Print whole section

Individuals tax return and instructions 2025

Instructions to help you complete a paper tax return for individuals 2024–25 (NAT 2541).

Last updated 27 May 2025

How to get the Individual tax return 2025

How to get the Individual tax return (NAT 2541) and a copy of the instructions.

Completing the individual tax return 2025

Find out if you need to lodge a tax return for 2025 and how to complete your individual information section.

Income questions 1-12 – Individual tax return 2025

Instructions to help you complete income questions 1 to 12 in your paper individual tax return.

Deduction questions D1-D10 – Individual tax return 2025

Instructions to help you to complete deductions questions D1 to D10 in your paper individual tax return.

Losses question L1 – Individual tax return 2025

Instructions to help you to complete losses question L1 in your paper individual tax return.

Tax offset questions T1-T2 – Individual tax return 2025

Instructions to help you to complete tax offset questions T1 and T2 in your paper individual tax return.

Medicare levy questions M1-M2 – Individual tax return 2025

Instructions to help you to complete Medicare levy questions M1 and M2 in your paper individual tax return.

Adjustment questions A1-A4 – Individual tax return 2025

Instructions to help you to complete adjustment questions A1 to A4 in your paper individual tax return.

Income test questions IT1-IT8 – Individual tax return 2025

Instructions to help you to complete income tests IT1 to IT8 in your paper individual tax return.

Spouse details – married or de facto 2025

Complete this question if you have a spouse at any time during 2024–25

Supporting information – Individual tax return 2025

Supporting information to help you complete your paper lodgment Individual tax return 2025.

QC 104082

How to get the Individual tax return 2025

How to get the Individual tax return (NAT 2541) and a copy of the instructions.

Last updated 10 June 2025

Get the Individual tax return

Go to Tax return for individuals (NAT 2541) on our Publications Ordering Service (POS) at iorder.com.au to get a copy.

Get the Individual tax return instructions

Most people will find all the help they need to prepare their tax return in the Individual tax return instructions 2025 (NAT 71050) PDF guide (formerly TaxPack). You can download or order these instructions through our POS at iorder.com.au.

Also available are these instructions containing more technical information:

- Individual tax return instructions 2025 (DOCX, 2,935 KB)
- Individual supplementary tax return instructions 2025.

What you can do with the individual tax return

Using the Tax return for individuals, you can lodge your tax return by paper.

Most paper tax returns are processed within 50 business days.

Better ways to lodge a tax return

To get your refund faster – generally within 10 business days – lodge online with myTax.

Lodge now with myTax

For details about the personal information we collect from you see, **Privacy notice – Individual tax return and schedules**.

QC 104083

Completing the individual tax return 2025

Find out if you need to lodge a tax return for 2025 and how to complete your individual information section.

Published 27 May 2025

Do you need to lodge a tax return? 2025

Work out if you need to lodge an individual tax return for 2024–25 and what to do when you don't need to lodge.

Completing individual information in your tax return 2025

Information to help you complete the individual information in your tax return and avoid delays in processing.

QC 104084

Do you need to lodge a tax return? 2025

Work out if you need to lodge an individual tax return for 2024–25 and what to do when you don't need to lodge.

Last updated 27 May 2025

Work out if you need to lodge

Use our **Do I need to lodge a tax return?** tool in ATO online services or on our website to work out if you need to lodge. When you access the tool through ATO online services it uses information we know about you and tailors the result to you.

Alternatively, review the following reasons to work out if you need to lodge a tax return. If any of the reasons apply to you, you must lodge a tax return.

Reason 1

During 2024–25, you're an Australian resident and either you:

- pay tax under the pay as you go (PAYG) withholding or instalment system
- have tax withheld from payments you receive (excluding mining payments).

Reason 2

During 2024–25, you're eligible for the seniors and pensioners tax offset, and your rebate income (not including your spouse's) is more

than:

- **$34,919**, if you're single, widowed or separated at any time
- **$33,732**, if you have a spouse, but one of you live in a nursing home or you **had to live apart due to illness**
- **$30,994**, if you live with your spouse for the full income year.

To work out your rebate income, see **Rebate income 2025**.

To check your eligibility and calculate the offset amounts, you can also use the **Beneficiary tax offset and seniors and pensioners tax offset calculator**.

Reason 3

You're **not** eligible for the seniors and pensioners tax offset, but:

- you receive a payment from the list at **question 5 Australian Government allowances and payments**, and
- your taxable income (from taxable income or loss in your tax return) is more than **$22,575**.

Reason 4

You're **not** eligible for the seniors and pensioners tax offset, and the following applies:

- you don't receive a payment from the list at either
  - question 5 **Australian Government allowances and payments**
  - question 6 **Australian Government pensions and allowances**
- your taxable income is more than
  - **$18,200** if you're an **Australian resident for tax purposes** for the full income year
  - **$416** if you're under 18 years old on 30 June 2025 and your income isn't salary or wages
  - **$1** if you're a foreign resident and you have income taxable in Australia which doesn't have a final non-resident withholding tax withheld from it
  - your part-year tax-free threshold amount if you became or stop being an Australian resident for tax purposes, see

question A2 **Part-year tax-free threshold**.

Reason 5

During 2024–25, you're a foreign resident and the following applies:

- the total of your **repayment income** and any foreign-sourced income was more than **$13,608**
- on 1 June 2024 you have a debt accumulated for
  - Higher Education loan programme (HELP)
  - VET Student Loan (VSL)
  - Australian Apprenticeship Support Loan (AASL) debt.

If this applies to you, you must lodge your tax return **electronically**, even if one of the other reasons applies to you.

Other reasons

You must lodge a tax return if any of the following apply:

- You have a reportable fringe benefits amount on your
  - income statement
  - *PAYG payment summary – individual non-business*
  - *PAYG payment summary – foreign employment*.
- You have reportable employer superannuation (super) contributions on your
  - income statement
  - *PAYG payment summary – individual non-business*
  - *PAYG payment summary – foreign employment*
  - *PAYG payment summary – business and personal services income*.
- You're eligible for the private health insurance rebate, but you didn't claim your correct entitlement as a premium reduction, and your spouse (if you had one) didn't claim the rebate for you in their tax return.
- You carry on a business during 2024–25.

- You make a loss (including a capital loss or a non-capital loss on redemption or disposal of a traditional security) or you can claim a loss from a previous year.
- You're 60 years old or older and receive an Australian super lump sum that includes an untaxed element, or you receive a super lump sum death benefit as a non-dependant.
- You're under 60 years old and receive an Australian super lump sum that includes a taxed element or an untaxed element, or you receive a super lump sum death benefit as a non-dependant.
- You're entitled to a distribution from a trust, or you have an interest in a partnership and the trust or partnership carries on a business of primary production.
- You're an Australian resident for tax purposes and you have **exempt foreign employment income** and **$1** or more of other income.
- You're a **special professional** eligible for the income averaging provisions.
- You receive income from dividends or distributions exceeding **$18,200** (or **$416** if you're under 18 years old on 30 June 2025) and you have
  - franking credits
  - amounts withheld because you didn't quote your TFN or ABN to the investment body.
- You derive Australian source taxable income (excluding any super remainder or employment termination remainder) of **$45,001** or more while on a working holiday visa (417 or 462 visa).
- You make personal contributions (not including amounts which you're claiming as a deduction) to a complying super fund or retirement savings account and are eligible to receive a super co-contribution for these contributions.
- Your concessional contributions to your super exceed your concessional contributions cap.
- Your non-concessional contributions to your super exceed your non-concessional contributions cap.

- You're a liable parent or a parent entitled to child support under a child support assessment, **unless**
  - you receive one or more Australian Government allowances, pensions or payments for the whole of the period 1 July 2024 to 30 June 2025, and
  - the total of all the following payments is less than **$29,842**
    - taxable income (excluding any assessable **first home super saver** released amount)
    - exempt Australian Government allowances, pensions and payments
    - **target foreign income**
    - reportable fringe benefits total
    - **net financial investment loss**
    - **net rental property loss**
    - reportable super contributions.

Deceased estate

If you're looking after the estate of someone who died during 2024–25, consider all the reasons on their behalf. If they don't need to lodge a tax return, complete and lodge a **Non-lodgment advice**.

If they do need to lodge a tax return, for more information, see **How to lodge your tax return**.

Franking credits

If you receive franking credits and you don't need to lodge a tax return for 2024–25, you may be eligible to **claim a refund of franking credits**. Use the *Refund of franking credits application and instructions 2025* (NAT 4105) and lodge your claim online, by mail, or phone.

Non-lodgment advice

If you've read all the reasons and information and don't need to lodge a tax return, you should complete and lodge a **Non-lodgment advice**,

unless one of the following applies to you:

- You have already sent us a tax return, non-lodgment advice, form or letter telling us that you don't need to lodge a tax return for all future years.
- You're lodging an *Application for a refund of franking credits* (NAT 4098).
- Your only income is from an allowance or payment from the list at question 5 **Australian Government allowances and payments** or a pension, payment or an allowance from the list at question 6 **Australian Government pensions and allowances**, and either
  - your rebate income is less than or equal to the relevant amount in **Reason 2** (if you're eligible for the seniors and pensioners tax offset)
  - your taxable income is less than or equal to the relevant amount in **Reason 3** (the agencies that pay you provide information for us to determine that you don't need to lodge a tax return).
- You 're a working holiday maker on a 417 or 462 visa, and your Australian income is less than **$45,001**.

You can submit a *Non-lodgment advice* using our **Online services for individuals and sole traders**.

Where to go next

- Return to main menu **Individual tax return instructions 2025**.
- Go to **Completing individual information in your tax return 2025**.

QC 104086

Completing individual information in your tax return 2025

Information to help you complete the individual information in your tax return and avoid delays in processing.

Last updated 27 May 2025

Things you need to know

It's important that you complete the individual information on pages 1 and 2 of your tax return accurately to avoid delaying your notice of assessment (NOA). We provide explanations for the tax-related items to help you complete these sections correctly.

If you're not sure whether you need to lodge a tax return, see **Do you need to lodge a tax return? 2025**.

Your tax file number (TFN)

You'll find your TFN:

- online in ATO online services, you'll need to sign into your myGov account or login to the ATO app
- on a print-friendly version of your **income statement**
- on your NOA.

You don't have to quote your TFN in your tax return, but if you don't, it may delay your assessment.

If you're new to the tax system and don't have a TFN, see **Tax file number**.

Are you an Australian resident?

If you're an Australian resident for tax purposes for **all** of 2024–25, print **X** in the **Yes** box.

If you're an Australian resident for tax purposes for **part** of 2024–25, print **X** in the **Yes** box and complete question **A2 Part-year tax-free threshold** in your tax return. We need this information to work out your tax-free threshold.

If you **weren't** an Australian resident for tax purposes for **all** of 2024–25, print **X** in the **No** box.

Generally, we consider you to be an Australian resident for tax purposes if one of the following applies:

- you have always lived in Australia, or you have come to Australia and live here permanently
- you have been in Australia continuously for 6 months or more, and for most of that time you worked in the one job and lived at the same place
- you have been in Australia for more than 6 months during 2024–25, unless your usual home is overseas, and you don't intend to live in Australia
- you go overseas temporarily, and you don't set up a permanent home in another country
- you're an overseas student who has come to Australia to study and are enrolled in a course that is more than 6 months long.

If you need help in deciding whether or not you're an Australian resident for tax purposes, see **Your tax residency**.

If you're in Australia on a 417 or 462 working holiday visa at any time during 2024–25, you must also complete question **A4 Working holiday maker net income** in your tax return. Complete this question to avoid being taxed at a higher rate.

Has any part of your name changed since completing your last tax return?

To find out how to update your name on our records, see **Update your name**.

Will you need to lodge an Australian tax return in the future?

This may be your last tax return if one of the following applies:

- Your annual taxable income in the future will be below the tax-free threshold ($18,200 for 2025–26).
- Your only source of income in the future will be an Australian Government pension.
- You'll become eligible for the seniors and pensioners tax offset in 2025–26, and your rebate income is below the threshold for lodging

a tax return this year (for threshold levels and eligibility for 2024–25, see **T1 Seniors and pensioners tax offset**).

- You're moving overseas permanently.

Depending on your situation, print **X** in the **Yes**, **Don't know** or **No** box.

Deceased estate

If you're completing a tax return for someone who has died:

- write **Deceased estate** on the top of page 1 in the tax return
- print **X** in the **No** box at **Will you need to lodge an Australian tax return in the future?**

The executor or administrator of the estate must sign the tax return.

Electronic funds transfer (EFT)

We need your financial institution account details to pay any refund owing to you, even if you have provided them to us before, including:

- Bank State Branch (BSB) number (6 digits, don't include spaces or hyphens)
- account number (no more than 9 digits, don't include spaces or hyphens)
- account name, for example JQ Citizen. Don't show account type, such as cheque, savings, mortgage offset in the account name. Include spaces between each word and initials where required. If this is more than 32 characters, provide the first 32 characters only.

Your refund can only be paid into a recognised financial institution account located in Australia.

The Treasury Laws Amendment (2024 Tax and Other Measures No. 1) Act 2024 amends tax law to provide us with a discretionary power to retain certain tax refunds and credits for up to 90 days. We can retain the refund from the date the refund or credit becomes payable.

To avoid delays in receiving a refund from us, ensure you provide or **update your financial institution details**.

If we retain your refund because we don’t have valid Australian financial institution details, we will contact you by letter, email, or

through a myGov message.

The holding rule doesn't apply where you provide valid Australian financial institution details with your tax return.

Where to go next

- Go to question 1 Salary or wages 2025.
- Return to main menu **Individual tax return instructions 2025**.

QC 104087

Income questions 1-12 – Individual tax return 2025

Instructions to help you complete income questions 1 to 12 in your paper individual tax return.

Published 27 May 2025

1 Salary or wages 2025

Complete question 1 to declare income from salary or wages where tax was withheld.

2 Allowances, earnings, tips, directors fees etc 2025

Complete question 2 to declare payments from working, such as allowances, payments for services, and consultation fees.

3 Employer lump sum payments 2025

Complete question 3 to declare lump sum payments you receive

4 Employment termination payments 2025

Complete question 4 to declare employment termination payments you receive due to the termination of your employment.

5 Australian Government allowances and payments 2025

Complete question 5 to declare allowances and payments you receive from the Australian Government.

6 Australian Government pensions and allowances 2025

Complete question 6 to declare pensions and allowances you receive from the Australian Government.

7 Australian annuities and superannuation income streams 2025

Complete question 7 to declare income you receive from Australian annuities and superannuation (super) income streams.

8 Australian superannuation lump sum payments 2025

Complete question 8 to declare Australian superannuation (super) lump sum payment or death benefit payments you receive.

9 Attributed personal services income 2025

Complete question 9 to declare personal services income attributed to you.

Total tax withheld 2025

Complete the total tax withheld section in your tax return.

10 Gross interest 2025

Complete question 10 to declare interest you receive or are credited from any source in Australia.

11 Dividends 2025

Complete question 11 to declare dividends and distributions you receive or are credited from Australian companies.

12 Employee share schemes 2025

Complete question 12 to declare discounts on employee share scheme interests (ESS interests) you receive under an ESS.

Income in your supplementary tax return 2025

Complete this question if you declare income in the supplementary section of your tax return.

Total income or loss 2025

Complete this question to declare your total taxable income or

QC 104088

1 Salary or wages 2025

Complete question 1 to declare income from salary or wages where tax was withheld.

Last updated 27 May 2025

Things you need to know

Declare at this question income from salary or wages where tax was withheld, this includes:

- **salary and wages**
- commissions
- bonuses
- money from part-time or casual work
- parental leave pay
- amounts for lost salary or wages paid under
  - an income protection policy
  - a sickness or accident insurance policy
  - a workers compensation scheme
- foreign employment – if you're an Australian Government agency employee (and not a member of a disciplined force), include at this question income you earn delivering **Australian Official development assistance**.

If your income statement or *PAYG payment summary – individual non-business* shows any allowances, include them at question **2 Allowances, earnings, tips, directors fees etc**.

If you don't have salary or wage income, go to question **2 Allowances, earnings, tips, directors fees etc 2025**.

What you need to answer this question

You'll need your income statement, *PAYG payment summary – individual non-business, PAYG payment summary – foreign employment,* or similar statement such as a letter or signed statement, from each employer or payer, showing the following details:

- gross income (that shows as 'Gross payments' on your income statement or payment summary)
- payment type indicator (if you're a **working holiday maker**)
- total tax withheld
- foreign tax paid, if applicable
- the employer's or payer's Australian business number (ABN) or withholding payer number (WPN).

If you can't find or think there is an issue with your income statement, payment summaries or similar statements, contact your employer or payer. For more information, see **Income statements**.

Make sure you **keep all your records** for 5 years from the date you lodge your tax return. A shorter record-keeping period may apply in some situations.

Completing your tax return

To complete this question, follow the steps.

For the purposes of this question, don't combine amounts from different income statements, payment summaries, or similar unless we instruct you to do so at Step 3.

Step 1

Write the type of occupation where you earn most of your income at question **1** – **Your main salary and wage occupation**.

Be as specific as possible when you describe how you earn your salary and wages.

For example, 'insurance clerk' rather than 'clerk', 'facilities manager' rather than 'manager', 'bar attendant' rather than 'student'.

For public servants, provide work type – for example, 'call centre operator'.

Step 2

If you have more than 5 income statements and payment summaries, go to Step 3. Otherwise, read on.

For each income statement and payment summary, write at question **1**:

- the payer's ABN or WPN
- the 'Total Australian tax withheld' amounts under **Tax withheld**
- the gross payment amounts under **Income**.

If your income statement or payment summary includes **Gross payment type H**, print **H** in the payment type box. **Gross payment type H** applies to income you earn as a working holiday maker while on a 417 or 462 visa.

If this applies to you, you must complete question **A4 Working holiday maker net income 2025**.

You have finished this question, see Where to go next.

Step 3

Complete this step if you have more than 5 income statements and payment summaries.

Gross payment type H, applies to income you earn as a working holiday maker while on a 417 or 462 visa.

From your income statement and *PAYG payment summary – individual non-business* with no **Gross payment type H**:

- add up the total tax withheld, write the total under **Tax withheld** at the left of label **C**
- add up the gross payment amounts, write the total under **Income** at label **C**
- write the ABN if you have only one income statement or payment summary of this type
- leave the ABN blank if you have more than one income statement or payment summary of this type.

From your income statement and *PAYG payment summary – individual non-business* with **Gross payment type H**:

- add up the total tax withheld, write the total under **Tax withheld** at the left of label **D**
- add up the gross payment amounts, write the total under **Income** at label **D**
- print **H** in the payment **type** box
- write the ABN if you have only one income statement or payment summary of this type
- leave the ABN blank if you have more than one income statement or payment summary of this type
- complete **question A4**.

From your income statement and *PAYG payment summary – foreign employment*:

- add up the total tax withheld, write the total under **Tax withheld** at the left of label **E**
- add up the gross payment amounts, write the total under **Income** at label **E**
- write the ABN if you have only one income statement or payment summary of this type
- leave the ABN blank if you have more than one income statement or payment summary of this type.

Where to go next

- Go to question 2 **Allowances, earnings, tips, directors fees etc 2025**.
- Return to main menu **Individual tax return instructions 2025**.

2 Allowances, earnings, tips, directors fees etc 2025

Complete question 2 to declare payments from working, such as allowances, payments for services, and consultation fees.

Published 27 May 2025

Things you need to know

Declare at this question payments of income from working, such as:

- **employment allowances**
- payments where tax wasn't withheld, including
  - salary, wages, commissions, bonuses
  - money you earn from part-time and casual jobs
  - payments from income protection, sickness, and accident insurance policies
- tips, gratuities, and payments for your services
- consultation fees
- payments for voluntary services (honoraria).

Types of allowances

Allowance amounts you may receive from working include:

- car, travel and transport allowances
- reimbursements of car expenses your employer calculates by reference to the distance the car travels (that is, it must be on a **cents per kilometre basis**)
- award transport payments (you receive under an industrial law or award that was in force on 29 October 1986)
- tool, clothing, and laundry allowances
- dirt, height, site, first aid and risk allowances

- meal and entertainment allowances.

When not to include an allowance

If you receive an overtime meal allowance under an industrial law, award or agreement or a travel allowance, don't show it in your tax return, if:

- you spend the whole amount on deductible expenses
- your employer doesn't report it on your income statement or payment summary
- it doesn't exceed the Commissioner's reasonable allowance amount.

You can't claim deductions for expenses that you pay for with these allowances.

For more information on the reasonable travel and overtime meal allowance expense amounts, see Taxation Determination **TD 2024/3** *Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2024–25 income year?*

If you don't receive any allowances, earnings, tips, director's fees etc, go to question **3 Employer lump sum payments 2025**.

What you need to answer this question

You'll need:

- your income statements, payment summaries or similar statements
- details of any payments that you receive that aren't showing on an income statement, payment summary or similar statement.

If you can't find or think there is an issue with your statement, payment summaries or similar statements, contact your employer or payer. For more information, see **Income statements**.

Completing your tax return

To complete this question, follow the steps.

Step 1

Add up any tax withheld from these payments. Don't include any amount of tax withheld that you show at other questions, such as question **1**.

Write the amount under **Tax withheld** at the left of question **2** – label **K**.

Step 2

Add up all of these income payments. Don't include any amount of income that you show at other questions, such as question **1**.

Write the amount under **Income** at question **2** – label **K**.

Where to go next

- Go to question **3 Employer lump sum payments 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **1 Salary or wages 2025**.

QC 104090

3 Employer lump sum payments 2025

Complete question 3 to declare lump sum payments you receive from an employer for unused annual or long service leave.

Last updated 27 May 2025

Things you need to know

Declare at this question lump sum payments you receive from your employer for unused annual leave or unused long service leave.

Don't include in your tax return payments for early retirement or genuine redundancy at 'Lump sum D' on your income statements or

PAYG payment summary – individual non-business. You don't pay tax on these payments.

Don't include at this question, any:

- employer lump sum payments in arrears or non-superannuation annuity payments in arrears at 'Lump sum E' on your income statements or payment summaries – declare these amounts in the supplementary tax return at question **24 Other income 2025**.
- lump sum payments in arrears on your *PAYG payment summary – superannuation income stream* – declare these amounts at question **7 Australian annuities and superannuation income streams 2025**.

If you don't receive any of these lump sum payments from your employer, go to question **4 Employment termination payments 2025**.

What you need to answer this question

You'll need your income statement or *PAYG payment summary – individual non-business*, *PAYG payment summary – foreign employment* or a similar statement from your payer showing an amount at 'Lump sum A' or 'Lump sum B' where relevant.

If you have an amount at 'Lump sum A' that foreign tax has been paid, you'll also need to complete the supplementary tax return question **20** – label **U**.

If you can't find or think there is an issue with your income statements, payment summaries or similar statements, contact your employer or payer. For more information, see **Income statements**.

Completing your tax return

To complete this question, follow the steps.

If you don't have amounts at 'Lump sum A' on your income statements or payment summaries, go to **Step 4**.

Amounts at Lump sum A

Follow the steps for amounts at lump sum A.

Step 1

Add up the total tax withheld from lump sum A amounts on your income statements and payment summaries. Don't include any amounts of tax withheld you include at any other question, such as question **1** or **2**.

Write the total under **Tax withheld** at the left of question **3** – label **R**.

Step 2

Add up all lump sum A amounts on your income statements and payment summaries.

Write the total at question **3** – label **R**.

Step 3

Print in the **Type** box at label **R**:

- **R** – if the amount relates to one of the following
  - a genuine redundancy payment
  - an early retirement scheme payment
  - the invalidity segment of an employment termination payment or superannuation benefit
- **T** – for all other situations.

Check with your payer if you're not sure.

If you don't have amounts at 'Lump sum B' on your income statements or payment summaries, you have finished this question. Go to question 4 Employment termination payments 2025.

Amounts at Lump sum B

Follow the steps for amounts at lump sum B.

Step 4

Add up the total tax withheld from lump sum B amounts on your income statements and payment summaries. Don't include amounts of tax withheld you include at step 1 or at any other question, such as question **1** or **2**.

Write the total under **Tax withheld** at the left of question **3** – label **H**.

Step 5

Add up all lump sum B amounts on your income statements and payment summaries.

Divide the total by 20. This is because only 5% is taxable.

Write the answer at question **3** – label **H**.

Where to go next

- Go to question **4 Employment termination payments 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **2 Allowances, earnings, tips, directors fees etc 2025**.

QC 104091

4 Employment termination payments 2025

Complete question 4 to declare employment termination payments you receive due to the termination of your employment.

Last updated 27 May 2025

Things you need to know

Declare at this question **employment termination payments** (ETPs) you receive due to the termination of your employment. If you receive an ETP, the components of the **termination payment may be taxed differently**.

If you lose, leave, or change your job, you may receive several lump sum payments and one may be an ETP.

Types of ETPs

ETPs include:

- a gratuity or golden handshake

- **genuine redundancy or early retirement scheme payments** above the tax-free limit
- severance pay
- non-genuine redundancy payments
- payments in lieu of notice of termination
- unused rostered days off (RDOs)
- unused sick leave
- compensation for loss of job
- compensation for wrongful dismissal, if you receive payment within 12 months of the actual termination of employment
- payments for loss of future super payments
- payments arising from an employee's termination because of ill health (invalidity), other than compensation for personal injury
- lump sum payments after the death of an employee.

Other types of ETPs include:

- **death benefit ETPs**, these are payments you receive due to another person's death and their employment ending
- **foreign ETPs**, these are certain ETPs you receive due to the termination of your overseas employment while an Australian resident, and **are exempt** from income tax under that country's law
- **late termination payments**, these are certain ETPs you receive more than 12 months after you retire or cease employment.

When not to include an ETP

Don't show the following payments anywhere in your tax return:

- **foreign termination payments**, these are certain termination payments that **aren't exempt** from income tax of the foreign country
- ETPs you receive as the trustee of a deceased estate (ETP code **T**), you must show these payments in the trust tax return of the deceased estate
- departing Australia superannuation payments.

If you don't have an ETP to declare, go to question **5 Australian Government allowances and payments 2025**.

What you need to answer this question

You'll need your income statement or *PAYG payment summary – employment termination payment*.

If you can't find or think there is an issue with your income statements or payment summaries, contact your employer or payer. For more information, see **Income statements**.

If you receive a foreign ETP, your foreign employer may not give you a *PAYG payment summary – employment termination payment*. You'll need to convert your foreign ETPs into Australian dollars before you can complete this question, see **Foreign employment termination payments** in Special circumstances 2025.

Completing your tax return

To complete this question, follow the steps.

If you receive 2 or more ETPs, you'll need to complete an ETP schedule. Go to Step 5.

Step 1

Write at **Date of payment** the payment date on your income statement or payment summary.

Write at **Payer's ABN**, your payer's Australian business number (ABN) from your income statement or payment summary.

Step 2

Write the total amount of tax withheld from your ETP, from your income statement or payment summary under **Tax withheld** at the left of question **4** – label **I**.

Step 3

Write the taxable component of your ETP, from your income statement or payment summary at question **4** – label **I**.

Step 4

Print the ETP code, in the **CODE** box at question **4** – label **I**.

You must enter a valid code, find it on your income statement or payment summary. Contact your employer or payer if your income statement or payment summary doesn't have an ETP code. If you're unable to contact the employer or payer, read through the codes in the table and select the one that best describes your payment.

ETP code descriptions

ETP Code	Description
R	If you receive your ETP because of: • early retirement scheme • genuine redundancy • invalidity • compensation for – personal injury – unfair dismissal – harassment – discrimination.
O	If your ETP isn't described by code **R** – for example, you receive it because of: • a golden handshake • gratuity • payment in lieu of notice • payment for unused sick leave • payment for unused rostered days off.
S	If you receive a code **R** ETP in 2024–25 **and** you had received another ETP (code **R** or code **O**), or a transitional termination payment, in an earlier income year for the same termination of employment.
P	If you receive a code **O** ETP in 2024–25 **and** you had received another ETP (code **R** or code **O**), or a

	transitional termination payment, in an earlier income year for the same termination of employment.
D	If you receive a death benefit ETP and you're a **death benefits dependant**.
B	If you receive a death benefit ETP in 2024–25 **and** you're **not** a death benefits dependant, **and** you had received another death benefit ETP in an earlier income year for the same termination of employment.
N	If you receive a death benefit ETP and you're **not** a death benefits dependant, **and** code **B** doesn't apply.

You have finished this question. Go to **Where to go next**.

Step 5

As you received 2 or more ETPs, you need to complete an **Employment termination payment schedule** using the information on your income statements or payment summaries.

Step 6

When you have completed the ETP schedule, add together:

- all the amounts of tax withheld
- all the taxable component amounts.

Transfer the 2 totals to question **4** in your tax return.

Write the total tax withheld under **Tax withheld** at the left of question **4** – label **I**.

Write the total taxable component under **Income** at label **I**.

Print **M** in the **Code** box.

Don't write any date of payment or payer's ABN.

Step 7

Attach your ETP schedule to your tax return.

Print **X** in the **Yes** box at **Taxpayer's declaration** – question **2**.

Where to go next

- Go to question **5 Australian Government allowances and payments 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **3 Employer lump sum payments 2025**.

QC 104092

5 Australian Government allowances and payments 2025

Complete question 5 to declare allowances and payments you receive from the Australian Government.

Last updated 27 May 2025

Things you need to know

Declare at this question the following Australian Government allowances or payments:

- JobSeeker Payment
- Youth Allowance
- Austudy payment
- Parenting Payment (partnered)
- Special Benefit
- Farm Household Allowance
- an education payment of any of the following when you're 16 years old or older
  - ABSTUDY Living Allowance
  - payment under the Veterans' Children Education Scheme

  - payment under the *Military Rehabilitation and Compensation Act Education and Training Scheme 2004*, showing as a 'MRCA Education Allowance'
- payments under the New Enterprise Incentive Scheme
- other taxable Commonwealth education or training payments (including Commonwealth labour market program payments)
- youth disability supplement as a component of
  - Youth Allowance
  - ABSTUDY Living Allowance
- Disaster Recovery Allowance
- disaster income support allowance for special category visa (subclass 444) holders.

If you don't have Australian Government allowances or payments, go to question **6 Australian Government pensions and allowances 2025**.

When you don't include government allowances or payments

Don't show the following at this question:

- any Australian Government allowances and payments that aren't taxable. For a list of the most common types of exempt Australian Government allowances and payments, see **Amounts that you don't pay tax on 2025**.

  You may need to include amounts that aren't taxable at question **IT3 Tax-free government pensions or benefits 2025**.
- any parental leave payments – you declare these at question **1 Salary or wages 2025**.

Beneficiary tax offset

You may be entitled to a tax offset on this income. Tax offsets reduce the amount of tax you have to pay.

If you receive one or more of the payments in the list, you may be entitled to a beneficiary tax offset. You don't have to work out your tax offset. We work it out for you from the answers you give at this question. If you want to work out your beneficiary tax offset, you can

use the **Beneficiary tax offset and seniors and pensioners tax offset calculator**.

If you're eligible for both the seniors and pensioners tax offset and the beneficiary tax offset, you're entitled to receive only one of these offsets. We will work out which one gives you the highest tax offset.

What you need to answer this question

You'll need either:

- your *PAYG payment summary – individual non-business*
- a letter from the agency that pays your allowance or payment stating the amount you received.

If you can't find or don’t have this information, contact the agency that pays you.

Completing your tax return

To complete this question, follow the steps.

Step 1

Add up the tax withheld on each of your payment summaries and letters.

Write the total under **Tax withheld** at the left of question **5** – label **A**.

Step 2

Add up the income on each of your payment summaries and letters.

Write the total under **Income** at question **5** – label **A**.

Where to go next

- Go to question **6 Australian Government pensions and allowances 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **4 Employment termination payments 2025**.

QC 104093

6 Australian Government pensions and allowances 2025

Complete question 6 to declare pensions and allowances you receive from the Australian Government.

Last updated 27 May 2025

Things you need to know

Declare at this question the following Australian Government payments or allowances:

- Age Pension
- Carer Payment
- Disability Support Pension – if you're **age-pension age**
- Education Entry Payment
- Parenting Payment (single)
- age service pension
- income support supplement
- Veteran Payment
- invalidity service pension – if you're age-pension age
- partner service pension.

If you declare government pensions or allowances at this question, you must complete question **T1 Seniors and pensioners tax offset**. This question will help you work out your eligibility for a tax offset.

If you don't receive any Australian Government pensions and allowances , go to question **7 Australian annuities and superannuation income streams 2025**.

When you don't include government pensions or allowances

Don't include any Australian Government pensions or allowances that aren't taxable. For a list of the most common types of exempt Australian Government pensions, allowances and payments, see **Amounts that you don't pay tax on 2025**.

You may need to include the amounts that aren't taxable at question **IT3 Tax-free government pensions or benefits 2025**.

What you need to answer this question

You'll need either:

- your *PAYG payment summary – individual non-business*
- a letter from the agency that pays your pension, allowance or payment stating the amount that you receive.

If you can't find or don't have this information, contact the agency that pays you.

Completing your tax return

To complete this question, follow the steps.

Step 1

Add up the tax withheld amounts on each of your payment summaries and letters.

Write the total under **Tax withheld** at the left of question **6** – label **B**.

Step 2

Add up the income on each of your payment summaries and letters.

Write the total at **Income** at question **6** – label **B**.

Where to go next

- Go to question 7 **Australian annuities and superannuation income streams 2025**.

- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **5 Australian Government allowances and payments 2025**.

QC 104094

7 Australian annuities and superannuation income streams 2025

Complete question 7 to declare income you receive from Australian annuities and superannuation (super) income streams.

Last updated 27 May 2025

Things you need to know

Declare at this question income you receive from Australian annuities and super income streams.

Australian **annuities** (or non-super annuities) are a series of regular payments you receive from a life insurance company or friendly society in return for a lump sum payment. You can find these payment amounts on your *PAYG payment summary – individual non-business*.

Australian **super income streams** (including lump sum payment in arrears amounts) are payments you receive from Australian super funds, retirement savings account (RSA) providers and life insurance companies. You can find these payment amounts on your *PAYG payment summary – superannuation income stream*.

Super income streams may include:

- account based income streams
- capped defined benefit income streams, that are
  - lifetime pensions, regardless of when they start

- lifetime annuities that exist prior to 1 July 2017
- life expectancy pensions and annuities that exist prior to 1 July 2017
- market-linked pensions and annuities that exist prior to 1 July 2017.

If you receive a taxable Australian super lump sum payment, don't include it here – declare it at question **8 Australian superannuation lump sum payments 2025**.

You may also be eligible for the following offsets:

- seniors and pensioners tax offset, see question **T1 Seniors and pensioners tax offset 2025**
- super income stream tax offset, see question **T2 Australian superannuation income stream 2025**.

If you don't receive Australian annuities or super income streams, go to question **8 Australian superannuation lump sum payments 2025**.

What you need to answer this question

For Australian annuities, you'll need all your *PAYG payment summary – individual non-business,* that show the amount of your annuity and its undeducted purchase price (UPP).

For Australian super income streams, you'll need all your *PAYG payment summary – superannuation income streams*.

You can use the **Defined benefit income cap tool** to answer this question.

Answering the parts within this question

This question has **4 parts**, however you may not need to complete all 4 parts. The amount you include in your tax return is dependent on the type of super income stream you receive.

