Deduction questions D11–D15

How to complete the deduction questions D11 to D15 in your paper supplementary tax return.

D11 - Deductible amount of undeducted purchase price of a foreign pension or annuity 2013

Complete question D11 to claim a deduction for the undeducted purchase price for a foreign pension or annuity.

D12 - Personal superannuation contributions 2013

Complete question D12 to claim a personal superannuation contributions deduction.

D13 - Deduction for project pool 2013

Complete question D13 to claim a deduction for certain capital expenditure allocated to a project pool.

D14 - Forestry managed investment scheme deduction 2013

Complete question D14 to claim a deduction for payments made to a forestry managed investment scheme.

D15 - Other deductions - not claimable at items D1 to D14 or elsewhere on your tax return 2013

D15 Other deductions - not claimable at questions D1 to D14 or elsewhere in your tax return 2013.

Total supplement deductions 2013

Complete the total supplement deductions section of your supplementary tax return.

QC 80812

D11 - Deductible amount of undeducted purchase price of a foreign pension or annuity 2013

Complete question D11 to claim a deduction for the undeducted purchase price for a foreign pension or annuity.

Last updated 28 May 2013

On this page

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

You need to know

Completing this item

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

No	• Go to question D12 Personal superannuation contributions, or • return to main menu Individual tax return instructions.
Yes	Read below.

You need to know

UPP of a foreign pension or annuity

If you showed income from a foreign pension or annuity at **D** item **20** on your tax return (supplementary section), you may be entitled to claim a deduction to reduce the taxable amount of the pension or annuity income if your pension or annuity has a UPP. Only some foreign pensions and annuities have a UPP. The UPP is the amount you contributed towards the purchase price of your pension or annuity (your personal contributions).

That part of your annual pension or annuity income which represents a return to you of your personal contributions is free from tax. This tax-free portion is called the deductible amount of the UPP, and it is usually calculated by dividing the UPP of your pension or annuity by a life expectancy factor, according to life expectancy statistics.

If you already know your deductible amount, go to Completing this item.

Austrian pensions

If you received an age, premature age, invalid, disability, widowed persons or orphans pension paid by an Austrian superannuation insurance fund under one of the Austrian social insurance Acts, Allgemeines Sozialversicherungsgesetz (ASVG), Gewerbliches Sozialversicherungsgesetz (GSVG) or Bauern-Sozialversicherungsgesetz (BSVG), you are entitled to a deductible amount.

Where you have evidence of your actual contributions, actual monthly salary or you have received from the Austrian superannuation insurance fund a list of your insurance periods, you will need to complete a Request for a determination of the deductible amount of UPP of a foreign pension or annuity (NAT 16543).

British pensions

If you received a category A pension or a category B widows pension from the United Kingdom State (UK State) Pension (previously known as the British National Insurance Scheme), you are entitled to a UPP deduction. These pensions are paid from Newcastle-upon-Tyne.

You can calculate your deduction by multiplying your UK State Pension (in Australian dollars) by 8%, or by using the exact method. For more information about the exact method, phone **13 10 20**.

Dutch pensions

If you received an old age pension, or a widows, widowers or orphans pension from the Sociale Verzekeringsbank (SVB) under the Netherlands social insurance system and you can obtain all the necessary information to determine the deductible amount of your UPP, claim the amount you have worked out. If you cannot determine the deductible amount, you can claim an annual deductible amount equal to 25% of your gross pension payment.

German pensions

If you received a German pension you will need to provide a copy of the insurance resume (Versicherungsverlauf) from the pension provider. You will need to contact the pension provider directly to obtain this information. When you have evidence of your employment history and the salary income that you earned at those dates, you will need to complete a Request for a determination of the deductible amount of UPP of a foreign pension or annuity (NAT 16543).

Italian pensions

If you received an Italian government pension, the Italian government authorities will send you an Article 10 letter each year giving you an estimate of the amount of pension income you will receive, and the amount that you contributed towards your pension. If you are unable to work out your deductible amount, you will need to complete a Request for a determination of the deductible amount of UPP of a foreign pension or annuity (NAT 16543).

Pensions from another country

If you received a pension from another country, other than an Austrian, British, Dutch, German or Italian pension and you think you are entitled to claim a deductible amount, complete a Request for a determination of the deductible amount of UPP of a foreign pension or annuity (NAT 16543).

Completing this item

Write the deductible amount of your UPP at **Y** item **D11** on page 15 of your tax return. Do not show cents.

If you do not know your deductible amount, leave **Y** item **D11** blank, and complete a Request for a determination of the deductible amount of UPP of a foreign pension or annuity and provide the additional documentation required.

