



Tax offset questions T3–T11

How to complete the tax offset questions T3 to T11 in your paper supplementary tax return.

T7 – Super contributions on behalf of your spouse 2011



Complete question T7 if you made contributions to a complying superannuation fund or RSA on behalf of your spouse.

T8 – Zone or overseas forces 2011



Complete question T8 if you want to claim a zone or overseas forces tax offset.

T9 – 20% tax offset on net medical expenses over the threshold amount 2011



Complete question T9 if you want to claim a tax offset for net medical expenses over the threshold amount.

T10 – Parent, spouse's parent or invalid relative 2011



Complete question T10 if you maintained a person who was 16 years or older and received particular government payments.

T11 – Landcare and water facility 2011



Complete question T11 if you have an unused 'landcare and water facility' tax offset from a previous year.

T12 – Net income from working – supplementary section 2011



Provides information to help us work out your mature age worker tax offset entitlement.

T13 – Entrepreneurs tax offset 2011



Provides information to help you determine your entitlement to an entrepreneurs tax offset.

T14 – Other tax offsets 2011



Complete question T14 to claim other tax offsets.

Total supplement tax offsets 2011



Complete the total supplement tax offsets section in your supplementary tax return.

80919

About question T7

Complete question T7 if you made contributions to a complying superannuation fund or RSA on behalf of your spouse.

29 June 2011




Did you make contributions to a complying superannuation fund or a retirement savings account (RSA) on behalf of your spouse (married or de facto) who is earning a low income or not working?

You need to know

Completing this item

Where to go next

 T7 image from the Tax return for individuals (supplementary section).

Did you make contributions to a complying superannuation fund or a retirement savings account (RSA) on behalf of your spouse (married or de facto) who is earning a low income or not working?

No	<ul style="list-style-type: none">• go to question T8 Zone or overseas forces, or• return to main menu Tax return for individuals instructions.
Yes	You may be eligible for a tax offset. Read below.

An RSA is a special account offered by banks, building societies, credit unions, life insurance companies and prescribed financial institutions. It is used for retirement savings and is similar to a superannuation fund.

You need to know

You will be entitled to a tax offset of up to \$540 per year if:

- the sum of your spouse's assessable income, total reportable fringe benefits amounts and reportable employer superannuation contributions was less than \$13,800
- the contributions were not deductible to you
- the contributions were made to a superannuation fund that was a complying superannuation fund for the income year in which you made the contribution
- both you and your spouse were Australian residents when the contributions were made, **and**
- when making the contributions you and your spouse were not living separately and apart on a permanent basis.



Attention: A spouse can be of the same or opposite sex and can include de facto relationships (see the definition of spouse in [Special circumstances and glossary](#)).

If you had more than one spouse during the income year and you satisfy the conditions for the tax offset for more than one spouse, the tax offset is the lesser of the sum of the tax offset entitlements for each spouse, or \$540.

The tax offset for eligible spouse contributions cannot be claimed for superannuation contributions that you made to your own fund then split to your spouse.

For the purposes of this question, your spouse's assessable income is the amount your spouse wrote at **Total income or loss** on page 3 of their tax return, unless:

- they had a distribution from a partnership or trust
- they had income or losses from rent or business (including personal services income)
- they had a capital gain or foreign source income,

- they made a deposit into a Farm Management Deposit Scheme Account, or
- they claimed a deductible amount for a foreign pension or annuity at item **D11** on their tax return (supplementary section).

If any of these apply phone **13 10 20** for help to work out your spouse's assessable income before completing this item.

Your spouse's reportable fringe benefits amounts and reportable employer superannuation contributions are shown on their payment summaries.

The tax offset is calculated as 18% of the **lesser** of:

- \$3,000, reduced by \$1 for every \$1 that the sum of your spouse's assessable income, total reportable fringe benefits amounts and reportable employer superannuation contributions for the year was more than \$10,800
- the total of your contributions for your spouse for the year.

Completing this item

Step 1

Write the total of your contributions at **Contributions paid** item **T7** on page 16 of your tax return.

Step 2

If the sum of your spouse's assessable income, total reportable fringe benefits amounts and reportable employer superannuation contributions was \$10,800 or less, use **worksheet 1**.

If the sum of your spouse's assessable income, total reportable fringe benefits amounts and reportable employer superannuation contributions was more than \$10,800 but less than \$13,800, use **worksheet 2**.

Worksheet 1		
Maximum spouse contributions eligible for the tax offset	\$3,000	(a)

Amount of contributions paid	\$	(b)
Write the lesser of (a) or (b).	\$	(c)
Multiply (c) by 18 and divide by 100.	\$	(d)

Worksheet 2		
Maximum spouse contributions eligible for the tax offset	\$3,000	(a)
The sum of your spouse's assessable income, total reportable fringe benefits amounts and reportable employer superannuation contributions	\$	(b)
Base amount	\$10,800	(c)
Take (c) away from (b).	\$	(d)
Take (d) away from (a).	\$	(e)
Amount of contributions paid	\$	(f)
Write the lesser of (e) or (f).	\$	(g)
Multiply (g) by 18 and divide by 100.	\$	(h)

Step 3

The tax offset is the amount shown at (d) on **worksheet 1** or (h) on **worksheet 2**. Write this amount at **A** item **T7**. Do not show cents.

If you had more than one spouse during the year, complete steps 1 to 3 for each spouse. Your tax offset is the lesser of:

- the sum of the tax offset you are entitled to for each spouse, or
- \$540.

Write this amount at **A** item **T7**. Do not show cents.

Step 4

Make sure you complete **Spouse details - married or de facto** on pages 9-11 of your tax return. Include your spouse's taxable income at **O**, your spouse's total reportable fringe benefits amounts at **S** and your spouse's reportable employer superannuation contributions at **A**.

See the definition of spouse in [Special circumstances and glossary](#).



Attention **To work out your entitlement to this tax offset you would have used your spouse's assessable income, reportable fringe benefits amounts and reportable employer superannuation contributions. However, because we use taxable income to calculate many other entitlements, we ask you to record your spouse's taxable income (not assessable income) at Spouse details - married or de facto.**

Where to go next

- go to question [T8 Zone or overseas forces](#)
- return to main menu [Tax return for individuals instructions](#)
- go back to question [Total supplement deductions](#).

25521

About question T8


Complete question T8 if you want to claim a zone or overseas forces tax offset.

Did you make contributions to a complying superannuation fund or a retirement savings account (RSA) on behalf of your spouse (married or de facto) who is earning a low income or not working?

You need to know

Completing this item

Where to go next

 T8 label from the Tax return for individuals (supplementary section).

Are you entitled to claim a zone tax offset or an overseas forces tax offset?

You may be able to claim a tax offset if you:

- lived or worked in a remote or isolated area of Australia, not including an offshore oil or gas rig, or
- served overseas as a member of the Australian Defence Force or a United Nations armed force.

No

- Go to question [T9 20% tax offset on net medical expenses over the threshold amount](#), or
- return to main menu [Tax return for individuals instructions](#).

Yes

Read below.

You need to know

Zone tax offset

Remote areas are classed as either zone A or zone B. There are also special areas within these zones. If you do not know which zone your area is in, see [tables 14-16](#).

To qualify for the tax offset, you must have lived or worked in a remote area (not necessarily continuously) for:

- 183 days or more during 2010-11, or
- 183 days or more during the period 1 July 2009 to 30 June 2011 (including at least one day in 2010-11) and you did not claim a zone tax offset in your 2010 tax return.

If you lived in a zone for less than 183 days in 2010-11, you may still be able to claim a tax offset as long as you lived in a zone for a continuous period of less than five years after 1 July 2005 and:

- you were unable to claim in the first year because you were there less than 183 days, and
- the total of the days you were there in the first year and in 2010-11 is 183 or more.

Example

Gary lived in a remote area from 1 March 2006 to 30 September 2010, a continuous period of less than five years. He couldn't claim a zone tax offset for the first year because he lived there for only 122 days. However, he could carry forward these unused days to 2010-11. He now adds the number of days from 1 March 2006 to 30 June 2006 (122 days) and the number of days from 1 July 2010 to 30 September 2010 (92 days). As the total (214 days) is '183 days or more' over the two income years, Gary can claim the tax offset on his 2011 tax return.

Overseas forces tax offset


You may be eligible for an overseas forces tax offset if you served in a specified overseas locality as a member of the Australian Defence Force or a United Nations armed force in 2010-11 and income relating to that service was not specifically exempt from tax. Periods of service for which your income was 'exempt foreign employment income' are excluded in working out your eligibility for the tax offset.

Your employer will be able to advise you whether you served in a locality that qualifies for the overseas forces tax offset. You can also see which localities qualify for the overseas forces tax offset at our website, or phone **13 28 61**.