Where you receive multiple super income streams, you may need to complete some or all the parts; then add together amounts from different parts, before writing the total in your tax return.

Find out when to complete:

- Parts A and B
- Parts A and C
- Parts A and D

Parts A and B

There are 2 reasons you will need to complete parts A and B:

- Reason 1
- Reason 2

Reason 1

If you receive:

- a super income stream (including death benefit income streams) – for example an account-based pension and not a capped defined benefit income stream
- an Australian annuity.

Don't show the following tax-free amounts (unless we instruct you otherwise) where you're receiving a super income stream (including death benefit income streams) and one of the following applies:

- you receive a taxed element after your 60th birthday
- you receive a taxed element as the result of the death of another person who was 60 years old or older
- you receive a tax-free component.

Reason 2

If all the following apply:

- you receive a capped defined benefit income stream (including you having a death benefit income stream where the deceased was under 60 years old)
- you're under 60 years old on 30 June 2025.

Parts A and C

Complete parts A and C if all the following apply:

- you receive a capped defined benefit income stream

- you're 60 years old or older on 1 July 2024
- you receive your income stream for all of 2024–25.

Parts A and D

Complete parts A and D if you receive a capped defined benefit income stream, and any of the following apply:

- you turn 60 years old during 2024–25
- you're 60 years old or older on 1 July 2024 and you start an income stream for the first time during 2024–25
- you're under 60 years old on 30 June 2025 and have a death benefit income stream where the deceased was 60 years old or older.

Your payment summary will indicate this as **Death benefit (Reversionary income stream)**.

Additional requirements

You may be eligible for **lump sum payment in arrears tax offsets** if you receive a super income stream lump sum payment in arrears. If so, you need to provide a *Schedule of additional information*.

On a separate sheet of paper write:

- the heading **Schedule of additional information – question 7**
- your name, address and TFN
- the amount of the lump sum payment in arrears for each income year involved.
  For example, if you receive $900 in 2024–25 as a lump sum in arrears, where $600 of that lump sum is due for 2022–23 and $300 for 2023–24, write 2022–23 $600 and 2023–24 $300. If you don't have that information, contact the payer of your super income stream.

Attach your schedule of additional information to your tax return.

Print **X** in the **Yes** box at **Taxpayer's declaration** – question **2** in your tax return.

You may also be eligible for an additional tax offset if the following applies:

- you're 60 years old or older when you receive a super income stream payment with an untaxed element (the untaxed element shows on your *PAYG payment summary – superannuation income stream*)
- your super income stream isn't a capped defined benefit income stream (contact your fund if you don't know).

To claim the additional tax offset, you need to provide the following additional information on a separate sheet of paper:

- write the heading **Schedule of additional information – question 7**
- write your name, address and TFN
- write the super income stream provider name and the untaxed element amount.

Attach your schedule of additional information to your tax return.

Print **X** in the **Yes** box at **Taxpayer's declaration** – question **2** in your tax return.

Completing your tax return

To complete this question, follow the steps and refer to each *PAYG payment summary* you receive.

Part A

Add up the tax withheld amounts on your payment summaries and write the total under **Tax withheld** at question **7**.

Part B

If you need to complete part B, follow the steps.

Step 1

Add up the **taxed element** amounts under the heading 'Taxable component' on all your *PAYG payment summary – superannuation income stream*.

Write the total at question **7** – label **J**.

Step 2

Work out the **untaxed element** amount for label **N** using the worksheet.

Write the amount from row **c** of the worksheet at question **7** – label **N**.

Worksheet 1: Untaxed element

Row	Calculation	Amount
a	Add the total of your untaxed elements.	$
b	Either: • write **0** (zero) if you didn't receive any Australian annuities • if you did receive Australian annuities, *subtract* the deductible amount of the annuity's UPP from the gross amount showing on the payment summary. Write **0** (zero) if the result is negative.	$
c	Add the amounts at row **a** and row **b**.	$

Step 3

Add up the **taxed element** amounts under the heading 'Lump sum in arrears – taxable component' on all your *PAYG payment summary – superannuation income stream*.

Write the total at question **7** – label **Y**.

Step 4

Add up the **untaxed element** amounts under the heading 'Lump sum in arrears – taxable component' on all your *PAYG payment summary – superannuation income stream*.

Write the total at question **7** – label **Z**.

Part C

Your defined benefit income cap is $118,750 for 2024–25.

Use the tool to help you calculate your assessable income from a capped defined benefit income stream.

Defined benefit income cap tool

Don't show amounts at:

- question **7** – label **J** (taxed element)
- question **7** – label **Y** (lump sum in arrears taxed element).

We'll take these amounts into consideration when calculating your assessable amount from a capped defined benefit income stream.

Step 1

Work out the amount for label **M** using the worksheet.

Write the amount from row **d** at question **7** – label **M**.

Worksheet 2: Assessable amount from a capped defined benefit income stream

Row	Calculation	Amount
a	Add the tax-free component *plus* the taxed element from all your income streams. These amounts are to include lump sum in arrears.	$
b	Your defined benefit income cap.	$118,750
c	*Subtract* row **b** amount from row **a** amount. If the result is less than or equal to $1, write **0** (zero) at row **c** and row **d**.	$
d	Divide row **c** by 2.	$

Step 2

Add up the **untaxed elements** under the heading 'Taxable component' on all your *PAYG payment summary – superannuation income stream*.

Write the total at question **7** – label **N**.

Step 3

Add up the **untaxed elements** under the heading 'Lump sum in arrears – taxable component' on all your *PAYG payment summary – superannuation income stream***.**

Write the total at question **7** – label **Z**.

Part D

You may need to reduce your defined benefit income cap of $118,750 for 2024–25.

Use worksheets **3A** and **3B**, and worksheet **4**, to work out the amount of assessable income to include at question **7** – label **M**.

If you:

- are 60 years old or older on 1 July 2024 **and** you start a capped defined benefit income stream for the first time during 2024–25, complete worksheet **3A** – row **a**.
- turn 60 years old during 2024–25 **and** you receive a capped defined benefit income stream during 2024–25, complete worksheet **3A** – row **b**.
- are under 60 years old at any time during 2024–25, **and** you had a 'reversionary income stream' (a term we use for a capped defined benefit income stream which is a death benefit income stream where the deceased died aged 60 years old or older), complete worksheet **3A** – row **c**.

Step 1

Work out the amount for label **M** using the worksheets **3A** and **3B**.

Write the amount from row **i** at question **7** – label **M**.

Worksheet 3A: Reduction of your defined benefit income cap – number of days

Row	Calculation	Days
a	Work out the number of days in 2024–25 from when you first start to receive a super income stream to 30 June 2025. If you have more than one of these super income streams, work out the number of	days

	days using the income stream you start first.	
b	Work out the number of days to 30 June 2025 in 2024–25 from the later of either: • your 60th birthday • when you first start to receive a capped defined benefit income stream.	days
c	Work out the number of days in 2024–25 from when you first start to receive a reversionary income stream to 30 June 2025. If you have more than one of these super income streams, work out the number of days using the income stream you start first.	days
d	From rows **a**, **b** and **c** work out which has the greatest number of days and write at row **d**.	days

Worksheet 3B: Reduction of your defined benefit income cap – assessable amount

Row	Calculation	Amount
e	Divide the number of days you calculated at worksheet **3A** – row **d** by 365 and multiply by 100.	days
f	Multiply row **e** by $1,000. Round up to the nearest dollar. This is your reduced defined benefit income cap. If you complete worksheet **3A** – row **c** and you also have a capped defined benefit income stream that isn't a reversionary income stream. See worksheet **4** at step 3 (don't complete the rest of worksheet **3B**). Otherwise, read on.	$

g	Add the tax-free component *plus* the taxed element from all your capped defined benefit income streams. These amounts are to include lump sums in arrears. Only include the amounts you receive after you're 60 years old or older, and the amounts, if any, you receive from a reversionary income stream.	$
h	*Subtract* row **f** amount from row **g** amount. If the result is less than or equal to $1, write **0** (zero) at rows **h** and **i**.	$
i	Divide row **h** by 2.	$

The amount at row **i** is your **assessable amount** from your capped defined benefit income stream. Write the amount from row **i** at question **7** – label **M**.

Step 2

Add taxed elements from when you're under 60 years old from your capped defined benefit income stream, and write the total at question **7** – label **J**.

Add lump sum in arrears taxed element amounts from when you're under 60 years old, and write the total at question **7** – label **Y**.

Add up all your untaxed elements, and write the total at question **7** – label **N**.

Add up the lump sum in arrears untaxed elements, and write the total at question **7** – label **Z**.

Don't continue to step 3. You have finished this question, see **Where to go next**.

Step 3

Complete worksheet **4** only if you:

- complete worksheet **3A** – row **c**
- have a capped defined benefit income stream which isn't a reversionary income stream.

Write the amount from row **j** at question **7** – label **M**.

Worksheet 4: Assessable amount of a capped defined benefit income stream

Row	Calculation	Amount
a	Write the amount from worksheet **3B** – row **f**.	$
b	Add the tax-free component *plus* the taxed element *plus* the untaxed element from all your other capped defined benefit income streams from when you're under 60 years old and which aren't reversionary income streams. These amounts are to include lump sum in arrears.	$
c	Work out the number of days in 2024–25 you receive your other capped defined benefit income streams when you're under 60 years old and which aren't reversionary income streams.	days
d	Work out the number of days in 2024–25 you receive your other capped defined benefit income stream when you're under 60 years old and which aren't reversionary income streams during the same time you're receiving your reversionary income stream.	days
e	If row **c** is equal to row **d**, write 100% at row **e**. If row **c** is greater than row **d**, divide row **d** by row **c** and multiply by 100.	%
f	Multiply row **b** by row **e**.	$
g	*Subtract* row **f** from row **a**. Round up to the nearest dollar. Where the result is zero or less than zero, write **0** (zero) at row **g**.	$

	The amount at row **g** is your reduced defined benefit income cap.	
h	Add the tax-free component *plus* the taxed element from your reversionary income streams and your other capped defined benefit income streams that you receive when you're 60 years old or older. These amounts are to include lump sum in arrears.	$
i	If row **h** is less than row **g**, write **0** (zero) at row **I** and **j**. If row **h** is more than row **g**, *subtract* row **g** from row **h**.	$
j	Divide row **i** by 2.	$

The amount at row **j** is your **assessable amount** from your capped defined benefit income stream. Write the amount from row **j** at question **7** – label **M**.

Step 4

Add taxed elements from when you're under 60 years old from your capped defined benefit income stream, and write the total at question **7** – label **J**.

Add lump sum in arrears taxed element amounts from when you're under 60 years old, and write the total at question **7** – label **Y**.

Add up all your untaxed elements, and write the total at question **7** – label **N**.

Add up the lump sum in arrears untaxed elements, and write the total at question **7** – label **Z**.

Where to go next

- Go to question 8 Australian superannuation lump sum payments 2025.
- Return to main menu Individual tax return instructions 2025.

- Go back to question **6 Australian Government pensions and allowances 2025**.

QC 104095

8 Australian superannuation lump sum payments 2025

Complete question 8 to declare Australian superannuation (super) lump sum payment or death benefit payments you receive.

Last updated 27 May 2025

Things you need to know

Declare at this question Australian super lump sum payments or super death benefit payments you receive, including those from:

- super funds
- approved deposit funds
- retirement savings account (RSA) providers
- life insurance companies.

It's also about:

- amounts we pay you for the super guarantee charge or the super holding accounts special account
- payments you receive from the unclaimed money registers.

If you don't receive any Australian superannuation lump sum payments, go to question **9 Attributed personal services income 2025**.

You need to declare lump sums you receive from **foreign** super funds in the supplementary tax return at **question 20**.

When you don't include a super lump sum

Don't include any of the following:

- Tax-free component of any super lump sum, including any super co-contribution or low-income super tax offset payment from us. These amounts are tax free and you don't include them in your assessable income.
- Lump sum payments you receive as a death benefits dependant of the deceased, these amounts are tax free and you don't include them in your assessable income.
- Taxed element of a super lump sum payment you receive on or after your 60th birthday (these amounts are tax free and you don't include them in your assessable income) unless it is a death benefit super lump sum payment you receive as a non-dependant.
- Super lump sum payments you receive as the trustee of a deceased estate (you must show this payment in the trust tax return of the deceased estate).
- Amounts from a 'release authority' you receive because of an excess contributions tax assessment (these amounts are tax free and you don't include them in your assessable income).
- Amounts you receive because you have a terminal medical condition; these amounts are tax free and you should not receive a *PAYG payment summary – superannuation lump sum* for this type of payment).
- Departing Australia super payments.

What you need to answer this question

You'll need your *PAYG payment summary – superannuation lump sum*.

If you can't find or think there is an issue (such as the dependency status) with your payment summary, contact your payer. If you're unsuccessful, see **PAYG payment summary – individual non-business**.

Completing your tax return

To complete this question, follow the steps.

If you receive 2 or more super lump sums during the year, you'll need to complete a *Superannuation lump sum schedule*. Go to **Step 4**.

Step 1

Write the date of payment and your payer's ABN, in the left column at question **8**.

Step 2

Write the total amount of tax withheld, from your payment summary, under **Tax withheld** at question **8**.

Step 3

From your payment summary, write at question **8**:

- the taxed element amount at label **Q**
- the untaxed element amount at label **P**.

If you receive a lump sum death benefit payment, print **N** in the **TYPE** box at question **8**. Otherwise, leave the **TYPE** box blank.

You have finished this question. Go to **Where to go next**.

Step 4

As you have 2 or more super lump sums, using the information on your payment summaries, you need to complete a **Superannuation lump sum schedule**.

On the schedule, write:

- the income year
- your full name and TFN
- payment details from your payment summaries
  - date of payment
  - tax withheld
  - taxable component
    - taxed element
    - untaxed element
  - print **X** at either yes or no, to **Is this payment a death benefit?**
  - Payer's ABN
- sign and date the **Taxpayer's declaration**.

Step 5

When the schedule is complete, add together all the:

- tax withheld amounts
- taxed elements
- untaxed elements.

Transfer the 3 totals to question **8** in your tax return.

Write the total tax withheld in the **Tax withheld** column.

Write the total taxed elements at label **Q**.

Write the total untaxed elements at label **P**.

Print **M** in the **TYPE** box.

Don't write any date of payment or payer's ABN in your tax return.

Step 6

Attach your schedule to page 3 of your tax return.

Print **X** in the **Yes** box at **Taxpayer's declaration** – question **2** in your tax return.

Where to go next

- Go to question **9 Attributed personal services income 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **7 Australian annuities and superannuation income streams 2025**.

QC 104096

9 Attributed personal services income 2025

Complete question 9 to declare personal services income attributed to you.

Last updated 27 May 2025

Things you need to know

You must complete this question if you provide personal services and you either:

- receive a *PAYG payment summary – business and personal services income* showing an **X** against 'Personal services attributed income'
- have personal services income attributed to you.

Personal services income (PSI) is income that is mainly a reward for your personal efforts or skills. It is generally paid either to you or to a personal services entity (a company, partnership or trust).

If your PSI payments go to a personal services entity, the income (less certain deductions relating to gaining or producing that income) is attributed to you unless either:

- the personal services entity gains the income in the course of conducting a personal services business
- the entity pays the income is promptly to you as a salary.

If the personal services entity has a net loss relating to your PSI, then the entity must transfer the net PSI loss to you. To claim a deduction for the loss, see supplementary tax return question **D15 Other deductions not claimable elsewhere in your return 2025**.

There is an explanation of the rules relating to the attribution of PSI in Taxation Ruling **TR 2003/6** *Income tax: attribution of personal services income*.

If you receive PSI as a sole trader, don't complete this question. You must:

- answer the supplementary tax return question **14 Personal services income 2025**
- complete **P1 Personal services income** in the *Business and professional items schedule 2025*.

If this applies to you, then you should lodge your tax return using **myTax** or a **registered tax agent**. If you're unable to use myTax or a

registered tax agent, **contact us** and we'll send you a paper tax return that includes the *Business and professional items schedule 2025*.

If you don't receive any attributed PSI, go to **Total tax withheld 2025**.

What you need to answer this question

You'll need:

- your *PAYG payment summary – business and personal services income*
- details of any other PSI attributed to you.

If you don't have this information, contact the person who pays you.

Completing your tax return

To complete this question, follow the steps.

Step 1

Write the total amount of tax withheld from the PSI attributed to you under **Tax withheld** at the left of question **9** – label **O**.

Step 2

Write the total amount of PSI attributed to you at question **9** – label **O**.

Where to go next

- Go to **Total tax withheld 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **8 Australian superannuation lump sum payments 2025**.

QC 104097

Total tax withheld 2025

Complete the total tax withheld section in your tax return.

Last updated 27 May 2025

Things you need to know

Total tax withheld is the pay as you go (PAYG) withholding amounts withheld during the year by the payer from the amounts you declare as income at questions 1 to 9. The main purpose of PAYG withholding is to ensure you can meet your tax liability on this income.

Varying your tax withheld

You can **vary your PAYG withholding amounts** in certain situations to make sure that the amount of tax withheld during the income year best meets your end-of-year tax liability.

Tax offsets and tax withheld

You need to complete a **withholding declaration**, if you want to claim or vary your entitlement to tax offsets.

Other amounts withheld

If you have to lodge activity statements:

- make sure you lodge all your activity statements before you lodge your tax return
- don't show PAYG instalments anywhere in your tax return; we automatically credit these to you in your assessment.

Completing your tax return

To complete this question, follow the steps below.

Step 1

Add up all the amounts under the **Tax withheld** column at questions **1** to **9** in your tax return.

Step 2

Write the total amount at **Total tax withheld**.

Where to go next

- Go to question **10 Gross interest 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **9 Attributed personal services income 2025**.

QC 104098

10 Gross interest 2025

Complete question 10 to declare interest you receive or are credited from any source in Australia.

Last updated 27 May 2025

Things you need to know

Declare at this question interest you receive or are credited to you from any source in Australia, including accounts and term deposits held with financial institutions in Australia. This includes:

- interest we pay or credit to you
- interest from children's accounts you open or operate with funds that belong to you or funds you use as if they belong to you.

For more information on children's accounts, see Taxation Determination **TD 2017/11** *Income tax: who should be assessed to interest on bank accounts?*

Show distributions of interest you receive, or are entitled to receive, from a partnership or trust (including a cash management trust, property trust, unit trust or other similar trust investment product) in the supplementary tax return at question **13 Partnerships and trusts 2025**.

Show interest from a foreign source in the supplementary tax return at question **20 Foreign source income and foreign assets or property 2025**.

If you don't receive or aren't credited interest from any source in Australia, go to question **11 Dividends 2025**.

What you need to answer this question

You'll need:

- your statements or other documents from your financial institutions and other sources that show 2024–25 interest income
- any statement of account or notice of assessment (or amended assessment) you receive from us during 2024–25 that shows interest we paid or credited to you – for example
  - interest on early payments
  - interest on overpayments
  - delayed refund interest.

TFN amounts are amounts of tax withheld by financial institutions because you didn't give them your TFN or ABN. TFN amounts show on your statement or document as 'Commonwealth tax' or 'TFN withholding tax'. You must show these amounts as gross interest in your tax return.

If you're a foreign resident when you receive or are credited with the interest, don't include it here. For information on non-resident withholding tax on these amounts, see **Non-resident withholding tax – Gross interest**.

If you have joint accounts, show only your share of the interest. This will be half if you hold the account equally with one other person. Keep a record of how you work out your proportion if you and the other account holders don't share the amounts of interest equally.

Completing your tax return

To complete this question, follow the steps.

Step 1

Add up the amounts of gross interest you receive in 2024–25.

Step 2

Write the total amount of your gross interest at question **10** – label **L**. Don't show cents. If the total was less than $1, don't write anything.

Step 3

Add up all the TFN amounts from your statements, but don't include TFN amounts that we have already refunded to you. Write the total, including cents at question **10** – label **M**.

Where to go next

- Go to question **11 Dividends 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **Total tax withheld 2025**.

QC 104099

11 Dividends 2025

Complete question 11 to declare dividends and distributions you receive or are credited from Australian companies.

Last updated 27 May 2025

Things you need to know

Declare at this question dividends and distributions that you receive or are credited from Australian companies that you had shares in. These include:

- dividends applied under a dividend reinvestment plan
- dividends that were dealt with on your behalf
- bonus shares that qualify as dividends
- distributions by a corporate limited partnership
- dividends you receive from a corporate unit trust

- dividends you receive from a public trading trust
- dividends you receive from a listed investment company.

You may also include the following as dividends:

- earnings you receive, or are credited with, on a non-share equity interest
- amounts you receive from, or are credited by
  - a private company as a shareholder or an associate of a shareholder in the form of payments, loans or debts forgiven (these are generally unfranked dividends)
  - the trustee of a trust estate in the form of payments, loans or debts forgiven where a private company in which you're a shareholder, or an associate of a shareholder, had an unpaid present entitlement (or was going to have such an entitlement by a certain time) from the trust (these are generally unfranked dividends).

Don't include dividends you receive under a demerger unless the company advises you to include them.

Your dividend statements will show the amounts and should show the payment dates.

If you receive, or are credited with, a dividend when you aren't an Australian resident, see **Non-resident withholding tax – Dividends**.

Don't include at this question

If you:

- receive a distribution from an exchange traded fund (ETF), a managed investment trust (MIT) or an attribution managed investment trust (AMIT), see supplementary tax return question 13 Partnerships and trusts 2025.
- receive a distribution from a partnership or trust, see supplementary tax return question **13 Partnerships and trusts 2025**
- carry on a business of trading in shares, see supplementary tax return question **15 Net income or loss from business 2025**
- sell, redeem, cancel or otherwise dispose of shares during the year (but don't carry on a business of trading in shares), see

supplementary tax return question **18 Capital gains 2025**

- receive dividends from a foreign company, see the supplementary tax return question **20 Foreign source income and foreign assets or property 2025**
- receive dividends from a New Zealand company with Australian franking credits attached, see supplementary tax return question **20 Foreign source income and foreign assets or property 2025**
- receive dividends or a distribution on which family trust distribution tax has been paid, see supplementary tax return question **A5 Amount on which family trust distribution tax has been paid 2025**.

If you don't receive or aren't credited with any dividends by Australian companies, go to question **12 Employee share schemes 2025**.

What you need to answer this question

You'll need your statements from each Australian company, corporate limited partnership, corporate unit trust, public trading trust and listed investment company that pays you dividends or makes distributions to you from 1 July 2024 to 30 June 2025 inclusive.

Your statements may show:

- amounts of franked and unfranked dividends
- amounts of franking credits
- TFN amounts withheld from unfranked dividends.

Franking credits are amounts of tax paid by the company that are allocated to your dividend or distribution. You include as assessable income both:

- the amount of your dividend or distribution
- the amount of the franking credits allocated to you.

You also receive a tax credit on your tax assessment for an amount equal to the franking credits.

You may not be entitled to claim the franking credits if any of the following apply:

- within 45 days of buying the shares (excluding the dates of purchase and disposal), you either sell them or enter into an arrangement to reduce the risk of making a loss on them (for certain preference shares, this period extends to 90 days)
- you have shares and are under an obligation to make, or likely to make, a related payment
- you receive a dividend as a result of a dividend washing arrangement.

For more information, see Holding period rule, Related payments rule and Dividend washing integrity rule in **Special circumstances 2025**.

TFN amounts are amounts of tax withheld from dividends and some distributions by investment bodies because you didn't give them your TFN or ABN. TFN amounts show on your dividend statement. You must include these amounts in the amount of unfranked dividends in your tax return.

If you have any shares in joint names, show only your proportion of the dividends. This will be half if you hold the shares equally with one other person. Keep a record of how you work out your proportion if you and the other joint owners don't own the shares equally.

Completing your tax return

To complete this question, follow the steps.

If any of your statements don't show franked and unfranked portions of the dividend, show the total dividend amount at label **T**.

Step 1

Add up all the unfranked dividend amounts from your statements, including any TFN amounts withheld. Include any other amount that is treated as dividends.

Write the total amount at label **S**.

Step 2

Add up all the franked dividend amounts from your statements and any other franked dividends you receive or are credited to you.

Write the total amount at label **T**.

Step 3

Add up the 'franking credit amounts' from your statements. Don't include them if the **holding period rule**, **related payments rule** or **dividend washing integrity rule** prevent you from claiming them. For more information, see **You and your shares 2025**.

Write the total amount at label **U**.

Step 4

Add up all the TFN amounts withheld that haven't been refunded to you.

Write the total, including cents at label **V**.

Keep your dividend statements.

Where to go next

- Go to question **12 Employee share schemes 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **10 Gross interest 2025**.

QC 104100

12 Employee share schemes 2025

Complete question 12 to declare discounts on employee share scheme interests (ESS interests) you receive under an ESS.

Last updated 27 May 2025

Things you need to know

Declare at this question **discounts** on employee share scheme interests (ESS interests) that you or your **associate** receive under an employee share scheme. ESS interests are:

- shares
- stapled securities (where at least one of the stapled interests is a share in a company)
- rights to acquire shares and stapled securities.

Treat an ESS interest your associate acquires in respect of your employment as though you acquire the ESS interest The discount is the difference between the market value of the ESS interests and the amount paid to acquire them.

The ESS interests can:

- be from an Australian company or a foreign company
- relate to your employment inside or outside Australia
- relate to a work relationship other than employment – for example, sub-contracting.

Schemes where you pay tax on the discount in the year you acquire the interest are known as 'taxed-upfront schemes'. However, if you and the scheme meet certain conditions the taxing point is deferred until a later time, this is known as the 'deferred taxing point'. These tax-deferred schemes are known as 'deferral schemes'.

Changes to ESS interests you acquire on or after 1 July 2015 include:

- changes to the timing of the **deferred taxing point**
- a tax concession through which some discounts on ESS interests in start-up companies won't pay tax under the ESS regime, if you meet the eligibility criteria. Subsequent gains on the disposal of these ESS interests you pay tax on under the capital gains tax rules.

Discounts on eligible ESS interests a start-up company provides you won't show on your *Employee share scheme statement* and you don't include them at this question.

Ceasing employment with the employer you acquire the ESS interests from isn't a deferred taxing point. If you cease employment, the deferred taxing point will become the earliest of the remaining deferred taxing points. This applies to ESS interests under deferral schemes, regardless of when you acquire them.

For more information, see **Key ESS changes in detail**.

Complete this question if any of the following applies to you:

- You receive a discount on ESS interests acquired under a '**taxed-upfront scheme**'.
- A 'deferred taxing point' occurred in respect of your ESS interests under a 'deferral scheme'.

If you don't have any employee share scheme interests, go to **Income in your supplementary tax return 2025**.

The conditions of the scheme in which you participate, and your personal circumstances determine when you pay tax on the discount you receive.

You may be entitled to reduce the amount of the discounts you receive under taxed-upfront schemes by up to $1,000. You may qualify for the reduction if the total of following amounts is $180,000 or less, your:

- taxable income for the year (calculated as though you aren't entitled to the $1,000 reduction), excluding any assessable **first home super saver** released amount
- total reportable fringe benefits amounts (question **IT1** – labels **N** and **W**)
- reportable employer superannuation contributions (question **IT2** – label **T**)
- net financial investment loss (question **IT5** – label **X**)
- net rental property loss (question **IT6** – label **Y**)
- deductible personal superannuation contributions (question **D12** – label **H**).

The rules of the scheme or a letter from your employer should advise you whether you have acquired ESS interests under a taxed-upfront or deferral scheme.

Associates

If an associate has acquired an ESS interest as a result of your employment:

- you must include the discount in your assessable income
- your associate doesn't include the discount in their tax return.

Temporary residents

If you qualify as a temporary resident for tax purposes, special rules may apply to the ESS interests you acquire.

For more information, see **ESS – Foreign income exemption for Australian residents and temporary residents**.

Disposal of ESS interests

Special provisions may apply if both of the following apply:

- you dispose of your ESS interests because of a corporate restructure or takeover
- you receive replacement shares, stapled securities, or rights.

For more information, see **ESS – Rollover relief**.

What you need to answer this question

You'll need your *Employee share scheme statement* from each employer with whom you participated in an ESS. You may have a paper or electronic statement. Each statement shows the amount of your discount and whether your discount was from a:

- taxed-upfront scheme eligible for reduction
- taxed-upfront scheme not eligible for reduction
- deferral scheme.

Statements may also show 'tax file number (TFN) amounts withheld' where applicable. TFN amounts withheld are amounts of tax withheld when you don't provide your TFN or ABN to your employer.

If you don't have all your *Employee share scheme statements* or similar statements, contact your employer. For more information, see **Income statements** or **Lost or missing payment summary**.

If you receive ESS interests from a foreign employer, you might not receive an *Employee share scheme statement*. A foreign employer can provide you the relevant details in writing.

Don't attach your *Employee share scheme statements* to your tax return. Make sure you keep your statements for at least 5 years after you're assessed on your discounts.

Completing your tax return

To complete this question, follow the steps.

For the purposes of steps 1 to 3, the term *Employee share scheme statement* includes similar statements and statutory declarations.

You can use our ESS calculator to help you answer this question.

Step 1

Add up all the discount amounts you receive from **taxed-upfront schemes eligible for reduction**, including:

- amounts showing on your *Employee share scheme statements*
- any foreign source discounts you receive.

Write the total amount at question **12** – label **D**.

Step 2

Add up all the discount amounts you receive from **taxed-upfront schemes not eligible for reduction**, including:

- amounts on your *Employee share scheme statements*
- any foreign sourced discounts you receive.

Write the total amount at question **12** – label **E**.

Step 3

Add up all the discount amounts you receive from **deferral schemes** where a deferred taxing point occurs during 2024–25, including:

- amounts on your *Employee share scheme statements*
- any foreign source discounts you receive.

Write the total amount at question **12** – label **F**.

Step 4

If you didn't write an amount at label **D**, add up the amounts that you wrote at label **E** and label **F**.

Write the total at question **12** – label **B**, then go to step 6.

If you wrote an amount at label **D**, continue to step 5.

Step 5

If you wrote an amount at label **D**, you may be entitled to reduce the amount of the discounts you receive under taxed-upfront schemes by up to $1,000. You may qualify for the reduction if the total of following amounts is $180,000 or less.

Calculate your taxable income (as if you're **not** entitled to this reduction) and excluding any assessable **first home super saver** released amount. If you had a taxable loss, treat it as zero for the purposes of this calculation.

Add the following amounts from the relevant labels to your taxable income:

- your total reportable fringe benefits amounts (question **IT1** – label **N** and **W**)
- your reportable employer superannuation contributions (question **IT2** – label **T**)
- your net financial investment loss (question **IT5** – label **X**)
- your net rental property loss (question **IT6** – label **Y**)
- your deductible personal superannuation contributions (question **D12** – label **H**).

If the amount that you calculate was more than $180,000, you're not entitled to a reduction. Add up the amounts that you wrote at labels **D**, **E**, and **F**.

Write the total at question **12** – label **B**.

If the amount that you calculate was $180,000 or less, you're eligible for the reduction of up to $1,000. If the amount at label **D** is:

- $1,000 or less, add up the amounts that you wrote at labels **E** and **F** and write the total at question **12** – label **B**.
- More than $1,000, add up the amounts at labels **D**, **E**, and **F** then subtract $1,000 from the total and write the amount at question **12** – label **B**.

Step 6

Add up all the TFN amounts withheld from discounts from your *Employee share scheme statements*. Write the total **TFN amounts**

withheld from discounts at label **C**.

Step 7

If you didn't pay foreign income tax in respect of any discounts you receive on ESS interests you have finished this question.

If you pay foreign income tax in respect of the discounts, you may be entitled to claim a foreign income tax offset for the discounts.

Write at question **12** – label **A** the total amount of your discounts from ESS interests for which you're claiming a foreign income tax offset.

To claim a foreign income tax offset, you must complete question **20** – label **O** in your supplementary tax return. For information on how to calculate a foreign income tax offset, read **Guide to foreign income tax offset rules 2025**.

If you pay foreign tax in respect of discounts on ESS interests you include in your assessable income in a prior income year, you may be entitled to a foreign income tax offset for that income year. To claim this tax offset, you need to **request an amendment** to your tax return for that income year.

Where to go next

- Go to **Income in your supplementary tax return 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **11 Dividends 2025**.

QC 104101

Income in your supplementary tax return 2025

Complete this question if you declare income in the supplementary section of your tax return.

Last updated 27 May 2025

Things you need to know

You need to complete the *Tax return for individuals (supplementary section) 2025* if you had any of the following types of income or losses.

Types of income

- Partnership and trust distributions.
- Personal services income (other than salary and wage income) – including these 3 'specified payments' specified by regulation
  - income as a performing artist in a promotional activity
  - payment for tutorial services providing for the Indigenous Student Success Programme (formerly the Indigenous Tutorial Assistance Scheme) of the Department of the Prime Minister and Cabinet
  - payment for translation and interpretation services for the Translating and Interpreting Service (TIS National) of the Department of Home Affairs.
- Income from a business, including one where you're self-employed.
- Income under a pay as you go (PAYG) voluntary agreement.
- Income where an amount is withheld because you don't quote your Australian business number.
- Income you receive as an independent contractor under a labour-hire arrangement.
- Income you earn as a non-employee taxi driver – for example, a driver operating under a standard bailment agreement with an owner-operator.
- Income where an amount is withheld due to the operation of foreign resident withholding.
- Income you deposit into a farm management account.
- Income you withdraw from a farm management account.
- A capital gain, for example, on disposal of a capital gains tax (CGT) asset.

- A distribution from a foreign entity.
- Income attributed to you from a controlled foreign company or a transferor trust (foreign income).
- Income on a foreign employment payment summary.
- Any other foreign employment income.
- Income from a foreign source, including
  - foreign pensions and foreign dividends – for example, New Zealand dividends with Australian franking credits
  - foreign assets (including an interest in a foreign life policy or foreign company or trust, or shares)
  - the transfer, direct or indirect, of property (including money) or services to a non-resident trust estate.
- Rent.
- Bonuses from life insurance companies and friendly societies.
- Forestry managed investment scheme income.
- Other income you don't show at questions **1** to **12**.

Other income

Other income includes:

- amounts released by one or more of your superannuation funds greater than the excess contributions tax liability stated on the release authority (the release authority is sent to you with the notice of assessment for excess contributions tax)
- an assessable first home super saver (FHSS) released amount
- lump sum payments in arrears (except those relating to superannuation, you show these at question **7**)
- income you earn from the sharing economy or other marketplace – except income you earn as an employee or from carrying on a business
- jury attendance fees
- foreign exchange gains

- royalties
- bonus amounts distributed from friendly society income bonds
- taxable scholarships, bursaries, grants and other educational awards
- benefits and prizes from investment-related lotteries and some game-show winnings
- income from your activities as a special professional, such as author of a literary, dramatic, musical or artistic work; an inventor; a performing artist; a production associate or an active sportsperson
- reimbursements of tax-related expenses or election expenses, which you claim as a deduction
- assessable balancing adjustments from the disposal, loss or destruction of any depreciating asset, including your car, where you have claimed a deduction for decline in value
- payments from sickness and accident insurance policies other than those on your payment summary
- gains from the disposal or redemption of traditional securities
- gains from financial arrangements that you calculate under the taxation of financial arrangements (TOFA) rules
- allowances or payments you receive as a member of a local government council that you didn't show at question **1** or **2**
- other taxable allowances or payments you receive from Services Australia that you don't show at question **5** or **6**
- work-in-progress amounts you receive and didn't show at question **15**.