Print **X** in the **Yes** box at Taxpayer's declaration question 2a on page 12 of your tax return. Sign your Request for a determination of the deductible amount of UPP of a foreign pension or annuity and attach it to page 3 of your tax return.

We will address your request in the form of a private binding ruling (PBR) which is legally binding on the Commissioner. We will process your tax return once the PBR is finalised.

If you need information or assistance with this question, phone **13 10 20**.

Where to go next

- Go to question D12 Personal superannuation contributions.
- Return to main menu Individual tax return instructions.

QC 32499

D12 - Personal superannuation contributions 2013

Complete question D12 to claim a personal superannuation contributions deduction.

Last updated 28 May 2013

On this page

Did you make personal superannuation contributions during the year to a complying superannuation fund or a retirement savings account (RSA)?

You need to know

Completing this item

Check that you have...

Did you make personal superannuation contributions during the year to a complying superannuation fund or a retirement savings account (RSA)?

No	• Go to question **D13 Deduction for project pool**, or • return to main menu **Individual tax return instructions**
Yes	You may be able to claim a deduction. Read below.

You cannot claim a deduction at this item for personal superannuation contributions if:

- your personal superannuation contributions were not received by your superannuation fund before the end of the income year - contributions received by the superannuation fund *after* the end of the income year can only be claimed as a deduction in the following income year, even if you took steps (such as posting a cheque, or initiating a direct debit) prior to the end of the year

- you were 75 years old or older and the contributions were paid after the day that is 28 days after the end of the month in which you turned 75 years old

- you were under 18 years old at the end of the income year and you did not receive any income from activities that resulted in you being treated as an employee for the purposes of the superannuation guarantee or from you carrying on a business (see You need to know for an explanation of when you are an employee or when you are carrying on a business)

- either one of the following set of circumstances apply to you

  - you made a contribution that was attributable, either in whole or in part, to a capital gain that you have made and you have chosen to apply the small business capital gains tax retirement exemption to all or part of that capital gain, and you were under 55 years old just before you made that choice, or
  - the contribution was attributable, either in whole or in part, to a capital gain and a company or trust has chosen to apply the small business capital gains tax retirement exemption to all or part of that capital gain, and you were under 55 years old just before the contribution was made

- you have not provided your fund with a valid notice of intent to claim a deduction, **or**

- you have provided your fund with a valid notice of intent to claim a deduction but you have not received an acknowledgment of this notice from your fund (see below).

For more information on the retirement exemption, see Advanced guide to capital gains tax concessions for small business

You may be entitled to a super co-contribution for your personal contributions that you do not claim as a tax deduction. For further information on co-contributions, see Super co-contribution.

Are you eligible to claim a deduction?

You may be able to claim a deduction for personal contributions you made to a complying superannuation fund or RSA in 2012-13 if:

- you have, using an approved form, given a valid notice to your fund or RSA provider and advised them of the amount you intend to claim as a deduction (you must give this notice on or before the day you lodge your 2013 tax return or 30 June 2014, whichever is earlier)
- your fund or RSA provider has provided you with an acknowledgment of your valid notice, and
- either of the following applied to you:
  - you were fully self-employed and not working under a contract principally for your labour
  - less than 10% of the sum of your assessable income plus your reportable employer superannuation contributions (shown at item **IT2** in the Income tests section on page 8 of your tax return) plus your total reportable fringe benefits amounts (shown at item **IT1** in the Income tests section on page 8 of your tax return) is attributable to the activities that result in you being treated as an employee for the purposes of the superannuation guarantee. See **You need to know** below for an explanation of the activities and also see the note below.

Assessable income is the amount you wrote at **Total income or loss** on page 4 of your tax return unless:

- you had a distribution from a partnership or trust, income or losses from rent or business (including personal services income), capital gains or capital losses or foreign source income
- you have claimed your share of joint deductions against some jointly shared income
- you claimed a deductible amount for a foreign pension or annuity at item **D11** on your tax return, or
- you have a deductible farm management deposit amount at item **17** label **D**.

In any of these cases, phone **13 10 20** for help in working out your assessable income.

You need to know

The deduction you claim can only reduce your taxable income to nil. It cannot add to or create a loss.

The deduction you claim may also be used in the income tests for eligibility for certain tax offsets and government benefits. See **Income tests**.

If you have reached 65 years old, you can only make personal contributions if you meet certain conditions. You should check with your superannuation fund or RSA provider.

Generally, you will be treated as an employee for superannuation guarantee purposes if you are paid salary or wages or other remuneration in return for your personal labour or skills (this includes some contractors). Activities that resulted in you being treated as an employee for the purposes of the superannuation guarantee also include holding office or performing a function or appointment under a law of the Commonwealth, state or territory (for example, a public servant) and performing functions or duties as a member of an executive body of a body corporate (for example, a director of a company). For further information, see:

- **Superannuation Guarantee Ruling SGR 2005/1** *Superannuation guarantee: who is an employee?*
- **Superannuation Guarantee Ruling SGR 2005/2** *Superannuation guarantee: work arranged by intermediaries*.