To claim the full tax offset, you must have served in the overseas locality for 183 days or more in 2010-11. If your overseas service was

less than 183 days, you may be able to claim part of the tax offset. Unlike the zone tax offset, you cannot carry forward any unused days from previous years to make up 183 days.

If you served in an overseas locality for less than 183 days, but the total number of days served in the overseas locality, when added to the number of days spent in one or more zones, is 183 days or more, you may still be entitled to claim the full overseas forces tax offset. If you served as a member of the Australian Defence Force, days spent in a zone must be defence force service.

**Attention** **If you qualify for both an overseas forces tax offset and a zone tax offset, you can claim only one of them. Claim the higher one.**

Completing this item

How to work out your tax offset if your circumstances were simple

Step 1

Your tax offset is the relevant amount in **table 1** below if:

- you lived or worked in only one zone or served in only one specified overseas locality for at least 183 days, as defined above and
- you are not eligible to claim any tax offsets at item **T10** (parent, spouse's parent or invalid relative tax offset) and
- you did not claim a child-housekeeper tax offset (part B of question **T1** Spouse (without dependent child or student), child-housekeeper or housekeeper tax offset) or housekeeper tax offset (part C of question **T1**) and
- your circumstances are shown in **table 1** below.

Table 1: Tax offset amounts				
Your circumstances	Zone A	Zone B	Special area	Overseas forces

You were single with no dependent child or student for all of 2010-11.	\$338	\$57	\$1,173	\$338
You are able to claim the maximum spouse (without child) tax offset (\$2,286) at item T1 .	\$1,481	\$514	\$2,316	\$1,481



Attention The definition of spouse covers same-sex relationships. See the definition of spouse in [Special circumstances and glossary](#).

'Your child' also includes your adopted child, stepchild, ex-nuptial child and child of your spouse. See the definition of child in [Special circumstances and glossary](#).

If you cannot use **table 1** you will need to work through [How to work out your tax offset if your circumstances were more complex](#).

If you received a remote area allowance from Centrelink or the Department of Veterans' Affairs, or an equivalent amount was included in an exceptional circumstances relief payment, you must reduce the amount of your zone tax offset by this allowance.

Step 2

Write your tax offset amount less any remote area allowance at **R** item **T8** on page 16 of your tax return. Do not show cents. Go to question [T9 20% tax offset on net medical expenses over the threshold amount](#) or return to main menu [Tax return for individuals instructions](#).

How to work out your tax offset if your circumstances were more complex

You can either use our [zone or overseas forces tax offset calculator](#) on our website to work out your tax offset, or read below.

The zone or overseas forces tax offset is made up of two amounts: the fixed amount and a percentage of a base amount. Use the information from **table 2** when you complete either **table 11** or **table 12** below.

Table 2		
	Fixed amount	Percentage of base amount
Zone A	\$338	50%
Zone B	\$57	20%
Special area	\$1,173	50%
Overseas forces	\$338	50%

If you had no spouse, no dependent child or student, and you are not claiming for dependants (such as parent, spouse's parent, invalid relative, child-housekeeper or housekeeper) at any other tax offset item, you will not have a base amount. Go to [Final calculation](#).

If you had a spouse or a dependent child or student, or you are entitled to any dependant tax offset, read on for instructions on how to work out your base amount.

Working out your base amount

The base amount is made up of tax offsets you may have claimed at other items on your tax return and notional tax offsets. A notional tax offset is an offset to which you would have been entitled if the tax offset was still allowable. Family tax benefit (FTB) and parental leave pay do not affect your entitlement to these notional tax offsets when calculating your zone or overseas tax offset.

Each of the tax offset components you work out will form part of your base amount at [table 10](#).

Parent, spouse's parent or invalid relative tax offset component

Read this section only if you are eligible to claim a parent, spouse's parent or invalid relative tax offset. If you are not eligible to claim that

tax offset, go to Notional tax offset for dependent children or students below.

If you are eligible to claim a parent, spouse's parent or invalid relative tax offset at item **T10** (see question **T10 Parent, spouse's parent or invalid relative**), you will need to work out that amount then come back to this question. Write the amount you have claimed at item **T10** at (a) **table 10**. Read on.

Notional tax offset for dependent children or students

Full-year claim

Your base amount will increase by the maximum amount shown in **table 3** below for each student under 25 years old on 30 June 2011 in full-time education at a school, college or university, and for each child under 21 years on 30 June 2011 who, for the whole of 2010-11:

- was treated as an Australian resident
- was maintained by only you, and
- had an adjusted taxable income (ATI) of less than \$286.

To calculate the ATI use the worksheets in **Adjusted taxable income (ATI) for you and your dependants** or the online **Income tests calculator** at **www.ato.gov.au/calculators**

If you did not have any dependent children or students, go to the **Spouse tax offset component** below.

Table 3	
Dependant	Notional tax offset
Each student under 25 years old	\$376
First non-student child under 21 years old	\$376
Other non-student children under 21 years old	\$282 for each child

If all of these requirements were met, add up the notional tax offset amount for each child or student and write the total at (c) **table 10**.

If two or more people contributed to the maintenance of a dependent child, each person can only claim a proportion of the notional tax offset.

If the requirements were met for only part of the year, or your child's or student's ATI for the period you are claiming this notional tax offset in respect of them was \$286 or more, you may be able to claim a partial notional tax offset. Read on.

Part-year claim

You can claim only part of the notional tax offset for dependent children or students if:

- the child or student was treated as an Australian resident for only part of 2010-11
- the student was 21 years old or older and was in full-time education for only part of 2010-11
- the child or student was maintained by you for only part of 2010-11
- the child was 21 years old at 30 June 2011 and not in full-time education, or
- the student was 25 years old at 30 June 2011.

Use **table 4** to work out the reduced notional tax offset for each child or student.

Table 4		
Maximum notional tax offset for the child or student from table 3 .	\$	(a)
Number of days you maintained your child or student and your child or student remained a dependant.		(b)
Number of days in 2010-11.	365	(c)
Divide (b) by (c).	\$	(d)
Multiply (d) by (a).	\$	(e)

If the ATI of your child or student was less than \$286 for the period you are claiming this notional tax offset in respect of them, transfer amount (e) above to (c) **table 10**.

If you had more than one eligible child or student and the ATI of each one was less than \$286 for the period you are claiming this notional tax offset in respect of them, work out the amount for each child, add up all the amounts and write the total at (c) **table 10**.

If ATI was \$286 or more for the period you maintained them

You cannot claim any amount of notional tax offset for your child or student if that child or student had an ATI equal to or greater than:

- the total of \$282 plus \$28.92 for each week you maintained them for a student under 25 years old or for the first child under 21 years old who is not a student, or
- the total of \$282 plus \$21.70 for each week you maintained them for any other child under 21 years old who is not a student.


If your child's or student's ATI for the period you are claiming this notional tax offset in respect of them was \$286 or more but less than the limits shown, use **table 5** to work out the notional tax offset.

Table 5		
Notional tax offset for the child or student from table 3 or (e) table 4 for a part-year claim.	\$	(a)
Your child's or student's ATI for the period you maintained them.	\$	(b)
Income above which the notional tax offset begins to reduce.	\$ 282	(c)
Take (c) away from (b).	\$	(d)
Divide (d) by 4 because your tax offset is reduced by \$1 for every \$4 of ATI over \$282. Do not show cents.	\$	(e)
Take (e) away from (a). Do not show	\$	(f)

cents.		
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Transfer the amount at (f) above to (c) **table 10**. If you had more than one eligible child or student, work out the amount for each child or student, add up all the amounts and write the total at (c) **table 10**.

Spouse tax offset component



Attention If your ATI is over \$150,000 you are not entitled to include an amount for a notional spouse tax offset in your base amount.

The definition of spouse covers same-sex relationships. See the definition of spouse in [Special circumstances and glossary](#).

If you claimed a spouse tax offset at item **T1** (see part **A** question **T1**) and did not have a dependent child or student for any part of the year, write that amount at (b) **table 10**. Go to **Child-housekeeper tax offset component** below.

Use **table 6** to work out your notional spouse tax offset if either of the following applies to you:

- you had a spouse and you have written an amount of at least \$1 at (c) **table 10**, notional tax offset for dependent children or students (in that case, use column 1 in **table 6**), or
- you were required to reduce your claim (or could not claim) at item **T1** because your spouse during any period they were your spouse, or you, were eligible for family tax benefit (FTB) Part B or parental leave pay and you do not have an amount to write at (c) **table 10** (in that case use column 2 in **table 6**).