Types of losses

- A business loss (including one when you're self-employed).
- A deferred non-commercial business loss.
- A capital loss, for example, on disposal of a CGT asset.
- Non-capital loss from the disposal or redemption of traditional securities.

If you didn't have any of these types of income or losses, go to **Total income or loss 2025**.

What you need to answer this question

You can get a copy of the **Tax return for individuals (supplementary section) 2025**. You may also need to read **Supplementary tax return instructions 2025**.

If you're a partner in a partnership that made a loss, had business or personal services income, or deferred non-commercial losses, you should lodge your tax return using **myTax** or a **registered tax agent**.

If you're unable to use myTax or a registered tax agent, **contact us** and we'll send you a paper tax return that includes the *Business and professional items schedule 2025*.

Completing your tax return

After completing all details that are relevant to your circumstances in the supplementary tax return, transfer the **Total supplement income or loss** amount to the **Income** section – question **I** in your *Tax return for individuals 2025*.

If it is a loss, print **L** in the **Loss** box beside it.

Where to go next

- Go to **Total income or loss 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **12 Employee share schemes 2025**.

QC 104103

Total income or loss 2025

Complete this question to declare your total taxable income or loss.

Last updated 27 May 2025

Things you need to know

Declare at this question your total taxable income or loss.

How you complete it will depend on whether you completed question **L1 Tax losses of earlier income years** – labels **F** or **Z** in your tax return.

If the amount at **Taxable income or loss** in your tax return is a loss (if you printed **L** in the **Loss** box), then this may not be the amount you show as losses carried forward from earlier income years at question **L1** in next year's tax return. Adjustments will have to be made to take into account any:

- exempt income
- deductions for gifts or donations (question **D9**)
- personal superannuation contributions (question **D12** in your supplementary tax return).

For more information, see **Amounts you don't include as income**.

Have you completed question **L1** – labels **F** or **Z**?

- **No** – Go to No prior year losses.
- **Yes** – Go to Deducting your prior year losses.

Completing your tax return

To complete this question, use the following information.

No prior year losses

Follow step 1.

Step 1

Transfer the amount you show at **Subtotal** in your tax return to **Taxable income or loss**.

If the amount at **Taxable income or loss** is less than zero, print **L** in the **Loss** box. Keep a record of this amount to work out your tax losses of

earlier income years for next year.

You have completed this question, see **Where to go next**.

Deducting your prior year losses

Follow the steps.

Step 2

Add up the amounts at question **L1** – labels **F** and **Z**. Subtract the total from the amount you have written at **Subtotal**.

Step 3

Write the answer at **Taxable income or loss** in your tax return.

You can't have a loss at **Taxable income or loss** if you had amounts at labels **F** or **Z**. This is because you can only use your losses from earlier years to reduce your current year taxable income to nil. You can't use them to create a tax loss. Any losses you have remaining can be carried over to future years until you fully recoup them.

Where to go next

- Go to question **T1 Seniors and pensioners tax offset 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **L1 Tax losses of earlier income years 2025**.

QC 104104

Deduction questions D1–D10 – Individual tax return 2025

Instructions to help you to complete deductions questions D1 to D10 in your paper individual tax return.

Published 27 May 2025

D1 Work-related car expenses 2025

Complete question D1 to claim a deduction for work expenses you incur as an employee for a car you own, lease or hire.

D2 Work-related travel expenses 2025

Complete question D2 to claim a deduction for work travel expenses you incur in the course of performing your work.

D3 Work clothing, laundry and dry-cleaning expenses 2025

Complete question D3 to claim a deduction for expenses you incur as an employee for clothing, laundry and dry-cleaning.

D4 Work-related self-education expenses 2025

Complete question D4 to claim a deduction for self-education expenses that relate to your employment activities.

D5 Other work-related expenses 2025

Complete question D5 to claim a deduction for other work-related expenses you incur as an employee.

D6 Low-value pool deduction 2025

Complete question D6 to claim a deduction for the decline in value of low-cost and low-value assets.

D7 Interest income deductions 2025

Complete question D7 to claim a deduction for expenses you incur in earning interest income you declare at question 10

D8 Dividend deductions 2025

Complete question D8 to claim a deduction for dividend and distributions declared at question 11.

D9 Gifts or donations 2025

Complete question D9 to claim a deduction for gifts or donations you make to a deductible gift recipient organisation.

D10 Cost of managing tax affairs 2025

Complete question D10 to claim a deduction for expenses you incur in managing your tax affairs.

Deductions in the supplementary tax return 2025

Complete label D if you claim deductions in the supplementary section in your tax return.

Total deductions 2025

Complete the total deductions section of your tax return.

Subtotal 2025

Complete the subtotal section in your tax return.

D1 Work-related car expenses 2025

Complete question D1 to claim a deduction for work expenses you incur as an employee for a car you own, lease or hire.

Published 27 May 2025

Things you need to know

To claim a deduction for work-related car expenses as an employee, you must incur the expenses in the course of your employment duties.

Car expenses include:

- decline in value
- registration
- insurance
- maintenance and cleaning costs
- repairs
- fuel costs.

Expenses you incur must relate to a car you own, lease or hire under a hire-purchase agreement. You don't need to be the registered owner, however you must be able to show there is a private arrangement that made you the owner or lessee of the car. See, **Expenses for a car you own or lease**.

Expenses you incur must also relate to work-related trips, such as travelling between workplaces. In very limited circumstances, where eligible, you can claim expenses you incur for trips between home and work, see:

- **Home is a base of employment**.
- **Transporting bulky tools and equipment**.
- **Itinerant or shifting places of work**.

You can't claim a deduction for expenses you incur for normal trips between your home and regular place of work.

If the travel is partly private, you can claim only the part that relates to travel for a work purpose. For more information, see **Trips you can and can't claim**.

To calculate your deduction there are 2 methods, you must choose either:

- **Cents per kilometre method**
  - Claim a rate of 88c per kilometre for 2024–25 up to a maximum of 5,000 work-related kilometres.
- **Logbook method** – you can claim the work-related use percentage (using records from your logbook) of your all your car expenses.

You can use the method that gives you the largest deduction or is most convenient if you have appropriate records to support your claim.

If you receive an award transport payment under an industrial law or award in force on 29 October 1986, see **Award transport payments**.

If you receive assessable income from your work as an employee outside Australia, that is

- on a *PAYG payment summary – foreign employment*, you must claim work-related car expenses you incur in earning that income at this question.
- **not** on a *PAYG payment summary – foreign employment*, you claim your deductions at question **20 Foreign source income and foreign assets or property**.

For more information, see:

- Taxation Ruling **TR 2021/1** *Income tax: when are deductions allowed for employees' transport expenses?*
- Taxation Ruling **TR 95/34** *Income tax: employees carrying out itinerant work – deductions, allowances and reimbursements for transport expenses*
- Practice Statement Law Administration **PS LA 1999/2** *Calculating joint car expense deductions.*

What you can't claim at this question

You can't claim at this question any expenses relating to:

- **expenses for a vehicle that isn't yours or isn't a car**, such as

  - a motorcycle
  - vehicles with a carrying capacity of one tonne or more, or 9 or more passengers, such as utility trucks and minibuses.

However, you can claim the actual work-related costs you incur on these vehicles in your tax return, at **D2 Work-related travel expenses 2025**.

What you need to answer this question

You'll need to know or reasonably estimate your work-related kilometres. Work-related kilometres are those you travel in the car in the course of earning assessable income.

You may need:

- written evidence for your car expenses, such as receipts or invoices – this evidence must show the
  - name or business name of the supplier
  - amount of the expense or cost of the asset
  - nature of the goods or services you buy
  - date you buy the goods or services
  - date the document was produced
- your car logbook and odometer records
- a record that shows how the expenses relate to earning your income and how you work out your claim – for example, calendar or diary entries or work trip details in a record keeping app.

For more information, see **Calculating your car expense deductions and keeping records**.

You need to **keep records** for 5 years (in most cases) from the date you lodge your tax return.

Deductions for decline in value (depreciation)

You can claim a deduction for the decline in value of the car, only if you:

- use the logbook method

- own the car or hire it under a hire-purchase agreement.

If you lease a luxury car, for more information see **Special circumstances 2025**.

The cents per kilometre rate covers all your car expenses, including decline in value. You can't claim an additional deduction for any of your car expenses if you choose to use the cents per kilometre method.

If you're claiming a deduction for the decline in value of a car, see **Guide to depreciating assets 2025**.

Sold, disposed of, stolen or destroyed cars

You might need to make a balancing adjustment if you claim deductions for your car, and during 2024–25 either:

- you sold or otherwise dispose of your car
- your car was stolen or destroyed.

To work out the balancing adjustment, see **Guide to depreciating assets 2025 – balancing adjustment rules for cars**.

If you had a loss after making the adjustment, include your deduction for it at **question D5**. If you had a profit after making your adjustment, include it at **question 24** in your supplementary tax return.

Switching between methods

You also make a balancing adjustment if, at a time before you disposed of the car, you switch between the 'cents per kilometre' and 'logbook' methods to claim your car expenses.

To work out the amount of the balancing adjustment, see **Guide to depreciating assets 2025 – balancing adjustment rules for cars**.

Completing your tax return

How you complete this question depends on the method you choose to use to work out your car expenses deduction, either:

- Cents per kilometre method
- Logbook method.

If you have more than one car and you're claiming expenses under both methods, add the amounts you work out under each method and write the total at question **D1** in your tax return.

Print the code letter for the method that gave you the largest amount in the **Claim type** box beside the amount.

Cents per kilometre method

For 2024–25, the cents per kilometre method:

- allows you to claim a set rate for each work-related kilometre – 88 cents per kilometre for all cars.
- applies for a maximum of 5,000 work-related kilometres per car, per year.

You don't need written evidence, but you need a record that shows how you work out your work-related kilometres. See, **Calculating your car expense deductions and keeping records**

Follow the steps to calculate your deduction using the cents per kilometre method.

Step 1

Multiply the total work-related kilometres you travel during 2024–25 (maximum of 5,000 km per car) by $0.88 (the cents per kilometre rate).

For example:

3,250 kms × $0.88 = $2,860

Step 2

If you're claiming for more than one car using this method, repeat the step 1 and add up all the amounts.

Step 3

Write the total at question **D1** – label **A**. Print the code letter **S** in the **Claim type** box beside the amount.

Example: using the cents per kilometre method

Joanne has a car that she uses to travel 5,300 km in performing her job during 2024–25. She makes a record in her diary of the date and distance she travels each time she travels for work. Joanne uses this information to easily add up her work kilometres at the end of the income year.

She works out her deduction as:

5,000 × $0.88 = $4,400

Even though Joanne travelled 5,300 work-related kilometres, the maximum number of work-related kilometres Joanne can claim using this method is 5,000 km. Joanne must ignore the excess work-related kms (300 km). Joanne can't claim a deduction for them.

Joanne can claim a deduction of $4,400 for car expenses in 2024–25.

Logbook method

For 2024–25, using the logbook method you claim the percentage of the expenses for the car that are work-related. Your expenses:

- include
  - running costs such as fuel, maintenance and repairs
  - interest or lease expenses
  - deductions for decline in value (depreciation)
- don't include:
  - capital costs, such as the purchase price of your car
  - the principal (money you borrow) to buy it
  - any improvement costs.

To work out your percentage of work-related use, you need a logbook where you record your work-related trips for a continuous period of 12 weeks and the odometer readings for the **logbook period**. You also need the start and end of the period you had the car during each income year you're relying on the logbook.

You can keep an electronic logbook using the **myDeductions** tool in the ATO app, or keep a paper logbook.

You can claim fuel and oil costs based on either your actual receipts or you can make a reasonable estimate of the expenses using your odometer records that show readings from the start and the end of the period you had the car during the income year.

You need written evidence (such as receipts) for all other expenses for the car. See, **Calculating your car expense deductions and keeping records**.

Follow the steps to calculate your deduction using the logbook method.

Step 1

Work out the total kilometres you travel during the logbook period and how many of these are work-related kilometres.

Divide the work-related kilometres by the total kilometres you travel in this period, then multiply this by 100. This is your work-related use percentage.

For example:

> 4,100 work-related kilometres ÷ 6,500 total kilometres = 0.630.63 × 100 = 63%

Step 2

Add up your total expenses. To work out the amount to include for decline in value, see Deductions for decline in value (depreciation).

Step 3

Multiply the amount at step 2 by your work-related use percentage from step 1 (or if the pattern of use of the car has changed then use the reasonable estimate you made).

Step 4

Write the amount at question **D1** – label **A**. Print the code letter **B** in the **Claim type** box beside the amount.

Example: using the logbook method

Theodore uses his car during the income year to travel 6,500 km. He keeps a logbook to record the reason, start and end date, start and end odometer readings and total kilometres he travels for each trip. When he calculates the distance of his trips at the end of the income year, it shows that his travel was 4,100 km for work purposes.

Theodore works out his work use percentage as:

> 4,100 work-related kilometres ÷ 6,500 total kilometres = 0.63
>
> 0.63 × 100 = 63%

Theodore also has written evidence of his car expenses of $1,140 and calculates the decline in value of his car as $2,445.20, totalling $3,585.20 for the income year.

He works out his deduction as:

> $3,585.20 × 63% = $2,258.67

When Theodore claims his deduction for work-related car expenses at question D1, he can only include whole dollars so he must truncate the cents (shorten the amount to exclude the cents).

Theodore can claim a deduction of $2,258 for car expenses in his tax return.

Where to go next

- Go to question **D2 Work-related travel expenses 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **Total income or loss 2025**.

QC 104106

D2 Work-related travel expenses 2025

Complete question D2 to claim a deduction for work travel expenses you incur in the course of performing your work.

Last updated 27 May 2025

Things you need to know

To claim a deduction for work-related travel expenses as an employee, you must incur the expenses in the course of performing your work. See, **Overnight travel expenses and allowances** and **Trips you can and can't claim**.

Travel expenses include:

- **Taxi ride-share and public transport fares, airfares**, short-term car hire, road and bridge tolls and parking fees
- **Overnight travel expenses**, such as meals, accommodation, and incidental expenses
- **Expenses for a vehicle that isn't yours or isn't a car**, such as
  - expenses for motorcycles
  - expenses for vehicles with a carrying capacity of one tonne or more, or 9 or more passengers, such as utility trucks and minibuses
  - actual expenses, such as petrol, repair and maintenance costs, that you incur to travel in a car someone else owns or leases.

If the travel is partly private, you can claim only the part that relates to work travel.

If you receive assessable income from your work as an employee outside of Australia, that is on an income statement or a *PAYG payment summary – foreign employment*, you must claim any work-related travel expenses you incur in earning that income at this question.

If you receive an award transport payment under an industrial law or award in force on 29 October 1986, see **Award transport payments**.

If your employer provides a vehicle for you or your relatives' exclusive use (including under a salary sacrifice arrangement) and you or your relatives can use it for non-work purposes:

- you can't claim a deduction for work-related expenses for operating the vehicle, such as petrol, repairs and other maintenance (this is the case even if the expenses relate directly to your work)
- you can claim expenses such as parking, bridge and road tolls for a work-related use of the vehicle, excluding parking at or travelling to a normal or regular place of work.

If you don't have work-related travel expenses, go to question **D3 Work-related clothing, laundry and dry cleaning expenses**.

For more information, see:

- Travel deductions for employees
  - Taxation Ruling **TR 2021/1** *Income tax: when are deductions allowed for employees' transport expenses?*
  - Taxation Ruling **TR 2021/4** *Income tax and fringe benefits tax: employees: accommodation and food and drink expenses, travel allowances, and living-away-from-home allowances*.
- Shifting places of employment, see Taxation Ruling **TR 95/34** *Income tax: employees carrying out itinerant work – deductions, allowances and reimbursements for transport expenses*
- Reasonable allowance amounts, see
  - Taxation Determination **TD 2024/3** *Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2024–25 income year?*
  - Taxation Ruling **TR 2004/6** *Income tax: substantiation exception for reasonable travel and overtime meal allowance expensesd*

Meal, accommodation, and incidental expenses

To claim meal, accommodation and incidental expenses, you must incur the expenses when you travel and stay away from your home overnight in the course of performing your work duties. You must also pay for the expenses yourself and not be reimbursed.

You can't claim meal, accommodation and incidental expenses, if the expenses you incur are because:

- you live a long way from where you work because of your personal circumstances

- there is a change to your regular place of work and you live away from your usual residence to be closer to your new regular place of work (living away from home)
- you chose to sleep at or near your workplace rather than returning to your home between shifts.

If you want to claim meal, accommodation and incidental expenses you incur when you travel away overnight for work, use tables 4 and 5 in **Special circumstances 2025** to work out what evidence you need.

Travel allowances for overnight travel

Your employer may pay you a **travel allowance** to cover **travel allowance expenses** you incur when you travel that involves sleeping away from home overnight to perform your employment duties.

Receiving a travel allowance from your employer doesn't automatically mean you can claim a deduction. You can only claim a deduction for the deductible travel allowance expenses that you actually incur.

You don't have to include the allowance at question **2 Allowances, earnings, tips, directors fees etc**, where all the following apply:

- your income statement or payment summary doesn't show the travel allowance
- the travel allowance is equal to or less than the **reasonable allowance amount** for your circumstances
- you have fully spent it on deductible work-related travel expenses.

If you don't include the allowance at question **2,** you can't claim a deduction for these expenses at this question.

What you can't claim as a travel expense

You can't claim expenses relating to **normal trips between your home and work**, except in limited circumstances.

You also can't claim food and incidental expenses if you don't sleep away from your usual residence overnight. For example, if you travel interstate for work purposes but return home the same day.

Don't show at this question

Don't show the following at this section:

- Expenses (apart from bridge and road tolls, and parking fees) relating to a car you own, lease or hire under a hire-purchase agreement, you must claim your deduction at question **D1 Work-related car expenses 2025**.
- Expenses you incur in earning assessable foreign employment income **not** on an income statement or a *PAYG payment summary – foreign employment*, you claim your deductions at question **20 Foreign source income and foreign assets or property 2025**.

What you need to answer this question

If your total claim for all work-related expenses is $300 or less, you need records (such as a document or spreadsheet) to show how you calculate your claim. If you exceed the $300 limit, you must have **written evidence** of all your expenses (such as receipts or invoices), unless an exception applies.

If you receive a travel allowance from your employer, you may be eligible for the **record keeping exception**.

Written evidence must show:

- the name or business name of the supplier
- the amount of the expense or cost of the asset
- the nature of the goods or services you buy
- the date you buy the goods or services
- the date the document was produced.

Make sure you keep accurate written evidence of travel to make future claims. You may also need to keep other records such as a **travel diary or similar record** of your travel activities.

If you want to claim meal, accommodation and incidental expenses you incur when you travel away overnight for work, use tables 4 and 5 in **Special circumstances 2025** to work out what evidence you need.

You need to keep records for 5 years (in most cases) from the date you lodge your tax return.

Completing your tax return

To complete this question, follow the steps.

Step 1

Add up all your deductible travel expenses.

Step 2

Write the total amount at question **D2** – label **B**.

Where to go next

- Go to question **D3 Work-related clothing, laundry and dry cleaning expenses**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **D1 Work-related car expenses 2025**.

QC 104107

D3 Work clothing, laundry and dry-cleaning expenses 2025

Complete question D3 to claim a deduction for expenses you incur as an employee for clothing, laundry and dry-cleaning.

Published 27 May 2025

Things you need to know

To claim a deduction for work-related clothing expenses you incur as an employee, the expenses must be for clothing that is:

- **protective clothing and footwear**, such as fire-resistant clothing, sun protection clothing, safety-coloured vests, non-slip nurse's shoes, steel-capped boots, gloves, overalls, aprons, and heavy-duty shirts and trousers (but not jeans) that you wear while working to either

  - protect you from the real and likely risk of illness or injury
  - prevent damage to your ordinary clothes, your work or work environment may cause (you can claim the cost of protective equipment, such as hard hats and safety glasses at **question D5**)

- a **non-compulsory uniform** that your employer registers on the Register of Approved Occupational Clothing (check with your employer if you're not sure)
- a **compulsory uniform** that is a set of clothing or a single item that is distinctive (such as one that has your employer's logo permanently attached to it) and identifies you as an employee of an organisation. Your employer must make it compulsory to wear the uniform through a strictly enforced workplace agreement or policy. Items may include shoes, stockings, socks and jumpers where they are an essential part of a distinctive compulsory uniform and your employers policy specifies the colour, style and type.
- **occupation-specific** that allows people to distinctly identify your occupation (such as the chequered pants a chef wears when working) and aren't for everyday use.

You can also claim the cost of renting work-related clothing from these categories.

Laundry, dry-cleaning and repairs

You can also claim the costs you incur to launder, dry-clean or repair work-related clothing from these categories.

You can't claim the cost of buying or cleaning plain uniforms or clothes, such as black trousers, white shirts, suits or stockings, even if your employer requires you to wear them.

If you launder, dry or iron your work-related clothing, you can use a reasonable basis to calculate the amount, work it out as:

- $1 per load (if you wash only your work clothes in that load)
- 50c per load (if you mix other clothes in with your work clothes).

Use the actual costs you incur to work out your claim for dry-cleaning and repair expenses.

You must claim at this question any deductible work-related clothing, laundry or dry-cleaning expenses you incur in earning assessable

income on an income statement or a *PAYG payment summary – foreign employment*.

If you receive assessable foreign employment income that isn't on an income statement or a *PAYG payment summary – foreign employment,* you must claim your deductions at question **20 Foreign source income and foreign assets or property 2025**.

For more information, see:

- Taxation Ruling **TR 98/5** *Income tax: calculating and claiming a deduction for laundry expenses*
- Taxation Ruling **TR 97/12** *Income tax and fringe benefits tax: work related expenses: deductibility of expenses on clothing, uniform and footwear*
- Taxation Ruling **TR 2003/16** *Income tax: deductibility of protective items*
- Taxation Ruling **TR 94/22** *Income tax: implications of the Edwards case for the deductibility of expenditure on conventional clothing by employees*
- Taxation Determination **TD 1999/62** *Income tax: what are the criteria to be considered in deciding whether clothing items constitute a compulsory corporate uniform/wardrobe for the purposes of paragraph 30 of Taxation Ruling TR 97/12?*

If you don't have work-related clothing expenses, go to question **D4 Work-related self-education expenses 2025**.

What you need to answer this question

If your total claim for all work-related expenses is $300 or less, you need records (such as a document or spreadsheet) to show how you calculate your claim.

If you exceed the $300 limit, you must have **written evidence** of all your expenses (such as receipts or invoices), except the laundry expenses (excluding dry-cleaning) if they are $150 or less.

Use the actual costs you incur to work out your claim for dry-cleaning and repair expenses.

Total laundry expenses $150 or less

If your total claim for work-related laundry expenses is $150 or less, you can claim a deduction without written evidence. You will however, need a record (like a spreadsheet or document) that shows:

- a description of your work-related clothing
- how you work out the amount of your claim.

If your total work-related expenses exceed the $300 limit, you can still claim laundry expenses of $150 or less as part of the $300 without written evidence. For more information on these limits and evidence you require, see **Record keeping exceptions**.

You need to **keep records** for 5 years (in most cases) from the date you lodge your tax return.

Completing your tax return

To complete this question, follow the steps.

Step 1

Add up all your deductible work-related clothing, laundry and dry-cleaning expenses.

Step 2

Write the total at question **D3** – label **C**.

Step 3

Select the code from the table that describes the main type of clothing you're claiming. Print the letter in the **Claim type** box at question **D3** – label **C**.

Work-related clothing codes

Code	Type of work-related clothing
C	Compulsory work uniform
N	Non-compulsory work uniform
S	Occupation-specific clothing

P	Protective clothing

Where to go next

- Go to question **D4 Work-related self-education expenses 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **D2 Work-related travel expenses 2025**.

QC 104108

D4 Work-related self-education expenses 2025

Complete question D4 to claim a deduction for self-education expenses that relate to your employment activities.

Published 27 May 2025

Things you need to know

To claim a deduction for work-related self-education expenses, you must incur the cost to:

- undertake a course at an educational institution (whether they lead to a formal qualification or not)
- undertake a course by a professional or industry organisation
- attend a work-related conference or seminar
- complete self-paced learning and study tours (whether within Australia or overseas).

You must be able to show, at the time you incur the expense, it has a sufficient connection to your employment activities.

A self-education expense has a sufficient connection to earning your employment income if it either:

- maintains or improves the specific skills or knowledge you require for your current employment activities
- leads to, or is likely to lead to, an increase in your income from your current employment activities.

You can't claim a deduction for self-education expense that:

- you incur if you aren't employed
- relates only in a general way to your current employment or profession
- will enable you to get new employment.

To make working out your deductions easier, make sure you **keep records** throughout the year. Our myDeductions tool in the ATO app is a record-keeping tool you can use to keep track of your records electronically.

Example: what is sufficient connection with employment

Louis is a computer science student. His studies are system analysis, software design and programming. Louis also works at the university laboratory installing computers. His self-education and job only relate very generally. The work only requires a low level of computer knowledge which Louis already had before starting his employment.

The high-level professional skills Louis acquires from the self-education are well beyond the skills he requires for his current employment. Consequently, Louis can't claim a deduction for self-education expenses he incurs because it:

- doesn't maintain or improve his specific skills or knowledge he requires for his current job
- relates in only a general way to his current employment
- will enable him to get new employment.

What you can claim at this question

If at the time you incur any of the following expenses, there is a sufficient connection between your self-education and your employment activities, you can claim them as a deduction:

- tuition fees payable under
  - FEE-HELP – this provides assistance to eligible full fee-paying students, who don't receive support from the Commonwealth to pay tuition fees
  - VET Student Loans – this provides assistance to eligible full-fee paying students doing vocational education and training (VET) accredited courses with an approved VET provider
- self-education expenses you pay with your OS-HELP loan – this a loan to cover expenses for eligible students receiving Commonwealth support students who wish to study overseas towards their Australian higher education award
- meal and accommodation expenses during temporary overnight absences from home to participate in self-education
- expenses such as textbooks, stationery, student union fees, student services and amenities fees and certain course fees (apart from those under What you can't claim at this question)
- decline in value of your computer (apportioned depending on private use and use for self-education)
- travel expenses to undertake the deductible self-education course for each of the following trips
  - your home to your place of education back to your home
  - your workplace to place of education back to your workplace
- travel expenses that relate to the first leg of the following trips
  - your home to your place of education back to your workplace
  - your workplace to your place of education back to your home.

For more information on:

- car expenses and how to calculate your deduction, see **Motor vehicle and car expenses**
- travel expenses, see **Overnight travel expenses**

- deductions for decline in value, balancing adjustments and immediate deductions for certain depreciating assets, see **Guide to depreciating assets 2025**.
- deductibility of self-education expenses you incur as an employee, see Taxation Ruling **TR 2024/3** *Income tax: deductibility of self-education expenses incurred by an individual*.

What you can't claim at this question

You can't claim contributions or repayments you, or the Australian Government, make under:

- the Higher Education Loan Program (HELP), including FEE-HELP and HECS-HELP
- the Student Financial Supplement Scheme (SFSS)
- the Student Start-up Loan (SSL)
- the Australian Apprenticeship Support Loan (AASL)
- the Vocational Education and Training Student Loan (VSL).

You also can't claim any deductions against government assistance payments, including Austudy, ABSTUDY and Youth Allowance.

If you receive assessable foreign income that isn't on an income statement or a *PAYG payment summary – foreign employment,* you must claim your deductions against that income at question **20 Foreign source income and foreign assets or property 2025**.

What you need to complete this question

If your total claim for all work-related expenses is $300 or less, you need records (such as a document or spreadsheet) to show how you calculate your claim. If you exceed the $300 limit, you must have **written evidence** of all your expenses (such as receipts or invoices).

You can use the **Self-education expenses calculator** to work out your claim, then go to **Completing your tax return**.

If you receive assessable income from your work as an employee outside of Australia that shows on an income statement or a *PAYG payment summary – foreign employment*, you must claim any work-

related self-education expenses you incur in earning that income at this question.

You need to **keep records** for 5 years (in most cases) from the date you lodge your tax return.

Completing your tax return

To complete this question, add up your self-education expenses under the following 4 categories.

Self-education categories and explanations

Category	Explanation	Amount
A	General expenses that are deductible, including textbooks, stationery, student union fees, student services and amenities fees, course fees, overnight travel expenses and public transport fares Include in this category, car expenses (other than the decline in value of a car) you work out under the 'logbook' method. For more information on how to calculate your deduction for these expenses, see **Motor vehicle and car expenses**.	$
B	Deductions for the decline in value of depreciating assets you use for self-education, including computers and cars for which you're claiming deductions under the 'logbook' method	$
C	Expenses for repairs to items of equipment you use for self-education	$
D	Car expenses that relate to your self-education that you're claiming deductions for under the 'cents per kilometre' method. If you use the ‘cents per kilometre’ method, you	$

	can't claim a deduction for decline in value or repairs at category **B** or **C**.	
Total	Add up the work-related self-education expenses **A**, **B**, **C** and **D**.	$

Transfer the total amount of work-related self-education expenses to question **D4** – label **D**.

Select the code from the list, that best describes your reason for incurring self-education expenses:

- **K** – The self-education maintains or improves a skill or specific knowledge you require for your employment activities.
- **I** – The self-education was leading to, or was likely to lead to, an increase in income from your employment activities.

Write your code (**K** or **I**) in the **CLAIM TYPE** box at question **D4** – label **D**.

Where to go next

- Go to question **D5 Other work-related expenses 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **D3 Work-related clothing, laundry and dry cleaning expenses 2025**.

QC 104109

D5 Other work-related expenses 2025

Complete question D5 to claim a deduction for other work-related expenses you incur as an employee.

Published 27 May 2025

Things you need to know

To claim a deduction for other work-related expenses, you must:

- incur the expense as an employee
- not claim the expenses elsewhere in your tax return.

These expenses include:

- union fees and subscriptions to trade, business or professional associations
- overtime meal expenses if you receive an **overtime meal allowance** from your employer that is paid under an industrial law, award or agreement, and you
  - buy and consume the meal during your overtime
  - include the amount of the meal allowance as income at question **2**
  - keep written evidence, such as receipts, if your claim is more than $37.65 per meal
- reference books, technical journals and trade magazines
- the work-related portion of tools and equipment, such as a computer or office furniture, and professional libraries; you may be able to claim
  - an immediate deduction for the cost of depreciating assets costing $300 or less
  - a deduction for the decline in value of an item that cost more than $300 over its effective life (however, if you no longer own or use an item and you previously claimed a deduction for its decline in value, you may need to make a balancing adjustment), see **Guide to depreciating assets 2025**
- the work-related portion of items that protect you from the risk of injury or illness posed by your work or your work environment, such as hard hats, safety glasses and sunscreens (but **not** protective clothing and footwear, that you claim at question **D3**)
- the work-related portion of the following costs
  - interest on money you borrow to buy tools and equipment
  - repair costs for tools or items of equipment

  - phone or internet usage (if you aren’t already claiming working from home expenses using the fixed rate method)
  - phone rental, if you can show you're on call or need to regularly phone your employer or clients while away from your workplace
  - **additional running expenses** you incur because you work from home
  - COVID-19 test expenses.

Working from home expenses

There are 2 methods you can choose from to calculate your deduction for working from home expenses. You must meet the eligibility criteria and record-keeping requirements for the method you choose, for the:

- **Fixed rate method** – a rate of 70c per hour you work from home for 2024–25
  - This rate covers the additional running expenses that you incur as a result of working from home for energy expenses (electricity and gas), internet and data expenses, mobile and home phone expenses, stationery and computer consumables.
  - You don't need a separate home office or dedicated work area to use this method.
  - The fixed rate **doesn't** cover the decline in value of depreciating assets you use for work.
  - You must have a record of the total number of hours you work from home during the entire income year –for example, a timesheet, roster, a diary or other similar document (an estimate of your hours isn't acceptable).
  - You must have at least one record for each of the expenses you incur that the rate per hour includes – for example, if you incur electricity and internet expenses, keep one bill for each expense.
- **Actual cost method** – to claim the actual work-related portion of all your running expenses, which you need to calculate on a reasonable basis.

To work out your deduction, you can use the Home office expenses calculator.

To work out the method that gives you the best deduction for your situation, see **Working from home expenses**.

For more information, see:

- Taxation Ruling **TR 93/30** *Income tax: deductions for home office expenses*
- Taxation Ruling **TR 2003/16** *Income tax: deductibility of protective items*
- Taxation Ruling **TR 2004/6** *Income tax: substantiation exception for reasonable travel and overtime meal allowance expenses*
- Law administration practice statement **PS LA 2001/6** *Verification approaches for electronic device usage expenses*
- Law administration practice statement **PS LA 2005/7** *Substantiating an individual's work-related expenses*
- Practical compliance guideline **PCG 2023/1** *Claiming a deduction for additional running expenses incurred while working from home – ATO compliance approach*.

What you can't claim as other work-related expenses

You can't claim a deduction for:

- the cost of entertainment, fines and penalties
- private expenses, such as childcare expenses and fees paid to social clubs
- coffee, tea, milk and other general household items your employer may otherwise provide you with at work
- costs that relate to children and their education including buying equipment such as iPads and desks
- the decline in value of items primarily for use in your employment if your employer provides the items, or some or all of the cost of the items are paid or reimbursed by your employer, and the benefit is exempt from fringe benefits tax – items include laptops, portable printers, personal digital assistants, calculators, mobile phones, computer software, protective clothing, briefcases and tools of trade.

Generally, you can't claim a deduction for **occupancy expenses** such as rent, rates, mortgage interest and insurance.

If you don't have any other work-related expenses from the list, go to question **D6 Low-value pool deduction 2025**.

What you need to answer this question

If your total claim for all work-related expenses is $300 or less, you need records (such as a document or spreadsheet) to show how you calculate your claim. If you exceed the $300 limit, you must have **written evidence** of all your expenses (such as receipts or invoices), unless an **exception** applies.

If you receive an overtime meal allowance, you may need your income statement or *PAYG payment summary – individual non-business*.

If you receive assessable income from your work as an employee outside Australia that shows on an income statement or a *PAYG payment summary – foreign employment*, you must claim any work-related expenses you incur in earning that income at this question. If you haven't already claimed the expense at another question.

If you receive assessable foreign employment income that isn't on an income statement or a *PAYG payment summary – foreign employment*, you must claim your deductions against that income at question **20 Foreign source income and foreign assets or property 2025**.

You need to keep records for 5 years (in most cases) from the date you lodge your tax return.

Completing your tax return

To complete this question, follow the steps.

Step 1

Add up all the expenses that you can claim at this question.

To work out the amount you can claim for depreciating assets, use either:

- **Guide to depreciating assets 2025**
- **Depreciation and capital allowances tool**.

Step 2

Write the total amount at question **D5** – label **E**.

Where to go next

- Go to question **D6 Low-value pool deduction 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **D4 Work-related self-education expenses 2025**.

QC 104110

D6 Low-value pool deduction 2025

Complete question D6 to claim a deduction for the decline in value of low-cost and low-value assets.