You were carrying on a business if you were engaged in any profession, trade, employment, vocation or calling other than being an employee.

Complete this item only if your superannuation fund or RSA provider has given you an acknowledgment of your valid notice which advised them of the amount you intend to claim as a deduction.

Superannuation contributions splitting

Complying superannuation funds and RSA providers may allow you to split your superannuation contributions with your spouse. However, personal superannuation contributions for which you don't claim an income tax deduction cannot be split to your spouse's superannuation account.

If you intend to lodge a notice of intention to claim a deduction for personal superannuation contributions with your fund, you must do it before you lodge your superannuation contributions splitting application for those contributions.

A superannuation contributions splitting application can only be made to your fund or retirement savings account (RSA) provider:

- during the income year that follows the end of the income year in which you made the contributions, or
- during the same income year you made the contributions if your entire benefit is to be rolled over, transferred or cashed before the end of that year.

For further information, see **Contributions splitting** (NAT 15237).

A spouse can be of the same or opposite sex (see the definition of spouse in **Special circumstances and glossary**).

Superannuation contribution caps and government super contributions

The amount of your personal superannuation contributions allowed as an income tax deduction will count towards your concessional contributions. The amount of your personal contributions that is not allowed as an income tax deduction will count towards your non-concessional contributions.

You may be entitled to receive a super co-contribution based on the personal contributions you made for which you **did not** claim a tax deduction. The co-contribution is a matching Government super contribution for low income earners who make a personal super contribution.

You may be entitled to receive a Low Income Super Contribution (LISC) based on your concessional contributions - including your personal super contributions for which you **did** claim a tax deduction. The LISC is a Government super contribution (up to a maximum of $500) for low income earners that is designed to offset the tax paid by super funds on concessional contributions.

Check that you have provided your tax file number to your superannuation fund to ensure you can make a personal contribution and ensure you receive your co-contribution entitlement.

For further information on the contributions caps or co-contributions, see:

- Super contributions - too much super can mean extra tax
- Super co-contribution.

Completing this item

Step 1

Have you received an acknowledgment from your fund or RSA provider that you gave them a valid notice of your intent to claim a deduction for personal superannuation contributions?

Yes	Go to step 2.
No	You are not entitled to a deduction for personal superannuation contributions. Go to question D13 Deduction for project pool.

Step 2

Were you 18 years old or older on 30 June 2013?

Yes	Go to step 4.
No	Go to step 3.

Step 3

Did you receive income from carrying on a business or from activities that resulted in you being treated as an employee for superannuation guarantee purposes?

Yes	Go to step 6.
No	You are not entitled to a deduction for personal superannuation contributions. Go to question D13

	Deduction for project pool.

Step 4

Did you turn 75 years old before 1 June 2012?

Yes	You are not eligible to claim a deduction for personal superannuation contributions for the 2012-13 year. Go to question **D13 Deduction for project pool**.
No	Go to **step** 5.

Step 5

Did you turn 75 years old between 1 June 2012 and 31 May 2013 inclusive?

No	Go to **step** 6.
Yes	Add up all the contributions you made between 1 July 2012 and the 28th day of the month following the end of the month in which you turned 75 years old (inclusive) which you are eligible to claim as a tax deduction. Write the amount at **H** item **D12** on page 15 of your tax return (supplementary section). Go to **step** 7.

Step 6

Add up all your 2012-13 contributions which you are eligible to claim as a tax deduction, and write the amount at **H** item **D12** on page 15 of your tax return. Go to **step** 7.

Step 7

If you contributed to only one fund or retirement savings account (RSA), print its full name, either its Australian business number (ABN) or tax file number (TFN), and your account number in the boxes at item **D12**. Remember, your fund or RSA provider must have given you an acknowledgment to your valid notice which advised them of the amount you are claiming as a deduction.

If you contributed to more than one fund or RSA, print Additional information in the **Full name of fund** box at item **D12**. Add up all your 2012-13 contributions which you are eligible to claim as a tax deduction. Write your answer at **H** item **D12**. In the other boxes, provide details of the fund or RSA provider to which you made the largest contribution and from which you have received an acknowledgment.

You cannot write an amount at **H** that is higher than the amount your superannuation funds or RSA providers acknowledged.

You may vary your valid notice to reduce the amount stated in relation to your contribution (including to nil). You cannot vary your valid notice to increase the amount stated in relation to your contribution.

