



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.

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.

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Income tests 2025

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'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.

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IT1 Total reportable fringe benefits amounts 2025

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

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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 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 on your:

- payment summaries with **No** 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 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.

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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.

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IT3 Tax-free government pensions or benefits 2025

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

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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.

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IT4 Target foreign income 2025

Complete question IT4 to include target foreign income you receive.

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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.

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IT5 Net financial investment loss 2025

Complete question IT5 to include the amount of net loss from any financial investments you own.

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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.

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IT6 Net rental property loss 2025

Complete question IT6 to include the amount of net loss from any rental property you own.

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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.

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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.

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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.

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IT8 Number of dependent children 2025

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

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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**.

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