Published 27 May 2025

Things you need to know

To claim a deduction for the decline in value of **low-cost** and **low-value** assets, you must:

- use the assets in the course of producing assessable income
- allocate them to what we call a **low-value pool**.

Claims for a deduction for the decline in value of other depreciating assets are dealt with at other questions.

Low-cost assets are depreciating assets that cost less than $1,000.

Low-value assets are depreciating assets that:

- aren't low-cost assets
- on 1 July 2024, have an opening adjustable value of less than $1,000 under the diminishing value method.

You can have only one low-value pool.

Once you choose to allocate a low-cost asset to the low-value pool, you must allocate to the pool all other low-cost assets you start to hold in that year and in future years. Once allocated, those assets must remain in the pool.

However, you can decide whether to allocate low-value assets to the low-value pool on an asset-by-asset basis.

Assets you can allocate to a low-value pool include assets you use either:

- in your work as an employee (see questions **D1 Work-related car expenses 2025** to **D5 Other work-related expenses 2025**)
- to gain rental income (see question **21 Rent 2025**).

However, if you claim the deduction at this question, don't also claim the deduction at questions **D1** to **D5,** or **21**.

What you can't claim as a low-value asset

You can't include the following in a low-value pool:

- Assets you have previously claimed deductions for using the prime cost method.
- Assets that cost $300 or less for which you can claim an immediate deduction.
- Assets that you deduct amounts under the simplified depreciation rules for small business entities – for more information, see **Business and professional items schedule instructions 2025**
- Horticultural plants.
- Assets that are primarily for use in your employment, if your employer provides it, pays for it or reimburses you for any of its cost, and the benefit is exempt from fringe benefits tax – including
  - a portable electronic device (such as a laptop, portable printer, personal digital assistant, calculator, mobile phone and portable GPS navigation receiver)
  - computer software
  - protective clothing
  - a briefcase

  - a tool of trade.
- Certain assets you use to conduct research and development activities.

If your low-value pool contains only assets used in business, you should lodge your tax return **using myTax** or a **registered tax agent**.

If you're unable to use myTax or a registered tax agent, **contact us** and we'll send you a tax return that includes the *Business and professional items schedule 2025*.

If you don't allocate assets to a low-value pool in 2024–25 or in a previous year, go to question **D7 Interest income deductions 2025**.

What you need to answer this question

When you allocate an asset to a low-value pool, you must make a reasonable estimate of the percentage you'll use the asset to produce your assessable income over its effective life (for a low-cost asset) or remaining effective life (for a low-value asset). This estimate is your **taxable use percentage** for the asset.

You work out your low-value pool deduction using a diminishing value rate. A rate of 37.5% generally applies to the pool balance. However, a rate of 18.75% (that is, half the normal pool rate) applies to the **taxable use percentage** of:

- the cost of each low-cost asset you allocate to the pool in 2024–25
- any additional capital costs (such as improvements) you incur in 2024–25 for assets you allocate to the pool in an earlier income year and for low-value assets you allocate to the pool in 2024–25.

For more information, see 'Low-value pools' in the **Guide to depreciating assets 2025**.

Completing your tax return

To complete this question, follow the steps.

Step 1

Read **example 1** and use Worksheet 1 to work out your total low-value pool deduction. Transfer the amount you work out at worksheet **1** –

row **i** to question **D6** – label **K**.

Example 1: using worksheet 1 to work out your low-value pool deduction

Edward buys a printer for $600 in 2024–25. His employer doesn't pay or reimburse any of the cost of the printer. He decides to allocate it to a low-value pool. He estimates that over its effective life the printer will be used 40% of the time to produce his assessable income as an employee.

He works this out as $600 × 40% = $240. Therefore, Edward will write $240 at worksheet **1** – row **e**.

This is the first year of Edward's low-value pool.

Edward previously claimed deductions under the diminishing value method for a laptop computer he had purchased for $1,500. His employer didn't pay or reimburse any of the cost of the computer. The laptop's opening adjustable value on 1 July 2024 was $900.

Edward estimates that he will use it solely to produce his assessable income for its remaining effective life. Edward allocates the laptop to the pool in 2024–25 as it's now a low-value asset.

Edward's Worksheet 1 would look like this:

Edward's Worksheet 1

Row	Low-value pool deduction	Amount
A	The closing balance of the pool for 2023–24	$0
B	For each low-value asset allocated to the pool in 2024–25, multiply its opening adjustable value (on 1 July 2024) by your taxable use percentage for the asset.	$900
C	Add rows **a** and **b**.	$900

D	Multiply row **c** by 0.375.	$337
E	For each low-cost asset allocated to the pool in 2024–25, multiply its cost (including additional capital costs incurred in 2024–25, such as improvements) by your taxable use percentage for the asset.	$240
f	For each asset allocated to the pool in a prior income year, and low-value asset allocated to the pool in 2024–25 that you incurred additional capital costs (such as improvements) in 2024–25, multiply the costs by your taxable use percentage for the asset.	$0
G	Add rows **e** and **f**.	$240
H	Multiply row **g** by 0.1875.	$45
I	Add rows **d** and **h**.	$382

The amount at row **i** is the total low-value pool deduction. Edward shows $382 at question **D6** – label **K** in his tax return.

Worksheet 1

Row	Low-value pool deduction	Amount
a	The closing balance of the pool for 2023–24. If you didn't have a low-value pool in 2023–24, write **0** (zero).	$
b	For each low-value asset allocated to the pool in 2024–25, multiply its opening adjustable value (on 1 July 2024) by your taxable use percentage for the asset. Add up the amounts and write in the total.	$
c	Add rows **a** and **b**.	$

d	Multiply row **c** by 0.375.	$
e	For each low-cost asset allocated to the pool in 2024–25, multiply its cost (including additional capital costs incurred in 2024–25, such as improvements) by your taxable use percentage for the asset. Add up the amounts and write in the total.	$
f	For each asset allocated to the pool in a prior income year, and low-value asset allocated to the pool in 2024–25 that you incurred additional capital costs (such as improvements) in 2024–25, multiply the costs by your taxable use percentage for the asset. Add up the amounts and write in the total.	$
g	Add rows **e** and **f**.	$
h	Multiply row **g** by 0.1875.	$
i	Add rows **d** and **h**.	$

The amount at row **i** is the total low-value pool deduction.

Step 2

You'll need the closing pool balance for 2024–25 to calculate your low-value pool deduction for 2025–26. Worksheet 2 will help you work out the closing balance.

Some common events, such as the sale or disposal of an asset in the low-value pool, or the asset's loss or destruction, result in a 'balancing adjustment event'. If there has been a balancing adjustment event for an asset in the pool, you must reduce the closing pool balance. To do this, you multiply the asset's termination value (generally any proceeds, including any insurance payout, from the event) by your taxable use percentage for the asset. Your closing pool balance is reduced by the amount that results from this calculation.

There is space for you to include this amount in worksheet **2**. If this amount is more than the closing pool balance, you reduce the closing

pool balance to nil and include the excess amount at question **24 Other income** in your tax return.

Keep a record of your 2024–25 closing pool balance for next year's tax return.

For more information, see **Guide to depreciating assets 2025**.

Read **example 2**, then use Worksheet 2 to work out your closing balance.

Example 2: using worksheet 2 to work out your closing pool balance

Following on from example 1 Edward works out his closing balance, using his worksheet 2:

Edward's Worksheet 2

Row	Closing balance for 2024–25	Amount
j	Transfer amount from **worksheet 1** – row **a**.	$0
k	Transfer amount from **worksheet 1** – row **b**.	$900
l	Transfer amount from **worksheet 1** – row **e**.	$240
m	Transfer amount from **worksheet 1** – row **f**.	$0
n	Add rows **j**, **k**, **l** and **m**.	$1140
o	Transfer amount from **worksheet 1** – row **i**.	$382
p	Subtract row **o** from row **n**.	$758
q	For each pool asset subject to a balancing adjustment event in 2024–25, multiply its termination value by	$0

	your taxable use percentage for the asset (see Step 2).	
r	Subtract row **q** from row **p**. **This is your closing pool balance for 2024–25**.	**$758**

Worksheet 2

Row	Closing balance for 2024–25	Amount
j	Transfer amount from **worksheet 1** – row **a**.	$
k	Transfer amount from **worksheet 1** – row **b**.	$
l	Transfer amount from **worksheet 1** – row **e**.	$
m	Transfer amount from **worksheet 1** – row **f**.	$
n	Add rows **j**, **k**, **l** and **m**.	$
o	Transfer amount from **worksheet 1** – row **i**.	$
p	Subtract row **o** from row **n**.	$
q	For each pool asset subject to a balancing adjustment event in 2024–25, multiply its termination value by your taxable use percentage for the asset (see Step 2). Add up the amounts and write the total.	$
r	Subtract row **q** from row **p**.	$

The amount at row **r** is your closing pool balance for 2024–25. You'll need it to calculate your low-value pool deduction for 2025–26.

Where to go next

- Go to question **D7 Interest income deductions 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **D5 Other work-related expenses 2025**.

QC 104111

D7 Interest income deductions 2025

Complete question D7 to claim a deduction for expenses you incur in earning interest income you declare at question 10.

Published 27 May 2025

Things you need to know

To claim a deduction for interest income expenses, you must incur expenses in earning interest from any source in Australia. This includes accounts and term deposits held with financial institutions.

Expenses you may incur in earning interest income include:

- bank or other financial institution account-keeping fees for accounts held for investment purposes
- management fees and fees for investment advice relating to changes in the mix of your investments
- interest you paid on money you borrowed to purchase investments.

If you incur expenses when borrowing money for both private use and to purchase investments to produce interest, you can claim only the portion of the expenses relating to the investments.

You can also claim a proportion of the decline in value of your computer based on the percentage of your total computer use that relates to managing your investments. If you use your computer to manage both your investments to produce interest and investments in

shares or similar securities, you can claim only the proportion of the decline in value relating to managing those investments once, at either question **D7** or **D8**. If you're claiming a deduction for the decline in value on your computer, see **Guide to depreciating assets 2025**.

If you incur expenses relating to certain overseas investments (or investments in Australia if you're a foreign resident), your claims may be affected by the thin capitalisation rules. These rules may apply if the total of your debt deductions and those of your associates is more than $2 million for 2024–25. For more information, see **Thin capitalisation – how the rules work**.

What you can't claim as interest income deductions

You can't claim expenses you're charged for drawing up an investment plan unless you're carrying on an investment business, in which case you claim any expenses at **P8 Business income and expenses** in the *Business and professional items schedule 2025*.

If this applies to you, then you should lodge your tax return **using myTax** or a **registered tax agent**. If you're unable to use myTax or a registered tax agent, **contact us** and we'll send you a paper tax return that includes the *Business and Professional items schedule 2025*.

Don't show at this question

Don't show at this question any interest related expenses you incur in:

- earning trust and partnership distributions – show these at question **13** – labels **X** and **Y** in your tax return
- earning foreign source interest – show these at question **20** or question **D15** in your tax return.

If you don't have any interest related deductions, go to question **D8 Dividend deductions 2025**.

What you need to answer this question

You'll need your bank or financial institution statements or passbooks.

If you have joint accounts or other interest-earning investments, show only your share of the joint expenses. If you hold the account or investment equally with one other person, this will be half. Keep a

record of how you work out your proportion if you and the other investors or account holders don't share the expenses equally.

Completing your tax return

To complete this question, follow the steps.

Step 1

Add up all your deductions for this question.

Step 2

Write the total amount at question **D7** – label **I**.

Where to go next

- Go to question **D8 Dividend deductions 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **D6 Low-value pool deduction 2025**.

QC 104112

D8 Dividend deductions 2025

Complete question D8 to claim a deduction for dividend and distributions declared at question 11.

Published 27 May 2025

Things you need to know

To claim a deduction for dividend expenses, you must incur expenses in earning any income from dividends and distributions. Dividends and distributions income are amounts or credits you receive from Australian companies or as participant in a **dividend reinvestment plan**.

If a listed investment company (LIC) pays you a dividend that includes a capital gain amount, you can claim a deduction of 50% of the LIC

capital gain amount at this question. The LIC capital gain amount shows separately on your dividend statement.

What you can claim as a dividend deduction

Dividend expenses you can claim a deduction for may include:

- management fees and fees for investment advice relating to changes in the mix of your investments
- interest you pay on money you borrow to buy shares or similar investments
- costs relating to managing your investments, such as travel and buying specialist investment journals or subscriptions.

You can also claim 50% of the LIC capital gain, see **Listed investment company dividend capital gains concession**.

If you borrow money to buy assets for both private use and income-producing investments, you can claim only the portion of the interest expenses relating to the income-producing investments.

Interest you incur on investments you make using a capital protected borrowing may not be fully deductible. To help determine if you can deduct the full amount, see **Capital protected products and borrowings**.

If you incur expenses relating to certain overseas investments (or investments in Australia if you're a foreign resident), the thin capitalisation rules may affect your deductions. These rules may apply if the total of your debt deductions and those of your associates are over $2 million for 2024–25. For more information, see **Thin capitalisation – how the rules work**.

For more information on deductions you can claim, see **Dividend income deductions**.

You can also claim the decline in value of your computer using the percentage of your total computer use that relates to managing your investments. If you use your computer to manage both your investments to produce interest and investments in shares or similar securities, you can claim only the proportion of the decline in value relating to managing those investments once, at either question **D7** or **D8**. If you're claiming a deduction for the decline in value of your computer, see **Guide to depreciating assets 2025**.

What you can't claim as a dividend deduction

You can't claim expenses for:

- financial advice you receive from someone who isn't either a:
  - tax agent with a current Tax Practitioners Board registration
  - qualified tax relevant provider with a current Australian Securities and Investments Commission registration
- some interest expenses where you borrow money under a capital protected product or borrowing
- brokerage fees and other transaction costs.

You also can't claim expenses for charges on an investment proposal before the acquisition of an asset unless you're carrying on an investment business, in which case you claim any expenses at **P8 Business income and expenses** in the *Business and professional items schedule 2025*.

If this applies to you, then you should lodge your tax return **using myTax** or a **registered tax agent**. If you're unable to use myTax or a registered tax agent, **contact us** and we'll send you a paper tax return that includes the *Business and Professional items schedule 2025*.

Don't show at this question

Don't show at this question any dividend expenses you incur in:

- earning trust and partnership distributions – show these at **question 13** – labels **X** and **Y** in your supplementary tax return
- earning foreign source dividends – show these at **question 20** or **question D15** in your tax return.

If you don't have any dividends or distributions deductions, go to question **D9 Gifts or donations 2025**.

What you need to answer this question

You may need written evidence of your dividend and distribution expenses. Most of the records you need will be given to you by the company, the fund manager or your stockbroker. These may include receipts for subscriptions and bank statements showing the interest and bank fees you pay. See, **Keeping records of shares and units**.

You'll also need your LIC dividend statement which shows the capital gain amount. Show dividends you receive from a LIC at question **11**.

If you have joint share investments or similar investments, show only your share of the joint expenses. If you hold the investment equally with one other person, this will be half. Keep a record of how you work out your proportion if you and the other investors don't share the expenses equally.

If you don't have dividend deductions, go to question **D9 Gifts and donations 2025**.

Completing your tax return

To complete this question, follow the steps.

Step 1

Add up all your deductions for this question.

Step 2

Write the total amount at question **D8** – label **H**.

Where to go next

- Go to question **D9 Gifts or donations 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **D7 Interest deductions 2025**.

QC 104113

D9 Gifts or donations 2025

Complete question D9 to claim a deduction for gifts or donations you make to a deductible gift recipient organisation.

Last updated 27 May 2025

Things you need to know

To claim a deduction for gifts or donations you make, you need a receipt from an organisation that has a **deductible gift recipient** (DGR) status.

Your receipt will usually indicate whether you can claim a deduction for the gift or donation. If you're not sure, you can check with the organisation. If you're still not sure, go to abn.business.gov.au to find out whether the organisation is an approved organisation.

Approved DGR organisations include:

- certain funds, organisations or charities which provide help in Australia
- some overseas aid funds
- school building funds
- some environmental or cultural organisations.

What you can claim

The amount you can claim as a deduction depends on the type of gift. You can claim a deduction for:

- voluntary gifts of money $2 or more made to an approved DGR organisation, including
  - net contributions of more than $150 for a fund-raising event (for further conditions, see **Special circumstances 2025**)
  - donations you make through your employer's payroll system (known as 'workplace giving')
  - bucket donations
    - you can claim a total deduction of up to $10 for those donations for the income year without a receipt
    - to claim donations more than $10, you need a receipt
- contributions of $2, or more to
  - a registered political party
  - an independent candidate in an election for parliament

  - an individual who was an independent member of parliament during 2024–25 or, in limited circumstances, had been an independent member

- a donation to an approved DGR organisation of shares listed on an approved stock exchange that
  - are valued at $5,000 or less
  - you acquired at least 12 months before making the gift
- a donation to a **private ancillary fund**
- entering into a **conservation covenant**.

For more information on what a gift is and examples of gifts, see **Gifts and donations**.

If you make donations in a joint name, include only your share.

For more information about the rules for deductions, see **Special circumstances 2025** for:

- gifts of property, such as land and artworks
- contributions to fund-raising events
- gifts of shares valued at $5,000 or less
- contributions and gifts to registered political parties and independent candidates and members.

If you don't make gifts or donations you can claim as a deduction, go to question **D10 Cost of managing tax affairs 2025**.

What you can't claim as a gift or donation

You can't claim a deduction for a gift or donation if you receive something in return –for example, raffle tickets or dinner, except in certain fund-raising events. See, **Deductions for contributions relating to fund-raising events** in Special circumstances 2025.

You can't claim a tax deduction for donations made to social media or crowdfunding platforms unless they are a registered DGR.

If you make donations under a salary sacrifice arrangement, you can't claim a deduction for the donation in your tax return.

What you need to answer this question

You'll need receipts of all the tax-deductible gifts, donations and contributions you want to claim or a signed letter from eligible organisations confirming the amount of your donation or contribution.

However, if you make one or more small cash donations, each of $2 or more, to bucket collections – for example, to collections conducted by a DGR for natural disaster victims – you can claim a total tax deduction of up to $10 for those donations for the income year without a receipt.

In some cases, you can also use other records for substantiation, such as:

- donations made on web or phone over $2, your web receipt or credit card statement is sufficient
- donations through third parties, such as banks and retail outlets, the receipts they give you're also sufficient
- contributions through 'workplace-giving', your income statement or payment summary shows the amount you donated.

For information about the rules and what records you need, see **Tax deductible donations**:

- for cultural, environmental and heritage property gifts
- when entering into conservation covenants
- if you choose to spread over 5 years your deduction for certain types of gifts.

Completing your tax return

To complete this question, follow the steps.

Step 1

Add up the amounts of all gifts and donations you can claim.

Step 2

Write the total at question **D9** – label **J**.

Where to go next

- Go to question **D10 Cost of managing tax affairs 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **D8 Dividend deductions 2025**.

QC 104114

D10 Cost of managing tax affairs 2025

Complete question D10 to claim a deduction for expenses you incur in managing your tax affairs.

Published 27 May 2025

Things you need to know

To claim a deduction at this question you must incur expenses for **managing your tax affairs**, including:

- the preparation and lodgment of your tax return and activity statements, including the costs associated with
  - buying tax reference material
  - tax return preparation courses
  - lodging your tax return through a registered tax agent
  - obtaining tax advice from a **recognised tax adviser** (fees you pay to a recognised tax adviser are deductible in the year you incur them)
  - dealing with us about your tax affairs
  - purchasing software to allow the completion and lodgment of your tax return – you must apportion the cost if you also use the software for other purposes.
- travel to obtain tax advice from a recognised tax adviser

- obtaining a valuation needed for a deductible donation of property or for a deduction for entering into a conservation covenant, see Gifts of property in **Special circumstances 2025**.
- litigation costs you incur in managing your tax affairs, including
  - court fees
  - Administrative Review Tribunal fees (previously Administrative Appeals Tribunal)
  - solicitor, barrister and other legal costs.
- certain **interest charges we impose** on you
- amounts we charge you for underestimating a varied goods and services tax (GST) instalment or pay as you go (PAYG) instalment
- expenses for complying with your legal obligations relating to another person's or other entity's tax affairs, including
  - complying with the PAYG withholding obligations – for example, where you withhold tax from a payment to a supplier because the supplier doesn't quote an ABN
  - providing information that we request about another taxpayer.

You **incur** an expense in 2024–25 when:

- you receive a bill or invoice for an expense that you're liable for and have to pay (even if you pay it after 30 June 2025)
- you don't receive a bill or invoice, but you're charged, and you pay for the expense.

If you don't incur any expenses in managing your tax affairs, go to question **Deductions in the supplementary tax return 2025**.

What you can't claim as a cost of managing your tax affairs

You can't claim a deduction for:

- tax shortfall and other penalties for failing to meet your obligations
- tax advice you receive from a person who isn't a **recognised tax adviser**

- receiving financial advice that isn't in relation to managing your tax affairs
- any judgment debt interest that you have to pay as a result of a court case involving your tax affairs.

Completing your tax return

To complete this question, follow the steps.

Step 1

Separate the costs of managing your tax affairs into the following 3 components:

- interest charged by the ATO
- litigation costs
- other expenses incurred in managing your tax affairs.

Step 2

Add up the costs for each component.

Step 3

Write the total cost for each component at question **D10** as follows:

- interest charged by the ATO at label **N**
- litigation costs at label **L**
- other expenses incurred in managing your tax affairs at label **M**.

Where to go next

- Go to **Deductions in the supplementary tax return 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **D9 Gifts or donations 2025**.

Deductions in the supplementary tax return 2025

Complete label D if you claim deductions in the supplementary section in your tax return.

Last updated 27 May 2025

Things you need to know

You need to complete supplementary tax return if you have any of the following types of deductions:

- Deductible amount of the undeducted purchase price of a foreign pension or annuity.
- Personal superannuation contributions.
- Certain capital expenditure that directly connects with a project.
- Forestry managed investment scheme deductions.
- Election expenses for local, territory, state or federal candidates.
- Certain deductible capital expenditure you haven't claimed in full before ceasing a primary production business.
- Non-capital losses you incur on the disposal or redemption of a traditional security.
- Insurance premiums paid for income protection, sickness and accident cover.
- Deductible foreign exchange losses.
- Debt deductions you haven't claimed elsewhere that you incur in earning assessable income or in earning certain foreign non-assessable non-exempt income.
- Amounts deductible for certain business-related capital expenditure under section 40-880 of the *Income Tax Assessment Act 1997,* either
  - over 5 income years (sometimes known as the ‘blackhole’ expenditure rule)

  - immediately as start-up expenses relating to the structure or operation of a business that is proposed to be carried on.
- Small business pool deductions for depreciating assets that you allocate to a pool under the simplified depreciation rules, and you no longer carry on any business.
- A deduction for the net personal services income loss of a personal services entity that relates to your personal services income.

If you don't have any of these deductions, go to **Total deductions 2025**.

What you need to answer this question

You can get a copy of the **Tax return for individuals (supplementary section) 2025**. You may also need to read **Supplementary tax return instructions 2025**.

Completing your tax return

After completing all details that are relevant to your circumstances in the *Tax return for individuals (supplementary section) 2025*, transfer the **Total supplement deductions** amount to the **Deductions** section – label **D** in your *Tax return for individuals 2025*.

Where to go next

- Go to **Total deductions 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **D10 Cost of managing tax affairs 2025**.

QC 104116

Total deductions 2025

Complete the total deductions section of your tax return.

Published 27 May 2025

Completing your tax return

To complete this question, follow steps.

Step 1

Add up the deductions you claimed at questions **D1** to **D10** and label **D** in the **Deductions** section of your tax return. If you didn’t claim any deductions in your supplementary tax return, you won't have an amount at question **D**.

Step 2

Write the answer at **TOTAL DEDUCTIONS** in your tax return.

Where to go next

- Go to **Subtotal 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to **Deductions in the supplementary tax return 2025**.

QC 104117

Subtotal 2025

Complete the subtotal section in your tax return.

Published 27 May 2025

Completing your tax return

If you show income at **Total income or loss** in your tax return:

- subtract the amount at **Total deductions** from the amount at **Total income or loss**
- write the result at **Subtotal**

- if the amount at **Subtotal** is less than zero, print **L** in the **Loss** box.

If you show a loss at **Total income or loss** in your tax return:

- add the amount at **Total deductions** to the amount at **Total income or loss**
- write the result at **Subtotal**
- print **L** in the **Loss** box.

Where to go next

- Go to question **L1 Tax losses of earlier income years 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to **Total deductions 2025**.

QC 104118

Losses question L1 – Individual tax return 2025

Instructions to help you to complete losses question L1 in your paper individual tax return.

Published 27 May 2025

L1 Tax losses of earlier income years 2025

Complete question L1 if you have a tax loss from an earlier year that you may be able to claim as a deduction this year.

Taxable income or loss 2025

Complete this question to declare your total taxable income or

QC 104119

L1 Tax losses of earlier income years 2025

Complete question L1 if you have a tax loss from an earlier year that you may be able to claim as a deduction this year.

Published 27 May 2025

Things you need to know

Complete this question if you have a tax loss from an earlier income year that you didn't claim as a deduction.

You may have a tax loss at question **L1** in 2024–25 that you may be able to claim as a deduction. You must complete this question whether or not you're able to claim a deduction for the loss in 2024–25.

If you became bankrupt before 1 July 2024, or were released from debts under an arrangement entered into under the bankruptcy laws before 1 July 2024, you generally can't claim a deduction for tax losses you incur before you became bankrupt or were released from the debts.

If you have tax losses from more than one earlier income year, you should generally deduct the earliest losses first.

Don't include at this question

Don't show at this question:

- capital losses, go to question **18 Capital gains 2025**
- expenses and losses you incur in earning foreign source income, go to question **20 Foreign source income and foreign assets or property 2025**
- deferred non-commercial business losses from a prior income year

- for partnership activities, go to question **13 Partnerships and trusts 2025**
- for sole trader activities, go to **P8 Business income and expenses** in **Business and professional items schedule instructions 2025**.

If you don't have tax losses from earlier income years, go to **Taxable income or loss 2025**. Otherwise, read on.

What you need to answer this question

You'll need records of your tax losses from earlier income years.

Completing your tax return

The amount of tax losses from earlier income years that you write at question **L1** – labels **Q** and **R** is the amount of tax losses you carry forward from 2023–24 *less* the amount of your net exempt income for 2024–25.

You need to separate your losses into primary production losses and non-primary production losses. Primary production activities are described in **Information for primary producers 2025**.

Part A – Losses you carry forward from earlier income years

Use **Worksheet 1** to work out what to write at question **L1** – labels **Q** and **R**.

Step 1

Write at **Worksheet 1** – row **a** the total amount of tax losses you have available from earlier income years. Don't include non-primary production losses from 1988–89 or earlier years.

Separate the amount at row **a** into your losses from primary production and from non-primary production. Write the amounts at rows **b** and **c** respectively.

Step 2

Write at row **d** the total of your exempt income for 2024–25, if any (see **Amounts that you don't pay tax on 2025** to find out what amounts are

exempt income).

Step 3

Write at row **e** the total expenses (other than capital expenses) incurred in earning your exempt income. Include any foreign tax payable on your exempt income.

Step 4

Subtract row **e** from row **d** and write the answer at row **f**. If row **e** is more than row **d**, write **0** (zero) at row **f**.

Step 5

If row **f** is more than row **a**, you don't have any losses you can claim at this question. Leave question **L1** blank and go to **Where to go next**. Otherwise, subtract row **f** from row **a** and write the answer at row **g**.

Step 6

If you have an amount at:

- row **b** but not at row **c**, subtract row **f** from row **b** and write the answer at row **h**
- row **c** but not at row **b**, subtract row **f** from row **c** and write the answer at row **i**
- both rows **b** and **c**, you choose how much of row **f** to subtract from each of rows **b** and **c**.

Worksheet 1

Row	Calculation	Amount
a	Total tax losses from earlier years	$
b	Primary production losses from earlier years	$
c	Non-primary production losses from earlier years	$
d	Exempt income for 2024–25	$

e	Expenses relating to your 2024–25 exempt income	$
f	Net exempt income for 2024–25. Subtract row **e** from row **d**.	$
g	Total prior year losses available for use in 2024–25. Subtract row **f** from row **a**.	$
h	Primary production losses available for use in 2024–25. Subtract row **f** from row **b**.	$
i	Non-primary production losses available for use in 2024–25. Subtract row **f** from row **c**.	$

You can't have a negative amount at rows **h** or **i**.

The total of rows **h** and **i** must equal row **g**.

Step 7

Transfer the amount at row **h** to question **L1** – label **Q**.

Step 8

Transfer the amount at row **i** to question **L1** – label **R**.

Step 9

If the amount at **Subtotal** on page 4 of your tax return is a loss, go to Step 19. Otherwise, read on.

Part B – Losses claims in 2024–25

The following steps will help you work out what to write at question **L1** – labels **F** and **Z**, if the amount at **Subtotal** isn't a loss.

Step 10

If the amount at **Subtotal** is more than, or equal to, the amount at **Worksheet 1** – row **g**, go to Step 17. Otherwise, read on.

Step 11

If the amount at **Subtotal** is more than, or equal to, the amount at question **L1** – label **Q**, go to Step 14.

Otherwise, transfer the amount at **Subtotal** to question **L1** – label **F**.

Step 12

Subtract the amount at label **F** from the amount at label **Q**. The answer is the amount of primary production losses you carry forward to 2025–26. Keep a record of it for next year.

Step 13

The amount at question **L1** – label **R** is the amount of non-primary production losses you carry forward to 2025–26. Keep a record of it for next year.

You have finished this question. Go to **Where to go next**.

Step 14

Transfer the amount at question **L1** – label **Q** to question **L1** – label **F**.

Step 15

Subtract the amount at question **L1** – label **F** from the amount at **Subtotal**. Write the answer at question **L1** – label **Z**.

Step 16

Subtract the amount at question **L1** – label **Z** from the amount at question **L1** – label **R**.

The answer is the amount of non-primary production losses you carry forward to 2025–26. Keep a record of it for next year.

You have no primary production losses to carry forward to 2025–26.

You have finished this question. Go to **Where to go next**.

Step 17

Transfer the amount you wrote at question **L1** – label **Q** to question **L1** – label **F**.

Step 18

Transfer the amount you wrote at question **L1** – label **R** to question **L1** – label **Z**.

You have no primary production losses or non-primary production losses to carry forward to 2025–26.

You have finished this question. Go to **Where to go next**.

Part C – If the amount at Subtotal is a loss

The following steps will help you work out the losses you carry forward to 2025–26, if the amount at **Subtotal** is a loss.

Step 19

If the amount you wrote at **Subtotal** is a loss, leave question **L1** – labels **F** and **Z** blank.

Step 20

Use Worksheet 2 to work out the primary production losses you carry forward to 2025–26 and the non-primary production losses you carry forward to 2025–26.

Make sure you show all losses as negative amounts in Worksheet 2. Amounts you write at rows **t**, **u**, **v** and **w** may be losses. If so, show them as negative amounts.

Worksheet 2

Row	Calculation	Amount
p	**Amount from Subtotal** This amount is a loss, show it as a negative amount.	$
q	Amount from question **D9 Gifts or donations** in your tax return	$
r	Amount from question **D12 Personal superannuation contributions** in your supplementary tax return	$
s	Add rows **q** and **r**.	$
t	Add row **s**, which is either zero or positive to row **p** which is negative. If row **t** is positive, go to Step 23.	$

u	Amount from question **13 Partnerships and trusts** – label **Net primary production amount** in your supplementary tax return	$
v	Amount from question **15 Net income or loss from business** – label **B** in your supplementary tax return	$
w	Add rows **u** and **v**.	$
x	If row **w** is a loss and is the same or a greater loss than row **t**, write the amount from row **t**. If row **w** is a loss and is a smaller loss than row **t**, write the amount from row **w**. Otherwise, write **0** (zero).	$
y	If row **w** is a loss and is the same or a greater loss than row **t** write **0** (zero). If row **w** is a loss and is a smaller loss than row **t**, subtract row **w** from row **t** and write the answer. If row **w** isn't a loss, write the amount from row **t**.	$

Step 21

If the amount at row **x** is zero, then the amount at question **L1** – label **Q** is the amount of primary production losses you carry forward to 2025–26. Keep a record of it for next year.

If the amount at row **x** isn't zero, then add the amount at row **x** to the amount at question **L1** – label **Q**. When adding these 2 amounts ignore the fact that they are both negative amounts. The answer is the amount of primary production losses you carry forward to 2025–26. Keep a record of it for next year.

Step 22

If the amount at row **y** is zero, then the amount at question **L1** – label **R** is the amount of non-primary production losses you carry forward to 2025–26. Keep a record of it for next year.

If the amount at row **y** isn't zero, then add the amount at row **y** to the amount at question **L1** – label **R**. When adding these 2 amounts ignore the fact that they are both negative amounts. The answer is the amount of non-primary production losses you carry forward to 2025–26. Keep a record of it for next year.

You have finished this question. Go to **Where to go next**.

Step 23

The amount at label **Q** is your primary production losses you carry forward to 2025–26.

The amount at label **R** is your non-primary production losses you carry forward to 2025–26.

Keep a record of them for next year.

Where to go next

- Go to **Taxable income or loss 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to **Subtotal 2025**.

QC 104120

Taxable income or loss 2025

Complete this question to declare your total taxable income or loss.

Published 27 May 2025

Things you need to know

Declare at this question your total taxable income or loss.

How you complete it will depend on whether you completed question **L1 Tax losses of earlier income years** – labels **F** or **Z** in your tax return.

If the amount at **Taxable income or loss** in your tax return is a loss (if you printed **L** in the **Loss** box), then this may not be the amount you show as losses carried forward from earlier income years at question **L1** in next year's tax return. Adjustments will have to be made to take into account any:

- exempt income
- deductions for gifts or donations (question **D9**)
- personal superannuation contributions (question **D12** in your supplementary tax return).

For more information, see **Amounts you don't include as income**.

Have you completed question **L1** – labels **F** or **Z**?

- **No** – Go to, **No prior year losses**.
- **Yes** – Go to, **Deducting your prior year losses**.

Completing your tax return

To complete this question, use the following information.

No prior year losses

Follow the instructions at step 1.

Step 1

Transfer the amount you show at **Subtotal** in your tax return to **Taxable income or loss**.

If the amount at **Taxable income or loss** is less than zero, print **L** in the **Loss** box. Keep a record of this amount to work out your tax losses of earlier income years for next year.

You have completed this question, see **Where to go next**.

Deducting your prior year losses

Follow the steps.

Step 2

Add up the amounts at question **L1** – labels **F** and **Z**. Subtract the total from the amount you have written at **Subtotal**.

Step 3

Write the answer at **Taxable income or loss** in your tax return.

You can't have a loss at **Taxable income or loss** if you had amounts at labels **F** or **Z**. This is because you can only use your losses from earlier years to reduce your current year taxable income to nil. You can't use them to create a tax loss. Any losses you have remaining can be carried over to future years until you fully recoup them.

Where to go next

- Go to question **T1 Seniors and pensioners tax offset 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **L1 Tax losses of earlier income years 2025**.

