



## Need to know

Find out if you need to lodge a tax return, what's new this year and other important information.

### Do you need to lodge a tax return 2011



Work out if you need to lodge an income tax return for 2011.

### Important information 2011



Provides important information and instructions to complete and lodge your tax return.

### What's new this year? 2011



A list of new initiatives incorporated in this year's Individual tax return instructions.

### Will you need TaxPack 2011 supplement? 2011



Check the list of supplement questions to see whether you need it to complete your tax return.

# Do you need to lodge a tax return? 2011

Work out if you need to lodge an income tax return for 2011.

29 June 2011

If any of the following applies to you then you must lodge a tax return.

## Reason 1

During 2010-11, you were an **Australian resident** and you:

- paid tax under the pay as you go (PAYG) withholding or instalment system, or
- had tax withheld from payments made to you.

## Reason 2

You were eligible for the **senior Australians tax offset** **and** your 'rebate income' (not including your spouse's) was more than:

- \$30,685 if you were single, widowed or separated at any time during the year
- \$29,600 if you had a spouse but one of you lived in a nursing home or you had to live apart due to illness, or
- \$26,680 if you lived with your spouse for the full year.

See **Rebate income** to work out your rebate income.

## Reason 3

You were not eligible for the **senior Australians tax offset** **but** you received a payment listed at **question 5** **and** other taxable payments which when added together made your taxable income more than \$16,000.

## Reason 4

You were not eligible for the **senior Australians tax offset** **but** you received from Centrelink an Australian Government pension, allowance or payment listed at **question 6** **and** your **rebate income** was more than:

- \$29,670 if you were single, widowed or separated at any time during the year
- \$28,636 if you had a spouse but one of you lived in a nursing home or you had to live apart due to illness
- \$24,156 if you lived with your spouse for the full year.

See **Rebate income** to work out your rebate income.

## Reason 5

You were not eligible for the **senior Australians tax offset** **but** you received from the Department of Veterans' Affairs an Australian Government pension, allowance or payment listed at **question 6**, **and** your **rebate income** was more than:

- \$30,439 if you were single, widowed or separated at any time during the year
- \$29,456 if you had a spouse but one of you lived in a nursing home or you had to live apart due to illness
- \$24,810 if you lived with your spouse for the full year.

See **Rebate income** to work out your rebate income.

## Reason 6

You were not eligible for the **senior Australians tax offset** **and** you did not receive a payment listed at **question 5** or **6**, **but** your taxable income exceeded:

- \$6,000 if you were an Australian resident for tax purposes for the full year
- \$3,334 if you were under 18 years old at 30 June 2011 and your income was not salary or wages
- \$1 if you were a non-resident and you had income taxable in Australia which did not have non-resident withholding tax withheld from it, or

- your part-year tax-free threshold amount if you became or stopped being an Australian resident for tax purposes. To work out your threshold amount phone **13 28 61**.

## Other reasons

You must lodge a tax return if any of the following applied to you:

- You had a reportable fringe benefits amount on your *PAYG payment summary - individual non-business* or *PAYG payment summary - foreign employment*.
- You had reportable employer superannuation contributions on your *PAYG payment summary - individual non-business* or *PAYG payment summary - foreign employment* or *PAYG payment summary - business and personal services income*.
- You were entitled to the private health insurance tax offset; see question T5 - Private health insurance.
- You carried on a business.
- You made a loss or you can claim a loss you made in a previous year.
- You were 60 years old or older and you received an Australian superannuation lump sum that included an untaxed element.
- You were under 60 years old and you received an Australian superannuation lump sum that included a taxed element or an untaxed element.
- You were entitled to a distribution from a trust or you had an interest in a partnership **and** the trust or partnership carried on a business of primary production.
- You were an Australian resident for tax purposes and you had exempt foreign employment income and \$1 or more of other income. (Question 20 - Foreign source income and foreign assets or property explains what is meant by 'exempt foreign employment income'. For the 2009-10 income year and subsequent years, there are changes limiting the exemption for foreign employment income.)
- You are a special professional covered by the income averaging provisions. These provisions apply to authors of literary, dramatic,

musical or artistic works, inventors, performing artists, production associates and active sportspeople.

- You received income from dividends or distributions exceeding \$6,000 (or \$416 if you were under 18 years old on 30 June 2011) **and** you had
  - franking credits attached, or
  - amounts withheld because you did not quote your tax file number or Australian business number to the investment body.
- You made personal contributions to a complying superannuation fund or retirement savings account and will be eligible to receive a super co-contribution for these contributions.
- you were either a liable parent or a recipient parent under a child support assessment **unless** you received Australian Government allowances, pensions or payments (whether taxable or exempt) for the whole of the period 1 July 2010 to 30 June 2011, and the total of all the following payments was less than \$20,594
  - taxable income
  - exempt Australian Government allowances, pensions and payments
  - target foreign income (see IT4 - Target foreign income)
  - reportable fringe benefits
  - net financial investment loss (see IT5 - Net financial investment loss)
  - net rental property loss (see IT6 - Net rental property loss), and
  - reportable superannuation contributions.
- You were either a liable parent or a recipient parent under a child support assessment. If this applies to you, you cannot use the short tax return.

