



Income test questions IT1–IT8

How to complete the income test questions IT1 to IT8 in your paper tax return.

Income tests 2024



Complete the income tests so we can work out your eligibility for tax offsets and benefits.

IT1 Total reportable fringe benefits amounts 2024



Complete question IT1 to include any fringe benefits amounts you received from your employer.

IT2 Reportable employer superannuation contributions 2024



Complete question IT2 to include any reportable employer superannuation contributions you received.

IT3 Tax-free government pensions or benefits 2024



Complete question IT3 to include certain tax-free government pensions or benefits you received.

IT4 Target foreign income 2024



Complete question IT4 to include target foreign income you received.

IT5 Net financial investment loss 2024



Complete question IT5 to include net loss from any financial investments you owned.

IT6 Net rental property loss 2024



Complete question IT6 to include the net loss from any rental property you owned.

IT7 Child support you paid 2024



Complete question IT7 to include child support you paid.

IT8 Number of dependent children 2024



Complete question IT8 to include the number of dependent children you have.

QC 101388

Income tests 2024

Complete the income tests so we can work out your eligibility for tax offsets and benefits.

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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 are entitled to receive
- can receive some government benefits or concessions
- are entitled to a rebate for your private health insurance
- must pay tax
- must pay Medicare levy surcharge
- have a **study and training support loan** repayment liability, such as Higher Education Loan Program, VET Student Loan, Student Financial Supplement Scheme, Student Start-up Loan, ABSTUDY Student Start-up Loan or Australian Apprenticeship Support Loan (formerly known as Trade Support Loan) repayment liability.

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

Where to go next

- Go to question **IT1 Total reportable fringe benefits amounts 2024**.
- Return to main menu **Individual tax return instructions 2024**.
- Go back to question **A4 Working holiday maker net income 2024**.

QC 101462

IT1 Total reportable fringe benefits amounts 2024

Complete question IT1 to include any fringe benefits amounts you received from your employer.

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Things you need to know

This question is about reportable fringe benefits amounts that you received. Do not show any benefit less than \$3,773.

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 2024**.
- **Yes** – Read on.

The amount at question **IT1** – label **W**, and the amount at question **Spouse details – married or de facto** – label **S**, won't be adjusted down 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 will need each income statement, *PAYG payment summary – individual non-business* and *PAYG payment summary – foreign employment* you received that shows reportable fringe benefits amounts.

Completing your tax return

To complete this question, follow steps 1 and 2 below.

If a reportable fringe benefits amount shown 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 shown on your:

- payment summaries with **Yes** selected at **Is the employer exempt from FBT under section 57A of the FBTA 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 shown on your:

- payment summaries with **No** selected at **Is the employer exempt from FBT under section 57A of the FBTA 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 2024.
- Return to main menu Individual tax return instructions 2024.
- Go back to Income tests 2024.

QC 101463

IT2 Reportable employer superannuation contributions 2024

Complete question IT2 to include any reportable employer superannuation contributions you received.

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Things you need to know

Reportable employer superannuation contributions are additional to the compulsory contributions your employer must make. An example

of a reportable employer superannuation 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 superannuation contributions on your behalf?

- **No** – Write **0** (zero) at question **IT2** – label **T**, then go to question **IT3 Tax-free government pensions or benefits 2024**.
- **Yes** – Read on.

What you need to answer this question

You will need each income statement, *PAYG payment summary – individual non-business*, *PAYG payment summary – foreign employment* and *PAYG payment summary – business and personal services income* you received that shows an amount of reportable employer superannuation contributions.

If your payment summary or income statement shows a reportable employer superannuation contributions amount, and you did not get your employer to make superannuation contributions in addition to their compulsory superannuation contributions, you should contact your employer before lodging your return to check that the figure is correct.

If your employer has incorrectly calculated the reportable employer superannuation contributions amount, ask them to provide you with a revised payment summary or income statement showing the correct amount.

Completing your tax return

To complete this question, follow steps 1 and 2 below.

Step 1

Add up the reportable employer superannuation contributions amounts shown 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 2024.
- Return to main menu **Individual tax return instructions 2024**.
- Go back to question **IT1** Total reportable fringe benefits amounts 2024.

QC 101464

IT3 Tax-free government pensions or benefits 2024

Complete question **IT3** to include certain tax-free government pensions or benefits you received.

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Things you need to know

This question is about certain tax-free government pensions or benefits that you received in 2023–24. For a list of the relevant tax-free government pensions and benefits, see **Special circumstances 2024**.

If you are still unsure whether your pension or benefit is tax-free, **contact us**, or contact the agency that paid you.

Do not include at this question:

- Australian Government allowances and payments that you have included at **question 5**
- Australian Government pensions and allowances that you have included at **question 6**

- Australian annuities and superannuation income streams that you have included at **question 7**.

Did you receive a tax-free government pension or benefit that is listed in the Special circumstances section?

- **No** – Write **0** (zero) at question **IT3** – label **U**, then go to question **IT4 Target foreign income 2024**.
- **Yes** – Read on.

What you need to answer this question

You don't pay income tax on tax-free government pensions and benefits. However, those pensions and benefits are taken 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.

Completing your tax return

To complete this question, follow steps 1 and 2 below.