QC 104121

Tax offset questions T1–T2 – Individual tax return 2025

Instructions to help you to complete tax offset questions T1 and T2 in your paper individual tax return.

Published 27 May 2025

T1 Seniors and pensioners tax offset 2025 ›

Complete this question if you meet the conditions to claim the seniors and pensioners tax offset (SAPTO).

T2 Australian superannuation income stream 2025 ›

Complete this question to work out if you're eligible for this super

Tax offsets in your supplementary tax return 2025

Complete question T if you had tax offsets in the supplementary section in your tax return.

Total tax offsets 2025

Complete this question to work out the total tax offsets in your tax return.

QC 104122

T1 Seniors and pensioners tax offset 2025

Complete this question if you meet the conditions to claim the seniors and pensioners tax offset (SAPTO).

Published 27 May 2025

Things you need to know

Seniors and retirees (including self-funded retirees) may be eligible to claim a tax offset if you meet both conditions:

- eligibility for Australian Government pensions and similar payments
- rebate income amounts.

However, you can't claim this tax offset if you're in jail for the whole of 2024–25.

If you have a spouse, you:

- also need to work out whether they are eligible for the tax offset

- may not get the SAPTO even if you meet all the eligibility conditions, as we base the amount of the tax offset on your individual rebate income, not your combined rebate income.

For the definition of:

- spouse, see **Tax time definitions**.
- rebate income and the worksheet to work it out, see **Rebate income 2025**.

If you're eligible for this offset, we use the information you provide at this question we will calculate the amount of the offset for you.

Use our beneficiary tax offset and seniors and pensioners tax offset calculator to:

- work out whether you're eligible for this tax offset
- get an estimate of your tax offset.

Beneficiary tax offset and seniors and pensioners tax offset calculator

Eligibility for Australian Government pensions and similar payments

Condition 1: Do any of the conditions in the following table apply to you in 2024–25?

Table: Condition and explanation

Condition	Explanation
A	You show at question **6** in your tax return, either: • an Australian Government pension or allowance from Centrelink • a pension, allowance or benefit from the Department of Veterans' Affairs (DVA).
B	You met the Centrelink age pension age requirement and are eligible for an Australian Government age pension during 2024–25, but don't receive it because you didn't make a claim,

	or because of the income test or the assets test, **and** you satisfy one of the following: • you have been an Australian resident for age-pension purposes for 10 years or more, of which 5 years of these years are continuous • you have a qualifying residence exemption because you arrived in Australia as a refugee or under a special humanitarian program • you receive a partner allowance, a widow allowance, or a widow B pension immediately before turning age pension age • you're a woman who was widowed in Australia, and – you and your late partner are Australian residents when your late partner died – you're currently in Australia, and – you have been an Australian resident for at least the last 2 years • you're a woman and on 19 March 2020 you're either receiving – a wife pension and you weren't receiving a carer allowance – a special needs widow B pension • you're a woman and on 31 December 2021 you're receiving a widow allowance • you would qualify for an age pension under an international social security agreement. To work out whether you're eligible for a social security or Centrelink pension, go to Services Australia website. For all other enquiries on the seniors and pensioners tax offset, **contact us**.
C	You met the veteran pension age test and are eligible for a pension, allowance or benefit from Veterans' Affairs during 2024–25, but don't receive it because you haven't made a claim, or because of the income test or the assets test, **and** you're either: • a veteran with eligible war service

	• a Commonwealth veteran, allied veteran or allied mariner with qualifying service. If you're not sure whether you're eligible for a payment, visit the Department of Veterans' affairs website.

If your answer to any of the criteria is:

- **Yes**, you have met condition 1, continue to Condition 2.
- **No**, you're not eligible for this tax offset, see **Where to go next**.

Rebate income amounts

Condition 2: Rebate income amounts

You meet this condition if any of the following applies to you in 2024–25:

- You don't have a spouse, and your rebate income was less than $52,759.
- You have a spouse, and the combined rebate income of you and your spouse was less than $87,620.
- At any time in 2024–25 both of the following apply
  - you and your spouse **had to live apart due to illness** or because one of you was in a nursing home
  - the combined rebate income of you and your spouse was less than $100,104.

Your combined rebate income is the total of:

- your rebate income
- your spouse's rebate income
- the amount on which a trustee of a trust was liable to pay tax in respect of your spouse because your spouse was under a legal disability, such as being an undischarged bankrupt or a person who was declared legally incapable because of a mental condition.

If your answer to any of the criteria is:

- **Yes**, you meet condition 2, continue to **Completing your tax return**.

- **No**, you're not eligible for this tax offset, go to question T2 Australian superannuation income stream 2025.

Completing your tax return

To complete this question, follow the steps.

Step 1

Work out which of the following code letters applies to your circumstances at any time in 2024–25.

Seniors and pensioners tax offset code letters

Code letter	Explanation
A	You're single, separated or widowed.
B	You and your spouse: • are both eligible for the seniors and pensioners tax offset • had to live apart due to illness or live apart because one of you was in a nursing home.
C	Your spouse wasn't eligible for the seniors and pensioners tax offset, **and** you and your spouse either: • had to live apart due to illness • live apart because one of you was in a nursing home.
D	You and your spouse: • live together, and • are both eligible for the seniors and pensioners tax offset.
E	You and your spouse: • live together, and

	• your spouse isn't eligible for the seniors and pensioners tax offset.

Step 2

Work out the letter code to use if more than one applies to your circumstances.

Does more than one code letter apply?

- **No**, print your code letter from Step 1 in the **TAX OFFSET CODE** box at question **T1** – label **N**. Go to **Step 3**.
- **Yes**, use the first code letter that applies to you in the Table: Senior and pensioners tax offset code letters, unless one of the 2 following circumstances applies to you
  - Both **A** and **B** apply, and your spouse's taxable income was less than **$18,334** – print code **B** in the **TAX OFFSET CODE** box at question **T1** – label **N**.
  - Both **A** and **D** apply, and your spouse's taxable income was less than **$12,494** – print code **D** in the **TAX OFFSET CODE** box at question **T1** – label **N**.

    Your spouse's taxable income is the amount you show at **Spouse details – married or de facto** – label **O** in your tax return.

Step 3

Complete this step if you or your spouse is a veteran, war widow or war widower.

Are you or your spouse a veteran, war widow or war widower?

- **No**, go to **Step 4**.
- **Yes**, select the veteran code letter that applies to you
  - **V** – you're a veteran, war widow or war widower
  - **W** – your spouse is a veteran, war widow or war widower
  - **X** – both **V** and **W** apply to you and your spouse.

Print the code letter in the **VETERAN CODE** box at question **T1** – label **Y**.

Step 4

You must read **Income tests 2025** and complete all income tests questions.

Step 5

If you have a spouse during 2024–25, you must complete **Spouse details – married or de facto** in your tax return.

Any unused portion of tax offset

If both you and your spouse are eligible for the SAPTO and one of you doesn't use it all, the unused portion may be available for **transfer to the other person**. We will work this out for you automatically when you lodge your tax return and transfer any entitlement.

To work out whether there is any unused spouse's seniors and pensioners tax offset available to transfer to you, we don't take your spouse's other credits and tax offsets into account.

The maximum SAPTO amounts for an eligible couple depends on your circumstances. If you:

- live apart due to illness, the maximum tax offset is $2,040 each
- live together, the maximum tax offset is $1,602 each.

Pensioner ages and tests

To be eligible for an Australian Government age pension from **Centrelink**, on 30 June 2025 a pensioner must be 67 years or older.

To be eligible for a pension, allowance or benefit from **Veterans' Affairs**, you must meet the veteran pension age test and on 30 June 2025 be 60 years old or older.

You meet the veteran pension age test if one of the following applies to you, and you're eligible for a pension, allowance or benefit under the *Veterans' Entitlements Act 1986*:

- you have eligible war service, that is, service in World War II or operational service as a member of the Australian Defence Force

- you're a Commonwealth or allied veteran who served in a conflict in which the Australian Defence Force was engaged during a period of hostilities, that is, in World War II, Korea, Malaya, Indonesia or Vietnam
- you're an Australian or allied mariner who served during World War II
- you're the war widow or widower of a former member of the Australian Defence Force.

Pension, allowance or benefit includes:

- disability pension
- service pension
- white or gold Repatriation health cards for treatment entitlements.

If you're not sure if you meet the veteran pension age test, visit the Department of Veterans' affairs website.

Where to go next

- Go to question **T2 Australian superannuation income stream 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to **Taxable income or loss 2025**.

QC 104123

T2 Australian superannuation income stream 2025

Complete this question to work out if you're eligible for this super income stream tax offset and the amount.

Last updated 27 May 2025

Things you need to know

If you receive an Australia superannuation (super) income stream, you may be eligible to claim a super income stream tax offset.

Your *PAYG payment summary – superannuation income stream* shows the tax offset amount available to you on your taxed element. There is a limit on the amount of tax offset you can claim on your untaxed element. This isn't on your payment summary, for more information, see **Superannuation income stream tax offset**.

If you show an amount at question **7** – label **M Assessable amount from capped defined benefit income stream**, you're not eligible to a tax offset on the untaxed element amount you show at question **7** – label **M**. However, you may be eligible to a tax offset on another amount.

If you don't receive an Australian super income stream on a *PAYG payment summary – superannuation income stream*, see **Tax offsets in your supplementary tax return 2025**.

Completing your tax return

To complete this question, follow the steps.

To help work out the tax offset amount to report at **T2**, use the **Defined benefit income cap tool** or **Worksheet 1**.

Step 1

At any time in 2024–25 are you both:

- under 60 years old
- not receiving a death benefit income stream where the deceased was 60 years old or older at the time of death?

If your answer to these questions is:

- **Yes**, add up the tax offsets your payment summaries show. Add the result to any other amount at **Worksheet 1** – row **g**. Go to Step 2.
- **No**, go to Step 2.

Step 2

At any time in 2024–25 are you both:

- under 60 years old
- receiving a death benefit income stream where the deceased was 60 years old or older at the time of death?

If your answer to these questions is:

- **Yes**, add up the tax offsets your payment summaries show, excluding capped defined benefit income stream that is a death benefit income stream where the deceased was 60 years old or older.
  Add the result to any other amount at **Worksheet 1** – row **g**.
  Go to **Step 3**.
- **No**, go to **Step 3**.

Step 3

In 2024–25, did you receive a capped defined benefit income stream with an untaxed element when you're either:

- 60 years old or older
- under 60 years old and you're receiving a death benefit income stream where the deceased was 60 years old or older at the time of death?

If your answer to these questions is:

- **Yes**, the tax offset amount you need isn't on your *PAYG payment summary – superannuation income stream*. To work it out, go to Calculate the untaxed element.
- **No**, add together amounts at **Worksheet 1** – row **g** and transfer to question **T2** – label **S**.

Calculate the untaxed element

Use the Defined benefit income cap tool to calculate the untaxed element of your capped defined benefit income stream.

Defined benefit income cap tool

To manually calculate the untaxed element of your capped defined benefit income stream, complete worksheet 1.

You need the following amounts to complete worksheet 1:

- from question **7**, your defined benefit income cap
- from your *PAYG payment summary – superannuation income stream*
  - the total of your taxed element and tax-free components you receive when you're either
    - 60 years old or older
    - under 60 years old and the income stream was a death benefit income stream where the deceased was 60 years old or older (these amounts are to include lump sum in arrears).
  - the total of your untaxed element, including lump sum in arrears, you receive when you were either
    - 60 years old or older
    - under 60 years old and the income stream was a death benefit income stream where the deceased was 60 years old or older.

Worksheet 1: untaxed element of your capped defined benefit income stream

Row	Calculation	Amount
a	Defined benefit income cap (from question **7**).	$118,750
b	Your total taxed element and tax-free components.	$
c	If row **b** is greater than row **a** then you're not eligible for a tax offset on your untaxed element. Write **0** (zero) at row **f** and then go to row **g**. Where row **b** is less than row **a** then subtract row **b** from row **a**.	$
d	Your total untaxed element.	$
e	Write the lesser of row **c** and row **d**.	$
f	Multiply row **e** by 10%.	$

g	Add together any amount from steps 1 and 2.	$
h	Add together row **f** and row **g**. This is your tax offset.	$

Transfer the amount at row **h** to question **T2** – label **S**.

Where to go next

- Go to **Tax offsets in your supplementary tax return 2025.**
- Return to main menu **Individual tax return instructions 2025.**
- Go back to question **T1 Seniors and pensioners tax offset 2025.**

QC 104124

Tax offsets in your supplementary tax return 2025

Complete question T if you had tax offsets in the supplementary section in your tax return.

Last updated 27 May 2025

Things you need to know

You need to complete the *Tax return for individuals (supplementary section) 2025* if you're entitled to a tax offset for any of the following:

- tax offset for superannuation contributions you make on behalf of your spouse
- zone tax offset when you live in a remote or isolated area of Australia
- overseas forces tax offset when you serve overseas as a member of the Australian Defence Force or a United Nations armed force

- invalid or invalid carer tax offset for the maintenance of an invalid or an invalid carer who is 16 years old or older
- landcare and water facility tax offset brought forward from an earlier year
- early-stage venture capital limited partnership tax offset
- early-stage investor tax offset
- foreign income tax offset for foreign income tax you pay and claim at question **20**
- tax offset for tax paid by the trustee of a special disability trust if you're the principal beneficiary
- tax offset for exploration credits.

If you don't have any of these tax offsets in your supplementary tax return, go to **Total tax offsets 2025**.

What you need to answer this question

You'll need a copy of the **Tax return for individuals (supplementary section) 2025**. You may also need to read **Supplementary tax return instructions 2025**.

Completing your tax return

Complete all details that are relevant to your circumstances in your supplementary tax return.

Transfer the **Total supplement tax offsets** amount in your supplementary tax return to the **Tax offsets** section in your tax return – question **T**.

Where to go next

- Go to question **Total tax offsets 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **T2 Australian superannuation income stream 2025**.

QC 104125

Total tax offsets 2025

Complete this question to work out the total tax offsets in your tax return.

Published 27 May 2025

Completing your tax return

To complete this question, follow the steps.

Step 1

Add up all the tax offset amounts you claimed at questions **T2** and **T** in your tax return. (We work out the amounts at question **T1** automatically.)

If you didn't claim any tax offsets in the supplementary tax return, you won't have an amount at label **T**.

Step 2

Write the total amount at **TOTAL TAX OFFSETS** – label **U** in your tax return.

Where to go next

- Go to question **M1 Medicare levy reduction or exemption 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to **Tax offsets in your supplementary tax return 2025**.

Medicare levy questions M1-M2 – Individual tax return 2025

Instructions to help you to complete Medicare levy questions M1 and M2 in your paper individual tax return.

Published 27 May 2025

M1 Medicare levy reduction or exemption 2025

Complete question M1 to work out whether you qualify for a Medicare levy reduction or exemption.

M2 Medicare levy surcharge 2025

Complete question M2 to work out whether you need to pay the Medicare levy surcharge. Question M2 is compulsory.

Private health insurance policy details 2025

Complete this question if you had private health insurance policy cover or pay for a dependant-person-only policy.

QC 104127

M1 Medicare levy reduction or exemption 2025

Complete question M1 to work out whether you qualify for a Medicare levy reduction or exemption.

Published 27 May 2025

Things you need to know

Australian residents for tax purposes are subject to a **Medicare levy** of 2% of their taxable income unless they qualify for a reduction or exemption. See, **Your tax residency**

If you're not an Australian resident for tax purposes for the whole of 2024–25, you may be exempt from the Medicare levy. To work out whether you're exempt, see Part B – Medicare levy exemption.

We base a:

- Medicare levy reduction on your taxable income
- Medicare levy exemption on specific categories.

You need to consider your eligibility for a reduction or an exemption separately.

Complete Part A to work out if you can claim the Medicare levy reduction. If you aren't eligible for a reduction.

Complete Part B to work out if you can claim a Medicare levy exemption.

If you want to work out the amount of Medicare levy you have to pay, you can use our **Medicare levy calculator**.

Part A – Medicare levy reduction

We base your eligibility for a **Medicare levy reduction** on your and your spouse's taxable income and your number of dependent children.

Your taxable income must be equal to or less than the relevant upper threshold in **table 1** for you to qualify for a reduction. If your taxable income is equal to or less than the relevant lower threshold, you don't pay the Medicare levy.

We'll work out any reduction for you. To work out how to complete your tax return, see Your circumstances and what to do next.

Table 1: Medicare levy thresholds for a single individual

Category	Lower threshold	Upper threshold
If you're entitled to the seniors and pensioners tax offset (see **T1 Seniors and pensioners tax offset 2025**)	$43,020	$53,775 (see note)
All other taxpayers	$27,222	$34,027

Note: The entitlement to the seniors and pensioners tax offsets ceases when rebate income reaches $52,759

If you have a spouse, you may not get the seniors and pensioners tax offset even if you meet all the eligibility conditions as we base the amount of the tax offset on your individual **rebate income**, not your combined rebate income. If you don't get the tax offset, merely being eligible for it won't entitle you to a Medicare levy reduction.

Your circumstances and what to do next

Your circumstance	What to do
Your taxable income is equal to or less than your lower threshold amount. See, Table 1.	You don't have to pay the Medicare levy. Don't write anything at question **M1** in your tax return. Go to, **Where to go next**.
Your taxable income is greater than your lower threshold amount and less than or equal to your upper threshold amount. See, Table 1.	You pay only part of the Medicare levy. We will work it out. Go to, Part B if you're single with no dependants to see if you qualify for an exemption.
Your taxable income is over your upper threshold amount, and you're single with no dependants. See, Table 1.	You don't qualify for a reduction. Go to, Part B to see if you qualify for an exemption.

Your taxable income is greater than your lower threshold amount but you: • have a spouse, or • have a spouse who dies during 2024–25, and you don't have another spouse in 2024–25, or • are entitled to an invalid and invalid carer tax offset in respect of your child at question **T5**, or • at any time during 2024–25, have sole care of one or more dependent children or students. See, Table 1.	You may be eligible for a Medicare levy reduction based on family taxable income: • first work out your **family taxable income** using Worksheet 1 • then use Worksheet 2 to work out your **family taxable income limit**.

Definition of sole care

Sole care means that you alone have full responsibility, on a day-to-day basis, for the upbringing, welfare and maintenance of a child or student. You're not considered to have sole care if you're living with a spouse (married or de facto) unless special circumstances exist. Generally, for special circumstances to exist, you must be financially responsible for the dependent child or student and have sole care without the support that a spouse normally provides.

Situations where special circumstances may arise include the following:

- You're married at any time during 2024–25 but
  - during 2024–25, you separate from, or are deserted by, your spouse, and
  - for the remainder of 2024–25, you aren't in a de facto relationship.
- Your spouse is in prison for a sentence of 12 months or more.
- Your spouse is medically certified as being permanently mentally incapable of taking part in caring for the child or student.

If you're not sure whether special circumstances apply, **contact us**.

Working out your number of dependent children

A dependent child is any child who is an Australian resident who you maintain in 2024–25 and whose adjusted taxable income (see **Adjusted taxable income for you and your dependants 2025**) is less than the amounts in the table.

Dependent children – ATI thresholds

Category of dependent child	ATI if not maintained for the whole year	ATI if maintained for the whole year
Any child under 21 years old you maintain who **isn't** a full-time student	For the first child: • $282 *plus* $28.92 for each week you maintain them For each additional child: • $282 *plus* $21.70 for each week you maintain them	For the first child: • $1,786 For each additional child: • $1,410
Any full-time student who is under 25 years old at a school, college or university	$282 *plus* $28.92 for each week you maintain them	$1,786

If you have a spouse on 30 June 2025, or your spouse dies during 2024–25 and you don't have another spouse on or before 30 June 2025, count all your dependent children.

If you're single or separated on 30 June 2025, count only the number of dependent children for who you receive the family tax benefit (FTB) during all or part of 2024–25. Count them even if you receive only the rental assistance component of FTB Part A and you share the care of the dependent child.

Write the number of dependent children you had during 2024–25 at **Worksheet 2** – row **e**.

Family taxable income

Family taxable income is either:

- the combined taxable incomes of you and your spouse (including a spouse who dies during 2024–25)
- your taxable income if you're a sole parent.

Worksheet 1: Family taxable income

Row	Calculation	Amount
a	Your taxable income from **Taxable income or loss**. If the amount is less than $0 (zero), write $0.	$
b	Your spouse's taxable income from **Taxable income or loss** in their tax return (if applicable). If the amount is less than $0 (zero), write $0.	$
c	Add row **a** and row **b**. This is your family taxable income.	$

Working out your family taxable income limit

Your family taxable income must be equal to or less than the limit in **worksheet 2** for you to qualify for a Medicare levy reduction.

Worksheet 2: Family taxable income limit

Row	Calculation	Amount
d	If you're entitled to the seniors and pensioners tax offset, enter $74,857. For all other taxpayers, enter $57,383.	$
e	Number of dependent children (if applicable, see note).	Children
f	Multiply row **e** by $5,270 (see note).	$

g	**Family taxable income limit**. Add the appropriate amount from row **d** to the amount at row **f**.	$

Note: If you're a sole parent, you can increase your family taxable income limit for a dependent child only if the family tax benefit is payable to you for that dependent child.

Is your family taxable income at **worksheet 1** – row **c** equal to or less than your family taxable income limit at **worksheet 2** – row **g**?

- **Yes** – You qualify for a Medicare levy reduction. Go to Step 1.
- **No** – You don't qualify for a reduction. Go to Part B to see if you qualify for an exemption.

Completing your tax return – Medicare levy reduction

To complete this question, follow the steps.

Step 1

If you have a spouse on 30 June 2025, or your spouse dies during 2024–25 and you don't have another spouse on or before 30 June 2025, write your spouse's taxable income at question **Spouse details – married or de facto** – label **O** in your tax return. If your spouse has no taxable income, write **0** (zero).

Step 2

Write the number of your dependent children (from **worksheet 2** – row **e**) at question **M1** – label **Y**. If you have none, write **0** (zero).

We work out the reduction for you, using your spouse details and number of dependent children.

Read on to see if a Medicare levy exemption applies to you for all or part of 2024–25.

Part B – Medicare levy exemption

You may qualify for a **Medicare levy exemption** if you're in any of the following 3 exemption categories at any time in 2024–25. These

categories are:

- medical
- foreign resident
- not entitled to Medicare benefits.

If you don't fit into one of the exemption categories, leave question **M1** – labels **V** and **W** blank and go to **Where to go next**.

For the Medicare levy exemption (but not the reduction), **dependant** means an Australian resident you maintain who is any of the following:

- your spouse
- your child under 21 years old
- your child, 21 to 24 years old, who receives full-time education at a school, college or university and whose adjusted taxable income (ATI), for the period you maintain the child is less than the total of $282 plus $28.92 for each week you maintain them.

For the meaning of maintaining a dependant and ATI, see **Adjusted taxable income for you and your dependants 2025**.

If the parents of a child live separately and apart for all or part of 2024–25 and the child is a dependant of each of them, treat the child as an equal dependant of each parent (irrespective of the number of days the child is in each parent's care). However, where a parent receives FTB Part A for the child, even if receiving only the rental assistance component, the child is a dependant of that parent for the number of days the child is in their care.

Category 1: Medical

You're in this exemption category and can claim a full or half exemption if one of the following applies during all or part of 2024–25, you're:

- a **blind pensioner**
- entitled to full free medical treatment for all conditions under **defence force** arrangements or **Veterans' Affairs** Repatriation Health Card (Gold Card).

During the period you met that condition, you also meet **one** of the following conditions in the table.

Additional medical exemption conditions – type of exemption that applies

Additional condition met	Exemption that applies
You have no dependants.	Full
Each of your dependants (including your spouse if you have one) either: • is in one of the exemption categories • needs to pay the Medicare levy.	Full
You have dependent children who aren't in an exemption category but who are also dependants of your spouse, and your spouse either: • has to pay the Medicare levy • meets at least one of the **Category 1: Medical** conditions and you have a family agreement stating that your spouse will pay the half levy for your joint dependants.	Full
You have at least one dependant (for example, a spouse) who both: • isn't in an exemption category • doesn't have to pay the Medicare levy (for example, because their taxable income is below the lower Medicare levy threshold), see Table 1.	Half
You're single or separated and you: • have a dependent child who isn't in a Medicare levy exemption category, and • are entitled to FTB Part A or the rental assistance component of FTB Part A for that child, and • are in a shared-care arrangement. Then exemption from the Medicare levy is for the days that you **have care** of your	Half

dependent child.	
You're single or separated and you: • have a dependent child who isn't in a Medicare levy exemption category, and • are entitled to FTB Part A or the rental assistance component of FTB Part A for that child, and • are in a shared-care arrangement. Then exemption from the Medicare levy is for the days that you **don't have care** of your dependent child.	Full
You have a spouse who meets at least one of the **Category 1: Medical** conditions and you have a dependent child who: • isn't in an exemption category, and • is dependent on both of you. In this case, either you or your spouse can claim a full exemption and the other can claim a half exemption by completing a family agreement.	Full or Half

If you're in this exemption category, go to Step 1.

Family agreements

A **family agreement** is a written agreement signed by you and your spouse. You complete a **family agreement** only if both you and your spouse would have to pay the Medicare levy were it not for your exemption category status. You don't need to send this agreement to us. Keep it with your records. The agreement must contain:

- the statement 'We agree that the Medicare levy exemption in respect of our dependants for 2024–25 will be claimed as follows'
- name of person claiming the **full** exemption
- name of person claiming the **half** exemption
- your signature
- your spouse's signature.

The agreement must be signed before the date of the person claiming the full exemption lodges their tax return, unless the Commissioner allows further time.

Category 2: Foreign resident

If you're a foreign resident for tax purposes for the whole of 2024–25, you can claim a full exemption (365 days).

If you're a foreign resident for only part of 2024–25, you can claim a full exemption for that period, if **either**:

- you don't have any dependants for that period
- all your dependants are in an exemption category for that period.

If you're in this exemption category, go to Step 1.

Category 3: Not entitled to Medicare benefits

You can claim a **full** exemption for any period for which you have a Medicare entitlement statement from Services Australia showing you aren't entitled to Medicare benefits because you're a temporary resident for Medicare purposes, and **either**:

- you don't have any dependants for that period
- all your dependants are in an exemption category for that period.

To claim an exemption, you must first submit a **Medicare Entitlement Statement** to Medicare and receive a certification letter from them saying that you aren't entitled to Medicare benefits for a particular period. You can then claim the exemption for the period that Medicare advises.

You need to submit a Medicare entitlement statement to Medicare each income year you want to claim an exemption for.

You also qualify for a full exemption under this category if:

- you're a member of a **diplomatic mission** or consular post in Australia (or a member of such a person's family and you're living with them)
- you aren't an Australian citizen
- you don't ordinarily live in Australia, and either
  - you don't have any dependants for that period

- all your dependants are in an exemption category for that period.

If you're in this exemption category, go to Step 1.

If you aren't in any of the exemption categories leave question **M1** – labels **V** and **W** blank. You have finished this question, go to **Where to go next**.

Completing your tax return – Medicare levy exemption

Use the information in the categories to work out whether you qualify for a full exemption or a half exemption and to determine how many dependent children you have during the income year.

To complete this question, follow the steps.

Step 1

Work out the number of days for which you can claim a full exemption and the number of days for which you can claim a half exemption.

The maximum total number of days you can claim is 365. If you have overlapping qualifying periods, count the days in those overlapping periods only once. If a full exemption period overlaps a part exemption period, count the overlapping days as a full exemption period.

Step 2

Write the number of days you qualify for a full exemption at question **M1** – label **V**.

Write the number of days you qualify for a half exemption at question **M1** – label **W**.

If you're a temporary resident for Medicare purposes and have a **Medicare Entitlement Statement** from Services Australia covering a period in 2024–25 (see Category 3), then print **C** in the **CLAIM TYPE** box. If you don't fall within this category, leave the **CLAIM TYPE** box blank.

We will work out your exemption entitlement.

Step 3

If you have a spouse at any time in 2024–25, you must complete question **Spouse details – married or de facto** in your tax return.

Where to go next

- Go to question **M2 Medicare levy surcharge 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to **Total tax offsets 2025**.

QC 104128

M2 Medicare levy surcharge 2025

Complete question M2 to work out whether you need to pay the Medicare levy surcharge. Question M2 is compulsory.

Published 27 May 2025

Things you need to know

This question is compulsory.

The Medicare levy surcharge (MLS) is in **addition** to the Medicare levy. Depending on your income for MLS purposes, the MLS rate is 1%, 1.25% or 1.5% of:

- your taxable income
- your total reportable fringe benefits
- any amount on which family trust distribution tax has been paid.

Medicare levy surcharge income testing

We income test the MLS against the following income tier thresholds.

Income thresholds

Threshold	Base tier	Tier 1	Tier 2	Tier 3
Single threshold	$97,000 or less	$97,001–$113,000	$113,001–$151,000	$151,001 or more
Family threshold	$194,000 or less	$194,001–$226,000	$226,001–$302,000	$302,00 or more
Medicare levy surcharge	0%	1%	1.25%	1.5%

Note: The family income threshold increases by $1,500 for each MLS dependent child after the first child.

You may have to pay MLS for any period during the income year when both of the following apply:

- you, your spouse, or any of your dependants don't have an appropriate level of private patient hospital cover
- your income for MLS purposes is above the threshold.

Example: Medicare levy surcharge liability

Josh is 35 years old, single, has no dependants, and doesn't have the appropriate level of private patient hospital cover. In 2024–25, Josh's taxable income is $90,000.

When Josh completes his tax return, he also completes the income test section of the tax return and declares:

- reportable fringe benefits of $20,000
- net investment losses of $7,000.

Josh's total income for MLS purposes is $117,000 ($90,000 + $20,000 + $7,000). This makes him a tier 2 income earner and will determine the percentage of MLS, which is 1.25%. The percentage of MLS is only applied against taxable income and reportable fringe benefits.

In 2024–25, Josh's Medicare levy surcharge liability is:

($90,000 taxable income + $20,000 reportable fringe benefits) × 1.25% = $1,375

Appropriate level of private patient hospital cover

An appropriate level of private patient hospital cover is cover a registered health insurer provides for hospital treatment in Australia which has an excess of either:

- $750 or less (for a policy covering only one person)
- $1,500 or less (for all other policies).

Excess is the amount you pay before your health insurer pays for any claim you make.

General cover (formerly called ancillary cover) or 'extras' isn't private patient hospital cover because it covers only items such as optical, dental, physiotherapy or chiropractic treatment.

If you have health cover but aren't sure whether it is at the appropriate level, ask your registered health insurer.

Income for MLS purposes

Your income for MLS purposes is your taxable income (excluding any assessable **first home super saver** released amount) *plus* the following if they apply to you:

- reportable fringe benefits (on your income statement or payment summary)
- reportable super contributions (which is the total of both your reportable employer super contributions and your deductible personal super contributions)
- your net investment loss (which is the amount by which your financial investment deductions exceed your financial investment income, *plus* the amount by which your rental property deductions exceed your rental property income)
- the amount on which family trust distribution tax has been paid.

Dependants

For this question, your dependants (regardless of their income) are your:

- spouse, even if they work during 2024–25, or have their own income
- children under 21 years old
- children 21 to 24 years old who are studying full time at school, college or university.

Dependants must be Australian residents and you must contribute to their maintenance.

Your **spouse** includes another person who:

- you're in a relationship with that is registered under a prescribed state or territory law
- although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple.

The definition of child includes:

- a child born or adopted in 2024–25
- someone who is a child of the individual within the meaning of the *Family Law Act 1975*.

If you and all your dependants, including your spouse, have an appropriate level of private patient hospital cover for the whole of 2024–25, go to **Step 1**. Otherwise, read on.

If you aren't sure whether you have an 'appropriate level of private patient hospital cover' during 2024–25, contact your health insurer. You can also ask your health insurer for a statement showing the number of days you and all your dependants have an appropriate level of health cover.

If you would like to work out the amount of MLS you have to pay, use the **Income tax estimator**.

What you need to answer this question

If you don't have an appropriate level of private patient hospital cover, you may be liable for MLS. Whether or not you're liable to pay MLS depends on both of the following:

- your income for MLS purposes
- your combined income for MLS purposes, if you have a spouse in 2024–25 or if your spouse dies in 2024–25.

Complete **Worksheet 1** to work out your and your spouse's income (if relevant) for MLS purposes.

If you have exempt foreign employment income, and your taxable income is $1 or more, add your exempt foreign income to your taxable income, and write the total at **Worksheet 1** – row **a**.

If you don't have a spouse, go to Medicare levy surcharge exemption after you complete **Worksheet 1**.

If your spouse is under a legal disability, write at row **h** in the spouse column your spouse's net income from a trust for which the trustee is liable to pay tax. Examples of a legal disability include being:

- bankrupt
- a person who is declared legally incapable because of a mental condition
- under 18 years old on 30 June 2025.

Don't include any amount that you already include in your spouse's taxable income at row **a**.

Write at row **c** the total amount of distributions to you or your spouse:

- on which family trust distribution tax has been paid, and
- which you or your spouse would have to show as assessable income if the tax had not been paid.

Worksheet 1: Working out income for MLS purposes

Row	Working out income for MLS purposes	You	Spouse
a	Taxable income from **Taxable income or loss** (excluding any assessable **first home super saver** released amount).	$	$

b	Total reportable fringe benefits amount (the sum of question **IT1** – labels **N** and **W**).	$	$
c	Amount on which family trust distribution tax has been paid (from question **A5** – label **X** in the supplementary tax return).	$	$
d	Net financial investment loss (from question **IT5** – label **X**).	$	$
e	Net rental property loss (from question **IT6** – label **Y**).	$	$
f	Reportable employer super contributions (from question **IT2** – label **T**).	$	$
g	Deductible personal super contributions (from question **D12** – label **H** in the supplementary tax return).	$	$
h	Your spouse's share of the net income of a trust on which the trustee must pay tax (from **Spouse details** – label **T**).	n/a	$
j	Add the amounts from row **a** to row **h** in each column.	$	$

Your income for MLS purposes when you're single is the amount at row **j** in your column.

Your combined income for MLS purposes is the amount from row **j** in your column and the amount from row **j** in your spouse's column.

Medicare levy surcharge exemption

If you fit in one of the following categories, you're exempt from MLS for the whole of 2024–25.

Surcharge exemption categories

- For the **whole of 2024–25, you and all of your dependants (if you have any),** either
  - have an appropriate level of private patient hospital cover
  - are in a Medicare levy exemption category (see **question M1**).
- You're **single** for the **whole of 2024–25**, and
  - you don't have any dependent children for the whole of 2024–25
  - your income for MLS purposes is **$97,000 or less**.
- You're **single** for the **whole of 2024–25**, and
  - have a dependent child for the whole of 2024–25
  - your income for MLS purposes is **$194,000 or less** (*plus* $1,500 for each dependent child after the first).
- You're **single** for **part of 2024–25**, and
  - you don't have a dependent child for the for the whole of 2024–25
  - your spouse didn't die during the year
  - your income for MLS purposes is **$97,000 or less**.
- You have a **spouse** (with or without dependent children) **for the whole of 2024–25**, and your combined income for MLS purposes is either
  - **$194,000 or less** (*plus* $1,500 for each dependent child after the first)
  - **greater than $194,000** (*plus* $1,500 for each dependent child after the first) but your own income for MLS purposes is **$27,222 or less**.