## Deceased estate

If you are looking after the estate of someone who died during 2010-11, consider all the above reasons on their behalf, and if a tax return is

not required complete a **Non-lodgment advice 2011** and send it to us. If a tax return is required, see **Completing individual information on your tax return** for more information.

## **Franking credits**

If you don't need to lodge a tax return for 2010-11, you can claim a refund of franking credits by using the publication **Refund of franking credits instructions and application for individuals** (NAT 4105) and lodging your claim by mail or phone **13 28 65**.

However, you cannot lodge it by phone if you are also lodging an application for **education tax refund**. In that case you must send all your claims to us together in one envelope.

## **Education tax refund**

If you don't need to lodge a tax return for 2010-11, you can claim your education tax refund by completing the application **Education tax refund instructions and claim** (NAT 72621) and lodging it by mail or phone **13 28 65**.

However, you cannot lodge it by phone if you are also lodging an application for a refund of franking credits. In that case you must send all your claims to us together in one envelope.

## **Non-lodgment advice**

If you have read all the above information and know that you do not have to lodge a tax return, you should complete a *Non-lodgment advice 2011* and send it to us 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 do not need to lodge a tax return for all future years.
- You are lodging an application for a refund of franking credits for 2011.
- You are lodging an application for an education tax refund for 2011.
- Your only income was from an allowance or payment listed at **question 5** or you received a pension, payment or an allowance listed at **question 6** and

- your 'rebate income' was less than the relevant amount in [reason 2](#) (if you are eligible for the senior Australians tax offset), or
- your taxable income was less than the relevant amount in [reason 3](#) (the agencies that paid you have provided information for us to determine that you do not need to lodge a tax return), or
- your 'rebate income' was less than the relevant amount in [reason 4](#) (the agencies that paid you have provided information for us to determine that you do not need to lodge a tax return).

A Non-lodgment advice 2011 can be submitted using our online services. For more information about online services go to [ato.gov.au/onlineservices](http://ato.gov.au/onlineservices)

Alternatively, complete the Non-lodgment advice 2011 and send it to us.

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## Important information 2011

Provides important information and instructions to complete and lodge your tax return.

26 June 2011

## 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 in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest.

If you make an honest mistake in trying to follow our information in this publication and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest. If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information.

This publication was current at **May 2011**.

### Who can complete your tax return?

You can get someone else to complete your tax return for you.

- **A family member or friend** can help you but they cannot charge you a fee. You must still sign it and you are still legally responsible for the accuracy of the information.
- **Tax Help** is a free service provided by community volunteers trained to help people on low incomes prepare their tax returns.

### Lodge your tax return by 31 October 2011

You have until 31 October 2011 to lodge your tax return, unless we have allowed you to lodge it late, or you have a later due date when a registered tax agent prepares your tax return.

If you cannot lodge your tax return by 31 October 2011 contact us as soon as possible, and certainly before 31 October 2011, to find out whether you can lodge at a later date.

## Failure to lodge on time penalty

We may apply a penalty for failure to lodge on time if your tax return is not lodged by the due date.

Generally, we apply a penalty of \$110 for every 28 days (or part thereof) that your tax return is overdue, to a maximum of \$550. We



may apply the penalty even where there is no tax payable.

However, our policy is not to apply a penalty where:

- you lodge your tax return voluntarily, and
- no tax is payable.

Where to send your tax return

## Within Australia

If you decide to lodge a paper tax return, you can use the pre-addressed envelope provided to send it to us, or send it to:

**Australian Taxation Office  
GPO Box 9845  
IN YOUR CAPITAL CITY**

**Do not replace the words IN YOUR CAPITAL CITY with the name of your capital city and its postcode - they are not needed because of a special agreement with Australia Post.**

## From overseas

You can lodge your tax return online using e-tax. Most refunds are issued within 14 days and you have the option to use the pre-filling service which downloads information reported to the Tax Office directly to your tax return.

Alternatively, you can lodge a paper tax return and use the pre-addressed envelope to send it to us. Change the address by crossing out **IN YOUR CAPITAL CITY** and replace with **SYDNEY NSW 2001, AUSTRALIA.**

It will assist us if you cross out the barcode above the address.

If you made a mistake or need to amend your tax return

Your right to complain

If you are dissatisfied with a particular decision we have made, or with one of our services or actions, you have the right to complain.

