



myTax 2019 Income tests

How to complete the Income tests section of your return using myTax.

Last updated 26 June 2019

We use income tests to work out whether you:

- can claim certain tax offsets and the amount you are entitled to receive
- can receive some government benefits or concessions
- are entitled to a rebate for your private health insurance
- must pay tax
- must pay Medicare levy surcharge
- have a Higher Education Loan Program, Student Financial Supplement Scheme, Student Start-up Loan, ABSTUDY Student Start-up Loan or Trade Support Loan repayment liability.

We may also pass this information to other government agencies, such as Services Australia, to ensure you are receiving your correct entitlement to government benefits. It will also be used to correctly determine any child support payments.

Total reportable fringe benefit amounts



Information for employees who receive reportable fringe benefits from their employer.

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Total reportable fringe benefit amounts

Information for employees who receive reportable fringe benefits from their employer.

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Key points about reportable fringe benefits tax

Do not show

Completing this section

This is for employees who receive fringe benefits from their employer and have the taxable value of those benefits recorded on their income statement/payment summary.

Key points about reportable fringe benefits tax

- You have a reportable fringe benefits amount if the total taxable value of certain fringe benefits provided to you or your associate (for example, a relative) exceeds \$2,000 in an FBT year (1 April to 31 March).
- Employers must gross-up this amount and report it on your income statement/payment summary. The reportable fringe benefit amount reflects the gross salary that you would have to earn to purchase the benefit from your after tax income.
 - The lower gross-up rate for the FBT year ending 31 March 2019 is 1.8868.
 - If the taxable value of your fringe benefits is \$2,000.01, your reportable fringe benefit amount is \$3,773.

For more information, see **Reportable fringe benefits – facts for employees**.

Do not show

- Any reportable fringe benefit amount less than \$3,773.

Completing this section

You will need each:

- income statement or payment summary
- *PAYG payment summary – individual non-business*
- *PAYG payment summary – foreign employment*

you received that shows reportable fringe benefits amounts.

- An **income statement** provides your end of year income and tax information if your employer advises that you will not be issued with a payment summary, Income statements:
 - can be accessed through your ATO Online account in myGov
 - should be pre-filled in myTax.

Don't use any income statements that are not 'Tax Ready'. For more information, see **income statements**.

- A **payment summary** may continue to be provided by some employers. If so, and you don't have all your payment summaries or comparable statements, contact your employer or payer for a copy or comparable statement. If you are unsuccessful in obtaining any of these, see **Lost or missing PAYG withholding payment summary**.

To update or add a reportable fringe benefits amount of \$3,773 or more in myTax, go to the relevant payment type in the **Income statements and payment summaries** section:

- Salary, wages, allowances, tips, bonuses etc
- Foreign employment income

MyTax will then show your total reportable fringe benefits amounts in the **Income tests** section.

Reportable employer superannuation contributions

How to complete the reportable employer superannuation contributions section in myTax.

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Reportable employer superannuation contributions are additional to the compulsory contributions your employer must make. An example of a reportable employer superannuation contribution is a salary sacrificed arrangement. For more information, see [Guide for employees and self-employed - reportable superannuation contributions](#).

If your income statement/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 tax return to check that the figure is correct.

If your employer has incorrectly calculated the reportable employer superannuation contributions amount, ask them to provide you with the correct amount. If that amount is incorrect on your income statement/payment summary, ask your employer to report correctly to us.

Completing this section

You will need each:

- income statement or payment summary
- *PAYG payment summary – individual non-business*
- *PAYG payment summary – foreign employment*
- *PAYG payment summary – business and personal services income.*

you received that shows an amount of reportable employer superannuation contributions.

- An **income statement** provides your end of year income and tax information if your employer advises that you will not be issued with a payment summary, Income statements:
 - can be accessed through your ATO Online account in myGov
 - should be pre-filled in myTax.

Don't use any income statements that are not 'Tax Ready'. For more information, see **income statements**.

- A **payment summary** may continue to be provided by some employers. If so, and you don't have all your payment summaries or comparable statements, contact your employer or payer for a copy or comparable statement. If you are unsuccessful in obtaining any of these, see **Lost or missing PAYG withholding payment summary**.

To update or add a reportable employer superannuation contributions amount in myTax, go to the relevant section:

- in the **Income statements and payment summaries** section
 - Salary, wages, allowances, tips, bonuses etc
 - Foreign employment income
 - Attributed personal services income
- in the **Business/sole trader, partnership and trust income (including loss details)** section
 - Business income statements and payment summaries

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Tax-free government pensions or benefits

What you need to include in the Tax-free government pensions or benefits section in myTax.

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Do not show at this section

Completing this section

Income tax is not paid on certain tax-free government pensions or benefits, however, those pensions or benefits are taken into account when working out your adjusted taxable income. Your adjusted taxable income is an income test we use to work out your eligibility for certain tax offsets and the amount of those offsets.