If your spouse dies during 2024–25 and you don't have another spouse on or before 30 June 2025, assume that you have a spouse for the whole of 2024–25 when you work out your MLS income.

Lump sum payment in arrears in spouse's supplementary tax return

If you're liable for MLS only because your spouse shows a lump sum payment in arrears at question 20 Foreign source income and foreign

assets or property or question **24 Other income** in their supplementary tax return, you may be entitled to a tax offset up to the amount of MLS you have to pay. We will calculate the tax offset for you.

You'll need to provide additional information.

If you're lodging a paper tax return:

- write on a separate piece of paper
  - the heading **Schedule of additional information – question M2**
  - your name, address, TFN and the name and address of your spouse
  - details that your spouse receives a lump sum payment in arrears
- attach your schedule of additional information to your tax return
- print **X** in the **Yes** box at **Taxpayer's declaration** in your tax return.

Income threshold when your circumstances change during the year

If you have a new spouse, you separate from your spouse, or you become or cease to be a sole parent, both the single and the family surcharge thresholds may apply to you for different periods. Special rules apply to calculate MLS for these periods.

You need to work out whether you're liable for MLS for any period during 2024–25 that you:

- are single (that is, you have no spouse or dependent children) so you can apply the single surcharge threshold of **$97,000** to your income for MLS purposes
- have a spouse or any dependent children, so you can apply the family surcharge threshold of **$194,000**, *plus* $1,500 for each dependent child after the first, to your income for MLS purposes.

We will calculate the rate of your MLS liability using either:

- your combined family income using the relevant family income threshold if you have a spouse on 30 June 2025
- your own income using the relevant single income threshold if you're single on 30 June 2025.

You're liable for MLS for the number of days you're single if both of the following apply:

- your own income for MLS purposes is more than **$97,000**
- you don't have appropriate private patient hospital cover or aren't in a Medicare levy exemption category.

You're liable for MLS for the number of days you have a spouse or dependent children, if both of the following apply:

- your own income for MLS purposes is more than $194,000 (plus $1,500 for each dependent child after the first one)
- you, or your spouse, or a dependent child either
  - don't have an appropriate level of private patient hospital cover
  - aren't in a Medicare levy exemption category.

To help you work out whether you're liable for MLS for the different periods, see the examples.

Example: spouse for the first part of the year

Michael and Michelle lived together as a couple on a genuine domestic basis for 7 years, but on 12 October 2024 they separate and each stay single. They don't have private patient hospital cover at any time during 2024–25.

Michael and Michelle had no dependent children, but they were dependants of each other for MLS purposes until the separation.

Michael's income for MLS purposes was $69,000 and Michelle's was $98,000. In previous years, they used their combined income to assess their MLS liability. They now use their individual income for MLS purposes and compare that with:

- family MLS threshold to calculate if they will have to pay MLS for the number of days they were living together as a couple
- single person MLS threshold to calculate if they will have to pay MLS for the number of days they were single.

Michael and Michelle are a family for the period 1 July to 12 October 2024 (104 days), so the family MLS threshold of $194,000 applies to each of them for that period. For these

104 days, they will be liable for MLS only if their own income for MLS purposes is more than the family MLS threshold of $194,000. This means:

- Michelle isn't liable for MLS for this period because her $98,000 income for MLS purposes was less than $194,000
- Michael isn't liable for MLS for this period because his $69,000 income for MLS purposes was less than $194,000.

Michael and Michelle were single for the period 13 October 2024 to 30 June 2025, so the single person MLS threshold of $97,000 applies for that period:

- Michelle is liable to pay MLS for this period because her $98,000 income for MLS purposes exceeded $97,000
- Michael isn't liable for MLS for this period because his $69,000 income for MLS purposes was less than $97,000.

Michael and Michelle complete their tax returns at question **M2** – label **A** by writing the number of days that they were not liable for MLS in 2024–25:

- Michelle writes 104, the number of days in the first period when she isn't liable for MLS
- Michael writes 365 because he isn't liable for MLS in 2024–25.

In calculating the rate of MLS levied on Michelle, the single income threshold is used as Michelle was single on 30 June 2025. Michelle's own income for MLS purposes is $98,000, which is above the single tier 1 threshold ($97,000). This means that any MLS levied on Michelle is at the tier 1 rate of 1%. Therefore, Michelle's MLS for the second part of the year is calculated as follows:

$98,000 × 1% × (262 ÷ 365) = $703.45

Example: spouse for the second part of the year

At the beginning of the income year, Alice and Adam were both single. Alice and Adam got married on 17 January 2025 and are still married on 30 June 2025. They weren't in a de facto relationship before their marriage. They don't have private patient hospital cover at any time during 2024–25.

Alice and Adam had no dependent children, but they were dependants of each other for MLS purposes from the date they were married.

Alice's income for MLS purposes was $150,000 (including a net investment loss of $8,000) and Adam's income for MLS purposes was $80,000.

Alice and Adam were single for the period 1 July 2024 to 16 January 2025 (200 days), so the single person MLS threshold of $97,000 applies to each of them for that period. This means:

- Alice is liable to pay MLS for this period because her $150,000 income for MLS purposes exceeds $97,000.
- Adam isn't liable for MLS for this period because his $80,000 income for MLS purposes was less than $97,000.

Alice and Adam are a family for the period 17 January to 30 June 2025 (165 days), so the family MLS threshold of $194,000 applies to each of them for that period. For these 165 days, each is liable for MLS only if their personal income for MLS purposes is more than the family MLS threshold of $194,000. This means:

- Alice isn't liable for MLS for this period because her $150,000 income for MLS purposes was less than $194,000.
- Adam isn't liable for MLS for this period because his $80,000 income for MLS purposes was less than $194,000.

Alice and Adam complete their tax returns at question **M2** – label **A** by writing the number of days that they aren't liable for MLS in 2024–25:

- Alice writes 165, the number of days in the second period when she isn't liable for MLS.
- Adam writes 365 because he isn't liable for MLS during any period in 2024–25.

In calculating the rate of MLS levied on Alice, the family income threshold is used as Alice was married on 30 June 2025. Alice and Adam's combined income for MLS purposes is $230,000, which is above the family tier 2 earner threshold ($194,000). This means that any surcharge levied on Alice is at the rate of 1.25%. Therefore, Alice's MLS for the first part of the year is calculated as follows:

$142,000 (taxable income) × 1.25% × (200 ÷ 365) = $972.60

Part year private patient hospital cover

If you're single and take out private patient hospital cover during the year, use the following example to help you work out how many days you're liable to pay MLS.

Example: part-year private patient hospital cover

In 2024–25, Jacinta is single and has no dependants. She has income for MLS purposes of $99,000. She isn't in a Medicare levy exemption category at any time during the year.

Jacinta takes out private patient hospital cover on 16 January 2025. Because Jacinta's income for MLS purposes is above the single surcharge threshold of $97,000 and she doesn't have private patient hospital cover for the full year, she pays MLS for the part of the year that she doesn't have private patient hospital cover.

Jacinta won't have to pay MLS for the time she has private patient hospital cover, that is, 16 January 2025 to 30 June 2025 (166 days).

Jacinta will write the number of days in 2024–25 that she isn't liable for MLS (166) at question **M2** – label **A** in her tax return and complete the **Private health insurance policy details** in her tax return.

Family cover for part of the year

If some members of your family have cover for only part of the year, use the following example to help you work out how many days you're liable to pay MLS.

Example: part-year liability

Jill and Kevin have been married for a number of years. They have 3 dependent children. Jill, Kevin and their children weren't in a Medicare levy exemption category at any time during the year. Jill and the children are covered by private patient hospital cover for the full income year. Kevin has his name added to the policy on 10 January 2025.

Jill and Kevin have a combined income for MLS purposes of $200,000. The family surcharge threshold for Jill and Kevin is $197,000 (that is, $194,000 plus 2 × $1,500). Because not everyone is covered for the period 1 July 2024 to 9 January 2025 and their combined income for MLS purposes exceeds the family surcharge threshold, Jill and Kevin are both liable for MLS for this period (193 days). Jill and Kevin will both write the number of days that they are not liable for MLS (172) at question **M2** – label **A** in their tax returns and complete the **Private health insurance policy details** in their tax returns.

Completing your tax return

To complete this question, follow the steps.

Step 1

If you and all your dependants (including your spouse) have an appropriate level of private patient hospital cover for the whole of 2024–25, print **X** in the **Yes** box at the right of question **M2** – label **E**. Make sure you also complete your **Private health insurance policy details**. You have finished this question.

If you or any of your dependants (including your spouse) don't have private patient hospital cover or only have cover for part of the year, print **X** in the **No** box question **M2** – label **E**.

Step 2

If you're in an exemption category (see, Surcharge exemption categories) for the whole of 2024-25, print **X** in the **Yes** box to the left of 'You don't have to pay the surcharge.' and write 365 at question **M2**

– label **A**. You have finished this question. Go to **Private health insurance policy details 2025**.

If you aren't in an exemption category, print **X** in the **No** box to the left of 'You may have to pay the surcharge.'

Step 3

Write at question **M2** – label **A** the number of days for which you **don't** have to pay **MLS**.

If you don't have to pay MLS for any days during the period 1 July 2024 to 30 June 2025, write 365 at question **M2** – label **A**.

If you need to pay MLS for:

- the whole period 1 July 2024 to 30 June 2025, write **0** (zero) at question **M2** – label **A**
- part of the period 1 July 2024 to 30 June 2025, write at question **M2** – label **A** the number of days for which you don't have to pay MLS.

Step 4

Write the number of dependent children you have during 2024–25 at question **IT8** – label **D**.

Complete **Income tests**.

Step 5

If you have a spouse during 2024–25 and you or any of your dependants (including your spouse) aren't covered by private patient hospital cover for the full income year, complete **Spouse details – married or de facto**.

Where to go next

- Go to **Private health insurance policy details 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **M1 Medicare levy reduction or exemption 2025**.

QC 104129

Private health insurance policy details 2025

Complete this question if you had private health insurance policy cover or pay for a dependant-person-only policy.

Published 27 May 2025

Things you need to know

We'll use the information you provide at this question to work out your share of any **private health insurance rebate** entitlement. This may result in a tax offset or liability.

If you don't have your own policy, you may have cover as a dependent person on your family policy, if you're under 32 years old or are a person with disability. You should talk to your health insurer if you want to change your policy or add other dependants to your family policy.

For this question, the definition of a dependent person relates to the rules of your health fund. If you're unsure about whether this applies to you, check your family private health insurance policy details or contact your insurer.

Complete this question if at any time during 2024–25 you either:

- have private health insurance policy cover
- pay for a dependant-person-only policy.

If you're an overseas visitor who isn't eligible for Medicare, and therefore not entitled to any private health insurance rebate, don't complete **Private health insurance policy details** in your tax return.

If you don't have private health insurance policy cover or pay for a dependant-person-only policy, go to question **A1 Under 18 2025**.

What you need to answer this question

It's optional for registered health insurers to provide you with a private health insurance statement (PHI statement). Your registered health insurer will only provide a statement if you request one.

You may need a private health insurance statement when lodging your tax return. Contact your health insurer for a statement to ensure you use the correct details when completing your tax return.

If you have cover as a dependent person on a family policy, use the information on the statement for that policy.

There may be a delay processing your tax return if you don't use your PHI statement and the private health insurance details you provide are incorrect.

To check whether your health insurer is a registered private health insurer, see the Australian Prudential Regulation Authority.

Completing your tax return

Use the information on your statement to complete your tax return.

In most cases, there will be 2 rows of information on your PHI statement. One row relates to premiums you pay and rebates you receive before 1 April, and the other row relates to premiums you pay and rebates you receive on or after 1 April.

Transfer all rows of information separately to your tax return, as they appear on your PHI statement. Don't combine the rows of information.

If you have more than one private health insurance policy, complete the following steps for each row of information on your statement for each policy.

If you have more than 4 rows of information on your statement, you'll need to provide a *Schedule of additional information*. Complete the following steps for the first 4 policies. Then on a separate sheet of paper:

- print **Schedule of additional information – Private health insurance policy details**
- print your name, address and TFN and your answer for each step
- attach your schedule to your tax return

- print **X** in the **Yes** box at **Taxpayer's declaration** – question **2** in your tax return.

Step 1

Transfer the health insurer ID at label **B** on your statement to label **B Health insurer ID** in your tax return.

Step 2

Transfer your private health insurance membership number, at label **C** on your PHI statement to label **C Membership number** in your tax return.

Step 3

If you

- don't have cover as a dependent person on a private health insurance policy, go to step 4.
- have cover as a dependent person on a private health insurance policy, you're not entitled to a private health insurance rebate. However, you may be exempt from paying the Medicare levy surcharge.
  - Print **F** in the **Tax claim code** box in your tax return.
    If you have more than one row of information to transfer from your PHI statement to your tax return that relate to the same membership number, print **F** in the **Tax claim code** box in each row.
  - You have finished this question, go to **Where to go next**.

Step 4

Transfer the whole dollar amount at label **J** on your PHI statement to label **J Your premiums eligible for Australian Government rebate** in your tax return. Don't show percentage figures at label **J**.

Step 5

Transfer the whole dollar amount at label **K** on your PHI statement to label **K Your Australian Government rebate received** in your tax return. Don't show percentage figures at label **K**.

Step 6

Transfer the number at label **L** on your PHI statement to label **L Benefit Code** in your tax return.

Step 7

Work out your tax claim code.

On 30 June 2025, if you're:

- Single – Go to Step 8.
- Married or de facto – Go to Step 9. (If your spouse dies during 2024–25 and you don't have another spouse on or before 30 June 2025, you're treated as if you have a spouse on 30 June 2025).

Step 8

Select the code that best describes your circumstances.

Tax claim codes – single

Tax claim code	Explanation
A	You have no dependants.
B	You have a dependent person (they can be your child or a sibling who is dependent on you for economic support), or you pay for a dependent-person-only policy. If you're a single parent with a dependent child, select tax claim code **B** to ensure that we apply the family thresholds to work out your private health insurance rebate entitlement.

Print the code in the **Tax claim code** box in your tax return. If you have more than one row of information to transfer from your statement to your tax return that relate to the same membership number, print the same code in the **Tax claim code** box in each row.

You have finished this question, go to **Where to go next**.

Step 9

You can choose to claim your spouse's share of the rebate on their behalf if both of you meet all 3 of the following criteria. Both of you:

- have cover under the same policy
- have cover for the same period of time
- are together on 30 June 2025.

Alternatively, your spouse can claim for both of you. You and your spouse must agree that only one of you will claim.

Are you claiming your spouse's share of the rebate?

- **Yes** – Print **C** in the **Tax claim code** box in your tax return. If you have more than one row of information to transfer from your statement to your tax return that relate to the same membership number, print **C** in the **Tax claim code** box in each row. Go to Step 11.
- **No** – Read on.

Step 10

Select the code that best describes your circumstances.

Tax claim codes – married or de facto

Tax claim code	Explanation
C	You're claiming your share of the rebate, or you're a parent claiming for a dependent-person-only policy.
E	Your spouse is claiming your share of the rebate.

Print the code in the **Tax claim code** box in your tax return. If you have more than one row of information to transfer from your statement to your tax return that relate to the same membership number, print the same code in the **Tax claim code** box in each row.

You have finished this question, go to **Where to go next**.

Step 11

You must provide information about your spouse's private health insurance in the **Private health insurance policy details** in your tax return.

You'll need your spouse's private health insurance statement.

Repeat steps 1 to 6 using the information on your spouse's statement. Print **D** in the **Tax claim code** box in your tax return. If you have more than one row of information to transfer from your spouse's statement to your tax return, print **D** in the **Tax claim code** box in each row.

When you finish entering information from your spouse’s statement, the number of rows with **Tax claim code D** must equal the number of rows with **Tax claim code C** for the same health insurer ID and membership number. For example, if there are 2 rows with the same health insurer ID and membership number with **Tax claim code C**, there should also be 2 rows having the same ID and membership number with **Tax claim code D**.

Where to go next

- Go to question **A1 Under 18 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **M2 Medicare levy surcharge 2025**.

QC 104130

Adjustment questions A1-A4 – Individual tax return 2025

Instructions to help you to complete adjustment questions A1 to A4 in your paper individual tax return.

Published 27 May 2025

A1 Under 18 2025 ›

Complete question A1 if you were under 18 years old on 30 June 2025.

A2 Part-year tax-free threshold 2025

Complete question A2 if you were not an Australian resident for the whole income year.

A3 Government super contributions 2025

Complete question A3 if you make eligible personal super contributions, excluding amounts you deduct at question D12.

A4 Working holiday maker net income 2025

Complete question A4 if you're in Australia on a subclass 417 or 462 visa and earn income.

QC 104131

A1 Under 18 2025

Complete question A1 if you were under 18 years old on 30 June 2025.

Published 27 May 2025

Things you need to know

If you were under 18 years old on 30 June 2025, you must complete this question, or you may pay tax at a higher rate.

If you're in any of the following categories, you can use the low income tax offset to reduce the tax payable on the income at **Step 2**.

However, you can't use this low income tax offset to reduce tax payable on unearned income such as trust distributions, dividends,

interest and rent.

If you receive a distribution from a trust, see question **13 Partnerships and trusts 2025**.

If you're 18 years old or older on 30 June 2025, go to question **A2 Part-year tax-free threshold 2025**.

What you need to answer this question

Do any of the following categories apply to you on 30 June 2025?

- You're working full time, or worked full time for 3 months or more in 2024–25 (ignoring full-time work followed by full-time study), and you're intending to
  - work full time for most or all of 2025–26, and
  - not study full time in 2025–26.
- You're entitled to a disability support pension or someone was entitled to a carer allowance to care for you.
- You're permanently blind.
- You're disabled and were likely to suffer from that disability permanently or for an extended period.
- You're entitled to a double orphan pension, and you receive little or no financial support from your relatives.
- You're unable to work full time because of a permanent disability, and you receive little or no financial support from your relatives.
- You're the principal beneficiary of a special disability trust.

If your answer to the question categories is:

- **No**, go to **Step 2**.
- **Yes**, your income is taxed at normal rates. Go to **Step 1**.

Completing your tax return

To complete this question, follow the steps.

Step 1

If you answer **yes** to any of the categories, write **0** (zero) at question **A1** – label **J**. Print **A** in the **Type** box at label **J**.

You have completed this question, go to **Where to go next**.

Otherwise, read on.

Step 2

If you answer **no** to any of the categories, add up any of the following income amounts which you show in your tax return:

- employment income
- taxable pensions or payments from Centrelink or the Department of Veterans' Affairs
- compensation, superannuation or pension fund benefits
- income from a deceased person's estate
- income from property transferred to you
  - as a result of another's death or family breakdown, or
  - to satisfy a claim for damages for an injury you suffered
- income from your own business
- income from a partnership in which you were an active partner
- net capital gains from the disposal of any of the property or investments we refer to in this list
- income from investment of amounts we refer to in this list.

Step 3

Add up all your deductions that relate to the income from step 2 (see **Deduction questions D1-D10**). Subtract the total of those deductions from the total income you work out at step 2.

Step 4

Write the amount from step 3 at question **A1** – label **J**. You pay tax on this amount at normal rates.

Write **0** (zero) at question **A1** – label **J** if one of the following applies:

- you don't have any of the income at step 2

- the amount from step 3 is $0 or a negative amount.

Step 5

Print **M** in the **Type** box at question **A1** – label **J**.

Step 6

Do you receive any primary production income?

- **No**, you have finished this question. Go to, **Where to go next**.
- **Yes**, read on.

If the amount from step 4 includes income from primary production, you'll need to provide additional information.

- On a separate sheet of paper print
  - **Schedule of additional information – question A1**
  - your name, address, TFN
  - 'Excepted primary production income' and write the amount of primary production income you include in the total at step 4
  - 'Eligible primary production income' and write the amount of any primary production income that didn't report at question **A1**.
- Attach your schedule to your tax return.
- Print **X** in the **Yes** box at **Taxpayer's declaration** – question **2** in your tax return.

Where to go next

- Go to question **A2 Part-year tax-free threshold 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to **Private health insurance policy details 2025**.

A2 Part-year tax-free threshold 2025

Complete question A2 if you were not an Australian resident for the whole income year.

Published 27 May 2025

Things you need to know

If you weren't an **Australian resident** for the whole of 2024–25, we use the information you show at this question in your tax return to work out your tax-free threshold.

In 2024–25, did you either:

- become an Australian resident for tax purposes
- stop being an Australian resident for tax purposes?

If your answer is:

- **No**, go to question **A3 Government super contributions 2025**.
- **Yes**, read on.

Do you receive any Australian Government pension or allowance, which you show at question 5 or question 6?

- **No**, go to **Completing your tax return**.
- **Yes**, read on.

Was this amount only for:

- Youth Allowance
- Jobseeker Payment, or
- a Special Benefit?

If your answer is:

- **Yes**, go to **Completing your tax return**.
- **No**, you're entitled to the full tax-free threshold. You don't need to answer this question. Go to question **A3 Government super**

contributions 2025.

Completing your tax return

To complete this question, follow the steps.

Step 1

Write the date you became, or stop being, an Australian resident for tax purposes in the **Date** box at question **A2**.

Step 2

Write the number of months that you were an Australian resident for tax purposes in 2024–25, counting the month during which you became, or stop being, a resident for tax purposes at question **A2** – label **N**.

Example: part year Australian resident

If you:

- became a resident in November 2024 and remain a resident for the rest of the income year, you write 8
- stop being a resident in September 2024, you write 3.

We will work out your tax-free threshold for you using the information you provide at this question. If you want to work it out, go to:

- **Tax-free threshold for newcomers to Australia**
- **Tax-free threshold if you're leaving Australia to live overseas.**

Where to go next

- Go to question **A3 Government super contributions 2025.**
- Return to main menu **Individual tax return instructions 2025.**
- Go back to question **A1 Under 18 2025.**

QC 104133

A3 Government super contributions 2025

Complete question A3 if you make eligible personal super contributions, excluding amounts you deduct at question D12.

Published 27 May 2025

Things you need to know

In some circumstances, the government makes additional contributions to your super, these include:

- Super co-contribution
- Low income super tax offset.

If you need to report amounts at questions **13**, **14**, **15** and **16** in the supplementary tax return to complete this question, you should lodge your tax return using **myTax** or a **registered tax agent**. Alternatively, you can request a paper tax return that includes the *Business and professional items schedule 2025*.

Super co-contribution

If you're a low or middle income earner and make personal (after-tax) super contributions to your super fund, the government makes a co-contribution to your super. The government can co-contribute up to a maximum amount of $500 to help boost your retirement savings.

Does all the following apply to you?

- You make eligible **personal super contribution** to a complying super fund or retirement savings account, not including
  - super amounts which you're claiming as a deduction
  - an eligible **downsizer contributions**.
- You don't exceed your **non-concessional contributions cap**.

- Your **total superannuation balance** at 30 June 2024 is less than $1,900,000.
- You're under 71 years old on 30 June 2025.
- Your total income for 2024–25, is less than $60,400.
- 10% or more of your total income is from employment or business income (including from a partnership) or a combination of both.
- You don't hold a temporary visa at any time during 2024–25 (unless you're a New Zealand citizen or it was a prescribed visa).

If your answer to all these categories is:

- **No**, you're not eligible for a super co-contribution. Go to Low income super tax offset.
- **Yes**, go to **What you need to answer this question**.

Total income

For super co-contribution purposes, total income is the:

- *sum* of your assessable income, reportable fringe benefits total, and total reportable employer super contributions (RESC)
- *less*, any assessable first home super saver (FHSS) released amount and any allowable business deductions.

Assessable income

Assessable income is your income before taking deductions into account.

Reportable employer super contributions

Reduce your total RESC (but not below zero) by any excess concessional contributions you include in your assessable income.

Low income super tax offset

If you have a low income, you may be eligible to a **low income super tax offset** (LISTO) payment of up to $500 to your super fund.

Do all the following apply to you?

- Your **adjusted taxable income (ATI)** is less than or equal to $37,000.

- Concessional contributions are made to your complying super fund which include
  - a deduction for personal super at question **D12**
  - contributions by your employer to your super fund, including contributions under a salary sacrifice agreement
  - other concessional contributions to your super fund.
- Your employment and business income (including business income from a partnership) makes up 10% or more of your total income.
- You don't hold a temporary visa at any time during 2024–25 (unless you're a New Zealand citizen or it was a prescribed visa).

If your answer to all these categories is:

- **No**, you're not eligible for a low income super tax offset. Go to question **A4 Working holiday maker net income 2025**.
- **Yes**, read on.

Do you show income from a partnership at question **13** in your supplementary tax return?

- **No**, you may be eligible for a low income super tax offset. We'll work out the amount for you and pay it directly to your super fund account. Go to question **A4 Working holiday maker net income 2025**.
- **Yes**, go to **What you need to answer this question**.

Total income for LISTO

Total income for the purposes of the low income super tax offset is the:

- *sum* of your assessable income, total reportable fringe benefits, and total RESC
- *less*, any assessable FHSS released amount.

What you need to answer this question

Do you show any of the following in your supplementary tax return?

- an amount at questions **14**, **15** or **16**

- a loss at question **13** – label **N** or **O**.

If your answer is:

- **Yes**, you should lodge your tax return using myTax or a registered tax agent. If you're unable to use myTax or a registered tax agent, **contact us** and we'll send you a paper tax return that includes the *Business and professional items schedule 2025*.
- **No**, read on.

Do you show income from any of the following in your supplementary tax return?

- deposits or repayments from the farm management deposits scheme at question **17**
- forestry managed investment scheme income at question **23** or deductions at question **D14**
- other income at question **24**.

If your answer is:

- **Yes**, to answer this question you must use the **Government super contributions worksheets and instructions 2025**. Don't use any of the worksheets in Individual tax return instructions to complete question A3.
- **No**, read on.

Completing your tax return

To complete this question, follow the instructions in the sections relevant to your circumstances.

Income from investment, partnership and other sources

Do any of the following apply to you?

- You show income from a partnership at question **13** in your supplementary tax return.
- You 're in a joint income group and you have deductions for any of the following joint income

- interest you show at question **10** in your tax return
- dividends you show at question **11** in your tax return
- distributions from trusts you show at question **13** – labels **L**, **U** or **C** in your supplementary tax return
- foreign entities income you show at question **19** – label **K** or **B** in your supplementary tax return
- foreign source income you show at question **20** – label **E** or **F** in your supplementary tax return
- rental income you show at question **21** – label **P** in your supplementary tax return
- bonuses from life insurance companies and friendly societies you show at question **22** – label **W** in your supplementary tax return.

If your answer to all these categories is:

- **No**, go to Income from employment or business.
- **Yes**, continue to Step 1.

Joint income group

You're in a 'joint income group' if you own income-producing assets with another person or persons. For example, you're:

- in one joint income group if you and your parents had a joint bank account
- in another joint income group if you and your spouse co-own rental properties.

Step 1

Complete **Worksheet 1**, you'll need to transfer amounts from the label in your tax return.

Worksheet 1 – Interest and dividend income

Row	Calculation	Amount
a	Amount from question **10** – label **L Gross interest**	$

b	Amount from question **11** – label **S Unfranked amount**	$
c	Amount from question **11** – label **T Franked amount**	$
d	Amount from question **11** – label **U Franking credit**	$

Worksheet 1 – Trust distributions (supplementary tax return)

Row	Calculation	Amount
e	Amount from question **13** – label **L Share of net income from trusts (primary production)**	$
f	Amount from question **13** – label **U Share of net income from trusts, less capital gains, foreign income and franked distributions (non-primary production)**	$
g	Amount from question **13** – label **C Franked distributions from trusts (non-primary production)**	$

Worksheet 1 – Foreign entities (supplementary tax return)

Row	Calculation	Amount
h	Amount from question **19** – label **K CFC income**	$
j	Amount from question **19** – label **B Transferor trust income**	$

Worksheet 1 – Foreign source income (supplementary tax return)

Row	Calculation	Amount

k	Amount from question **20** – label **E** **Assessable foreign source income**	$
l	Amount from question **20** – label **F** **Australian franking credits from a New Zealand franking company**	$

Worksheet 1 – Rental income (supplementary tax return)

Row	Calculation	Amount
m	Amount from question **21** – label **P Gross rent**	$

Worksheet 1 – Bonuses (supplementary tax return)

Row	Calculation	Amount
n	Amount from question **22 Bonuses from life insurance companies and friendly societies** – label **W**	$
p	Add all amounts from row **a** to row **n**.	$

Transfer the amount at row **p** to Worksheet 3 – row **u**, go to step 2.

Step 2

Are you in a joint income group?

- **No**, go to Step **3** and write **0** (zero) at worksheet **3** – row **v**.
- **Yes**, complete **worksheet 2**. Read **example 1** to help you. Complete both **worksheets 2** and **3** to work out the amount to write at question **A3** – label **F**.

Example 1: joint income groups

Sally is in 2 joint income groups, one with David and another with Dawn.

Sally and David jointly own an investment property and have a joint bank account. Sally's share of:

- rental income is $10,000
- rental deductions is $15,000
- bank interest is $100
- bank interest deductions is $0 as there are no bank fees.

Sally also jointly owns a share portfolio with Dawn, her share of:

- dividend income is $4,000
- deductions is $0.

Sally writes $10,100 at column **s** for the joint income group with David and she writes $0 at column **s** for the joint income group with Dawn.

Sally adds the 2 amounts in column **s** and transfers the total to worksheet **3** – row **v**.

Worksheet 2 – Sally's example

Joint income group	q Income $	r Deductions $	s Lesser amount $
Sally with David	10,100	15,000	10,100
Sally with Dawn	4,000	0	0
Add your lesser amounts.	–	–	**t** 10,100

Sally would transfer the amount of $10,100 at row **t** to worksheet **3** – row **v**.

Worksheet 2

For every joint income group you're in, write:

- your share of income in column **q**
- your share of deductions in column **r**
- the lesser amount from columns **q** and **r** in column **s**.

If you show partnership distributions at question **13**, don't include them in worksheet 2.

Worksheet 2

Joint income group	q Income	r Deductions	s Lesser amount
	$	$	$
	$	$	$
	$	$	$
Add your lesser amounts	–	–	**t**

Transfer the amount at row **t** to worksheet **3** – row **v**.

Step 3

Complete **worksheet 3** to work out the amount to write at question **A3** – label **F**.

Add all distributions of income from partnerships that you show at question **13** – labels **N** and **O** in your supplementary tax return. Don't include your share of any partnership loss. Write the total at row **x**.

Worksheet 3

Row	Calculation	Amount

u	Amount from row **p** in worksheet **1**	$
v	Amount from row **t** in worksheet **2**	$
w	Subtract row **v** away from row **u**	$
x	Distributions of income (you work out at Step 3)	$
y	Add rows **w** and **x**	$

Transfer the amount at row **y** to question **A3** – label **F Income from investment, partnership and other sources**. If row **y** is 0 (zero), print **C** in the **CODE** box at label **F**.

Income from employment or business

Our systems automatically treat some amounts you earn as employment income or business income. If these amounts aren't the same as your actual employment or business income, you need to make an adjustment at label **G**. For example, because you show an employer lump sum payment you receive for employment that ceases in 2024–25.

In answering this question, income from employment includes income you earn as a company director or under a contract wholly or principally for your labour. For more information on employment income, see **Government super contributions worksheets and instructions 2025**.

If you're receiving parental leave pay during 2024–25, it is income from employment unless your employment ends and you continue to receive the parental leave pay. If this applies to you, only include at **worksheet 4** – row **cc** the amount of the parental leave pay that you receive after your employment ends.

Step 4

Do you show any 2024–25 employment income or business income in your tax return other than at any of the following?

- Questions **1**, **2**, **3**, **4** (other than death benefits), **12** – label **B**, **IT1** or **IT2** in your tax return.
- **P1** or **P8** in your *Business and professional items schedule 2025*.

This may include foreign employment income you show at question **20** – labels **T** and **U**.

If your answer is:

- **Yes**, write the total of these amounts at worksheet **4** – row **z**. Read on.
- **No**, continue to Step **5**.

Step 5

Ignoring any partnership losses distributed to you, did you receive a share of income from a partnership carrying on a business in which you're a partner?

- **No**, go to Step **6**.
- **Yes**, write the total of your share of distributions of business income from all partnerships in which you're a partner at worksheet **4** – row **aa**, then go to Step **6**. Don't include
  - partnership losses you took into account at question **13** – label **N** or **O**.
  - distributions from trusts, including those that carry on a business.

Step 6

Do you show any amounts in your tax return at questions **1**, **2**, **3**, **4** (other than death benefits), **12** – label **B**, **IT1**, **IT2**, or in **P1** or **P8** of the *Business and professional items schedule 2025* for:

- income other than employment or business income
- employment or business income that relates to another income year?

This income may include:

- parental leave pay you receive in 2024–25 after your employment ceases
- employment or business income that you receive in 2024–25 that relates to an earlier income year such as back payments of salary, wages or unused leave you receive as a lump sum.

If your answer is:

- **Yes**, write the total of these amounts at worksheet **4** – row **cc**. Go to Step **7**.
- **No**, read on.

Step 7

Complete **worksheet 4**.

Worksheet 4

Row	Calculation	Amount
Z	Amount you work out at Step 4	$
Aa	Amount you work out at Step 5	$
Bb	*Add* rows **z** and **aa**.	$
Cc	Amount you work out at Step 6	$
Dd	*Subtract* row **cc** away from row **bb**.	$

Transfer the amount at row **dd** to question **A3** – label **G Other income from employment and business**. If the amount at row **dd** is negative, print **L** in the **Code** box at label **G**.

Other deductions from business income

Complete step 8 if you have any other deductions from business income.

Step 8

Do you have business deductions in 2024–25 other than those you include in the deduction items at **P8** in the *Business and professional items schedule 2025*?

- **No**, write **0** (zero) at question **A3** – label **H Other deductions from business income**.
- **Yes**, write the total of these amounts at question **A3** – label **H Other deductions from business income**.

Examples of deductions that you may include at label **H** are:

- your share of a partnership loss from a business that you include in the amount at question **13** – label **N** or **O**
- deductions at question **13** – label **X** or **Y**, which relate to the business income portion of a partnership distribution
- personal service income deductions at **P1** in your *Business and professional items schedule 2025*, which relate to carrying on your business
- deductions you include at question **D10** for costs you incur in managing your business tax affairs as a sole trader or partnership business.

Where to go next

- Go to question **A4 Working holiday maker net income 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **A2 Part-year tax-free threshold 2025**.

QC 104134

A4 Working holiday maker net income 2025

Complete question A4 if you're in Australia on a subclass 417 or 462 visa and earn income.

Published 27 May 2025

Things you need to know

If at any time during 2024–25 you earn income while in Australia on a subclass 417 or 462 visa, you must complete this question.

If you're:

- a **foreign resident for tax purposes**, you pay tax at working holiday maker (WHM) tax rates.
- an **Australian resident for tax purposes**, your tax outcome depends on your nationality
  - if you're a national of one of the following countries, even if you're also a national of another country, in 2024–25, you pay tax at Australian resident tax rates
    - Chile
    - Finland
    - Germany
    - Israel
    - Japan
    - Norway
    - Turkey
    - the United Kingdom
  - if you're only a national of any other country in 2024–25, you pay tax at WHM tax rates.

