and businesses pay to the Australian Government. The money we collect helps pay for services including:

- health
- education
- defence
- roads and railways, and
- social security and other payments from Centrelink.

HOW MUCH TAX YOU WILL PAY

The amount of tax you pay depends on:

- how much you earn
- whether you have a tax file number (TFN) – this is a personal identity number which you should provide to your employer, and
- whether you are a resident for tax purposes.

If you begin work before you have a TFN, you have 28 days to get one and give it to your employer. If you don't, your employer must take tax from your pay at the highest rate.

For more information about how much tax you will pay, visit **www.ato.gov.au** and search for 'individual income tax rates'.

GETTING A TAX FILE NUMBER (TFN)

Before starting work we recommend you get a TFN. We issue TFNs to individuals, businesses and other organisations for identification and record keeping purposes.

Keeping it safe

Your TFN is yours for life, so keep it secure. Don't carry it around in your purse or wallet.

Don't allow anyone else to use your TFN – even friends or relatives. Allowing someone else to use your TFN, selling it or giving it away is a crime that can result in heavy fines or jail.

Only give your TFN to people with a legitimate reason for having it, such as your:

- registered tax agent
- bank, or
- employer after you begin work (do not provide it on job applications).

Report the loss, theft or misuse of your TFN to us without delay on **13 28 61**.

Keeping your TFN and other identity details secure helps prevent identity crime, where criminals use other people's identity details to commit crimes.

How to apply for a TFN

To get a TFN application form:

- visit our website at **www.ato.gov.au**
- visit a Tax Office shopfront, or
- ask Centrelink.

Your application must include original, unaltered documents proving your identity. The TFN application lists identity documents that we accept.

If you are migrating to Australia or hold a temporary resident visa that allows you to work in Australia, you can apply for a TFN online at **www.ato.gov.au**. Select 'For Individuals' and then select 'Apply for a tax file number'.

If you apply for a TFN in person at a Tax Office shopfront or by mail, it will take up to 28 days to process your application and send your TFN to the address you nominate.

LODGING A TAX RETURN

A tax return is a form you use to tell us:

- how much you have earned from working or from interest on bank accounts or investments
- how much tax has been withheld from payments to you (money taken out of your pay by your employer and sent to the Tax Office), and
- any deductions and tax offsets you are claiming (these reduce the amount of tax you need to pay).

As an individual you must lodge a tax return if:

- you paid tax during the tax year (1 July to 30 June)
- your taxable income (including Centrelink allowances or payments) exceeded the tax-free threshold for residents (for more information on thresholds visit our website at **www.ato.gov.au** or phone us on **13 28 61**), or
- you are a non-resident and earned more than \$1 in Australia during the tax year (excluding income that had non-resident withholding tax withheld).

You must also complete and lodge a tax return if you are leaving Australia permanently or for more than one tax year.

Payment summaries

Every employer you work for must provide you with a payment summary:

- within two weeks of the end of the tax year (30 June), or
- when you finish work.

You can help make sure you receive all your payment summaries by providing all your employers with your postal or email address.

How to complete and lodge your tax return

E-tax

Prepare and lodge your tax return online using e-tax. It's safe, secure, easy to use and free of charge. In most cases e-tax returns are processed and any refund owing is paid to you within 14 days.



You can access e-tax on our website at **www.ato.gov.au**

Phone lodgment

If you have relatively simple tax affairs, you can use the short tax return and lodge it by phone.



- For more information:
- visit our website at **www.ato.gov.au** or
 - phone **13 28 61**.

Registered tax agent

If you pay someone to help you complete and lodge your tax return we recommend you use a registered tax agent. Only a registered tax agent can charge a fee to prepare and/or lodge your tax return and you can only claim that fee as a tax deduction if the tax agent is registered. To find out if a tax agent is registered:

- visit the Tax Agents' Board website at **www.tabd.gov.au** or
- phone **1300 362 829**.

TaxPack

TaxPack is the traditional paper return you complete and lodge by mail. It's available from newsagents or by phoning our publications distribution service on **1300 720 092**. In most cases we process your return and pay you any money we owe you within 42 days.

Tax Help

Tax Help is a free service for low income earners where a trained volunteer helps you complete and lodge your return. Phone **13 28 61** to see if you qualify and for the contact details of the nearest Tax Help centre.

Lodging from overseas

If you are lodging your tax return from overseas you can use:

- e-tax and lodge over the internet, or
- *TaxPack* and post it to us at:

Australian Taxation Office
GPO Box 9845
SYDNEY NSW 2001
AUSTRALIA

When to lodge

If you are preparing and lodging your own return, you must lodge it by 31 October. If you are using a tax agent for the first time or a different agent to last year, you must contact them by 31 October.

If you do not lodge your return and pay any amounts you owe us, you may have to pay penalties.

Work related expenses

Work related expenses may be tax deductible if you have spent money on something to help you earn your income. You must be able to show:

- that expenses relate to earning income, and
- how you calculated the amount you are claiming.

Record keeping

When you lodge your tax return, we process it and work out whether you have paid the right amount of tax. We let you know the result by sending you a notice of assessment. Generally, you must keep records such as receipts for any deductions you claim for at least five years from the date we send your assessment notice.

SUPERANNUATION

Generally, if you are paid more than \$450 a calendar month, your employer must contribute an extra amount equal to 9% of your base wage or salary into a superannuation (pension) account for you.

While in most cases you cannot access this money until you retire, temporary residents leaving Australia permanently can access this money (which is taxed) once they leave.

To check if you can claim your superannuation and how to apply, visit our website at www.ato.gov.au choose For Superannuation – super for temporary residents.

MORE INFORMATION

For more information about tax in Australia:

- visit our website at **www.ato.gov.au**
- visit Centrelink at **www.centrelink.gov.au** or
- phone
 - Personal tax infoline on **13 28 61**
 - Refunds – an automated service to check the progress of your refund at any time on **13 28 65**
 - Superannuation infoline on **13 10 20**
 - Aboriginal and Torres Strait Islander infoline on **13 10 30**
 - Department of Immigration and Citizenship (DIAC) on **13 18 81**
 - Tax Agents' Board on **1300 362 829**

If you do not speak English well and want to talk to a tax officer, phone the Translating and Interpreting Service on **13 14 50** for help with your call.

If you have a hearing or speech impairment and have access to appropriate TTY or modem equipment, phone **13 36 77** or free call **1800 555 677**. If you do not have access to TTY or modem equipment, phone the Speech to Speech Relay Service on **1300 555 727** or free call **1800 555 727**.

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OUR COMMITMENT TO YOU

We are committed to providing you with advice and information you can rely on. **The information in this publication is current at March 2008.**

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