We recommend that you first try to resolve the issue with the tax officer you have been dealing with, or phone the number you have been given.

If you are not satisfied, talk to the tax officer's manager.

If you are still not satisfied, phone our complaints line on **1800 199 010**.

You can also make a complaint:

- by writing to:

**Complaints  
Australian Taxation Office  
PO Box 1271  
Albury NSW 2640**


- [online](#) 
- by sending a FREEFAX on **1800 060 063**.

### The Commonwealth Ombudsman

If you are not satisfied with our decisions or actions, you can raise the matter with the Commonwealth Ombudsman.

The Commonwealth Ombudsman's office can investigate most complaints relating to tax administration and may recommend that we provide a solution or remedy to your problem. Investigations are independent, private, informal and free of charge.


You can contact the Commonwealth Ombudsman's office by:

- visiting their website at [www.ombudsman.gov.au](http://www.ombudsman.gov.au) 
- phoning **1300 362 072**
- sending an email to [ombudsman@ombudsman.gov.au](mailto:ombudsman@ombudsman.gov.au) or
- writing to:

**The Commonwealth Ombudsman  
GPO Box 442  
Canberra ACT 2601**

## The Privacy Commissioner

The Privacy Commissioner receives complaints under the *Privacy Act 1988* and the tax file number guidelines issued under the Act. You can contact the Privacy Commissioner by:

- visiting their website at [www.oaic.gov.au](http://www.oaic.gov.au) 
- phoning the privacy hotline on **1300 363 992** or
- writing to:

**The Privacy Commissioner**  
**GPO Box 5218**  
**Sydney NSW 2001**

## Privacy and access to information

### Collecting your tax information

We are authorised by the *Taxation Administration Act 1953* to ask for your tax file number (TFN). It is not an offence not to provide your TFN. However, your assessment may be delayed if you do not provide your TFN.

We are authorised by the taxation and superannuation laws, including the *Income Tax Assessment Act 1936*, the *Income Tax Assessment Act 1997*, *A New Tax System (Australian Business Number) Act 1999* and the *Superannuation (Unclaimed Money and Lost Members) Act 1999* to ask for the other information on this tax return. We need this information to help us to administer the taxation and superannuation laws.

### Who can we give your tax information to?

We can give your tax information to some government agencies and non-government organisations specified in the taxation and superannuation laws, for example:

- benefit payment agencies such as Centrelink, the Department of Education, Employment and Workplace Relations, and the Department of Families, Housing, Community Services and Indigenous Affairs

- law enforcement agencies such as state and federal police
- other agencies such as the Child Support Agency (CSA) and the Australian Bureau of Statistics
- superannuation funds.


This disclosure is usually to check eligibility for government benefits, for law enforcement purposes, for collecting statistics or for the purpose of reuniting lost members with their superannuation accounts. The CSA may use the information you give us to assess or collect child support. If you receive a refund cheque with your notice of assessment, we also provide details of your refund to the Reserve Bank of Australia to assist in clearing your cheque. Information you provide on your tax return may also be used to update the Australian Business Register (ABR).

We can also disclose your information in performing our duties under the tax law. Otherwise we can only give your information to you or someone appointed to act for you.

## Australian Business Register

The Commissioner of Taxation is the Registrar of the ABR. We may use information you provide on your tax return to update the ABR. For example we may use the information to update your trading name, industry classification and main business address.

To help business and government interact more easily the Registrar may disclose information from the ABR to other Commonwealth, state, territory and local government agencies.

You can find details of the government agencies regularly receiving information from the ABR on the internet at [www.abr.gov.au](http://www.abr.gov.au)  or you can phone **13 28 66** between 8:00am and 6:00pm Monday to Friday and ask for a list of agencies to be emailed, faxed or posted to you.

These agencies may use ABR information for purposes authorised by their legislation or for carrying out their other functions. Examples of possible uses include registration, reporting, compliance, validation and updating of databases.

## How do we protect your tax information?

The tax laws contain secrecy provisions that prohibit any officer of the Australian Taxation Office (including employees and contractors) or any other government agency from improperly accessing or disclosing any information you provide on your tax return. These provisions only allow officers to disclose your tax information in the performance of their duties and in certain other specified circumstances.

In addition, the *Privacy Act 1988* protects personal information held by federal government agencies. It also protects TFNs, no matter who holds them.

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## What's new this year? 2011

A list of new initiatives incorporated in this year's Individual tax return instructions.

29 June 2011

### Study expense deductions for Youth Allowance, Austudy and ABSTUDY recipients

As a consequence of a recent High Court decision, you can claim a deduction for study expenses this year if you received Youth Allowance, Austudy or ABSTUDY. See question [D4 - Work-related self-education expenses](#) for more information and our website at **[www.ato.gov.au/studyexpensechanges](http://www.ato.gov.au/studyexpensechanges)**

In the 2011 Budget, the government announced its intention to change the law to prevent deductions being claimed against all government assistance payments from 1 July 2011. This includes claims for study expenses by those who receive Youth Allowance, Austudy and ABSTUDY.