Table 6		
	Column 1 With eligible dependent child or student	Column 2 No eligible dependent child or student

Maximum annual notional dependent spouse tax offset and daily rate	\$2,656 per year or \$7.28 per day	\$2,286 per year or \$6.26 per day	
Your maximum notional dependent spouse tax offset If you had a spouse for only part of the year, multiply the daily rate by the number of days you had a spouse.	\$	\$	(a)
Your spouse's ATI for the period you met the criteria to claim this tax offset, see <u>Adjusted taxable income (ATI) for you and your dependants</u>	\$	\$	(b)
Income above which tax offset begins to reduce	\$ 282	\$ 282	(c)
Take (c) away from (b).	\$	\$	(d)
Divide (d) by 4 because your tax offset is reduced by \$1 for every \$4 of ATI over \$282. Do not show cents.	\$	\$	(e)
Take (e) away from (a).	\$	\$	(f)

The amount at (f) is your notional spouse tax offset for zone or overseas forces tax offset purposes. Transfer this amount to (b) table 10.

child-housekeeper tax offset component



Attention Do not include an amount for the child-housekeeper tax offset as part of your base amount if:

- your ATI is over \$150,000
- you have a spouse for the whole income year and your combined ATI is over \$150,000, or
- you have a spouse for part of the income year and your ATI, plus the relevant proportion of your spouse's ATI, is over \$150,000.

The relevant proportion of your spouse's ATI is their ATI for the whole year multiplied by the number of days in the year during which they were your spouse divided by the number of days in the year.

'Your child' includes your adopted child, stepchild, ex-nuptial child and child of your spouse. See the definition of child in [Special circumstances and glossary](#).

If you claimed a child-housekeeper tax offset at item **T1**, and you did not have to reduce your tax offset because your spouse during any period they were your spouse, or you, were eligible for family tax benefit (FTB) Part B or parental leave pay, write your child-housekeeper tax offset at (d) [table 10](#).

If you were required to reduce your claim, or were not entitled to claim, for child-housekeeper tax offset because of FTB Part B or parental leave pay, use **table 7**.

Table 7		
	Column 1 No other dependent child or student	Column 2 Another dependent child or student
Maximum annual allowable tax offset	\$1,863 per year or \$5.10 per	\$2,232 per year or \$6.12 per day

and daily rate	day		
Your maximum tax offset allowable If you had a child-housekeeper for only part of the year, multiply the number of days in that part of the year by the daily rate from column 1 or column 2.	\$	\$	(a)
Your child-housekeeper's ATI for the period you meet the requirements to claim this tax offset, see <u>Adjusted taxable income (ATI) for you and your dependants</u>	\$	\$	(b)
Income above which tax offset begins to reduce	\$ 282	\$ 282	(c)
Take (c) away from (b) and divide by 4. Do not show cents.	\$	\$	(d)
Take (d) away from (a).	\$	\$	(e)

Transfer the amount at (e) above to (d) table 10 below.

Housekeeper tax offset component



Do not include an amount for the housekeeper tax offset as part of your base amount if:

- your ATI is over \$150,000, or
- you have a spouse for the whole income year and your combined ATI is over \$150,000, or

- you have a spouse for part of the income year and your ATI, plus the relevant proportion of your spouse's ATI, is over \$150,000.

The relevant proportion of your spouse's ATI is their ATI for the whole year multiplied by the number of days in the year during which they were your spouse divided by the number of days in the year.

If you claimed a housekeeper tax offset at item T1, and you did not have to reduce your tax offset because your spouse during any period they were your spouse, or you were eligible for family tax benefit (FTB) Part B or parental leave pay, write your housekeeper tax offset at (e) **table 10**.

If you were required to reduce your claim, or were not entitled to claim for a housekeeper tax offset because of FTB Part B or parental leave pay, read on.

Full-year claim

If you were entitled to the housekeeper tax offset for the full year (ignoring FTB Part B) write:

- \$2,232 at (e) **table 10** if you had a dependent child or student, or
- \$1,863 at (e) **table 10** if you did not have a dependent child or student.

Part-year claim

If you had a housekeeper for part of the year, use **table 8**.

Table 8			
Amount of tax offset.	No dependent child or student	With dependent child or student	
	\$5.10 per day	\$6.12 per day	(a)
Number of days you			(b)

qualify for the housekeeper tax offset (ignoring FTB Part B and parental leave pay)			
Multiply (a) by (b).	\$	\$	(c)

Transfer the amount at (c) above to (e) [table 10](#).

Notional sole parent tax offset component

Read this section only if you were a sole parent at any time during the income year.

If you had sole care of a dependent child or student and you have written an amount of at least \$1 at (c) **table 10** (notional tax offset for dependent children or students), you may also be eligible for a notional sole parent tax offset.



Attention If you were entitled to a spouse, housekeeper or child-housekeeper tax offset (see part A, B or C of [question T1](#)) for any period during the year, you cannot use a notional sole parent tax offset for the same period. If your claim at item T1 did not cover the whole year you will need to use [table 9](#) to calculate the part-year claim.

Sole care means that you alone had full responsibility on a day-to-day basis for the upbringing, welfare and maintenance of a child or student. We do not consider you to have had sole care if you were living with a spouse (married or de facto) unless special circumstances exist.

Special circumstances

If you had a spouse (married or de facto) at any time during 2010-11, you are entitled to a notional sole parent tax offset only in special circumstances.

Generally, for special circumstances to exist, you must have been financially responsible for and have had sole care of the dependent child or student, without the support a spouse normally provides.

Examples of situations where special circumstances may arise:

- You were married or in a de facto relationship at any time during 2010-11 but during the year you separated from or were deserted by your spouse, and for the period that you will claim the sole parent tax offset you were not in a de facto relationship.
- Your spouse was in prison for a sentence of at least 12 months.
- Your spouse was medically certified as being permanently mentally incapable of taking part in caring for your child or student.

If you are unsure whether special circumstances applied, then phone **13 28 61**.

Shared or joint custody after a relationship breakdown

There are times, after a relationship breakdown, such as a divorce or separation, where both parents share the custody of a child or student. If you can show that you had sole care of a dependent child or student for part of the year, you may be able to claim the notional tax offset for that part of the year. This means more than just having access visits with the child or student.

We consider you to have had sole care of the child for the part of the year up to the day the child turned 21 years old or the student turned 25 years old if the dependent child:

- was not receiving full-time education and turned 21 years old during 2010-11, or
- was a full-time student and turned 25 years old during 2010-11.

You are only entitled to claim the tax offset for that part of the year before the birthday.

If you had sole care of a child or student for the whole of 2010-11, write \$1,607 at (f) in **table 10** and add up your base amount.

Table 9: Notional sole parent tax offset - part-year claim		
Number of days you had sole care of a child and were not entitled to a tax	\$	(a)

offset at question T1 .		
Multiply (a) by \$4.40.	\$	(b)

Transfer the amount at (b) above to (f) **table 10** below.

Your base amount

Use this table to work out your base amount. These are the tax offset components for your dependants, if any.

Table 10: Base amount		
Parent, spouse's parent or invalid relative, from item T10 .	\$	(a)
Spouse, from item T1 (part A question T1) or table 6 .	\$	(b)
Notional tax offset for dependent children or students, from table 3 , table 4 or table 5 .	\$	(c)
Child-housekeeper, from item T1 (part B question T1) or table 7 .	\$	(d)
Housekeeper, from item T1 (part C question T1) or table 8 .	\$	(e)
Sole parent from table 9 .	\$	(f)
Add up all of these amounts.	\$	(g)

The amount at (g) is your base amount.

Final calculation

Multiple locations

If you lived or worked in more than one zone, special area or specified overseas locality, and you were in one of them for 183 days or more, check **table 2**. If the fixed amount for that zone is higher than for the

other zones where you were, use that fixed amount and **table 11** to work out your tax offset. (This will give you the greatest benefit.)

Otherwise, go to **category 2**.

Example

Neil lived in zone A for 190 days and in zone B for 40 days. **Table 2** shows that the fixed amount for zone A is higher than the zone B amount. Neil simply uses the zone A amount because this will give him the greater benefit. He ignores the time he spent in zone B.

Category 1

You were in only one zone or served only in specified overseas localities for at least 183 days.

Step 1

Complete **table 11**.

Table 11		
Your fixed amount from table 2 .	\$	(a)
Your base amount from table 10 .	\$	(b)
Multiply (b) by the percentage figure from table 2 .	\$	(c)
Add (a) and (c).	\$	(d)
Any remote area allowance you received.	\$	(e)
Take (e) away from (d).	\$	(f)

If you are claiming an overseas forces tax offset, the amount you can claim is (d). If you are claiming a zone tax offset, the amount you can claim is (f).