Step 1

Add up the amount of tax-free pensions or benefits you received during 2023–24.

Step 2

Write the total at question **IT3** – label **U**.

Where to go next

- Go to question **IT4 Target foreign income 2024**.
- Return to main menu **Individual tax return instructions 2024**.
- Go back to question **IT2 Reportable employer superannuation contributions 2024**.

IT4 Target foreign income 2024

Complete question IT4 to include target foreign income you received.

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Things you need to know

Target foreign income is:

- any income earned, derived or received 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.

provided that the amount has not been included in your taxable income, nor received 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 received while you were a temporary resident that is exempt from Australian tax
- the amount of exempt foreign employment income you have shown at question **20** – label **N**.

If you are not sure whether any foreign income you have received is target foreign income, **contact us**.

Did you receive any target foreign income?

- **No** – Write **0** (zero) at question **IT4** – label **V**, then go to question **IT5 Net financial investment loss 2024**.
- **Yes** – Read on.

What you need to answer this question

You will need details of any target foreign income that you received in 2023–24 including the details of any exempt foreign employment income you included at question **20** – label **N**.

Completing your tax return

To complete this question, follow the steps 1 and 2 below.

Show all foreign income in Australian dollars using the market exchange rate for 1 July 2023. For more information, see [Foreign exchange rates](#). For information on how to convert your foreign income, [contact us](#).

Step 1

Add up all the target foreign income you earned, derived or received during 2023–24, including the amount you have shown 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 2024**.
- Return to main menu **Individual tax return instructions 2024**.
- Go back to question **IT3 Tax-free government pensions or benefits 2024**.

IT5 Net financial investment loss 2024

Complete question IT5 to include net loss from any financial investments you owned.

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Things you need to know

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

Did 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 included income or losses from an investment listed above
- any investment that is of a similar nature to those listed above?

If your answer is:

- **No** – Write **0** (zero) at question **IT5** – label **X**, then go to question **IT6 Net rental property loss 2024**.
- **Yes** – Read on.

The loss you show at this question is the amount your deductions from your financial investments exceed your income from those investments.

When calculating your net financial investment loss, do not 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 (which include horticultural, aquaculture and commercial horse breeding schemes).

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

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

Deductions

Deductions you can claim for an investment include expenses you pay to:

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

Completing your tax return

Complete **worksheets 1a** and **1b** below.

If you are 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

Row	Financial investment income	Amount
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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 included at question 13 – label U	\$
e	Share of franked distributions and franking credits from managed investment scheme included at question 13 – label C	\$
f	Dividend income or managed investment scheme income from foreign companies included 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

Row	Financial investment deductions	Amount
k	Dividend deductions from Australian shares included at question D8	\$
l	Managed investment scheme deductions included 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 2024.
- Return to main menu Individual tax return instructions 2024.
- Go back to question IT4 Target foreign income 2024.

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IT6 Net rental property loss 2024

Complete question IT6 to include the net loss from any rental property you owned.

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Things you need to know

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

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

Did you earn rental income, claim rental deductions, or receive a partnership distribution that included rental income or losses?

- **No** – Write **0** (zero) at question **IT6** – label **Y**, then go to question **IT7** Child support you paid 2024.
- **Yes** – Read on.

What you need to answer this question

We will 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 steps 1 and 2 below.

Step 1

Complete **worksheet 1** to work out your net rental property loss.

Any loss amounts in **worksheet 1** must be shown 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 take into account in working out the amount at **P8** – label **Z** of the *Business and professional items schedule 2024*. If this applies to you, then you should lodge your tax return using myTax or a registered tax agent.

If you are unable to use myTax or a registered tax agent, contact us and we will mail you a paper tax return and Business and Professional items schedule.

At row **f** write the total of the low-value pool deductions relating to your rental properties that you included at 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 2024.
- Return to main menu **Individual tax return instructions 2024**.
- Go back to question **IT5** Net financial investment loss 2024.

IT7 Child support you paid 2024

Complete question IT7 to include child support you paid.

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Things you need to know

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

Don't include amounts you paid or provided 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 2024.
- **Yes** – Read on.

What you need to answer this question

You will need to know, or work out from your records, the total amounts you paid or benefits you provided for the maintenance of your child during 2023–24.

Completing your tax return

To complete this question, follow steps 1 and 2 below.

Step 1

Add up all the amounts you paid and benefits you provided for the maintenance of your child during 2023–24.

Step 2

Write the total at question **IT7** – label **Z**.

For income test purposes, the amounts you paid and the benefits you provided for the maintenance of your child will be deducted from the

total of the other components that make up your adjusted taxable income.

Where to go next

- Go to question IT8 Number of dependent children 2024.
- Return to main menu Individual tax return instructions 2024.
- Go back to question IT6 Net rental property loss 2024.

QC 101469

IT8 Number of dependent children 2024

Complete question IT8 to include the number of dependent children you have.

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Things you need to know

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

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

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

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

- private health insurance rebate
- Medicare levy surcharge.

Did you have any dependent children?

- **No** – Write **0** (zero) at question **IT8** – label **D**, then go to Spouse details – married or de facto 2024.
- **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 2024.
- Return to main menu Individual tax return instructions 2024.
- Go back to question IT7 Child support you paid 2024.

QC 101470

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