For more information, see **Taxation of Australian resident WHMs from NDA countries**.

If you aren't on one of these visas at any time during 2024–25, go to **Income tests 2025**.

What you need to answer this question

Your **working holiday maker net income** is the income you earn from an Australian source while you're on a 417 or 462 working holiday visa, *less* deductions relating to earning that income.

WHM income doesn't include any employment termination remainder. You pay tax on this amount according to your residency status.

Working out your WHM net income

1. Add up your WHM income, that is salary and wages, that you
   - show at question **1** in your tax return

- earn while you're on a 417 or 462 visa.

In most cases, income statements and payment summaries from your employer show the payment type **H** to indicate that you earn WHM income.

If your income statement or payment summary doesn't show the payment type **H**, but you earn income while you're on a 417 or 462 visa, then include that income in this step.

You must also show the payment type **H** against this income at question **1**.

2. Add up your WHM income, other than salary and wages, that you
   - show in your tax return
   - earn during 2024–25 while you're on a 417 or 462 visa.
3. Add together the totals from step 1 and step 2 to get your gross WHM income.
4. Subtract any deductions at questions **D1** to **D10** that relate to earning your WHM income. The result is your WHM **net** income.

If the amount is less than 0 (zero), your WHM **net** income is $0.

The example explains how to work out your WHM net income and complete this question.

Example: WHM net income and completing your tax return

Kiara, a citizen of both Canada and Chile, is on a working holiday in Australia, on a 417 visa.

Between September 2024 and June 2025 Kiara works on 4 farms in NSW and earns a total of $47,000. Her deductions relating to this income are $800.

Kiara will show $46,200 at question **A4** – label **D** ($47,000 income from the farms, less $800 deductions relating to earning that income).

Kiara should write Chile at question **A4** – label **E**. This will mean she pays tax at the lower of WHM or Australian resident tax rates. If she writes Canada instead, she would pay tax at the

WHM rates. This is because Chile is a non-discrimination article country and Canada isn't.

Kiara also includes her deductions in the deductions section of her tax return.

Completing your tax return

To complete this question, follow the steps.

Step 1

Write at label **D** your WHM net income.

Step 2

Write at label **E** your home country. Unless you're also a national of one of the following countries, in which case write that country instead of your home country:

- Chile
- Finland
- Germany
- Israel
- Japan
- Norway
- Turkey
- the United Kingdom.

Your home country is where you're from, this will be the country you either:

- are a citizen of
- have a permanent right to reside.

Where to go next

- Go to **Income tests 2025**.

- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **A3 Government super contributions 2025**.

QC 104135

Income test questions IT1-IT8 – Individual tax return 2025

Instructions to help you to complete income tests IT1 to IT8 in your paper individual tax return.

Published 27 May 2025

Income tests 2025

Complete the income tests so we can work out your eligibility for tax offsets and benefits.

IT1 Total reportable fringe benefits amounts 2025

Complete question IT1 to include any fringe benefits amounts you receive from your employer.

IT2 Reportable employer superannuation contributions 2025

Complete question IT2 to include any reportable employer superannuation contributions you receive.

IT3 Tax-free government pensions or benefits 2025

Complete question IT3 to include certain tax-free government pensions or benefits you receive.

IT4 Target foreign income 2025

Complete question IT4 to include target foreign income you receive.

IT5 Net financial investment loss 2025

Complete question IT5 to include the amount of net loss from any financial investments you own.

IT6 Net rental property loss 2025

Complete question IT6 to include the amount of net loss from any rental property you own.

IT7 Child support you paid 2025

Complete question IT7 to include child support you pay or benefits you provide for the maintenance of your child.

IT8 Number of dependent children 2025

Complete question IT8 to include the number of dependent children you have.

QC 104136

Income tests 2025

Complete the income tests so we can work out your eligibility for tax offsets and benefits.

Published 27 May 2025

Why we use income tests

You must complete all questions in this section of your tax return. Where the amount is zero, write **0** (zero).

We use income tests to work out whether you:

- can claim certain tax offsets and the amount you're 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 **study and training support loan** repayment liability for financial assistance you receive from
  - Higher Education Loan Program
  - VET Student Loan
  - Student Financial Supplement Scheme
  - Student Start-up Loan
  - ABSTUDY Student Start-up Loan
  - Australian Apprenticeship Support Loan.

We may also pass this information to other government agencies, such as Services Australia, to ensure you're receiving your correct entitlement to government benefits. We also use income tests to correctly determine any child support payments.

Where to go next

- Go to question **IT1 Total reportable fringe benefits amounts 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **A4 Working holiday maker net income 2025**.

QC 104137

IT1 Total reportable fringe benefits amounts 2025

Complete question IT1 to include any fringe benefits amounts you receive from your employer.

Published 27 May 2025

Things you need to know

Reportable fringe benefits are fringe benefit amounts that you receive from your employer and have the taxable value of those benefits on your income statement or payment summary. Don't show any benefit less than $3,773.

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

Did you receive any reportable fringe benefits amounts of $3,773 or more?

- **No** – Write **0** (zero) at question **IT1** – labels **N** and **W**, then go to question **IT2 Reportable employer superannuation contributions 2025**.
- **Yes** – Read on.

We don’t adjust the amounts at question **IT1** – label **W**, and question **Spouse details – married or de facto** – label **S**, when we calculate the following offsets:

- the dependant (invalid and invalid carer) tax offset
- the zone and overseas forces tax offset
- the seniors and pensioners tax offset
- the low income superannuation tax offset.

What you need to answer this question

You'll need each income statement, *PAYG payment summary – individual non-business* and *PAYG payment summary – foreign employment* that shows a reportable fringe benefits amount.

Completing your tax return

To complete this question, follow the steps.

If the reportable fringe benefits amount on your payment summary or income statement is less than $3,773, don't include it in step 1 or step 2. Check with your employer that the amount is correct.

Step 1

Add up all the reportable fringe benefits amounts on your:

- payment summaries with **Yes** at **Is the employer exempt from FBT under section 57A of the FBTAA 1986**?
- income statements at **Reportable fringe benefits – exempt amount**.

Write the total at question **IT1** – label **N**. If your total is zero, write **0** (zero) at label **N**.

Step 2

Add up all the reportable fringe benefits amounts on your:

- payment summaries with **No** at **Is the employer exempt from FBT under section 57A of the FBTAA 1986**?
- income statements at **Reportable fringe benefits – non-exempt amount**.

Write the total at question **IT1** – label **W**. If your total is zero, write **0** (zero) at label **W**.

Where to go next

- Go to question IT2 Reportable employer superannuation contributions 2025.
- Return to main menu Individual tax return instructions 2025.
- Go back to Income tests 2025.

QC 104138

IT2 Reportable employer superannuation contributions 2025

Complete question IT2 to include any reportable employer superannuation contributions you receive.

Last updated 27 May 2025

Things you need to know

Reportable employer superannuation (super) contributions are additional to the compulsory contributions your employer must make. An example of a reportable employer super contribution is a contribution made on your behalf under a salary sacrifice arrangement. For more information, see **Reportable super contributions**.

Did your employer make reportable employer super contributions on your behalf?

- **No** – Write **0** (zero) at question **IT2** – label **T**, then go to question IT3 Tax-free government pensions or benefits 2025.
- **Yes** – Read on.

What you need to answer this question

You'll need each income statement, *PAYG payment summary – individual non-business, PAYG payment summary – foreign employment* and *PAYG payment summary – business and personal services income* that shows an amount of reportable employer superannuation contributions.

If your income statement or payment summary shows a reportable employer super contributions amount, and you didn't ask your employer to make additional contributions, contact them to check the amount before lodging your tax return.

Ask your employer to provide you with a revised income statement or payment summary if they have incorrectly calculated the reportable

employer super contributions amount.

Completing your tax return

To complete this question, follow the steps.

Step 1

Add up the reportable employer super contributions amounts on your:

- payment summaries
- income statements.

Step 2

Write the total at question **IT2** – label **T**.

Where to go next

- Go to question **IT3 Tax-free government pensions or benefits 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **IT1 Total reportable fringe benefits amounts 2025**.

QC 104139

IT3 Tax-free government pensions or benefits 2025

Complete question IT3 to include certain tax-free government pensions or benefits you receive.

Published 27 May 2025

Things you need to know

We take certain tax-free government pensions or benefits you receive in 2024–25 into account when working out your adjusted taxable

income (ATI). Your ATI is an income test we use to work out your eligibility for certain tax offsets and the amount of those offsets. You don't pay income tax on tax-free government pensions and benefits.

For a list of tax-free government pensions and benefits, see **Special circumstances 2025**. If you're still unsure whether your pension or benefit is tax-free, **contact us**, or contact the agency that pays you.

Don't include at this question:

- Australian Government allowances and payments that you report at **question 5**
- Australian Government pensions and allowances that you report at **question 6**
- Australian annuities and superannuation income streams that you report at **question 7**.

Did you receive a tax-free government pension or benefit from the list in the special circumstances?

- **No** – Write **0** (zero) at question **IT3** – label **U**, then go to question **IT4 Target foreign income 2025**.
- **Yes** – Read on.

What you need to answer this question

You'll need details of your tax-free government pension or benefits from the agency that paid you. If you don't have this information, contact the agency that paid you.

For more information, see **Special circumstances 2025**.

Completing your tax return

To complete this question, follow the steps.

Step 1

Add up the amount of tax-free pensions or benefits you received during 2024–25.

Step 2

Write the total at question **IT3** – label **U**.

Where to go next

- Go to question **IT4 Target foreign income 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **IT2 Reportable employer superannuation contributions 2025**.

QC 104140

IT4 Target foreign income 2025

Complete question IT4 to include target foreign income you receive.

Published 27 May 2025

Things you need to know

Target foreign income is:

- any income you earn, derive or receive from sources outside Australia
- a periodical payment by way of gifts or allowances from a source outside Australia
- a periodical benefit by way of gifts or allowances from a source outside Australia.

An amount isn't target foreign income if you report it in your taxable income or receive it in the form of a fringe benefit.

Types of target foreign income you need to show at this question 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 you receive while you're a temporary resident that is exempt from Australian tax
- the amount of exempt foreign employment income you show at question **20** – label **N**.

Don’t include any other foreign income amounts that you show elsewhere in your tax return.

If you're not sure whether any foreign income you receive is target foreign income, **contact us**.

Do you receive any target foreign income?

- **No** – Write **0** (zero) at question **IT4** – label **V**, then go to question **IT5 Net financial investment loss 2025**.
- **Yes** – Read on.

What you need to answer this question

You'll need details of any target foreign income that you receive in 2024–25, including the details of any exempt foreign employment income you include at question **20** – label **N**.

Completing your tax return

To complete this question, follow the steps.

Show all foreign income in Australian dollars using the market exchange rate for 1 July 2024.

For information on how to convert your foreign income, see **Foreign exchange rates** or **Foreign income conversion calculator**.

Step 1

Add up all the target foreign income you earn, derive or receive during 2024–25, including the amount you show at question **20** – label **N**.

Step 2

Write the total at question **IT4** – label **V**.

Where to go next

- Go to question **IT5 Net financial investment loss 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **IT3 Tax-free government pensions or benefits 2025**.

QC 104141

IT5 Net financial investment loss 2025

Complete question IT5 to include the amount of net loss from any financial investments you own.

Last updated 27 May 2025

Things you need to know

Net financial investment loss is the amount of net loss from any financial investments you own.

The loss you show at this question is the amount by which your deductions from investments exceed your income from those investments.

Do you receive income from, or claim deductions for:

- 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 includes income or losses from an investment type from this list
- any investment that is of a similar nature to those in this list?

If your answer is:

- **No** – Write **0** (zero) at question **IT5** – label **X**, then go to question IT6 Net rental property loss 2025.
- **Yes** – Read on.

When you calculate your net financial investment loss, don't include interest from your everyday transaction accounts.

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 (including horticultural, aquaculture and commercial horse breeding schemes).

Investments that **aren't** managed investment schemes include:

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

Deductions

Deductions you can claim for an investment include expenses you pay to:

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

Completing your tax return

Complete **worksheets 1a** and **1b**.

If you're a partner in one or more partnerships, add up your share of all net financial investment income and deduct your share of all net losses from the partnerships' financial investments. The statement of distribution from each partnership should show these amounts. Write the total at row **q**.

Worksheet 1a – financial investment income

Row	Financial investment income	Amount
a	Dividends from Australian shares from question **11** – Unfranked amount	$
b	Dividends from Australian shares from question **11** – Franked amount	$
c	Dividends from Australian shares from question **11** – Franking credit	$
d	Managed investment scheme income at question **13** – label **U**	$
e	Share of franked distributions and franking credits from managed investment scheme at question **13** – label **C**	$
f	Dividend income or managed investment scheme income from foreign companies at question **20** – label **M**	$
g	Australian franking credits from a New Zealand franking company from question **20** – label **F**	$
h	Forestry managed investment scheme income from question **23** – label **A**	$
i	Any other assessable income from a financial investment	$

j	Add all amounts from rows **a** to **i**.	$

Worksheet 1b – financial investment deductions

Row	Financial investment deductions	Amount
k	Dividend deductions from Australian shares at question **D8**	$
l	Managed investment scheme deductions at question **13** – label **Y** and question **D8** – label **H**	$
m	Forestry managed investment scheme deductions from question **D14** – label **F**	$
n	Any other deductions attributable to a financial investment, including debt deductions at question **D15** – label **J**	$
o	Add all amounts from rows **k** to **n**.	$
p	Subtract row **o** from row **j**. Show a loss as a negative.	$
q	Total partnerships investment net income or loss. Show a loss as a negative.	$
r	Add rows **p** and **q**.	$

If the amount at row **r** is negative, write this amount at question **IT5** – label **X**. Otherwise write **0** (zero) at label **X**.

Where to go next

- Go to question IT6 Net rental property loss 2025.
- Return to main menu Individual tax return instructions 2025.
- Go back to question IT4 Target foreign income 2025.

QC 104142

IT6 Net rental property loss 2025

Complete question IT6 to include the amount of net loss from any rental property you own.

Published 27 May 2025

Things you need to know

Net property loss is the amount of net loss from any rental property you own.

Don’t include at this question capital gains or capital losses from your rental properties.

Did you earn rental income, claim rental deductions, or receive a partnership distribution that includes rental income or losses?

- **No** – Write **0** (zero) at question **IT6** – label **Y**, then go to question IT7 Child support you paid 2025.
- **Yes** – Read on.

What you need to answer this question

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

Completing your tax return

To complete this question, follow the steps.

Step 1

Complete **worksheet 1** to work out your net rental property loss.

You must show any loss amounts in **worksheet 1** as negative amounts (including any totals).

At row **c** write your share of net rental property income or loss from the partnership tax return statement of distribution.

At row **d** write the net income or loss from carrying on a rental property business which you use in working out the amount at **P8** – label **Z** of the *Business and professional items schedule 2025*.

If this applies to you, then you should lodge your tax return **using myTax** or a **registered tax agent**. If you're unable to use myTax or a registered tax agent, **contact us** to request a paper tax return that includes the *Business and professional items schedule 2025*.

At row **f** write the total of the low-value pool deductions relating to your rental properties from question **D6**.

Worksheet 1: Net rental property loss

Row	Calculation	Amount
a	Net foreign rent (from question **20** – label **R**)	$
b	Net rent (from question **21**)	$
c	Share of net rental property income or loss	$
d	Net income or loss from rental property business	$
e	Add rows **a**, **b**, **c** and **d**.	$
f	Total of the low-value pool deductions	$
g	Any other deductions attributable to a rental property, including debt deductions at question **D15** – label **J**	$
h	Add rows **f** and **g**.	$
i	Subtract row **h** from row **e**.	$

Step 2

If the amount at **worksheet 1** – row **i** is negative (that is, a loss), write that amount at question **IT6** – label **Y**. Otherwise write **0** (zero) at label **Y**.

Where to go next

- Go to question **IT7 Child support you paid 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **IT5 Net financial investment loss 2025**.

QC 104143

IT7 Child support you paid 2025

Complete question IT7 to include child support you pay or benefits you provide for the maintenance of your child.

Published 27 May 2025

Things you need to know

Child support are amounts you pay or benefits you provide to another person other than your partner for the maintenance of your natural or adopted child.

Don't include amounts you pay or provide to a person to acquire goods or services.

Did you pay amounts or provide benefits to another person for the maintenance of your child?

- **No** – Write **0** (zero) at question **IT7** – label **Z**, then go to question **IT8 Number of dependent children 2025**.
- **Yes** – Read on.

What you need to answer this question

You will need the total for amounts you pay or benefits you provide for the maintenance of your child during 2024–25. Use your records to

work out this amount.

Completing your tax return

To complete this question, follow the steps.

Step 1

Add up all the amounts you pay and benefits you provide for the maintenance of your child during 2024–25.

Step 2

Write the total at question **IT7** – label **Z**.

For income test purposes, we deduct this amount from the total of the other components that make up your adjusted taxable income.

Where to go next

- Go to question **IT8 Number of dependent children 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **IT6 Net rental property loss 2025**.

QC 104144

IT8 Number of dependent children 2025

Complete question IT8 to include the number of dependent children you have.

Published 27 May 2025

Things you need to know

We use your number of dependent children to work out your entitlement to an increase in the income test threshold for the:

- private health insurance rebate
- Medicare levy surcharge.

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 contribute to their **maintenance**.

Do you have any dependent children?

- **No** – Write **0** (zero) at question **IT8** – label **D**, then go to **Spouse details – married or de facto 2025**.
- **Yes** – Read on.

Completing your tax return

Write the number of your dependent children at question **IT8** – label **D**.

Where to go next

- Go to **Spouse details – married or de facto 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **IT7 Child support you paid 2025**.

QC 104145

Spouse details – married or de facto 2025

Complete this question if you have a spouse at any time during 2024–25.

Last updated 27 May 2025

Things you need to know

Your spouse includes another person who:

- you're in a relationship with that was registered under a prescribed state or territory law
- although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple.

If you don't have a spouse during 2024–25, go to **Checklist – tax return 2025**.

What you need to answer this question

If your spouse's income for any of the labels below is zero, you must write **0** (zero) at that question.

You'll need details of your spouse's income, you can get these from:

- your spouse
- your spouse's *Tax return for individuals 2025* and *Supplementary tax return for individuals 2025,* if your spouse completes them
- your spouse's income statement or *PAYG payment summary – individual non-business*
- the relevant distribution statements, if any, for trust income and family trust distribution tax.

If your spouse:

- has child support obligations, you need the details of the amount of child support they pay (your spouse can get this information from Services Australia)
- receives foreign income, you need the details of the amount of foreign income they receive
- has financial investment losses, you need the net financial investment loss amount
- has rental property losses, you need the net rental property loss amount

- claims a deduction for personal superannuation contributions, you need the details of the claim.

Including your spouse's income is important as we use it to work out whether:

- you're entitled to
  - a rebate for your private health insurance
  - the seniors and pensioners tax offset
  - a Medicare levy reduction
- you must pay the Medicare levy surcharge.

Request the information you require at this question from your spouse, whether they need to lodge a tax return or not. If you can't find out any of the amounts you require, you can make a reasonable estimate.

We won't penalise you for an incorrect estimate if you act reasonably and in good faith.

If you had more than one spouse during 2024–25, complete this section with the details for your last spouse in 2024–25.

Completing your tax return

To complete this question, follow the steps.

Step 1

Print your spouse's name (family, first and other given names) in the boxes at **Your spouse's name** in your tax return.

Write your spouse's date of birth at label **K.**

Print **X** in the relevant box for your spouse's gender (male, female or indeterminate). Indeterminate includes non-binary. Your spouse's gender is important for assisting us to correctly identify your spouse.

Step 2

If you have a spouse for the full income year, 1 July 2024 to 30 June 2025, print **X** in the **Yes** box at label **L**.

If you don't have a spouse for the full income year, print **X** in the **No** box at label **L** and write the dates you have a spouse in 2024–25 at

labels **M** and **N**.

If your spouse dies during 2024–25 and you don't have another spouse on or before 30 June 2025, print **X** in the **Yes** box to the right of **Did your spouse die during the year?** We use this information to calculate your Medicare levy surcharge.

Step 3

You must complete labels **O** to **E** relating to your spouse's income in your tax return. If you're unable to get the information about your spouse's income, provide a reasonable estimate.

At label **O**, write your spouse's 2024–25 taxable income (excluding any assessable first home super saver released amount). You'll usually find this amount on your spouse's tax return or notice of assessment. If this amount is zero or a loss, write **0** (zero).

At label **T**, write any amount of net income of a trust that the trustee was liable to pay tax on because your spouse was under a legal disability – for example, they were a person who was:

- bankrupt
- declared legally incapable because of a mental condition
- under 18 years old on 30 June 2025.

Don't include at label **T** any amount you already report in your spouse's taxable income – for example, at label **O**. If this amount is zero, write **0**. Check the trust distribution statements.

At label **U**, write the amount your spouse shows at question **A5** – label **X** in their supplementary tax return.

If this amount is zero, write **0**. Check the trust distribution statements.

At label **R**, write the amount your spouse shows at question **IT1** – label **N** in their tax return. If this amount is zero, write **0**.

At label **S**, write the amount your spouse shows at question **IT1** – label **W** in their tax return. If this amount is zero, write **0**.

At label **P**, write the amount your spouse shows at question 6 Australian Government pensions and allowances in their tax return that they receive in 2024–25 (not including exempt pension income). If this amount is zero, write **0**.

At label **Q**, write the amount of any of the following exempt pension income that your spouse receives in 2024–25:

- disability support pension paid under Part 2.3 of *Social Security Act 1991*
- youth disability supplement if your spouse receives a disability support pension
- carer payment paid under Part 2.5 of *Social Security Act 1991*
- invalidity service pension paid under Division 4 of Part III of the *Veterans' Entitlements Act 1986*
- partner service pension paid under Division 5 of Part III of the *Veterans' Entitlements Act 1986*.

Make sure you include only your spouse's exempt pension income. If this amount is zero, write **0**.

Don't include at label **Q** any of the exempt payments from label **B**.

At label **A**, write your spouse's reportable super contributions. Reportable super contributions are the sum of reportable employer super contributions and deductible **personal super contributions**. Add the total of the amounts your spouse shows at:

- question **IT2** – label **T** in their tax return
- question **D12** – label **H** in their supplementary tax return.

If this amount is zero, write **0**.

At label **B**, write the amount of the following tax-free government pensions your spouse receives for 2024–25 (don't include these at label **Q**):

- a special rate disability pension under Part 6 of Chapter 4 of the *Military Rehabilitation and Compensation Act 2004*
- a payment of compensation under section 68, 71 or 75 of the *Military Rehabilitation and Compensation Act 2004*
- a payment of the weekly amount mentioned in paragraph 234(1)(b) of the *Military Rehabilitation and Compensation Act 2004*
- a pension for defence, peacekeeping or war-caused death or incapacity or any other pension granted under Part II or Part IV of the *Veterans' Entitlements Act 1986*

- income support supplement paid under Part IIIA of the *Veterans' Entitlements Act 1986*.

If this amount is zero, write **0**.

At label **C**, write the target foreign income your spouse receives during 2024–25. Target foreign income is any income, periodic payments or benefits by way of gifts or allowances that:

- are from sources outside Australia
- aren't in your spouse's taxable income
- aren't fringe benefits.

Your spouse's target foreign income includes any foreign income that isn't taxable in Australia. You must include any exempt foreign employment income your spouse shows at question **20** – label **N** in their supplementary tax return. You must convert all foreign income to Australian dollars before you complete label **C**. If your spouse's target foreign income amount is zero, write **0**.

At label **D**, write your spouse's total net investment loss. Your spouse's total net investment loss is the sum of any net financial investment loss and any net rental property loss. Add the amounts your spouse shows at questions **IT5** and **IT6** in their tax return and write the total at label **D**. If your spouse's total net investment loss is zero, write **0**.

At label **E**, write the total amount of child support your spouse provides to another person, that is, the total amount of any payments or benefits that your spouse must provide to another person to maintain their natural or adopted child. Don't include payments or benefits you make or that your spouse provides you unless you live apart on a permanent or indefinite basis. If the total amount of child support your spouse provides to another person is zero, write **0**.

Step 4

If you don't consent to use part, or all, of your 2025 tax refund to repay any Family Assistance debt of your spouse, print **X** in the **No** box. You have finished this question.

If you do consent, answer **yes** to this question only if **all** of the following apply to you:

- You're the spouse of a family tax benefit (FTB) claimant or the spouse of a child care assistance claimant on 30 June 2025 and

your income is taken into account in their claim.

- Your spouse has given you authority to quote their customer reference number (CRN) in your tax return (if your spouse doesn't know their CRN, they can contact Services Australia).
- Your spouse has a Family Assistance debt due to Services Australia or expects to have a Family Assistance debt for 2025.
- You expect to receive a tax refund for 2025.
- You consent to use part, or all, of your refund to repay your spouse's Family Assistance debt.

If you consent, print **X** in the **Yes** box. You must complete your spouse's CRN at label **Z**, and sign and date the consent.

Step 5

Complete the **Taxpayer's declaration** in your tax return.

Where to go next

- Go to **Checklist – tax return 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to question **IT8 Number of dependent children 2025**.

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Supporting information – Individual tax return 2025

Supporting information to help you complete your paper lodgment Individual tax return 2025.

Published 27 May 2025

Amounts that you don't pay tax on 2025 ›

Information about those amounts that you don't pay tax on.

Adjusted taxable income for you and your dependants 2025

Work out your adjusted taxable income (ATI) and if you're eligible for certain tax offsets.

Special circumstances 2025

Find out more about completing certain questions in your tax return where special circumstances apply.

Claiming deductions 2025

You can claim deductions for work-related expenses you incur in earning your employment income as an employee.

Rebate income 2025

Work out your rebate income and if you're eligible for the seniors and pensioners tax offset at question T1.

Checklist – tax return 2025

Complete the tax return checklist to avoid any delays when you lodge your paper tax return.

QC 104147

Amounts that you don't pay tax on 2025

Information about those amounts that you don't pay tax on.

Last updated 27 May 2025

Things you need to know

You might receive amounts that you don't need to include as income in your tax return. We classify them into 3 categories:

- exempt income
- non-assessable non-exempt income
- other amounts that aren't taxable and don't affect any calculation in your tax return.

We list the most common types of exempt income, non-assessable non-exempt income and other amounts that generally aren't taxable. If you're not sure whether a payment you receive is exempt income, non-assessable non-exempt income or other non-taxable amount, **contact us**.

Exempt income

The most common types of exempt income that you generally don't pay tax on.

Exempt Australian Government pensions, allowances and payments

These include:

- Carer adjustment payment (CAP).
- Carer payment where either
  - both the carer and the care receiver are under age-pension age
  - the carer is under age-pension age and any of the care receivers has died.
- Disability support pension Centrelink pays to a person who is under age-pension age.
- Double orphan pension.
- Invalidity service pension under the *Veterans' Entitlements Act 1986* where the veteran is under age-pension age.

- Partner service pension where either
  - the partner (excluding the non-illness separated spouse of a veteran) and the veteran are under age-pension age and the veteran receives an invalidity service pension
  - the partner is under age-pension age and the veteran has died and was receiving an invalidity service pension at the time of death.
- Veterans' Affairs disability pension and allowances, war widows and war widowers pension.

Lump sum bereavement payments you receive as part of any of the payments in this list are exempt only up to the tax-free amount. To find out how much of your payment is exempt, **contact us**.

Exempt Australian Government education payments

These include:

- Allowances for students under 16 years old, including those allowances you receive under ABSTUDY, the Assistance for Isolated Children Scheme and the Veterans' Children Education Scheme.
- Australian-American Educational Foundation (Fulbright Commission) grant.
- Commonwealth scholarships or bursaries for foreign students.
- Commonwealth secondary education assistance.
- Endeavour awards research fellowships or an Endeavour Executive Award.
- Language, literacy and numeracy supplement.
- Payments under the Military Rehabilitation and Compensation Act Education and Training Scheme (MRCAETS) for eligible young persons where you determine eligibility under either
  - paragraph 258(1)(a) of the *Military Rehabilitation and Compensation Act 2004* and the eligible young person was under 16 years old
  - paragraph 258(1)(b) of the *Military Rehabilitation and Compensation Act 2004*.

- Pensioner education supplement and fares allowance Centrelink pays.
- Rent assistance Austudy recipients receive.
- Some scholarships and bursaries full-time students receive.
- Supplementary allowances for students under the Assistance for Isolated Children Scheme.
- The first $1,000 of an apprenticeship early completion bonus you receive under a specified state or territory scheme for occupations with skill shortages.

Other exempt Australian Government payments

These include:

- Acute support packages for veterans and their families.
- Amounts you receive directly, or which a person receives on your behalf, under the National Disability Insurance Scheme for approved reasonable and necessary supports your plan funds.
- Australian Government Disaster Recovery Payment.
- Back to school bonus and single income family bonus under the *A New Tax System (Family Assistance) (Administration) Act 1999*.
- Carer allowance under the *Social Security Act 1991*.
- Child care subsidy.
- Additional child care subsidy.
- Child disability assistance under Part 2.19AA of the *Social Security Act 1991*.
- Education entry payment supplement under the *Social Security Act 1991*.
- Energy supplement paid under Part 2.25B of the *Social Security Act 1991* or Part VIIAD of the *Veterans' Entitlements Act 1986*.
- Family tax benefit.
- Household Assistance Package payments which include
  - Clean Energy Advance

  - Energy Supplement payments
  - Essential Medical Equipment payment
  - Single Income Family Supplement.
- Loss of earnings allowance under the *Veterans' Entitlements Act 1986*.
- Lump sum payment under section 198N of the *Veterans' Entitlements Act 1986*.
- Mobility allowance under the *Social Security Act 1991*.
- Outer Regional and Remote (OR&R) payment under the Better Start for Children with Disability initiative.
- Outer Regional and Remote (OR&R) payment under the Helping Children with Autism package.
- Payment from the Thalidomide Australia Fixed Trust.
- Payment for travelling expenses under Part 3 of the *Treatment Benefits (Special Access) Act 2019*.
- Payment of pharmaceutical supplement under Part 4 of the *Treatment Benefits (Special Access) Act 2019*.
- Payments from the Commonwealth to Thalidomide survivors under the Support for Australia's Thalidomide Survivors program.
- Payments from the National Indigenous Australians Agency under the Territories Stolen Generations Redress Scheme.
- Pension bonus and pension bonus bereavement payments under Part 2.2A of the *Social Security Act 1991* or Part IIIAB of the *Veterans' Entitlements Act 1986*.
- Pharmaceutical allowances under the *Social Security Act 1991*.
- Prisoner of War Recognition Supplement payment under Part VIB of the *Veterans' Entitlements Act 1986*.
- Quarterly pension supplement paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*.
- Remote area allowance.
- Rent assistance.

- Stillborn baby payment Centrelink pays.
- Telephone allowance under the *Social Security Act 1991*.
- The ex-gratia payment from the Australian Government, known as the Disaster Recovery Allowance for special category visa (subclass 444) holders for a disaster
  - that occurred in Australia during 2014–15 and future years, and
  - for which a determination under section 1061L of the *Social Security Act 1991* has been made.
- Utilities allowance under the *Social Security Act 1991*
- Veteran's supplement paid the *Veterans' Entitlements Act 1986*

Exempt Australian Defence Force and United Nations payments

This includes:

- Certain pay and allowances for Australian Defence Force personnel (your employer will advise you if an amount is exempt).
- Compensation payments under the *Safety, Rehabilitation and Compensation Act 1988* for impairment or incapacity resulting from service with a United Nations armed force in an operation area described in Schedule 2 of the *Veterans' Entitlement Act 1986*.
- Compensation payments under the *Military Rehabilitation and Compensation Act 2004*, except those that are income-related payments.
- F-111 deseal/reseal ex-gratia lump sum payments.
- Pay and allowances for part-time service in the Australian Naval, Army or Air Force Reserve.
- Payments in relation to a recommendation by the Defence Force Ombudsman for abuse by a member of Defence.
- Some allowances to Australian Defence Force personnel who serve in prescribed overseas areas (your employer will advise you if an allowance is exempt).

Other exempt payments

These include:

- Certain amounts of interest from the Commonwealth on unclaimed money and property.
- Certain annuities and lump sums for an injured person under a structured settlement
- Certain distributions from a pooled development fund.
- Certain distributions from an early-stage venture capital limited partnership.
- Certain payments relating to persecution during the Second World War.
- Certain profits or gains from disposal of shares in a pooled development fund.
- Japanese internment compensation payments made under the *Compensation (Japanese Internment) Act 2001* or the *Veterans' Entitlements Act 1986*.
- Your share of certain profits or gains arising from disposal of investments by a venture capital limited partnership (VCLP), an early-stage venture capital limited partnership (ESVCLP) or an Australian venture capital fund of funds (AFOF).

Non-assessable non-exempt income

The most common types of non-assessable non-exempt income are:

- superannuation lump sum death benefits payments to
  - a dependant
  - someone who isn't a dependant but receives the benefit because of the death of a member of the Australian Defence Force or an Australian police force (including Australian Protective Services) who died in the line of duty
- tax-free superannuation lump sum benefits a person with a terminal medical condition existing at the time they receive the lump sum, or within 90 days of its receipt
- amounts on which family trust distribution tax has been paid (see **question A5**)

- genuine redundancy payments and early retirement scheme payments that shows as ‘Lump sum D’ amounts on your income statement or payment summary
- National Rental Affordability Scheme (NRAS) payments or non-cash benefits (whether directly or indirectly, such as through an NRAS consortium of which you're a member) from a state or territory government or a relevant body established under a state or territory law
- that part of the taxable component of a death benefit employment termination payment (ETP) below the 2024–25 cap of $245,000 a dependant receives
- the taxed element of a death benefit superannuation income stream paid from an account-based pension to a death benefit dependant where either
  - the deceased was 60 years old or older at the time of their death
  - the recipient was 60 years old or older when they receive the benefit
- the taxed element of a superannuation income stream or lump sum from an account-based pension a person 60 years old or older receives
- the tax-free component of a superannuation benefit paid from an account-based pension
- the tax-free component of an ETP.

Tax-free income for temporary residents

If you're a temporary resident, your foreign income is non-assessable non-exempt income except for income you earn from your employment overseas while you're a temporary resident which may be taxable.

You're a temporary resident if:

- you hold a temporary visa granted under the *Migration Act 1958*
- you and your spouse (if you have one) aren't an Australian resident within the meaning of the *Social Security Act 1991*.

If on 6 April 2006, or at any time after, you're an Australian resident for tax purposes but not a temporary resident, you're not entitled to the

temporary resident exemptions from that time, even if you later hold a temporary visa.

Other amounts that you don't pay tax on

You don't pay tax on:

- most child support and spouse maintenance payments
- allowances you receive as a volunteer in the Australian government funded Australian Volunteers Program
- government super contributions.

There are other amounts that you generally don't pay tax on, such as lottery winnings and **inheritances**.

For more information, see **Amounts you don't include as income**.

Return to main menu **Individual tax return instructions 2025**.

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Adjusted taxable income for you and your dependants 2025

Work out your adjusted taxable income (ATI) and if you're eligible for certain tax offsets.