Step 2

Write your zone or overseas forces tax offset amount at **R** item **T8** on your tax return. Do not show cents. Go to question **T9 20% tax offset on net medical expenses over the threshold amount** or return to main menu **Tax return for individuals instructions**.

Category 2

You lived or worked in more than one zone or you served in a specified overseas locality for less than 183 days **or** you served in a specified overseas locality and you were in one or more zones for at least 183 days.

You claim for the number of days in each eligible place divided by 183, **to a maximum of 183 days for a year**. Start with your zone that has the highest fixed amount in **table 2**. This will give you the greatest benefit.

Example 1: You spent 100 days in zone A and 120 days in zone B. You would claim 100 ÷ 183 days for zone A and 83 ÷ 183 days for zone B.

Example 2: You served 100 days in a specified overseas locality. You would claim 100 ÷ 183 days.

Example 3: You served 100 days in an overseas locality as a member of the defence forces and served a further 83 days or more in a zone. You would claim the full overseas forces tax offset.

Example 4: You served 100 days in an overseas locality and 185 days in a special area. As the special area in **table 2** shows the highest fixed amount and you use up the maximum 183 days for this, you would simply claim the full special area amount and ignore the 100 days in an overseas locality.

Step 1

Use **table 12** to work out your claim for each zone, special area or overseas locality you were in.

Table 12		
Your fixed amount from table 2 .	\$	(a)
Your base amount from table 10 .	\$	(b)
Multiply (b) by the percentage figure	\$	(c)

from table 2 .		
Add (a) and (c).	\$	(d)
Number of days spent or served there to a maximum of 183 days (see above).	\$	(e)
Multiply (d) by (e).	\$	(f)
Divide (f) by 183. This is the amount you can claim.	\$	(g)

Step 2

Once you have worked out the amount you can claim for each place you were in, add up all the amounts and then use **table 13** below to work out your total tax offset.

Table 13		
Total of the amounts you have worked out for each zone from (g) table 12 .	\$	(a)
Any remote area allowance or an equivalent amount included in an exceptional circumstances relief payment you received.	\$	(b)
Take (b) away from (a). This is the amount you can claim.	\$	

If you served in a specified overseas locality for less than 183 days, the amount from (g) **table 12** is the overseas forces tax offset you can claim.

If you served in a specified overseas locality and you were in one or more zones for at least 183 days, the various amounts for each zone or locality are given at (g) **table 12**. Add up all the amounts at (g) **table 12** for each zone, special area or overseas locality. This is the overseas forces tax offset you can claim.

Step 3

Write your zone or overseas forces tax offset amount at **R** item **T8** on page 16 of your tax return. Do not show cents. Go to **T9 20% tax offset on net medical expenses over the threshold amount** or return to main menu **Tax return for individuals instructions**.

Selected localities within the zones and special areas

Table 14: Zone A

Western Australia	Northern Territory
Bidyadanga (Lagrange)	Alice Springs*
Broome*	Batchelor
Carnarvon	Darwin
Dampier	Hermannsburg
Derby	Katherine*
Goldsworthy	Pine Creek
Karratha	Santa Teresa
Marble Bar	Tindal
Newman*	
Pannawonica	
Paraburdoo	
Port Hedland*	Queensland
Roebourne	Camooweal
Shay Gap	Cloncurry
Tom Price*	Mount Isa*

Wittenoom	
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* Locations that are within 250 kilometres of these locations are also in the relevant zone.

Table 15: Zone B

Western Australia	Queensland
Boulder	Airlie Beach
Coolgardie	Atherton
Esperance	Augathella
Kalgoorlie*	Ayr
Kambalda	Barcaldine
Leonora	Blackall
Mullewa	Bowen
Norseman	Cairns
Northampton	Cardwell
Ravensthorpe	Charleville
Southern Cross	Charters Towers
	Clifton Beach
New South Wales	Collinsville
Bourke	Coppabella
Brewarrina	Cunnamulla
Broken Hill	Greenvale

Cobar	Home Hill
Collarenebri	Ingham
Lightning Ridge	Innisfail
Menindee	Longreach
Wilcannia	Mackay
	Mareeba
	Mossman
Tasmania	Port Douglas
Queenstown	Proserpine
Rosebery	Quilpie
	Sarina
	Tambo
South Australia	Townsville
Woomera	Tully
	Winton

* Locations that are within 250 kilometres of these locations are also in the relevant zone.

Selected localities within the zones and special areas (continued)

Table 16: Special areas

Western Australia	Queensland
Balladonia	Boulia

Deakin	Burketown
Denham	Cooktown
Eucla	Doomadgee
Exmouth	Georgetown
Fitzroy Crossing	Helen Vale
Halls Creek	Hughenden
Kununurra	Julia Creek
Laverton	Karumba
Leinster	Kowanyama
Madura	Normanton
Meekatharra	Stamford
Mount Magnet	Thargomindah
Onslow	Weipa
Rawlinna	Windorah
Turkey Creek (Bow River)	
Wiluna	
Wyndham	South Australia
	Amata Aboriginal Community
	Coober Pedy
Northern Territory	Cook

Alyangula	Innaminka
Angurugu	Leigh Creek
Borrooloola	Marree
Elliott	Nullarbor
Galiwinku	Oodnadatta
Jabiru	Penong
Lajamanu (Hooker Creek)	Roxby Downs
Maningrida	Tarcoola
Milikapiti	
Milingimbi	
Nguiu	New South Wales
Ngukurr	White Cliffs
Nhulunbuy (Gove)	
Numbulwar	
Oenpelli	Islands and territories
Papunya	Australian Antarctic Territory
Ramingining	Cocos (Keeling) Islands
Tennant Creek	Heard Island
Yirrkala	Lord Howe

	Island
Yuendumu	Macquarie Island
Yulara	McDonald Islands
	Norfolk Island
	Palm Isles Group
Tasmania	
Furneaux Group Islands	
King Island	

There are also other locations that may be in a zone or special area. If you are unsure, phone **13 28 61**.

Where to go next

- go to question [T9 20% tax offset on net medical expenses over the threshold amount](#)
- return to main menu [Tax return for individuals instructions](#)
- go back to question [T7 Superannuation contributions on behalf of your spouse](#).

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About question T9


Complete question T9 if you want to claim a tax offset for net medical expenses over the threshold amount.

Did you make contributions to a complying superannuation fund or a retirement savings account (RSA) on behalf of your spouse (married or de facto) who is earning a low income or not working?

You need to know

Completing this item

Where to go next

 Question T9 image from tax return for individuals (supplementary section) form

Did you have net medical expenses over \$2,000 in 2010-11?

Medical expenses do not include contributions to a private health insurer, travel or accommodation expenses associated with medical treatment, or inoculations for overseas travel.

No

- go to question [T10 Parent, spouse's parent or invalid relative](#), or
- return to main menu [Tax return for individuals instructions](#).

Yes

Read below.

You need to know

Net medical expenses are the medical expenses you have paid less any refunds of these expenses which you or any other person has received, or are entitled to receive, from Medicare or a private health insurer.

You can claim a tax offset of 20% (that is, 20 cents in the dollar) of your net medical expenses over \$2,000. There is no upper limit on the amount you can claim.



Attention When calculating your medical expenses you can only include an amount paid for your dependants who were Australian residents for tax purposes (see 'Are you an Australian resident?' in [Completing Individual information on your tax return](#) for an explanation of this).

The medical expenses must be for:

- you
- your spouse, regardless of their income (see the definition of spouse in [Special circumstances and glossary](#))
- your children who were under 21 years old (including your adopted children, stepchildren, ex-nuptial children and children of your spouse) regardless of their income
- any other child under 21 years old whom you maintained, who was not a student and whose [adjusted taxable income \(ATI\)](#) for the period you maintained them was less than
 - for the first child under 21 years old
 - the total of \$282 plus \$28.92 for each week you maintained them, or
 - \$1,786 if you maintained them for the whole year
 - for any other child under 21 years old
 - the total of \$282 plus \$21.70 for each week you maintained them, or
 - \$1,410 if you maintained them for the whole year

- a student under 25 years old whom you maintained and whose ATI was less than
 - the total of \$282 plus \$28.92 for each week you maintained them, or
 - \$1,786 if you maintained them for the whole year
- a child-housekeeper, but only if you can claim a tax offset for them at item **T1** on your tax return
- an invalid relative, parent or spouse's parent, but only if you can claim a dependant tax offset at item **T10**.

You and your dependants must be Australian residents for tax purposes, but you can include medical expenses paid while travelling overseas.

You can include medical expenses relating to an illness or operation paid to legally qualified doctors, nurses or chemists and public or private hospitals. However, expenses for some cosmetic operations are excluded.

Further Information

To find out which operations, dental services and treatments are cosmetic and whether you can include your payments for them, visit our website **www.ato.gov.au** or phone **13 28 61**.

