



## Straight from the source – March 2025

Assistant Commissioner Jennifer Moltisanti urges NFPs to submit their self-review return by 31 March.

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I shared in the relief of the nation when ex-Tropical Cyclone Alfred was downgraded. Notwithstanding the downgrade, many communities in south-east Queensland and northern New South Wales impacted by the consequential rain and flooding. I hope recovery for those communities is as swift as it can be.

As we often see during times of disasters or need, among the first responders to render aid are volunteers; ordinary citizens with extraordinary motivations to help others and support communities.

One of the most rewarding parts of my role is to support a sector that makes such a difference to the lives of millions of people and I'd like to dedicate this article to the thousands of volunteers who give up their time and say thank you!

While the roles of volunteers are integral to providing on-the-ground support to communities, they also have an important role in maintaining sector transparency and integrity. As many readers know, starting from the 2023–24 income year, more than 100,000 non-charitable not-for-profits (NFPs) with an active Australian business number (ABN) must lodge an annual self-review return to notify us of their eligibility to self-assess as income tax exempt. The new reporting obligation was introduced to ensure only eligible NFPs are accessing income tax exemptions.


The new reporting obligation applies to a diverse range of NFPs including sporting clubs and community service organisations. Charitable NFPs already registered with the Australian Charities and Not-for-profits Commission (ACNC) aren't required to lodge the return.

We worked with many sector stakeholders including volunteers to make the return as easy as possible to complete and lodge. The return has 3 short sections and only asks for information that NFPs should already know:

- **section 1:** organisational details – prior to lodging we recommend you check your ABN contact details are up to date
- **section 2:** the NFP category that best reflects the main purpose of the organisation and therefore which category the NFP is claiming the income tax exemption against
- **section 3:** summary and declaration.

## The inaugural NFP self-review return is due by 31 March 2025

At the time of writing, more than 20,000 NFPs have already lodged their self-review return and we are responding to many enquiries. Here's what you need to know:

- The new reporting requirement was introduced in the 2021–22 Federal Budget to enhance transparency and integrity in the tax, super and registry system by ensuring only eligible NFPs are accessing income tax exemptions. While the law hasn't changed, the reporting of eligibility has.
- If you're not sure where to start, we have lots of useful information, guidance, and resources available about the NFP self-review return at [ato.gov.au/NFPtaxexempt](https://ato.gov.au/NFPtaxexempt).
  - This includes a factsheet that provides an overview of the return to help you understand your reporting obligations at a glance. Visit [ato.gov.au/NFPreturnfactsheet](https://ato.gov.au/NFPreturnfactsheet).
  - So you can lodge with confidence I suggest reviewing our NFP self-review return question guide which lists all the questions you'll be asked on the return. Go to [ato.gov.au/NFPselfreviewguide](https://ato.gov.au/NFPselfreviewguide).
- It doesn't take much time to complete and lodge the return. There are 3 different ways you can lodge
  - if you have a myID and access to lodge online, the quickest and easiest way to lodge your NFP self-review return is through [Online services for business](#) . We've published a flowchart that

takes you through the 5 steps you'll need to follow to lodge online – find it at [ato.gov.au/NFPlodgmentsteps](https://ato.gov.au/NFPlodgmentsteps)


- if you can't lodge online, you can lodge through our automated self-help phone service on **13 72 26**
- or a registered tax agent can lodge on your NFP's behalf.
- If you need a little extra help, you can speak to us by calling our dedicated NFP advice line on **1300 130 248**, between 8:00 am and 6:00 pm, Monday to Friday.
- While the lodgment of the return is due by 31 October each year, we've extended the due date for lodgment in this first year to 31 March 2025, to provide additional time for NFPs who need it.

It's important all NFPs are aware of their obligations and don't delay lodging their first return. There's still time. And if you've mistakenly self-assessed as income tax exempt in the past it's important you don't worry. You can contact my dedicated team on the phone number above and we can help you work it out.

We'll support NFPs that are genuinely trying to do the right thing, however, we will review those who intentionally ignore their obligations. So don't delay, lodge now!

If you are affected by ex-Tropical Cyclone Alfred and can't lodge by 31 March, please reach out to us for assistance.

## Taxation Administration (Community Charity) Guidelines 2025

The [Taxation Administration \(Community Charity\) Guidelines 2025](#)  have now been issued. Under the *Tax Administration Act 1953*, the relevant Minister must formulate guidelines setting out rules that community charity trusts and their trustees, and community charity corporations and their directors, must comply with if these kinds of charities are to be, or to remain, endorsed as deductible gift recipients (DGR) under the taxation law.



The purpose of the Guidelines is to set out the rules and to specify the amounts, or the method for working out the amounts, of related administrative penalties for non-compliant community charities.

We are currently working with the Treasury and the ACNC to map the process for DGR endorsement for Community Charities. To be eligible

for DGR endorsement under this new category, a ministerial declaration needs to be made and will specify each community charity by name. These charities must also be registered with the ACNC before they apply to us to be DGR-endorsed.

## Supporting the community

In last month's article, I outlined our top tax tips for charitable, taxable and self-assessing income tax exempt NFPs. I also mentioned that this year I will be focused on meeting with as many NFPs as I can to help them get it right. I'm happy to report that I've met with hundreds of NFPs throughout February. One of the things I've been actively doing is handing out our **self-review return fact sheet** and asking people to pass it on to family, friends and colleagues who may be NFP volunteers who are unaware of the new reporting obligations because they haven't updated their ABN contact details in the Australian Business Register.

I'll continue meeting with NFPs throughout the year, so make sure you're connected with us by [subscribing to our newsletter](#)  or following me on [LinkedIn](#) .

Take care and stay safe,

Jennifer

QC 103960

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