The announcement does not affect your entitlement to claim deductions for 2011.

## Newstart and Youth Allowance recipients who were actively seeking paid work

As a consequence of a recent High Court decision, this year you can claim deductions for expenses you incurred in actively seeking paid work if you received Newstart allowance or were a Youth Allowance job seeker. This includes expenses you incurred in meeting the requirements of your Employment Pathway Plan. You cannot claim expenses that are of a private or domestic nature. You must have records to support your claim.

Use item D15 - Other deductions on page s43 in *TaxPack 2011 supplement* to make your claim.

You can claim:

- short-term travel costs, such as travel to job interviews
- training courses, including self-employment training and assistance, and text books
- phone calls you made seeking paid work
- return preparation.

You cannot claim expenses:

- that relate to seeking employment in only a general way (for example, conventional clothing)
- that are of a private or domestic nature (for example, conventional clothing, grooming and meals)
- paid for by your Job Services Australia provider.

In the 2011 Budget, the government announced its intention to change the law to prevent deductions being claimed against all government assistance payments from 1 July 2011. This includes claims for expenses by Newstart recipients and Youth Allowance job seekers.

The announcement does not affect your entitlement to claim deductions for 2011.

## Natural disaster donation receipts

If you made one or more donations of \$2 or more to bucket collections conducted by an approved organisation for natural disasters such as

the floods in Queensland, New South Wales and Victoria, bushfires in Western Australia, Cyclone Yasi in Queensland, and the earthquakes in Christchurch and north-eastern Japan, you can claim a tax deduction of up to \$10 for the total of those contributions without having a receipt.

If you used the web or phone to make a donation over \$2, your web receipt or credit card statement is sufficient. If you donated through third parties, such as banks and retail outlets, the receipt they gave you is also sufficient. If you contributed through 'workplace-giving' your payment summary shows the amount you donated. See question **D9 - Gifts or donations.**

### **Tax exemption for certain payments**

The government has introduced legislation to grant tax exemption for certain payments made following recent natural disasters. The following payments will be exempt from tax:

- disaster income recovery subsidy paid for Cyclone Yasi and the flooding events which started on 29 November 2010
- ex-gratia payments from the Commonwealth paid to New Zealand non-protected special-category visa holders following an Australian natural disaster in the 2010-11 income year
- clean-up and recovery grants paid to small business and primary producers (under category C of the Natural Disaster Relief and Recovery Arrangements) for
  - flooding which started on 29 November 2010, and
  - Cyclone Yasi.

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**Will you need TaxPack 2011  
supplement? 2011**

Check the list of supplement questions to see whether you need it to complete your tax return.

29 June 2011

You might need *TaxPack 2011 supplement* which contains questions that are not included in *TaxPack 2011*. Check the list below of questions covered in *TaxPack 2011 supplement* to see whether you need it to complete your tax return.

## **Income**

- 13** Income from partnerships and trusts
- 14** Personal services income (PSI) \*
- 15** Net income or loss from business \*
- 16** Deferred non-commercial business losses \*
- 17** Net farm management deposits or withdrawals
- 18** Capital gains \* (from all sources including shares, real estate and other property)
- 19** Foreign entities
- 20** Foreign source income and foreign assets or property, including foreign source pension or annuity
- 21** Rent
- 22** Bonuses from life insurance companies and friendly societies
- 23** Forestry managed investment scheme income
- 24** Other income - that is, income not listed elsewhere

## **Deductions**

- D11** Deductible amount of undeducted purchase price of a foreign pension or annuity
- D12** Personal superannuation contributions (generally for the self-employed)
- D13** Deduction for project pool



**D14** Forestry managed investment scheme deduction

**D15** Other deductions - that is, deductions not claimable at items **D1** to **D14** or elsewhere on your tax return

## **Tax offsets**

**T7** Superannuation contributions on behalf of your spouse

**T8** Zone or overseas forces

**T9** 20% tax offset on net medical expenses over the threshold amount (the threshold for 2011 is \$2,000)

**T10** Parent, spouse's parent or invalid relative

**T11** Landcare and water facility

**T12** Net income from working - supplementary section

**T13** Entrepreneurs tax offset

**T14** Other tax offsets

## **Adjustment**

**A4** Amount on which family trust distribution tax has been paid

## **Credit for interest on tax paid**

**C1** Credit for interest on early tax payments

See documents relating to *TaxPack 2011* supplement questions under Supplementary tax return.

Questions marked \* have a related publication which you must read before you can complete the item on your tax return.

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**Our commitment to you**

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

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

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

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

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