Medical expenses include payments:

- to dentists, orthodontists or registered dental mechanics
- to opticians or optometrists, including for the cost of prescription spectacles or contact lenses
- to a carer who looks after a person who is blind or permanently confined to a bed or wheelchair
- for therapeutic treatment under the direction of a doctor
- for medical aids prescribed by a doctor
- for artificial limbs or eyes and hearing aids
- for maintaining a properly trained dog for guiding or assisting people with a disability (but not for social therapy)

- for laser eye surgery, and
- for treatment under an in-vitro fertilisation program.

Expenses which **do not** qualify as medical expenses include payments made for:

- cosmetic operations for which a Medicare benefit is not payable
- dental services or treatments that are solely cosmetic
- therapeutic treatment where the patient is not formally referred by a doctor (a mere suggestion or recommendation by a doctor to the patient is not enough for the treatment to qualify; the patient must be referred to a particular person for specific treatment)
- chemist-type items, such as tablets for pain relief, purchased in retail outlets or health food stores
- inoculations for overseas travel
- non-prescribed vitamins or health foods
- travel or accommodation expenses associated with medical treatment
- contributions to a private health insurer
- purchases from a chemist that are not related to an illness or operation
- life insurance medical examinations
- ambulance charges and subscriptions, and
- funeral expenses.

Residential aged care expenses

You can include payments made to nursing homes or hostels (not retirement homes) for an approved care recipient's permanent or respite care if the payments were:

- made to an approved care provider, **and**
- for personal or nursing care, not just for accommodation.

An approved care recipient's residential aged care payments usually include an amount for personal or nursing care if the recipient has an

aged care assessment team (ACAT) assessment that they require either low or high-level care.

Residential aged care payments can be for:

- daily fees
- income tested daily fees
- extra service fees, and
- accommodation charges, periodic payments of accommodation bonds or amounts drawn from accommodation bonds paid as a lump sum.

The following are expenses which cannot be included:

- lump sum payments of accommodation bonds
- interest derived by care providers from the investment of accommodation bonds (because these are not payments for residential aged care)
- payments for people who were residents of a hostel before 1 October 1997 and who did not have a personal care subsidy or a respite care subsidy paid on their behalf at the personal care subsidy rate by the Commonwealth (unless they have subsequently been reassessed as requiring care at levels 1 to 7 or received an ACAT assessment showing that they require either low or high level care)
- payments for people who have either been assessed as requiring level 8 care or who have not received an ACAT assessment showing that they require either low or high-level care.

What you may need

- Details of medical expenses you paid
- Details of refunds of these expenses which you or any other person has received, or are entitled to receive, from Medicare or a private health insurer

To help you work out what medical expenses you paid in 2010-11, you can ask for an itemised statement from:

- Medicare

- your private health insurer
- chemists where you had prescriptions filled.

Some of the items shown on these statements may not qualify as medical expenses for the purpose of claiming the tax offset. You will need to exclude these items when calculating your allowable medical expenses.

Completing this item

To work out your tax offset, you can use the [Net medical expenses tax offset calculator](#) or use the worksheet below.

Worksheet		
Add up all your allowable medical expenses.	\$	(a)
Add up all the refunds of these expenses which you or any other person has received or are entitled to receive.	\$	(b)
Take (b) away from (a). This is your net medical expenses amount.	\$	(c)
Take \$2,000 away from (c).	\$	(d)
If the amount at (d) is \$0 or less, you cannot claim a tax offset.		
Divide (d) by 5 (to get 20%). The amount at (e) is your medical expenses tax offset.	\$	(e)

Write the amount of your medical expenses tax offset at **X** item **T9** on page 16 of your tax return. Do not show cents.

Where to go next

- go to question [T10 Parent, spouse's parent or invalid relative](#)

- return to main menu [Tax return for individuals instructions](#)
- go back to question [T8 Zone or overseas forces](#).

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About question T10

Complete question T10 if you maintained a person who was 16 years or older and received particular government payments.

29 June 2011

Did you make contributions to a complying superannuation fund or a retirement savings account (RSA) on behalf of your spouse (married or de facto) who is earning a low income or not working?

You need to know

Completing this item

Where to go next

 T10 from Tax return or individuals (supplementary section)

Did you maintain your parent, your spouse's parent or an invalid relative?

No

- go to question [T11 Landcare and water facility](#), or

	<ul style="list-style-type: none"> • return to main menu Tax return for individuals instructions.
Yes	Read below.

You need to know

You cannot claim this tax offset if:

- your adjusted taxable income (ATI) for 2010-11 was more than \$150,000, or
- you had a spouse for all of 2010-11 and the combined ATI of you and your spouse was more than \$150,000, or

you had a spouse for only part of the year and the sum of the following is more than \$150,00

- your ATI
- your spouse's ATI for 2010-11 multiplied by the number of days they were your spouse divided by 365.

If you maintained your parent, your spouse's parent or an invalid relative you may be entitled to a tax offset. Before you complete this item, you need to read [Adjusted taxable income \(ATI\) for you and your dependants](#) and the definition of **spouse** in [Special circumstances and glossary](#).

You cannot claim for a dependant who was not an Australian resident for tax purposes at any time during 2010-11.

To complete this item you need to know each dependant's ATI for the period you are claiming the tax offset in respect of them.

Your tax offset is reduced if:

- your dependant's ATI for the period you are claiming the tax offset was \$286 or more
- you maintained your dependant for only part of the year
- another person helped to maintain your dependant, or

- your dependant was an Australian resident for tax purposes for only part of the year.

If none of these points applies to you in relation to your dependant, you can claim the maximum tax offset for that dependant.

Completing this item

To work out your dependant tax offset for a full year or part of the year, you can use the Parent, spouse's parent or invalid relative tax offset calculator on our website, or follow the steps below. Follow the steps for each dependent parent, spouse's parent or invalid relative.

Where another person or persons contributed to the maintenance of your dependant, you can claim part of the allowable tax offset, according to the extent of your contribution. For example, if you and another person contributed equally to the maintenance of your dependent parent, you can claim half of the allowable tax offset.

Add up all your tax offset amounts before writing the total on your tax return.

Step 1

If you used our calculator, go to [step 4](#).

Step 2

If your dependant's ATI was \$285 or less and you maintained them for the whole year, you can claim the maximum tax offset of \$839 for each dependent invalid relative and \$1,676 for each dependent parent or spouse's parent. Go to [step 4](#).

If your dependant's ATI was \$285 or less and you maintained them for part of the year, go to worksheet 2.

If your dependant's ATI was \$286 or more, read on.

Step 3

If your dependant's ATI for the year was \$286 or more and you maintained them for:

- the whole year, use worksheet 1
- part of the year, use worksheet 2.

Worksheet 1		
Your dependant's ATI for the whole of 2010-11	(a)	\$
Take \$282 away from (a).	(b)	\$
Divide (b) by 4 (tax offset reduced by \$1 for every \$4 in excess of \$282).	(c)	\$
<p>If the amount at (c) is \$839 or more for an invalid relative, or \$1,676 or more for a parent or spouse's parent, you cannot claim a tax offset for your dependant. Go to question T11 Landcare and water facility or return to main menu Tax return for individuals instructions.</p> <p>If the amount at (c) is less than \$839 for an invalid relative, or less than \$1,676 for a parent or spouse's parent, read on.</p>		
Take (c) away from \$839 for an invalid relative, or from \$1,676 for a parent or spouse's parent.	(d)	\$

The amount at (d), if it is more than zero (0), is your dependant tax offset. Go to [step 4](#).

Worksheet 2		
Work out the number of days in the year you maintained your dependant while they were an Australian resident.	(a)	
Multiply the number of days at (a) by the following daily rate: <ul style="list-style-type: none"> • \$2.30 if you had an invalid relative • \$4.59 if you had a parent or spouse's parent. 	(b)	\$
If your dependant's ATI was \$285 or less, the amount at (b) is your dependant tax offset. Go to step 4 . Otherwise, read on.		
If your dependant's ATI was \$286 or more during the period they were your dependant, write their ATI for that period at (c).	(c)	\$

Take \$282 away from (c).	(d)	\$
Divide (d) by 4.	(e)	\$
Take (e) away from (b).	(f)	\$

The amount at (f), if it is more than zero (0), is your dependant tax offset. Go to step 4.

Step 4

If another person or persons contributed to the maintenance of your dependant remember to claim only part of the allowable tax offset, according to the extent of your contribution. If you used the calculator on our website this has already been done.

Write your parent, spouse's parent or invalid relative tax offset at **B** item **T10** on page 16 of your tax return. Do not show cents.