Last updated 27 May 2025

What is adjusted taxable income

Your ATI is the sum of the following amounts:

- taxable income (excluding any assessable **first home super saver** released amount)
- adjusted fringe benefits total, which is the sum of both of the following
  - reportable fringe benefits amounts from employers exempt from fringe benefits tax under section 57A of the *Fringe Benefits Tax*

Assessment Act 1986 multiplied by 0.53

  - reportable fringe benefits amounts from employers not exempt from fringe benefits tax under section 57A of the *Fringe Benefits Tax Assessment Act 1986*

- **reportable employer superannuation contributions**
- deductible **personal superannuation contributions**
- certain **tax-free government pensions or benefits** you receive
- **target foreign income** (income and certain other amounts from sources outside Australia you don't include in your taxable income or receive as a fringe benefit)
- **net financial investment loss** (the amount where the person's deductions attributable to financial investments exceeds their total financial investment income)
- **net rental property loss** (the amount where the person's deductions attributable to rental property exceeds their rental property income)
- *less* – any **child support payments you provide** to another person.

We use ATI to work out if:

- you can include a base amount in the zone or overseas forces tax offset (question **T4**)
- you can claim the invalid and invalid carer tax offset (question **T5**)
- your child is a dependant for Medicare levy purposes (question **M1**)
- you're eligible for government super contributions (question **A3**).

If you want to claim a tax offset at questions **T4** or **T5** and you have dependants, you'll need your and your dependants' ATI for the relevant period to work out:

- whether you're eligible for a tax offset
- the amount of your entitlement to any tax offset.

For the meaning of dependant and maintaining a dependant, see **Tax time definitions**.

Calculate your ATI

You can use either our **Income tests calculator** or Worksheet 1a and Worksheet 1b. If you use the calculator and have to either work out a dependant's ATI for part of the year or a deceased's ATI, you need to read these instructions.

Working out the ATI of a person for the whole year

If you're working out the ATI of a person for the whole year, you can get the amounts for **worksheet 1b** from the person's tax return. **Table 1** shows you where the relevant amounts are on the tax return.

Table 1 – Working out ATI

For Worksheet 1b	The amount comes from
a	**Taxable income or loss** on page 4 in the tax return (excluding any assessable **first home super saver** released amount)
b	The sum of both of the following: • question **IT1 Total reportable fringe benefits amounts** – label **N** in the tax return, multiplied by 0.53 and rounded down to the nearest dollar • question **IT1 Total reportable fringe benefits amounts** – label **W** in the tax return
c	question **IT2 Reportable employer superannuation contributions** – label **T** in the tax return
d	question **D12 Personal superannuation contributions** – label **H** in the supplementary tax return
e	question **IT3 Tax-free government pensions** – label **U** in the tax return
f	question **IT4 Target foreign income** – label **V** in the tax return

g	question **IT5 Net financial investment loss** – label **X** in the tax return
h	question **IT6 Net rental property loss** – label **Y** in the tax return
j	question **IT7 Child support you paid** – label **Z** in the tax return

Working out a dependant's ATI for part of the year

If you're working out a dependant's ATI for part of the year, you can't use the figures from their tax return. Instead, you must work out the amounts for the relevant period and complete the calculator or worksheet using these figures. Follow the instructions at each tax offset question.

Completing a tax return for a deceased person

If you're completing a tax return for a deceased person, or your spouse died during the year and you need to know their ATI for the whole of 2024–25. Their ATI is the amount in the calculator or at row **k** in worksheet 1b:

- divided by the number of days the person was alive in 2024–25, and
- multiplied by 365.

This is the deceased person's ATI for the whole of 2024–25.

Working out a person's ATI for the relevant period

Determine the period where you need to work out the person's ATI (start date and end date). Cells in Dependant 1, Dependant 2 and Dependant 3 columns are left blank for you to fill in their details.

Worksheet 1a – Working out the start and end date for a pe ATI

	You	Dependant 1	Dependant 2	Depe
The start	1/7/2024			

date to work out the person's ATI				
The end date to work out the person's ATI	30/6/2025			

Worksheet 1b – Working out a person's ATI for the relevant

Row	Calculation	You	Dependant 1	Dependant 2
a	The person's taxable income for the period (excluding any assessable **first home super saver** released amount) If taxable income is a loss, write **0** (zero)	$	$	$
b	The person's adjusted fringe benefits total for the period	$	$	$
c	The person's reportable employer super	$	$	$

	contributions for the period				
d	The person's deductible personal super contributions for the period	$	$	$	
e	The person's tax-free government pensions or benefits for the period	$	$	$	
f	The person's target foreign income for the period	$	$	$	
g	The person's net financial investment loss for the period	$	$	$	
h	The person's net rental property loss for the period	$	$	$	
i	Add all the amounts from rows **a** to **h**	$	$	$	
j	Child support the person provides to a third party	$	$	$	

	for the period			
k	Subtract row **j** from row **i**. This is the person's ATI for the period.	$	$	$

Return to main menu **Individual tax return instructions 2025**.

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Special circumstances 2025

Find out more about completing certain questions in your tax return where special circumstances apply.

Last updated 27 May 2025

Foreign resident withholding tax

If you're a foreign resident find out more about reporting foreign resident withholding tax in your tax return for:

- Gross interest
- Dividends
- Foreign employment termination payments.

Gross interest

If you're a foreign resident for part of the income year, include at question **10 Gross interest** any interest you receive in 2024–25 while you're an Australian resident.

Don't include at question **10** any interest paid or credited to you when you're a foreign resident if withholding tax is deducted.

If withholding tax isn't deducted, on a separate piece of paper:

- write **Schedule of additional information – question 10**

- write your name, address and TFN
- provide details of amounts of interest you receive while you're a foreign resident if withholding tax isn't deducted.

Attach your schedule to your tax return. Print **X** in the **Yes** box at **Taxpayers' declaration** – question **2** in your tax return.

We'll advise you of the amount of withholding tax you have to pay on this interest.

Dividends

Don't include at question **11 Dividends** any dividend income you receive or are credited during the period you're a foreign resident, if either:

- the dividend is fully franked
- the dividend isn't fully franked, but either
  - the dividend statement shows the unfranked amount to be conduit foreign income
  - withholding tax is (or should be) withheld from the unfranked amount.

You need to provide details of any dividend, paid or credited to you while you're a foreign resident that:

- isn't fully franked and isn't declared to be conduit foreign income
- you haven't paid withholding tax.

On a separate piece of paper:

- write **Schedule of additional information – question 11**
- write your name, address and TFN
- provide details of the dividend.

Attach your schedule to your tax return. Print **X** in the **Yes** box at **Taxpayers' declaration** – question **2** in your tax return.

We'll work out the amount of withholding tax you have to pay on the dividends and advise you of the amount.

Foreign employment termination payments

The following is relevant for the purpose of question **4 Employment termination payments**.

A **foreign ETP** is different from a **foreign termination payment (FTP)**.

Instructions for foreign ETPs

You need to convert your foreign ETPs into Australian dollars before you can complete **question 4**.

For information about exchange rates and how to convert foreign payments, go to **Foreign exchange rates** or **contact us**.

- Then on a separate piece of paper
  - write **Schedule of additional information – question 4**
  - write your name, address and TFN
  - for each foreign ETP, print the name of the payer and the foreign country that employed you, and write the amount of the payment
  - for each foreign ETP, print the appropriate code letter (from those listed at step 4 in **question 4**). You must provide a valid code for each payment.
- Attach your schedule to your tax return.
- Print **X** in the **Yes** box at **Taxpayers' declaration** – question **2** in your tax return.

You'll need to include the total amount of these foreign ETPs in the amount you show at question **4** – label **I** in your tax return.

Go to step 1 in **question 4**.

Dividends and franking credits

Additional information for completing your tax return where special circumstances apply in:

- question **11 Dividends 2025**
- question **D8 Dividend deductions 2025**.

The unfrankable dividend integrity rule prevents you from claiming franking credits from distributions made on or after 15 September 2022, that are funded from capital raising or the issue of equity interest by an entity that made the distribution.

Reporting for:

- Dividend washing integrity rule
- Qualified person or small shareholder exemption

Dividend washing integrity rule

The dividend washing integrity rule prevents you from claiming franking credits where you receive a dividend as a result of dividend washing.

Dividend washing occurs where you, or an entity connected to you, claim 2 sets of franking credits by:

- selling shares that are held on the Australian Securities Exchange (ASX) and have become 'ex-dividend', and then
- purchasing some substantially identical shares using a special ASX trading market.

When the dividend washing integrity rule applies, you're not entitled to claim the franking credits for the second dividend. However, if your interest in the second parcel of shares exceeds the interest in the first parcel, you may be entitled to claim a portion of the franking credits for the additional shares. For more information, see **Dividend washing rule**.

The dividend washing integrity rule doesn't apply if both of the following apply:

- you're an individual
- you receive no more than $5,000 in franking credits during 2024–25.

However, the dividend washing integrity rule applies where dividends flow indirectly to you through your interest in a trust or partnership.

If you're claiming franking credits at question **11**, certain rules apply. Read the following to check that you're entitled to claim the credits.

Qualified person or small shareholder exemption

You must be a 'qualified person' to be entitled to a franking credit for a dividend. To be a qualified person, you must satisfy the holding period rule and the related payments rule.

Holding period rule

To be able to claim the franking credits, the **holding period rule** requires you to hold shares 'at risk' for at least 45 days (90 days for certain preference shares).

When working out the number of days you held the shares at risk, don't count the day on which you acquire the shares and the day on which you dispose of the shares (or you enter into an arrangement to reduce the risk of making a loss on them).

This rule applies generally to shares bought on or after 1 July 1997.

Even if you don't hold the shares at risk for the required period, you may still be entitled to claim the franking credits if both of the following apply:

- your total direct and indirect franking credit entitlement for 2024–25, including any entitlement you may have had through a trust or partnership, isn't above $5,000 (the small shareholder exemption)
- the related payments rule doesn't apply to you.

In determining whether the holding period rule is satisfied for the prescribed minimum period, no account is taken of any days on which you entered into an arrangement to materially reduce the risk of making a loss on your shares, such as through derivatives, hedges, options and futures.

If you don't satisfy the holding period rule, add up all the franked dividend amounts from your statements and any other franked dividends you receive or that is credited to you. Write the total amount at question **11** – label **T**. Don't include any franking credit amount at question **11** – label **U** for that dividend.

Related payments rule

The related payments rule applies to arrangements you enter into after 7:30 pm (Australian Eastern Standard Time) on 13 May 1997. Broadly, it applies to you if you effectively have no interest in a dividend because you're under an obligation to make, or likely to make, a related payment to another party for the dividend and you don't hold your shares 'at risk' for at least 45 days (90 days for certain preference shares).

When working out the number of days you hold the shares 'at risk', don't count the day on which you acquire the shares and the day on

which you dispose of the shares (or you enter into an arrangement to reduce the risk of making a loss on them).

A related payment includes you, or your associate, doing something under an arrangement that has the effect of passing the benefit of the dividend to someone else.

If either the holding period rule or related payments rule is likely to affect you, see **You and your shares 2025**.

Australian superannuation lump sum payments

Additional information for completing your tax return where special circumstances apply in question 8 **Australian superannuation lump sum payments 2025**.

Tables 1A and **2B** set out the maximum tax rates that apply to super lump sum payments made by complying super funds. The Medicare levy is additional where applicable.

You may find this useful in completing questions **8**, **M1** and **M2**.

You must include any lump sum in arrears amounts in your assessable income regardless of the period the income stream payment relates to.

Tables 1A and 1B: Death benefit

Use **Tables 1A** and **2B** to work out the maximum tax rates that apply to super lump sum payments made by complying super funds.

Table 1A: Death benefit paid to death benefits dependant (of any age)

Element	Amount	Tax rate
Tax-free component	Whole	Tax free
Taxed element	Whole	Tax free
Untaxed element	Whole	Tax free

Table 1B: Death benefit paid to non-death benefits dependant (of any age)

Element	Amount	Tax rate
Tax-free component	Whole	Tax free
Taxed element	Whole	15%
Untaxed element	Whole	30%

Tables 2A and 2B: Superannuation lump sum (other than death benefit)

Table 2A: Under the preservation age at the time of payment

Element	Amount	Tax rate
Tax-free component	Whole	Tax free
Taxed element	Whole	20%
Untaxed element	Up to the untaxed-plan cap amount, $1,780,000 (see **Note 1**)	30%
Untaxed element	Over the untaxed-plan cap amount, $1,780,000 (see **Note 1**)	45%

Table 2B: 60 years of age or older at the time of payment

Element	Amount	Tax rate
Tax-free component	Whole	Tax free
Taxed element	Whole	Tax

		free
Untaxed element	Up to the untaxed-plan cap amount, $1,780,000 (see **Note 1**)	15%
Untaxed element	Over the untaxed-plan cap amount, $1,780,000 (see **Note 1**)	45%

Note 1: For 2024–25, the untaxed-plan cap amount is a maximum of $1.78 million, but it could be less for you if you have previously received another super lump sum with an untaxed element from the same super fund. For more information on how we work out your untaxed-plan cap amount, see **How tax applies to your super withdrawals.**

For more information on untaxed-plan cap amount, see Untaxed plan cap amount.

Leased luxury cars

If you lease a luxury car and want to claim a deduction at question **D1 Work-related car expenses** or question **D2 Work-related travel expenses**, the following information about luxury cars will help you.

A leased luxury car is a leased car that at the time the lease began had a market value of more than the 'car limit' that applies in the relevant income year.

You can claim a deduction for the decline in value of a leased luxury car (but not for other leased cars). The car can be new or second-hand. You must use the logbook method, see **Logbook method**.

When claiming a deduction for decline in value, the initial value that you use for the car is the limit that applies in the income year that the lease begins. See, Table 3 for the car limit for this year and the past 10 income years.

Table 3: Car limits for the past 10 income years

Year	Limit

2024–25	$69,674
2023–24	$68,108
2022–23	$64,741
2021–22	$60,733
2020–21	$59,136
2019–20	$57,581
2018–19	$57,581
2017–18	$57,581
2016–17	$57,581
2015–16	$57,466
2014–15	$57,466

Work-related travel expenses

For work-related travel expenses you claim in **question D2**, **tables 4** and **5** outline the evidence you need to keep for overnight travel expenses (accommodation, food and drink and incidental expenses).

Travel diary

Whether for domestic or overseas travel, a travel diary is a document you record the nature, places, dates, times and duration of your activities and travel.

Table 4: Travel expense records – domestic travel

Condition	Written evidence (all expenses)	Travel diary required

You don't receive a **travel allowance** and the travel is less than 6 nights in a row.	Yes	No
You don't receive a travel allowance and the travel is 6 or more nights in a row.	Yes	Yes
You receive a travel allowance, your claim doesn't exceed the reasonable allowance amount and the travel is less than 6 nights in a row.	No	No
You receive a travel allowance, your claim doesn't exceed the reasonable allowance amount and the travel is 6 or more nights in a row.	No	No
You receive a travel allowance, your claim exceeds the reasonable allowance amount and the travel is less than 6 nights in a row.	Yes	No
You receive a travel allowance, your claim exceeds the reasonable allowance amount and the travel is 6 or more nights in a row.	Yes	Yes

Overseas travel

You need written evidence for all overseas accommodation expenses, regardless of the amount you claim and the length of the trip. You don't need written evidence for food, drink and incidentals in certain circumstances, see Table 5.

Members of international aircrews don't have to keep a travel diary if they limit their claim to the amount of the allowance received.

Table 5: Travel expense records – overseas travel

Condition	Written evidence for food, drink and incidentals	Travel diary required
You don't receive a travel allowance and the travel is less than 6 nights in a row.	Yes	No
You don't receive a travel allowance and the travel is 6 or more nights in a row.	Yes	Yes
You receive a travel allowance, your claim doesn't exceed the reasonable allowance amount and the travel is less than 6 nights in a row.	No	No
You receive a travel allowance, your claim doesn't exceed the reasonable allowance amount and the travel is 6 or more nights in a row.	No	Yes
You receive a travel allowance, your claim exceeds the reasonable allowance amount and the travel is less than 6 nights in a row.	Yes	No
You receive a travel allowance, your claim exceeds the reasonable allowance amount and the travel is 6 or more nights in a row.	Yes	Yes

Rules for certain types of gifts or donations

The following information is about different types of gifts or donations that you may be able to claim a deduction for at question **D9 Gifts or donations**. If you obtain a valuation of a deductible donation of property, you may be able to claim a deduction for the cost of that valuation under question **D10 Cost of managing tax affairs**.

Find out more on the deduction rules for:

- Gifts of property
- Receiving a benefit
- Deductions for contributions relating to fund-raising events
- Gifts of shares valued at $5,000 or less
- Contributions and gifts to registered political parties and independent candidates and members

Gifts of property

You can claim a deduction for a gift of property (such as land, artwork or memorabilia) to an eligible organisation if either:

- you purchase the property within 12 months of making the gift
- you purchase the property more than 12 months before you made the gift and the Commissioner valued it at more than $5,000.

If you purchase the property within 12 months of making the gift, the amount deductible is the market value of the property at the time of the gift or the amount you pay for the property, whichever is less. If you purchase the property more than 12 months before you made the gift and the Commissioner values it at more than $5,000, the amount deductible is the value of the property the Commissioner determines.

You can't claim a deduction for a gift of property if you don't purchase it (for example, you inherit or win the property) unless the Commissioner values it at more than $5,000.

If you make a gift of property under the cultural gifts program the rules above don't apply to you.

For more information on working out whether you can claim a deduction for a gift under this program, see **Donating under the Cultural Gifts Program**.

For more information on property valuations, **contact us**.

Receiving a benefit

Generally, you can't claim a deduction for a donation if you receive something in return (for example, a raffle ticket, dinner or a reduction in your child's school fees) other than tokens like lapel badges and stickers that promote the organisation. This rule doesn't apply to certain fund-raising events, see Deductions for contributions relating to fundraising events.

Deductions for contributions relating to fundraising events

You can claim a deduction for contributions to approved organisations that relate to fundraising events where you receive a minor benefit for your contribution, if both of the following apply:

- the contribution meets certain conditions
- the benefit you receive doesn't exceed a specified limit.

A fundraising event includes a fete, ball, gala show, dinner, performance or similar event.

You can claim a deduction if one of the following applies:

- you make a contribution of money or property to attend or participate in (or for the right to attend or participate in) a fund-raising event
- you make a contribution of money to purchase goods or services at a charitable auction.

Your contribution must meet the following conditions:

- It's made to an approved organisation.
- If it's money, it is more than $150.
- If it's property, you either
  - purchase it within 12 months of making a contribution, and both the market value on the day of the contribution and the purchase price are more than $150
  - own it for more than 12 months and the Commissioner values it at more than $5,000.
- If it's publicly listed shares, the value is more than $150 and less than or equal to $5,000.

- The fundraising event is held in Australia.
- The GST-inclusive market value of the minor benefit you receive for your contribution must be worth no more than $150 or 20% of the value of the contribution, whichever is less. The receipt from the approved organisation will show the market value of the minor benefit you receive.

Your deduction is the value of your contribution that satisfies the conditions set out above **less** the GST-inclusive market value of the minor benefit you receive. Both of these amounts appear on your receipt.

There is no limit to the number of deductions you can claim for successful bids to purchase goods or services at a charitable auction, where the conditions are met.

Gifts of shares valued at $5,000 or less

You can claim a deduction for a gift of shares to an approved organisation if:

- the shares are held in a company that is listed on an approved Australian stock exchange on the day the gift is made
- you acquire the shares at least 12 months before making the gift ('acquired' includes purchased, inherited, won or received as a gift or a bonus)
- the parcel of shares have a market value of $5,000 or less on the day you make the gift
- the parcel of shares is valued at $2 or more.

You can't claim a deduction for shares that are suspended from trading (other than a mere trading halt).

Gifts of shares held in different companies are separate gifts even if given at the same time.

A deduction is also available to you where you contribute the shares in return for a right permitting you or another individual to attend or participate in a particular fundraising event in Australia. The gift must satisfy the rules for contributions to fundraising events:

- the market value of the shares on the day they are contributed must be more than $150 but less than or equal to $5,000

- the market value of the right to attend or participate in the fund-raising event must not exceed 20% of the value of the shares or $150, whichever is less.

Be aware that capital gains tax applies when you make a gift of shares.

Contributions to registered political parties, candidates and members

You can claim a deduction for contributions or gifts to registered political parties, independent members of parliament (state or Commonwealth) or independent candidates in an election for parliament. Contributions must be $2 or more. The contribution or gift must be of money or property that you purchased during the 12 months before making the contribution or gift. If it is property, the amount deductible is the market value of the property at the time of the donation or the amount you paid for the property, whichever is less.

If the total of all your contributions and gifts to **political parties** during the income year is greater than $1,500, the maximum amount you can deduct is $1,500. A separate deduction limit of $1,500 applies if the total of all your contributions and gifts to **independent** candidates or independent members of parliament for the income year exceeds $1,500.

You can't claim a deduction for a political gift or contribution of $2 or more (including membership fees) to registered political parties, independent candidates and members of an Australian legislature if you make the gift or contribution in the course of carrying on a business.

The contribution must be to a political party that is registered under Commonwealth, state or territory electoral laws.

The contribution to an independent candidate or independent members must be to a candidate for election to, or member of, the Commonwealth Parliament, a state or territory parliament.

An independent candidate is an individual whose candidature in an election for parliament isn't endorsed by a registered political party. An independent member is a member of parliament who isn't a member of a registered political party.

Australian super income stream tax offset

To complete question **T2 Australian superannuation income stream 2025** when your payment summary doesn't show the tax offset amount:

- follow the steps if you're both
  - under 60 years old
  - don't have a death benefit income stream where the deceased was 60 years old or older.
- read question **T2** if either
  - you're 60 years old or older
  - you have a death benefit income stream where the deceased was 60 years old or older.

Completing your tax return

For each *PAYG payment summary – superannuation income stream* that doesn't show a tax offset amount, you can work out your tax offset amount by multiplying the taxed element and the untaxed element of the taxable component on each of those payment summaries by the relevant percentage in tables **6A** to **6C**.

Worksheet 1: Working out the amount of your tax offset taxed element only (pre-60 income)

Row	Calculation	Amount
a	The amount of any taxed element of your super income stream benefit paid to you for which you're entitled to a tax offset	$
b	Relevant percentage from **Tables 6A** to **6C**	%
c	Multiply row **a** by row **b**.	$

Your Australian super income stream tax offset percentages

Table 6A: Death benefit income stream

Age of the deceased	Your age at date of each payment	Taxed element	Untaxed element
Under 60 years old	Under 60 years old	15%	0%
Under 60 years old	60 years old or older	Not applicable	Limited – read question **T2**.
60 years old or older	Any age	Not applicable	Limited – read question **T2**.

Table 6B: Disability super benefit income stream

Your age at date of each payment	Taxed element	Untaxed element
Under 60 years old	15%	0%
60 years old or older	Not applicable	Limited – read question **T2**.

Table 6C: All other income streams

Your age at date of each payment	Taxed element	Untaxed element
Under preservation age	0%	0%
60 years or older	Not applicable	Limited – read question **T2**.

If your circumstances in the above tables change during 2024–25, for example, because you turn 60 years old during the year, then a different percentage of tax offset may apply to the amounts of the super income stream you receive before and after your birthday; read question **T2**.

If you have any *PAYG payment summary – superannuation income stream* that shows tax offset amounts, and you're under 60 years old on 30 June 2025, add up these amounts and the amount from question **T2** in **worksheet 1** – row **h** . Write the total amount at question **T2** – label **S** in your tax return. Don't show cents.

Tax-free government pensions or benefits and the income tests

If you receive any of the government pensions or benefits in the following list, you must include at **question IT3** the part of those pensions and benefits that are exempt from tax. In some cases, all of your pension or benefit could be exempt from tax, and in other cases only part of it might be.

Don't include any part of the following pensions and benefits that is a bereavement payment, pharmaceutical allowance, rent assistance or remote area allowance, or language, literacy and numeracy supplement.

Government benefits or payments you may receive are:

- Disability support pension paid by Centrelink to a person who is under age-pension age.
- Youth disability supplement if you receive a disability support pension.
- Carer payment under Part 2.5 of the *Social Security Act 1991* (this isn't 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*.
- A veteran payment under an instrument made under Part IIIAA of the *Veterans' Entitlements Act 1986*.
- Special rate disability pension under Part 6 of Chapter 4 of the *Military Rehabilitation and Compensation Act 2004*.
- A payment of compensation under section 68, 71 or 75 of the *Military Rehabilitation and Compensation Act 2004*.
- A 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're not sure, for the purpose of this question, whether a government pension or benefit you receive is tax-free, **contact us**.

To help you understand terms we use in the tax return instructions, **Tax time definitions**.

Return to main menu **Individual tax return instructions 2025**.

QC 104150

Claiming deductions 2025

You can claim deductions for work-related expenses you incur in earning your employment income as an employee.

Last updated 27 May 2025

Things you need to know

You may be able to claim deductions for **work-related expenses** you incur in the course of your employment duties or while performing your work duties as an employee. You **incur** an expense in 2024–25 if you either:

- receive a bill or invoice for an expense that you're liable for (even if you pay it after 30 June 2025)
- don't receive a bill or invoice but you pay for the expense.

These expenses include:

- car expenses, including fuel costs and maintenance
- travel costs
- clothing expenses
- education expenses
- union fees
- home computer and phone expenses
- tools and equipment expenses
- journals and trade magazines.

Use the **Employees guide for work expenses** to help you as an employee to decide:

- whether your expenses are deductible
- what written evidence and other records you need to keep to show you incur the expense and how you work out your claim.

You may also be able to claim some deductions that aren't work-related expenses. They are:

- interest and dividend deductions for investments
- deductions for gifts and donations
- a deduction for the cost of managing your tax affairs.

For more information, see:

- Taxation Ruling **TR 97/7** *Income tax: section 8-1 – meaning of 'incurred' – timing of deductions*
- Taxation Ruling **TR 2020/1** *Income tax: employees: deductions for work expenses under section 8-1 of the Income Tax Assessment Act 1997*

Goods and services tax

If your expense includes an amount of goods and services tax (GST), the GST is part of the total expense and is therefore part of any deduction. For example, if you incur union fees of $440 which includes $40 GST, you claim a deduction for $440.

Foreign employment

If you receive a *PAYG payment summary – foreign employment* or have foreign employment payment information on your income statement, you claim deductions that you're eligible to claim for that income at questions **D1** to **D6**, as relevant.

You must convert all foreign deduction claims to Australian dollars before you complete this question.

For more information on

- how to convert your foreign deductions, see **Foreign exchange gains and losses**
- exchange rates, see **Foreign exchange rates**.

Basic rules

You must incur the expense in 2024–25.

To claim a deduction for a work-related expense:

- you must spend the money yourself and not get a reimbursement
- the expense must directly relate to earning your income
- you must have a record to prove it (usually a receipt).

The expense must not be private, domestic or capital in nature. For example, the costs of normal travel to and from work, and buying lunch each day are private expenses.

If you incur an expense:

- that is both work-related and private or domestic in nature, you only claim a deduction for the work-related part
- that is capital in nature, you may be able to claim a deduction for the decline in value of the depreciating asset you acquire and use for work

- for services paid in advance, you need to work out what part of the expense is deductible in 2024–25.

You can't claim a deduction for an expense if any of the following apply:

- someone else pays for the expense
- someone has or will reimburse you for the expense
- the payment or reimbursement is a fringe benefit (including an exempt benefit).

If you receive a partial reimbursement for the expense, you can only claim a deduction for the part that you don’t receive a reimbursement for.

Record keeping for work-related expenses

When you claim a deduction, you need to keep records that show you incur the expense. Records are written evidence of your income or expenses, these can be either paper or electronic. You need to keep records that support the claims you make in your tax return.

You need to **keep records** for 5 years (in most cases) from the date you lodge your tax return.

Total work-related expenses more than $300

If the total amount of deductions you're claiming is more than $300, you must have written evidence (such as a receipt or invoice) to **show you incur and don't receive a reimbursement for the expenses you claim**.

The written evidence and records you keep must prove the total amount you claim, not just the amount over $300.

The $300 threshold doesn't include car expenses, meal allowance expenses, award transport payment expenses and travel allowance expenses. There are special written evidence rules for these claims which we explain at the relevant questions in the instructions.

Total work-related expenses $300 or less

If the total amount you're claiming is $300 or less, you need records (such as calendar entries or a spreadsheet) to be able to show how

you work out your claims, but you don't need written evidence (such as receipts or invoices).

Advance expenditure

If you prepaid for a service costing $1,000 or more, and the service extends for a period of more than 12 months or beyond 30 June 2026 (such as a subscription to a journal relating to your profession), you can only claim the prepaid amount that relates to 2024–25. You can also claim the proportion of your pre-paid expenses from a previous income year that relate to 2024–25.

For help to work out deductions you can claim for expenses you incur for things to be done in a later income year, see **Deductions for prepaid expenses 2025**.

Allowances

If you receive an allowance that you show at question **2** in your tax return, you can claim a deduction for your expenses the allowance covers, but only if you:

- actually incur the expenses in producing your employment income
- meet the basic rules.

For example, if you receive a tools allowance of $500 and your tool expenses were $300:

- include the whole allowance of $500 at question **2** in your tax return
- you claim a deduction of $300 at question **D5** if you have written evidence (such as a receipt for the purchase of the tools).

Decline in value of a depreciating asset

You may be able to claim a deduction for the decline in value of a **depreciating asset** you held during 2024–25 if you use it to produce income that you show in your tax return.

A depreciating asset is an asset that has an effective life and can reasonably be expected to decline in value over time. Depreciating assets include items such as tools, reference books, computers and office furniture.

Work out the decline in value of a depreciating asset using its effective life. You can either make your own estimate of its effective life or use the Commissioner's effective life determinations. For more information, see **Effective life of an asset**.

You may be able to claim an immediate deduction for the full cost of depreciating assets costing $300 or less if certain conditions are met.

Where to go next

- Go to **D1 Work-related car expenses 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to **Total income or loss 2025**.

QC 104151

Rebate income 2025

Work out your rebate income and if you're eligible for the seniors and pensioners tax offset at question T1.

Published 27 May 2025

What is rebate income?

Your rebate income is the total amount of your taxable income (excluding any assessable first home super saver released amount) *plus* the following amounts if they apply to you:

- adjusted fringe benefits total, which is the sum of both of the following
  - reportable fringe benefits amounts you receive from employers exempt from fringe benefits tax under section 57A of the *Fringe Benefits Tax Assessment Act 1986* multiplied by 0.53
  - reportable fringe benefits amounts from employers not exempt from fringe benefits tax under section 57A of the *Fringe Benefits Tax Assessment Act 1986*

- reportable employer super contributions
- deductible personal super contributions
- your net financial investment loss (that is, the amount your deductions from your financial investments exceeded your total financial investment income)
- your net rental property loss (that is, the amount where your deductions attributable to rental property exceeded your rental property income).

Calculate your rebate income

To work out your rebate income, use the following worksheet.

Worksheet 1 – Working out your rebate income

Row	Calculation	Amount
a	Your taxable income (from **Taxable income or loss** in your tax return – excluding any assessable first home super saver released amount) If your taxable income is a loss, write **0 (zero)**.	$
b	Your reportable employer super contributions (from question **IT2** – label **T** in your tax return)	$
c	Your deductible personal super contributions (from question **D12** – label **H** in your tax return)	$
d	Your net financial investment loss (from question **IT5** – label **X** in your tax return)	$
e	Your net rental property loss (from question **IT6** – label **Y** in your tax return)	$

f	Your adjusted fringe benefits total – the sum of the following: • question **IT1** – label **N** in your tax return multiplied by 0.53 and rounded down to the nearest dollar • question **IT1** – label **W** in your tax return.	$
g	Add up the amounts from rows **a** to **f**. This is your rebate income.	$

Go back to question T1 Seniors and pensioners tax offset 2025.

QC 104152

Checklist – tax return 2025

Complete the tax return checklist to avoid any delays when you lodge your paper tax return.

Last updated 27 May 2025

Things you need to know

To avoid any delay in the processing of your tax return, use the pre-addressed envelope we provide with the tax return instructions, or use the following address:

AUSTRALIAN TAXATION OFFICE
GPO BOX 9845
(insert the name and postcode of your nearest capital city)

For example:

AUSTRALIAN TAXATION OFFICE
GPO BOX 9845
SYDNEY NSW 2001

Your checklist

Check you have completed the following before you lodge your tax return:

- your tax file number
- all your personal details, including your date of birth
- your electronic funds transfer details so we can pay any refund owing directly to your financial institution account – we can hold your refund for 90 days if you don't provide valid Australian financial institution account details
- all **questions** that are relevant to you, including
  - **M2** – this question is **compulsory** for all taxpayers
  - **Private health insurance policy details**, if required
  - **A1** if you're under 18 years old on 30 June 2025; this is **compulsory** and you may pay tax at a higher rate if you don't complete it
  - **A4** if you're in Australia on a 417 or 462 visa that allows you to work and holiday – this is **compulsory** and you may pay tax at a higher rate if you don't complete it
  - **IT1** to **IT8 Income tests**
  - **Spouse details – married or de facto**, if required, including
    - **Family Assistance consent** – if you consent to offset part or all of your tax refund against your spouse's Family Assistance debt, if required
- the letter code boxes, if required, at questions
  - **1 Salary or wages**
  - **3 Employer lump sum payments**
  - **4 Employment termination payments**
  - **8 Australian superannuation lump sum payments**
  - **TOTAL SUPPLEMENT INCOME OR LOSS**
  - **TOTAL INCOME OR LOSS**
  - **D1 Work-related car expenses**
  - **D3 Work-related clothing, laundry and dry-cleaning expenses**

  - **D4 Work-related self-education expenses**
  - **SUBTOTAL**
  - **TAXABLE INCOME OR LOSS**
  - **T1 Seniors and pensioners**
  - **M1 Medicare levy reduction or exemption**
  - **Private health insurance policy details**
  - **A1 Under 18**
  - **A3 Government super contributions**.
- written totals at
  - **TOTAL TAX WITHHELD**
  - **TOTAL SUPPLEMENT INCOME OR LOSS** (if applicable)
  - **TOTAL INCOME OR LOSS**
  - **TOTAL SUPPLEMENT DEDUCTIONS** (if applicable)
  - **TOTAL DEDUCTIONS**
  - **SUBTOTAL**
  - **TAXABLE INCOME OR LOSS**
  - **TOTAL SUPPLEMENT TAX OFFSETS** (if applicable)
  - **TOTAL TAX OFFSETS**
- a Trust income schedule to attach to your tax return, if you report amounts for trust distributions at
  - **13 Partnerships and trusts**
  - **18 Capital gains**
  - **19 Foreign entities**
  - **20 Foreign source income and foreign assets or property**
- the **Taxpayer's declaration**, you need to read, complete, sign and date it
- attach copies of all documents or schedules the tax return instructions tell you to attach

- kept copies of your tax return, all attachments, and relevant papers for your own records.

When can you expect your notice of assessment?

We aim to process paper tax returns within 50 business days. If you lodge your tax return online using myTax, our standard processing time is 10 business days.

Do you want to work out your tax?

If you want to work out your tax refund or debt estimate, use the **Income tax calculator**.

Return to main menu **Individual tax return instructions 2025**.

QC 104153

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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