You must include at this section the part of the following pensions and benefits that are exempt from tax (in some cases, all of it could be exempt from tax, and in other cases, only part of it might be. **Do not include** any part of it that is a bereavement payment, pharmaceutical allowance, rent assistance or remote area allowance, or language, literacy and numeracy supplement):

- Disability support pension paid by Centrelink to a person who is under age-pension age.
- Wife pension where either
 - both the recipient and their partner are under age-pension age
 - the recipient is under the age-pension age and their partner has died.
- Carer payment under Part 2.5 of the *Social Security Act 1991* (this is not the carer allowance under Part 2.19 of the *Social Security Act 1991*).
- Pension for defence, peacekeeping or war-caused death or incapacity, or any other pension granted under Part II or Part IV of the *Veterans' Entitlement Act 1986*.
- Invalidity service pension where the veteran is under age-pension age.
- Partner service pension where either
 - the partner and the veteran are under the age-pension age and the veteran is receiving an invalidity service pension
 - the partner is under age-pension age, the veteran has died and was receiving an invalidity service pension at the time of death.

- Income support supplement paid under Part IIIA of the *Veterans' Entitlements Act 1986*.
- Veteran payment under an instrument made under Part IIIAA of the *Veterans' Entitlements Act 1986*.
- Defence Force income support allowance 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*.
- Special rate disability pension under Part 6 of Chapter 4 of the *Military Rehabilitation and Compensation Act 2004*.
- Payment of compensation under section 68, 71 or 75 of the *Military Rehabilitation and Compensation Act 2004*.
- Payment of the weekly amount mentioned in paragraph 234(1)(b) of the *Military Rehabilitation and Compensation Act 2004* (including a reduced weekly amount because of a choice under section 236 of that Act) or of a lump sum mentioned in subsection 236(5) of that Act.

If you are not sure, for the purpose of this section, whether a government pension or benefit you have received is tax-free, phone **13 28 61**.

Do not show at this section

Do not include any amount here that you have already shown in the **Income statements and payment summaries** section:

- Australian Government payment such as Newstart, Youth Allowance and Austudy
- Australian Government payment such as pensions and carer payments
- Super income stream
- Australian annuity payments.

Completing this section

We pre-fill your tax return with information provided to us. Check for any tax-free government pensions you received not pre-filled and

ensure you add them.

1. Enter the total amount of tax-free pensions and benefits you received during 2018–19.
2. Select **Save and continue** when you have completed the **Income tests** section.

Note: Information shown in myTax may be updated based on pre-fill data. Before you lodge, you should review this information again to ensure it is correct.

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Target foreign income

Types of foreign income that you need to include in your tax return.

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Provided the amount hasn't been included in your taxable income, or received in the form of a fringe benefit, target foreign income is any one of the following from sources outside of Australia:

- income earned, derived or received
- a periodical payment by way of gifts or allowances
- a periodical benefit by way of gifts or allowances.

Types of target foreign income you need to show at this section include:

- regular receipts of money and gifts from relatives living overseas which are exempt from Australian tax
- income from foreign business interests and investments, which are exempt from Australian tax, including income received by migrants with business interests in their country of origin
- foreign source income received while you were a temporary resident that is exempt from Australian tax

- the amount of exempt foreign employment income you have shown in your tax return.

If you are not sure whether any foreign income you have received is target foreign income, phone **13 28 61**.

Completing this section

If you have already entered exempt foreign employment income in the **Foreign income, assets and entities** section, that amount may be shown here. Otherwise, you will need to include it in the total target foreign income.

1. Enter the total amount of target foreign income you received during 2018–19.
2. Select **Save and continue** when you have completed the **Income tests** section.

Note: Information shown in myTax may be updated based on you entering data in other sections. Before you lodge, you should review this information again to ensure it is correct.

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Net financial investment loss

How we calculate net loss from any financial investments you owned.

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Managed investment schemes

Deductions

Completing this section

This section is about the net loss from any financial investments you owned.

The loss shown at this section is the amount by which your [deductions](#) relating to the following financial investments exceed your income from those investments:

- shares in a company
- an investment in a [managed investment scheme](#), including a forestry managed investment scheme
- rights or options for shares or managed investment schemes
- distributions from a partnership that included income or losses from an investment listed above
- any investment that is of a similar nature to those listed above.

When calculating your net financial investment loss, interest from your everyday transaction accounts is not included.

Managed investment schemes

The investment manager will be able to tell you whether your investment is a managed investment scheme. Managed investment schemes include:

- cash management trusts
- property trusts
- Australian equity (share) trusts
- agricultural schemes (which include horticultural, aquaculture and commercial horse breeding schemes).

Investments that are **not managed investment schemes** include:

- regulated superannuation funds
- approved deposit funds
- debentures issued by a body corporate
- franchises
- schemes operated by an Australian bank in the ordinary course of banking business (such as term deposits).

Deductions

Deductions for an investment include expenses you pay to:

- borrow money to purchase an investment
- manage your investments
- obtain advice about changes in the mix of your investments.

Completing this section

We will calculate the amount of your net financial investment loss using the information you provide in your tax return.

MyTax will show your net financial investment loss in the **Income tests** section.

Calculating net financial investment loss

If you want to know how we work out your net financial investment loss, complete worksheets 1a, 1b and 1c below.