Step 5

Complete the income test items **IT1** to **IT7** on page 8 of your tax return. If you had a spouse, you must also complete *Spouse details - married or de facto* on pages 9-11 of your tax return.

Where to go next

- go to question [T11 Landcare and water facility](#)
- return to main menu [Tax return for individuals instructions](#)
- go back to question [T9 20% tax offset on net medical expenses over the threshold amount](#).

About question T11

Complete question T11 if you have an unused 'landcare and water facility' tax offset from a pervious year.

29 June 2011

Did you make contributions to a complying superannuation fund or a retirement savings account (RSA) on behalf of your spouse (married or de facto) who is earning a low income or not working?

You need to know

Completing this item

Where to go next



Question T11 image from Tax return for individuals (supplementary section) form

Did you have any landcare and water facility tax offset brought forward from an earlier year that you can use this year?

No

- go to question [T12 Net income from working - supplementary section](#), or
- return to main menu [Tax return for individuals instructions](#).

Yes

Read below.

You need to know

This question applies only if your income tax liabilities from earlier years have not absorbed all of the excess or unused landcare and water facility tax offset available to you. The amount of your excess or unused tax offset is shown on your notice of assessment for the year ending 30 June 2010.

There is no limit to the number of years you can carry forward any balance of landcare and water facility tax offset.

Unused net exempt income

Your brought-forward landcare and water facility tax offset must be successively reduced by any unused net exempt income derived in the year the tax offset arose and any subsequent year - provided you had a taxable income in that year.

Unused net exempt income is any net exempt income left after deducting any tax losses of earlier income years from that year's net exempt income.

If you have unused net exempt income and you had taxable income this year you must reduce your brought-forward landcare and water facility tax offset by 30 cents for every dollar of unused net exempt income.

If you do not have any unused net exempt income, go to **Completing this item** below. If you have unused net exempt income, phone **13 28 66** for more information on how to calculate the brought-forward landcare and water facility tax offset.

What you need

Your notice of assessment for the year ending 30 June 2010.

Completing this item

Write the amount of brought-forward landcare and water facility tax offset at **T** item T11 on page 16 of your tax return. Do not show cents.

Where to go next

- go to question [T12 Net income from working - supplementary section](#)
- return to main menu [Tax return for individuals instructions](#)
- go back to question [T10 Parent, spouse's parent or invalid relative](#)

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About question T12

Provides information to help us work out your mature age worker tax offset entitlement.


29 June 2011

Did you make contributions to a complying superannuation fund or a retirement savings account (RSA) on behalf of your spouse (married or de facto) who is earning a low income or not working?

You need to know

Completing this item

Where to go next

 Question T12 image from Tax return for individuals (supplementary section) form

Were you an Australian resident 55 years old or older on 30 June 2011?

No	<ul style="list-style-type: none"> • go to question T13 Entrepreneurs tax offset, or • return to main menu Tax return for individuals instructions.
Yes	Read below.

You need to know

If you were 55 years old or older on 30 June 2011, an Australian resident and received income from working, you may be eligible for the mature age worker tax offset. We will automatically calculate your mature age worker tax offset based on the information you provide on your tax return (including this item).

Attention Definition

Your mature age worker tax offset is based on your **net income 'from working'** which includes:

- income that is mainly a reward for your personal effort or skills less any related deductions
- income from a business that you carry on, less any related deductions
- reportable fringe benefits for the year (as shown on your payment summary)
- reportable employer superannuation contributions (as shown on your payment summary)
- the net amount of farm management deposits and withdrawals.

Completing this item

We will work out your net income from working from any items you completed on pages 1-12 of your tax return. However, we need you to work out your net income from working for items you completed on pages 13-16 of your tax return (supplementary section). To do this, complete the worksheets below.

Step 1

Complete (a) to (g) in **worksheet 1**. Show a loss in **worksheet 1** as a negative amount.

Step 2

Complete (h) to (p) in **worksheet 1**. Some amounts you show will be only part of the amounts you have shown on your tax return (supplementary section).

Attention

You will have to do the following calculation for each partnership and for each partnership within a partnership, and then transfer the amount to step 2 above.

From your *Partnership tax return 2011* (NAT 0659):

add up

- the amount at net income or loss from business **S** item **5Business income and expenses**
- only the amount of income from working in any Distribution from partnerships at **A** and **B** item **8Partnerships and trusts**
- only the amount of income from working at **O** item **14Other Australian income**

less

- so much of the deductions that were included at labels **S** and **T** item **8** as relate to the income from working included in the distributions from partnerships shown at labels **A** and **B** item **8 Partnerships and trusts**

- only the amount of any deduction related to income from working at **Q** item **18****Other deductions.**

Worksheet 1: Total income		
Net personal services income (PSI) from A item 14	\$	(a)
Net income or loss from business (primary production) from B item 15	\$	(b)
Net income or loss from business (non-primary production) from C item 15	\$	(c)
Deferred non-commercial business losses from primary production from I item 16	\$	(d)
Deferred non-commercial business losses from non-primary production from J item 16	\$	(e)
Net amount of farm management deposits and withdrawals from E item 17	\$	(f)
Add up all the amounts from (a) to (f).	\$	(g)
From N item 13 , distributions from partnerships (primary production), but only the distributions relating to income from working from the partnership tax return. See the <u>note</u> above.	\$	(h)
From O item 13 , distributions from partnerships less foreign income (non-primary production), but only the distributions relating to income from working from the partnership tax return. See the <u>note</u> above.	\$	(i)
From T item 20 , Foreign source income and foreign assets of property	\$	(j)
From M item 20 Foreign source income and foreign assets or property but only the amount relating to income from working.	\$	(k)
From V item 24 , only the following income:		

<ul style="list-style-type: none"> income from activities as a special professional that you have not included at items 1, 2, 13, 14 or 15 	\$	(l)
<ul style="list-style-type: none"> income protection, sickness and accident policy payments 	\$	(m)
<ul style="list-style-type: none"> allowances or payments received as a member of a local government council 	\$	(n)
Add the amounts from (h) to (n).	\$	(o)
Total income Add (g) from step 1 and (o) from step 2.	\$	(p)
Net personal services income (PSI) from A item 14	\$	(a)

Step 3

Transfer the deduction amounts from the relevant items you have completed on your tax return (supplementary section) to (a) and (b) in **worksheet 2**.

Step 4

Work out (d) to (j) in **worksheet 2**. Some amounts you show will only be part of the amounts you have shown on your tax return (supplementary section).

Worksheet 2: Total deductions		
Landcare operations and deduction for the decline in value of water facility from I item 13	\$	(a)
Landcare operations expenses from J item 13	\$	(b)
Add (a) and (b).	\$	(c)

From X item 13 , the total deductions that relate to your share of primary production income or loss from a partnership (not from a trust), but only the deductions relating to the distribution of income from working from the partnership tax return	\$	(d)
From Y item 13 , the total deductions that relate to your share of non-primary production income or loss from a partnership (not from a trust), but only the deductions relating to the distribution of income from working from the partnership tax return	\$	(e)
From item D15 , only the following deductions:		
<ul style="list-style-type: none"> income protection, sickness and accident insurance premiums 	\$	(f)
<ul style="list-style-type: none"> debt deductions incurred in earning assessable income from working 	\$	(g)
<ul style="list-style-type: none"> section 40-880 deductions relating to 'income from working' 	\$	(h)
<ul style="list-style-type: none"> net personal services income (PSI) loss of a personal services entity that related to your PSI 	\$	(i)
Add all the amounts from (d) to (i).	\$	(j)
Total deductions Add (c) and (j).	\$	(k)

Step 5

Complete **worksheet 3** to calculate your net income or loss from working (supplementary section). If (s) is a loss, show it as a negative amount.

Worksheet 3: Net income or loss from working		
(p) total income from worksheet 1	\$	(q)
• (k) total deductions from worksheet 2	\$	(r)
<ul style="list-style-type: none"> • If the amount at (q) is a loss then add the amounts at (q) and (r) (ignoring the fact that both amounts are losses). The total amount will be a loss. • If (q) is not a loss then take the amount at (r) from the amount at (q). The result may be a loss. 	\$	(s)

Step 6

The amount at (s) is your net income or loss from working (supplementary section). Write the amount at (s) at **M** item **T12** on page 16 of your tax return. If you had a loss, print **L** in the box at the right of **M**. Even if you had a loss you may still be entitled to the mature age worker tax offset.

You do not have to work out your mature age worker tax offset. We will work out your net income from working from the information you provide on your tax return (including this item).

Check that you have ...

- written your net income from working, supplementary section at item **T12**, even if the amount is **0**
- written your date of birth on page 1 of your tax return
- answered the Australian residency question on page 1 of your tax return.