You must notify your superannuation fund or RSA provider of any variation on or before the day you lodge your 2013 tax return or 30 June 2014, whichever is earlier. Once you have provided notification, the amount you write at **H** for that contribution is limited to the reduced amount.

You may vary your notice after that date if the amount stated does not meet the personal superannuation contributions conditions. For example:

- the deduction you claimed exceeds your assessable income
- you have claimed a deduction but you do not satisfy the 10% rule.

You can only vary your notice by the amount of the deduction that does not meet the conditions.

Schedules of additional information

If you are claiming a deduction at this item you may need to provide one or both of the following schedules of additional information.

If you contributed to more than one fund or RSA, you must provide additional information. On a separate piece of paper, print SCHEDULE OF ADDITIONAL INFORMATION - ITEM D12, your name, address and tax file number. For each superannuation fund or RSA provider from which you have received an acknowledgment of your notice of intent to claim the deduction, print the full name of that fund or RSA provider, the fund ABN or TFN of that fund or RSA provider, your account number and the amount that you are claiming as a deduction.

You must complete an additional information schedule if you received:

- a payment under an income protection, sickness or accident insurance policy held with an insurer which you entered at item 1 because tax was withheld from them, or
- a parental leave payment which you entered at item 1.

On the schedule, you will need to write the following where applicable:

- item number relating to the schedule (item **D12**)
- ABN of the insurer
- name of the person or the entity that holds the policy
- type of policy (for example, 'income protection insurance policy')
- amount received,
- amount of tax withheld
- amount of parental leave payment.

Print **X** in the **Yes** box at Taxpayer's declaration question 2 on page 10 of your tax return. Attach your schedule to page 3 of your tax return.

If you need more information, phone **13 10 20**.

Check that you have...

- kept the acknowledgment of your notice of intent to claim a deduction from your superannuation fund or RSA provider, as we may ask to see it
- attached to page 3 of your tax return your SCHEDULE OF ADDITIONAL INFORMATION - ITEM D12, if you need to send us one.

Where to go next

- Go to question **D13 Deduction for project pool.**
- Return to main menu **Individual tax return instructions.**
- Go back to question **D11 Deductible amount of undeducted purchase price of a foreign pension or annuity.**

QC 32410

D13 - Deduction for project pool 2013

Complete question D13 to claim a deduction for certain capital expenditure allocated to a project pool.

Last updated 28 May 2013

On this page

Did you have capital expenditure directly connected with a project?

You need to know

Completing this item

Foreign exchange rules

Did you have capital expenditure directly connected with a project?

You may be able to claim a deduction at this item for capital expenditure allocated to a project pool for a project you:

- operated in 2012-13 for a taxable purpose
- carried on, or proposed to carry on, for a taxable purpose which was abandoned, sold or otherwise disposed of in 2012-13, before or after it started to operate.

No	• Go to question D14 Forestry managed investment scheme deduction, or • return to main menu Individual tax return instructions.

Yes	Read below.

Danger

You cannot claim a deduction at this item for:

- private or domestic expenditure such as the cost of constructing a driveway at your home
- capital expenditure directly connected with a project undertaken in carrying on a business: if this applies to you, then you cannot lodge a paper return. You must lodge your tax return using *e-tax* or a registered tax agent.

You need to know

A **depreciating asset** is an asset that has a limited effective life and can reasonably be expected to decline in value over the time it is used.

A **taxable purpose** is the purpose of producing assessable income, the purpose of exploration or prospecting, the purpose of mining site rehabilitation or environmental protection activities.

Certain capital expenditure you incurred after 30 June 2001, which was directly connected with a project that you carried on (or proposed to carry on) for a taxable purpose, can be allocated to a project pool and written off over the 'project life'. The expenditure must not otherwise be deductible or form part of the cost of a depreciating asset you hold or held.

Such capital expenditure, known as a 'project amount', is expenditure incurred:

- to create or upgrade community infrastructure for a community associated with the project; this expenditure must be paid, not just incurred, to be a project amount
- for site preparation for depreciating assets (other than in draining swamp or low-lying land or for clearing land for horticultural plants)
- for feasibility studies or environmental assessments for the project
- to obtain information associated with the project
- in seeking to obtain a right to intellectual property
- for ornamental trees or shrubs.

The project amounts are allocated to a 'project pool'. Each project has a separate project pool.

Further Information

If you are unsure if the capital expenditure you incurred qualifies as a project amount, see Guide to depreciating assets 2013 (NAT 1996).

You spread your deduction for project amounts allocated to a project pool over the project life:

- The project life is the period from when the project starts to operate until when it stops operating.
- The project life is not determined by how long you intend to carry on the project. Factors outside your control, such as something inherent in the project such as a legislative or environmental restriction that limits the project's operating period, are relevant to estimating the project life.
- If there is no finite project life, there is no project and therefore no deduction is available under these rules.

