



Digital is the best way to lodge partnership SODs

Go digital to lodge statements of distribution accurately and avoid unexpected outcomes and liabilities.

Last updated 26 March 2025

Statements of distribution (SODs) must be lodged for all partnerships. Accurate and timely completion of these enables us to data match and assess if partners have returned their partnership income correctly. Incomplete or incorrect statements may result in partners being unnecessarily subjected to compliance activities.

Our recent analysis and compliance activities have identified basic errors tax practitioners make with SODs. To avoid these mistakes, make sure you've gathered the necessary lodgment information before preparing SODs, and complete all required information for each partner in the SOD labels, including:

- the name of each individual or entity
- tax file numbers
- residential or business addresses
- date of birth for individuals
- Australian business numbers for other entities.

SOD data helps us cross-check and assure that partners are correctly reporting their income in their income tax returns. This is even more important with our increased focus on compliance with Practical Compliance Guideline *PCG 2021/4 Allocation of Professional firm profits – ATO compliance approach*. It also helps us target our compliance actions more accurately.

We strongly recommend digital lodgment of SODs. For partnerships of up to 160 partners, you can already lodge digitally through your lodgment software (Practitioner lodgment service and Standard Business Reporting-enabled software). From 1 July, you'll be able to digitally lodge 2024–25 and future returns for all partnerships, including those with more than 160 partners. We'll provide more information on this change closer to that date.

QC 104017

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.

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