Where to go next

- go to question [T13 Entrepreneurs tax offset](#)
- return to main menu [Tax return for individuals instructions](#), or
- go back to question [T11 Landcare and water facility](#)

25526

About question T13

Provides information to help you determine your entitlement to an entrepreneurs tax offset.


29 June 2011

Did you make contributions to a complying superannuation fund or a retirement savings account (RSA) on behalf of your spouse (married or de facto) who is earning a low income or not working?

You need to know

Completing this item

Where to go next

 Question T13 image from tax return for individuals (supplementary section) form.

Were you a sole trader with an aggregated turnover of less than \$75,000 or did you receive business income from a partnership or trust with an aggregated turnover of less than \$75,000?

See Definitions below for an explanation of the terms used at this question.	
No	<ul style="list-style-type: none">• go to question T14 Other tax offsets, or• return to main menu Tax return for individuals instructions.
Yes	Read below

You need to know

The entrepreneurs tax offset (ETO) is a tax offset equal to 25% of the income tax liability attributable to the **net small business income** of a **small business entity** with an **aggregated turnover** of \$50,000 or less. This tax offset starts to phase out when the small business entity's aggregated turnover exceeds \$50,000 and ceases when the aggregated turnover reaches \$75,000.

We will automatically calculate your ETO from the information you provide at this item and at other items on your tax return.

You may be eligible to receive the ETO if you are:

- a sole trader and the aggregated turnover for all your sole trader businesses is less than \$75,000
- a partner in a small business partnership which had an aggregated turnover of less than \$75,000
- a beneficiary of a small business trust which had an aggregated turnover of less than \$75,000.

You may be eligible for more than one tax offset. For example, if you were a sole trader carrying on a business and you were also a partner in a separate business partnership, you may be entitled to a tax offset for your income as a sole trader and also for your share of the net small business income from the partnership. You need to work out your sole trader aggregated turnover separately from the aggregated turnover of the partnership.

Your ETO entitlement is reduced if your **income for ETO purposes** for the year exceeds the following income threshold.

Where you are a sole trader, or receive income from partnership activities or a trust, your ETO entitlement reduces when the **income for ETO purposes** exceeds:

- \$70,000 if you were single with no **qualifying dependant, or**
- \$120,000 if you had
 - a qualifying dependant on any day during 2010-11, **or**
 - a spouse on 30 June 2011. (If you had a spouse on 30 June 2011, you must include their details at Spouse details - married or de facto on pages 9-10.)

If your income for ETO purposes is above the relevant income threshold, then your tax offset (worked out after applying the aggregated turnover test) is reduced by 20c for every \$1 over that threshold.

The ETO can only reduce your tax payable. You cannot:

- get a refund of this tax offset
- defer all or part of this tax offset to reduce your tax payable in a later income year
- transfer this tax offset to another taxpayer to reduce their tax payable.

Definitions

Small business entity

Generally, a sole trader, partnership or trust is a small business entity for 2010-11 if they carried on a business in 2010-11 and its **aggregated turnover**:

- was less than \$2 million in 2009-10, **or**
- was estimated as at the beginning of 2010-11 to be less than \$2 million for 2010-11 (but **not** if the entity carried on a business in 2008-09 and 2009-10 and its aggregated turnover for each of those income years was \$2 million or more), **or**
- was actually less than \$2 million for 2010-11 when worked out as at the end of 2010-11.

If you started a business part way through 2010-11, your current year estimate must be made as at the day you started the business.

Aggregated turnover

Broadly, your aggregated turnover for 2010-11 is:

- your **annual turnover** for 2010-11
- plus*
- the annual turnover of any entity **connected** or **affiliated** with you at any time during 2010-11
- less*
- income derived from dealings between you and any entity connected or affiliated with you.

There are aggregation rules to assist you to determine who is connected or affiliated with an entity for the purpose of calculating the aggregated turnover.

Annual turnover

Your annual turnover for 2010-11 is the total ordinary income that you derived in the ordinary course of carrying on a business but it does not include:

- goods and services tax (GST) charged on a transaction
- your ordinary income from the sale of retail fuel.

If an entity operated a business for only part of 2010-11, it must calculate a reasonable estimate of what its annual turnover would have been for the full year.

Affiliated

An affiliated entity is an individual or company that acts, or could reasonably be expected to act, in accordance with your directions or wishes, or as agreed between you and them in relation to the affairs of the business of that individual or company.

An affiliated entity does not include an individual or company you merely have business dealings with.

Connected

An entity is connected with another entity where:

- either entity 'controls' the other, **or**
- both are 'controlled' by the same third entity.

The control can be either direct or indirect.

Small business entity turnover

Your small business entity turnover for 2010-11 is the total ordinary income you derived in the ordinary course of carrying on a business.

If you operated a business for only part of 2010-11, you include only your actual turnover amount. Do not use an estimated amount of a full-year turnover.

In working out ordinary income of a business:

- include
 - sales of trading stock
 - fees for services provided
 - interest from business bank accounts
 - amounts received to replace something that would have had the character of business income
- do not include
 - GST that has been charged on a transaction
 - proceeds from the sale of business capital assets
 - insurance proceeds for the loss or destruction of a business asset
 - amounts received from repayments of farm management deposits.

The rules that apply for working out aggregated turnover and small business entity turnover are not the same.

You can calculate your small business entity turnover by making the following adjustments to your aggregated turnover amount:

- If you have included another entity's turnover in your aggregated turnover amount, you will need to
 - subtract that entity's turnover, and
 - add back any income you derived from your affiliates or connected entities.
- If you have retail fuel sales, you must add them back.

Net small business income

Your net small business income is your small business entity turnover less the deductions that directly relate to that turnover. We use your net small business income to work out the amount of your ETO.

If the amount of net small business income is zero or less, you are not eligible for the ETO.

The following are some examples of amounts which do not directly relate to small business entity turnover, so they cannot be used to reduce small business entity turnover:

- tax losses from prior years
- personal superannuation contributions
- gifts or donations
- costs of managing your or the entity's tax affairs
- deferred non-commercial losses.

If your or the entity's small business pool includes assets which are used partly for business and partly for other income-producing activities, then the pool deduction will need to be apportioned on a reasonable basis.

Qualifying dependant

For the purpose of determining your income test threshold, a qualifying dependant is:

- your child who is under 21 years old (whether or not they were an Australian resident)
- a resident of Australia whom you maintained during 2010-11 who is

- a child under 21 years old (not being a student)
- a student under 25 years old who is studying full time at school, college or university
- a child-housekeeper, that is, your child (of any age) who is wholly engaged as your housekeeper
- your spouse
- your parent or a parent of your spouse
- an invalid relative, that is, your child, brother or sister 16 years old or older who
 - receives an Australian Government disability support pension
 - receives a rehabilitation allowance under the *Social Security Act 1991* and who, immediately before they were eligible to receive that allowance, was eligible for an invalid pension under that Act, **or**
 - has a certificate from a Commonwealth-approved doctor certifying a continuing inability to work.

A child includes your natural child, an ex-nuptial child, your adopted child or a child of your spouse (step-child).

Maintaining a dependant

You maintained a dependant if any of the following applied:

- you and your dependant lived in the same house
- you gave your dependant food, clothing and lodging
- you helped them to pay for their living, medical and educational costs.

We consider you to have maintained a dependant even if the two of you were temporarily separated, for example, due to holidays or overseas travel.

What you may need

- Details of all the business income earned during the year
- Details of the deductions that you can claim which directly relate to the business income earned during the year
- Details of all business income earned during the year by entities you were connected with or which were your affiliates
- A statement or advice from the partnership or trust showing the following details
 - the partnership's or trust's aggregated turnover
 - your share of the partnership's or trust's net small business income
- Details of your spouse's income

Step 1

Are you eligible for more than one ETO?	
Yes	Go to step 7.
No	Read below.

Step 2

Did you carry on a business as a sole trader and was your aggregated turnover less than \$75,000? (If you carried on more than one business activity, your aggregated turnover must include all your sole trader activities.)	
No	Go to step 5.
Yes	Read below.

Step 3

Use **worksheet 1** below to calculate your net small business income as a sole trader. If you carried on more than one business as a sole trader, add together the value of the business income earned from each

business when calculating your small business entity turnover and your net small business income as a sole trader.

Worksheet 1		
Your total small business entity turnover	\$	(a)
Allowable deductions that directly relate to the small business entity turnover	\$	(b)
Take (b) away from (a).	\$	(c)

The amount at (c) is your **net small business income**.

Step 4

Is the amount at (c) in worksheet 1 greater than zero?	
No	<p>You are not eligible to claim the ETO.</p> <ul style="list-style-type: none">• Go to question T14 Other tax offsets, or• return to main menu Tax return for individuals instructions.
Yes	Read below.