You start to deduct amounts for a project pool for the income year when the project starts to operate. So, if you started to operate a project in the 2012-13 income year for a taxable purpose, a deduction is available for that year.

If your project operated in 2012-13 for purposes other than taxable purposes, you must reduce the deduction amount by a reasonable amount for the extent to which the project operated for other than taxable purposes.

If, in the 2012-13 income year you:

- recouped an amount of expenditure allocated to the project pool, or
- derived a capital amount in relation to a project amount or something on which a project amount was expended

then the amount is assessable income and must be shown at item 24 Other income.

Completing this item

Step 1

Did you conduct transactions in a foreign currency for your project in 2012-13?

No	Go to step 2.
Yes	See Foreign exchange rules. Go to step 2.

Step 2

Was your project abandoned, sold or otherwise disposed of in 2012-13?

No	Go to step 3.
Yes	If your project was abandoned, sold or otherwise disposed of in 2012-13 (whether or not the project had started to operate), you can claim a deduction for the 2011-12 closing pool value (if any) plus any project amounts allocated to the pool in the 2012-13 income year. Any amount you received for the abandonment, sale or other disposal is assessable income and must be shown at item **24** Other income. Go to step 4.

Step 3

Use the worksheet in the next column to calculate your deduction.

- The deduction is worked out on the value of the project pool at 30 June 2013. This is the closing pool value for the 2011-12 income year (if any) plus the sum of any project amounts allocated to the pool in 2012-13.
- You must estimate the project life in years, including fractions of years.
- The deduction rate at (d) in the worksheet could be 200% or 150%.
  - Your deduction rate is 200% where your project pool contains only project amounts incurred on or after 10 May 2006, and the project started to operate on or after that date.
  - Your deduction rate is 150% where your project started to operate before 10 May 2006, or where your project started to

operate on or after 10 May 2006 but the project pool contains project amounts incurred before that date.

– You cannot use the higher rate if you abandon, sell or otherwise dispose of an existing project on or after 10 May 2006 and then start operating it again, just so that you can work out deductions at the higher rate.

Worksheet

Project pool deduction	**Example** **(post 9 May 2006)**	**You**	
Value of project pool at 30 June 2013	$30,000	$	(a)
Estimated project life (in years)	7.5 years		(b)
Divide (a) by (b).	$4,000	$	(c)
Deduction rate	200%	%	(d)
Multiply (c) by (d).	$8,000	$	(e)
Take (e) away from (a).	$22,000	$	(f)

- If (f) is zero or more, your deduction amount for 2012-13 is the amount at (e) and the closing pool value for 2012-13 is the amount at (f).
- If (f) is less than zero, your deduction amount for 2012-13 is the amount at (a) (because your deduction amount cannot be greater than the value of the project pool) and the closing pool value for 2012-13 is zero.
- If your project operated for purposes other than taxable purposes in 2012-13, your deduction amount for 2012-13 is not the full amount at (e) or (a) as applicable. Instead, your deduction amount is the amount at (e) or (a) as applicable reduced by a reasonable amount

for the extent to which the project operated in 2012-13 for purposes other than taxable purposes.

You will need the closing pool value for 2012-13 to work out your deduction for project amounts for next year.

Step 4

Write your project pool deduction amount at **D** item **D13** on page 15 of your tax return. Do not show cents.

Foreign exchange rules

The pool value can be subject to adjustments. An adjustment could happen under foreign exchange (forex) rules that apply to transactions conducted in foreign currency.

If during the income year you met or otherwise ceased to have an obligation to pay in a foreign currency a project amount which you allocated to a project pool, you might have derived a gain or incurred a loss under these rules. If the amount in foreign currency became due for payment within 12 months after the time you incurred it, usually the pool value will be reduced by any such gain (known as a forex gain) and it will be increased by any such loss (known as a forex loss).

If the forex gain exceeds the pool value, the pool value is reduced to zero and the residual gain is assessable income which you should include at item **24**. If you had previously elected that this treatment (known as 'the 12-month rule') should not apply, any gain will be assessable and should be included at item **24** and any loss will be deductible and should be included at item **D15**.

For more information about the forex rules, see question 24 Other income or D15 Other deductions, or Foreign exchange (forex).

Where to go next

- Go to question D14 Forestry managed investment scheme deduction.
- Return to main menu Individual tax return instructions.
- Go back to question D12 Personal superannuation contributions.

QC 32446

D14 - Forestry managed investment scheme deduction 2013

Complete question D14 to claim a deduction for payments made to a forestry managed investment scheme.