Worksheet 1a - Financial investment income

Row	Financial investment income	Amount
a	Dividends from Australian shares - Unfranked amount	\$
b	Dividends from Australian shares - Franked amount	\$
c	Dividends from Australian shares - Franking credit	\$
d	Managed funds - Your share of Total non-primary production income (show a loss as a negative)	\$
e	Managed funds - Your share of Total franked distribution	\$
f	Managed funds - Your share of Total Australian credits from a NZ franking	\$

	company	
g	Trusts - Managed investment scheme amount (show a loss as a negative)	\$
h	Trusts - Franked distribution related to investments	\$
i	Partnerships - Partnership net financial investment income or loss (show a loss as a negative)	\$
j	Business income or losses - Net non-primary production income or loss from a business of investing (show a loss as a negative)	\$
k	Loss details - Partnership: Deferred loss amount from carrying on a business of investing	\$
l	Loss details - Sole trader: Deferred loss amount from carrying on a business of investing	\$
m	Other foreign income from a financial investment - Australian franking credits from a New Zealand franking company	\$
n	Other foreign income from a financial investment - Gross income less Deductible expenses (show a loss as a negative)	\$
o	Forestry managed investment schemes - Amount	\$
p	Any other income - Financial investments not shown elsewhere	\$
q	Any other income - Assessable adjustment from low-value pool relating to financial investments	\$
r	Add all amounts from rows a to q .	\$

Worksheet 1b - Financial investment deductions

Row	Financial investment deductions	Amount
s	Dividend deductions - Amount	\$
t	Low value pool deduction - Low value pool deduction relating to financial investment	\$
u	Managed funds - Your share of Total other deductions relating to non-primary production	\$
v	Trusts - Managed investment scheme deductions	\$
w	Partnerships - Partnership financial investment deductions	\$
x	Forestry managed investment scheme deductions - Amount	\$
y	Other deductions - Deductions relating to financial investments	\$
z	Add all amounts from rows s to y .	\$

Worksheet 1c - Calculation

Row	Calculation	Amount
aa	Row r (from Worksheet 1a)	\$
bb	Row z (from Worksheet 1b)	\$
cc	Take row bb away from row aa . If the amount is a negative, this amount is your Net financial investment loss . Otherwise the amount will be 0 .	\$

Net rental property loss

How we work out the net rental property loss from any rental property you owned.

Last updated 26 June 2019

This section is about the net loss from any rental property you owned.

It is not about capital gains or capital losses from your rental properties.

Completing this section

We will calculate the amount of your net rental property loss using the information you provide in your tax return.

MyTax will show your net rental property loss in the **Income tests** section.

Calculating net rental property loss

If you want to know how we work out your net rental property loss, complete the worksheet below.

Worksheet: Net rental property loss

Row	Calculation	Amount
a	Foreign rental income - Gross income less Deductible expenses (show a loss as a negative)	\$
b	Managed funds - Your share of Total net foreign rent (show a loss as a negative)	\$
c	Rent - Net rent (show a loss as a negative)	\$
d	Partnerships - Partnership net rental property income or loss (show a loss as a	\$

	negative)	
e	Loss details - Partnership: Deferred loss amount from carrying on a rental property business	\$
f	Loss details - Sole trader: Deferred loss amount from carrying on a rental property business	\$
g	Any other income - Assessable adjustment from low-value pool relating to rental property	\$
h	Add all amounts from rows a to g .	\$
i	Low value pool deduction - Low value pool deduction relating to rental property	\$
j	Partnerships - Partnership rental property deductions	\$
k	Other deductions - Debt deductions incurred in deriving foreign rental income	\$
l	Add all amounts from rows i to k .	\$
m	Take row l away from row h . If the amount is a negative, this amount is your Net rental property loss . Otherwise the amount will be 0 .	\$

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Child support you paid

How to complete the Child support you paid section in myTax.

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This section is about amounts you paid or benefits you provided to another person other than your partner for the maintenance of your natural or adopted child.

Do not include amounts you paid or provided to a person to acquire goods or services.

Completing this section

1. Enter the total amount you paid and benefits you provided for the maintenance of your child during 2018–19.
2. Select **Save and continue** when you have completed the **Income tests** section.

For income test purposes, the amounts you paid and the benefits you provided for the maintenance of your child will be deducted from the total of the other components that make up your adjusted taxable income.

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Number of dependent children

Work out if you maintained a dependent child and how to complete this section.

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For this section, regardless of their income, a dependent child is your child who is either:

- under 21 years old
- 21 to 24 years old and a full-time student at a school, college or university.

The child must be an **Australian resident** and you must have contributed to their maintenance.

You maintained a dependant if any of the following applied:

- you both lived in the same house
- you gave them food, clothing and lodging
- you helped them to pay for their living, medical and educational costs.

We use this information to determine whether you are entitled to an increase in the income test threshold for the:

- private health insurance rebate
- net medical expenses tax offset, and
- Medicare levy surcharge.

Completing this section

We pre-fill your tax return with the number of dependent children from your to 2017–18 tax return.

1. Check the **Number of dependent children** and correct if necessary.
2. Select **Save and continue** when you have completed the **Income tests** section.

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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

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