You need to complete item **T13**:

- write the amount of your aggregated turnover at **K**
- write the amount of your net small business income at **N**
- print **S** in the **CODE** box at the right of **N**.

Go to step 8.

Step 5

Did you receive a share of the net small business income of a partnership with an aggregated turnover of less than \$75,000?

No	Go to step 6.
Yes	Read below.

You need to complete item **T13**:

- write the amount of the partnership's aggregated turnover at **K**
- write the amount of your share of the net small business income at **N** (do not reduce this amount by any deductions that you are entitled to claim for income tax purposes)
- print **P** in the **CODE** box at the right of **N**.

Go to step 8.

Step 6

Did you receive a distribution of net small business income from a trust with an aggregated turnover of less than \$75,000?	
No	<p>You are not eligible to claim the ETO.</p> <ul style="list-style-type: none"> • Go to question T14 Other tax offsets, or • return to main menu Tax return for individuals instructions.
Yes	Read below.

You need to complete item **T13**:

- write the amount of the trust's aggregated turnover at **K**
- write the amount of your distribution of net small business income from the trust at **N** (do not reduce your distribution by any deductions that you are entitled to claim for income tax purposes)
- print **T** in the **CODE** box at the right of **N**.

Go to step 8.

Step 7

You need to provide additional information. On a separate sheet of paper:

- print SCHEDULE OF ADDITIONAL INFORMATION - ITEM T13
- print your name and tax file number
- for each partnership or trust for which you are eligible for an ETO
 - print the name of the partnership or trust
 - print **CODE** = and print the code letter **P** for partnership or **T** for trust
 - print **K** = and write the amount of the entity's aggregated turnover
 - print **N** = and write the amount of your distribution from the partnership or trust (do not reduce your distribution amount by any deductions that you are entitled to claim for income tax purposes)
- if you are also eligible for an ETO as a sole trader and your aggregated turnover was less than \$75,000, then work through step 3 and if the amount at (c) in **worksheet 1** is greater than zero then
 - print **CODE** = **S**
 - print **K** = and write the amount of your total aggregated turnover
 - print **N** = and write the amount from (c) in **worksheet 1** (do not reduce this amount by any deductions that you are entitled to claim for income tax purposes)
- print **MARITAL STATUS** on your SCHEDULE OF ADDITIONAL INFORMATION - ITEM T13 and print either **M**, **S** or **F** (see steps 9 and 10),
- attach your schedule to page 3 of your tax return
- print **X** in the **YES** box at *Taxpayer's declaration* question **2a** on page 12 of your tax return.

Step 8

To allow us to correctly calculate your ETO you will need to complete the following items in the **Income tests** section on page 8 of your tax return:

- **W** item **IT1** if you received any reportable fringe benefits
- **T** item **IT2** if you had a reportable employer superannuation contribution
- **X** item **IT5** if you had a net financial investment loss
- **Y** item **IT6** if you had a net rental property loss.

Step 9

Did you have a spouse on 30 June 2011?	
No	Go to step 10.
Yes	Read below.

You need to complete the following items in the **Spouse details - married or de facto** section on pages 9-10 of your tax return:

- **O** even if your spouse had no taxable income
- **S** if your spouse received reportable fringe benefits
- **A** if your spouse had reportable superannuation contributions
- **D** if your spouse had a net investment loss (this is the total of your spouse's financial investment loss and net rental property loss).

At item **T13**, print **M** in the **MARITAL STATUS** box at **O**.

You have finished this question. Go to **Check that you have ...**

Step 10

Did you have a qualifying dependant on any day during 2010-11 ?	
No	At item T13 , print S in the MARITAL STATUS box at O .
Yes	At item T13 , print F in the MARITAL STATUS box at O .

You have finished this question.

Check that you have ...

- attached to page 3 of your tax return your signed SCHEDULE OF ADDITIONAL INFORMATION - ITEM T13, if you need to include one
- completed a Business and professional items schedule for individuals 2011 (NAT 2816) if you are claiming an ETO for your activities as a sole trader.

Where to go next

- go to question T14 Other tax offsets
- return to main menu Tax return for individuals instructions
- go back to question T12 Net income from working - supplementary section

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About question T14

Complete question T14 to claim other tax offsets.


29 June 2011

Did you make contributions to a complying superannuation fund or a retirement savings account (RSA) on behalf of your spouse (married or de facto) who is earning a low income or not working?

You need to know

Completing this item

Where to go next

 Question T14 image from Tax return for individuals (supplementary section) form

Were you entitled to a tax offset for interest from the land transport facilities tax offset scheme or infrastructure borrowings scheme

or

did you perform work or services in the Joint Petroleum Development Area (JPDA) of the Timor Sea?

No	<ul style="list-style-type: none">• go to Total supplement tax offsets, or• return to main menu Tax return for individuals instructions.
Yes	Read below.

If you can claim more than one of the tax offsets listed above, you will need to add up all your tax offset amounts before writing the total on your tax return (supplementary section).

Part A

Were you entitled to a tax offset for interest from the land transport

facilities tax offset scheme or infrastructure borrowings scheme?

No	<ul style="list-style-type: none">• go to part B below, or• return to main menu Tax return for individuals instructions.
Yes	Read below.

You may be able to claim a tax offset if:

- you derived any interest from the land transport facilities tax offset scheme, or
- you elected to have interest derived from your investment in infrastructure borrowings included as part of your assessable income.

You may be entitled to a tax offset of 30%.



Attention If your interest derived from the land transport facilities tax offset scheme is subject to an annual upper limit under an agreement between the lenders, the borrowers and the Minister for Transport and Regional Services, you cannot claim a tax offset for the part of your interest that exceeds that upper limit.

Step 1

Work out the amount of interest derived from the land transport facilities tax offset scheme for which you can claim a tax offset and any amount of interest you received from infrastructure borrowings.

Step 2

Multiply the amount from step 1 by 30, then divide by 100. This is the 30% tax offset for the interest you received.

Part B

Did you receive income for work or services performed in the Joint Petroleum Development Area (JPDA) of the Timor Sea?

No	<ul style="list-style-type: none">• go to Completing this item below, or• return to main menu Tax return for individuals instructions.
Yes	Read below.

You will need a copy of the [Timor Sea Treaty - Joint Petroleum Development Area instructions 2011](#) (NAT 8277), available on our website, to work out how to deal with your JPDA income. The instruction sheet will tell you how to complete your tax return so that you receive the correct assessment.

Completing this item

Step 1

Add up all your tax offset amounts at this item. Write the total at **C** item **T14** on page 16 of your tax return. Do not show cents.

Step 2

Complete the **CLAIM TYPE** box at the right of **C** item **T14** as follows:

- If you are claiming a JPDA tax offset under part B, print **H** in the **CLAIM TYPE** box.
- If you are claiming a tax offset under the land transport facilities tax offset scheme or infrastructure borrowings scheme under part A, print **I** in the **CLAIM TYPE** box.

- If you are claiming for more than one type of tax offset and code letters **H** and **I** both apply, choose the code letter that applies to the largest amount and print it in the **CLAIM TYPE** box.

Where to go next

- go to [Total supplement tax offsets](#)
- return to main menu [Tax return for individuals instructions](#)
- go back to question [T13 Entrepreneurs tax offset](#)

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About this question

Complete the total supplement tax offsets section in your supplementary tax return.

29 June 2011

Did you make contributions to a complying superannuation fund or a retirement savings account (RSA) on behalf of your spouse (married or de facto) who is earning a low income or not working?

You need to know

Completing this item

Where to go next



Total supplement tax offsets image from Tax return for individuals (supplementary section) form

Did you claim any tax offsets at items T7, T8, T9, T10, T11 and T14?

No	<ul style="list-style-type: none">• go to step 4, or• return to main menu Tax return for individuals instructions.
Yes	Go to step 1.

Step 1

Add up all the tax offset amounts in the right-hand column of items **T7, T8, T9, T10, T11** and **T14** on your tax return.

Step 2

Write the amount from step 1 at **TOTAL SUPPLEMENT TAX OFFSETS** on page 16 of your tax return. Do not show cents.

Step 3

Transfer the amount you wrote at **TOTAL SUPPLEMENT TAX OFFSETS** to **T** on page 5 of your tax return.

Step 4

Go to [Total tax offsets](#) to calculate your total tax offsets.



Attention We use the amounts at items T12 and T13 to work out your mature age worker and entrepreneurs tax offset entitlements. Do not include them at TOTAL SUPPLEMENT TAX OFFSETS.

Where to go next

- go to question [A4 Amount on which family distribution tax has been paid](#)
- return to main menu [Tax return for individuals instructions](#)
- go back to question [T14 Other tax offsets](#)

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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.

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