Last updated 28 May 2013

On this page

Did you make payments to a forestry managed investment scheme (FMIS)?

You need to know

Completing this item

Did you make payments to a forestry managed investment scheme (FMIS)?

No	• Go to question D15 Other deductions, or • return to main menu Individual tax return instructions.
Yes	You may be able to claim a deduction. Read below.

You may be able to claim a deduction at this item for payments made to an FMIS if you:

- currently hold a forestry interest in an FMIS, or held a forestry interest in an FMIS during the income year, and
- have paid an amount to a forestry manager of an FMIS under a formal agreement.

You can only claim a deduction at this item if the forestry manager has advised you that the FMIS satisfies the 70% direct forestry expenditure rule in Division 394 of the *Income Tax Assessment Act 1997*.

If you are an initial participant, you cannot claim a deduction if you disposed of your forestry interest in an FMIS within four years after the end of the income year in which you first made a payment.

However, the deduction will be allowed if the disposal occurred because of circumstances outside your control, provided you could not have reasonably foreseen the disposal happening when you acquired the interest. Disposals that would generally be outside your control include compulsory acquisition, insolvency of you or the scheme manager, or cancellation of the interest due to fire, flood or drought.

For more information, see Forestry managed investment schemes.
Danger

If you are a subsequent participant, you cannot claim a deduction for the amount paid for acquiring your interest. You can only claim a deduction for your ongoing payments.

You need to know

You are an initial participant in an FMIS if:

- you obtained your forestry interest in the FMIS from the forestry manager of the scheme, and
- your payment to obtain the forestry interest results in the establishment of trees.

You are a subsequent participant if you are not an initial participant.

A forestry manager of an FMIS is the entity that manages, arranges or promotes the FMIS.

A forestry interest in an FMIS is a right to benefits produced by the scheme (whether the right is actual, prospective or contingent and whether it is enforceable or not).

Participant payments under an FMIS

Initial participant

You can claim at this item initial and ongoing payments made under an FMIS that you have made as an initial participant of the FMIS.

Subsequent participant

You can claim at this item ongoing payments made under an FMIS that you have made as a subsequent participant of the FMIS.

Excluded payments

You cannot claim a deduction at this item for any of the following payments:

- payments for borrowing money
- interest and payments in the nature of interest (such as a premium on repayment or redemption of a security, or a discount of a bill or bond)
- payments of stamp duty
- payments of goods and services tax (GST)
- payments that relate to transportation and handling of felled trees after the earliest of the following:
  - sale of the trees
  - arrival of the trees at the mill door
  - arrival of the trees at the port
  - arrival of the trees at the place of processing (other than where processing happens in-field)
- payments that relate to processing
- payments that relate to stockpiling (other than in-field stockpiling).

Completing this item

Work out the total amount of your deductible:

- initial and ongoing payments made under an FMIS, if you are an initial participant, or

- ongoing payments made under an FMIS, if you are a subsequent participant.

Write the amount at **F** item **D14** on page 15 of your tax return.

Where to go next

- Go to question D15 Other deductions.
- Return to main menu Individual tax return instructions.
- Go back to question D13 Deduction for project pool.

QC 32472

D15 - Other deductions - not claimable at items D1 to D14 or elsewhere on your tax return 2013

D15 Other deductions - not claimable at questions D1 to D14 or elsewhere in your tax return 2013.

Last updated 28 May 2013

On this page

Did you have any other expenses that you have not been able to claim as deductions at items D1 to D14 or elsewhere on your tax return?

You need to know

Completing this item

Check that you have...

Did you have any other expenses that you have not been able to claim as deductions at items D1 to D14 or elsewhere on your tax return?

No	• Go to Total supplement deductions, or • return to main menu Individual tax return instructions.
Yes	Read below.

Do not show at this item:

- expenses relating to your work as an employee
- expenses relating to income from carrying on a business as a sole trader (including personal services income or as a share trader)
- expenses relating to investment planning and advice involving shares, unit trusts and interest-bearing deposits
- losses from the disposal of shares or real property that are capital in nature.

Other questions deal with these matters.

You need to know

Expenses you may be entitled to claim

You may claim at this item:

- election expenses for local, territory, state or federal candidates
- income protection, sickness and accident insurance premiums
- foreign exchange losses
- debt deductions incurred in earning assessable income that are not disallowed under the thin capitalisation rules and have not been claimed elsewhere
- debt deductions incurred in earning certain foreign non-assessable non-exempt income that are not disallowed under the thin capitalisation rules

- amounts deductible under section 40-880 of the *Income Tax Assessment Act 1997* (ITAA 1997) (five-year write-off for certain business-related capital expenditure) not claimed in full before you ceased business or before you stopped carrying on your business as an individual (for example, if you started to carry on your business through a company or in a partnership)
- a deduction for the net personal services income loss of a personal services entity that related to your personal services income
- certain deductible capital expenditure not claimed in full before ceasing a primary production business where a deduction can be claimed in a subsequent year or years; for example, water conservation expenditure, which may be deducted over a three-year period
- non-capital losses incurred on the disposal or redemption of a traditional security which are deductible under section 70B of the *Income Tax Assessment Act 1936* (ITAA 1936); for more information, see the section on **Sale or disposal of company bonds and convertible notes** in You and your shares 2013 (NAT 2632)
- interest incurred on money borrowed to invest under the infrastructure borrowings scheme if you intend to claim a tax offset at item T10 Other non-refundable tax offsets
- small business pool deductions for depreciating assets of your small business pool that you cannot claim at item **P8** on the *Business and professional items schedule for individuals 2013* (NAT 2816) because you did not carry on a business in 2012-13; for more information, see Concessions for small business entities (NAT 71874)
- self-education expenses you incurred in doing a course to satisfy the study requirements of a bonded scholarship.

The law has been changed so that, for the 2012 year and later years, you cannot claim deductions for expenses incurred in actively seeking paid work if you receive Newstart or Youth Allowance as a job seeker.

Election expenses

Election expenses include a candidate's costs of contesting an election at a local, territory, state or federal level of government. A deduction for local government body election expenses cannot exceed

$1,000 for each election contested, even if the expenditure is incurred in more than one income year. Entertainment expenses only qualify as deductible election expenses in very restricted circumstances.

For more information about deductions for election expenses, see Taxation Ruling TR 1999/10 *Income tax and fringe benefits tax: Members of Parliament - allowances, reimbursements, donations and gifts, benefits, deductions and recoupments*.

You must show as income at item **24** on your tax return a reimbursement in 2012-13 of any election expenses that you have claimed as a deduction in 2012-13 or a previous year.

Income protection, sickness and accident insurance premiums

You can claim the cost of any premiums you paid for insurance against the loss of your income. You must include any payment you received under the policy for loss of your income at items **1**, **2** or **24** on your tax return.

You cannot claim a deduction for a premium or any part of a premium which you paid under a policy to compensate you for such things as physical injury. Life insurance, trauma insurance and critical care insurance are some types of policies for which premiums are not deductible.

You cannot claim a deduction for a premium where the policy is taken out through your superannuation fund and the premiums are deducted from your superannuation contributions.

Foreign exchange losses

Unless you carried on a business and have included all your foreign exchange losses (forex losses) in calculating your business net income or loss at item **15**, your deductible forex losses must be shown at this item (except any foreign source forex losses that you have included at item **20**). Show any assessable foreign exchange gains (forex gains) at item **24** on your tax return.

Losses attributable to a fluctuation in a currency exchange rate or to an agreed exchange rate differing from an actual exchange rate are brought to account when they are realised. This is when you:

- dispose of either foreign currency, or a right to such currency
- cease to have a right to receive or pay foreign currency, or

- cease to have an obligation to pay or receive foreign currency.

Some forex losses are not deductible, for example, forex losses of a private or domestic nature, or those relating to exempt income. In some cases, forex losses on the acquisition of capital or depreciating assets, or on the disposal of capital assets, are also not deductible. In these cases, the losses are integrated into or matched with the taxation treatment of the underlying asset.

In some circumstances, you may make an election that affects the realisation or treatment of a forex loss. You can find more information about the forex measures and how to calculate your forex losses at Foreign exchange (forex).

Debt deductions

You may claim 'debt deductions' incurred in earning assessable income (for example, foreign source income that has been included at item **20** on your tax return) at this item, if you have not claimed them elsewhere on your tax return.

A 'debt deduction' is, broadly, an expense incurred in obtaining or maintaining a loan or other form of debt finance. Examples include interest, establishment fees, legal costs for preparing loan documents and fees charged by lending institutions for drawing on a loan facility.

If you were an Australian resident, you can claim debt deductions incurred in earning certain types of foreign non-assessable non-exempt income that were payments out of attributed controlled foreign company income and attributed foreign investment fund income.

You are not allowed to claim debt deductions disallowed under the thin capitalisation rules. Thin capitalisation rules may apply if:

- you were an Australian resident and you (or any associate entities) had certain overseas interests and your debt deductions combined with those of your associate entities were more than $250,000 for 2012-13, or
- you were a foreign resident with operations or investments in Australia and your debt deductions against Australian assessable income combined with those of your associate entities were more than $250,000 for 2012-13.

You can find more information at Thin capitalisation.

Special rules apply to deductions for expenses that you incur in borrowing money that you use for producing assessable income. Examples of such expenses include establishment fees and legal costs for preparing loan documents. Interest expenses are not subject to these rules and are deductible in the year in which you incur them.

If the total of these expenses you incurred in 2012-13 is more than $100 you have to deduct the expenses over the shorter of the following periods:

- the life of the loan, or
- five years from the date you first borrowed the money.

If the total of these expenses you incurred in the 2012-13 income year is $100 or less, you can deduct them immediately.

Section 40-880 deductions

This section allows you to claim a deduction for certain business-related capital expenditure over five income years.

Claim a section 40-880 deduction at this item if:

you incurred the relevant capital expense and

- the expenditure relates to a business that was proposed at the time the expense was incurred
- the business commenced before 30 June 2013, and
- you are carrying on the business through a company or trust, or

- you incurred the relevant capital expense and the expenditure relates to a business which ceased in a previous income year and you carried on the business through a company or trust.

If you incurred relevant section 40-880 expenses in relation to a business which ceased in a previous income year and you carried on the business as a sole trader or through a partnership, claim the amount at item **P8** on the *Business and professional items schedule for individuals 2013*. If this applies to you, then you must lodge your tax return using *e-tax* or a registered tax agent.

If you incurred relevant section 40-880 expenses but had not commenced the business by 30 June 2013, your deduction for this amount will be deferred until the year in which the business activity commences. The deferred amount may be deducted in the income year in which the activity commences.

For more information about section 40-880 deductions, see the Guide to depreciating assets 2013 (NAT 1996).

Net personal services income loss of a personal services entity that related to your personal services income

There are special rules for the income tax treatment of certain personal services income. Personal services income is income that is mainly a reward for your personal efforts or skills and is generally paid to you or to a personal services entity (being a company, partnership or trust).

Where the payment was made to a personal services entity and that entity incurred a personal services income loss relating to your personal services income, you can claim a deduction for that loss.

For more information about personal services income deductions, see Personal services income for companies, partnerships and trusts (NAT 72510).

If you need help with these rules, phone us on **13 28 66**.

Self-education expenses related to satisfying the study requirements of a bonded scholarship

You may claim at this item expenses you incurred in meeting the study requirements of a taxable bonded scholarship. However do not claim these expenses here if you were an employee of the provider; claim them at D4 Work-related self-education expenses.

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

You cannot claim a deduction for travel from your home to your normal place of education and back.

For more information go to the Self-education expenses calculator.

Print 'Scholarship expenses' in the **Description of claim** box.

Completing this item

Step 1: Election expenses

Add up all your deductible election expenses. Write the total amount at **E** item **D15** on page 15 of your tax return. Do not show cents. If you have no other expenses, go to Check that you have... otherwise, read on.

Step 2: Other expenses

Print the type of expense you are claiming in the **Description of claim** box at item **D15**. If you are claiming for more than one type of expense, print additional information in the Description of claim box.

On a separate piece of paper, print SCHEDULE OF ADDITIONAL INFORMATION - ITEM D15. Include your name, address and tax file number. Show the type and amount of each expense you are claiming. Print **X** in the **Yes** box at **Taxpayer's declaration** question 2a on page 10 of your tax return. Attach your schedule to page 3 of your tax return. Read on.

Step 3

Add up all the other expenses that you are claiming at this item (excluding election expenses).

Step 4

Write the amount from step **3** at **J** item **D15**. Do not show cents.

Check that you have...

- written on your tax return the total amount of your deductible election expenses, if any
- printed on your tax return the type of other expenses you are claiming
- written on your tax return the total amount of all other expenses you are claiming
- attached to page 3 of your tax return your SCHEDULE OF ADDITIONAL INFORMATION - ITEM D15, if you need to send us one.

Where to go next

- Go to Total supplement deductions

- Return to main menu Individual tax return instructions
- Go back to question D14 Forestry managed investment scheme deduction

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Total supplement deductions 2013

Complete the total supplement deductions section of your supplementary tax return.

Last updated 28 May 2013

Did you claim any deductions at items D11 to D15?

NO	Go to step 4.
YES	Go to step 1.

Step 1

Add up all the deduction amounts in the right-hand column of items **D11** to **D15** on your tax return.

Step 2

Write the amount from step 1 at **TOTAL SUPPLEMENT DEDUCTIONS** on page 15 of your tax return. Do not show cents.

Step 3

Transfer the amount you wrote at **TOTAL SUPPLEMENT DEDUCTIONS** to **D** on page 4 of your tax return.

Step 4

Go to Total deductions; then work through the Losses section.

Where to go next

- Go to question T4 Superannuation contributions on behalf of your spouse.
- Return to main menu Individual tax return instructions.
- Go back to question D15 Other deductions.

QC 32398

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 and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.