Print whole section

Supporting information – Individual tax return 2025

Supporting information to help you complete your paper lodgment Individual tax return 2025.

Work out your rebate income and if you're eligible for the seniors and pensioners tax offset at question T1

Checklist – tax return 2025

Complete the tax return checklist to avoid any delays when you lodge your paper tax return.

QC 104147

Amounts that you don't pay tax on 2025

Information about those amounts that you don't pay tax on.

Last updated 27 May 2025

On this page

Things you need to know

You might receive amounts that you don't need to include as income in your tax return. We classify them into 3 categories:

- exempt income
- non-assessable non-exempt income
- other amounts that aren't taxable and don't affect any calculation in your tax return.

We list the most common types of exempt income, non-assessable non-exempt income and other amounts that generally aren't taxable. If you're not sure whether a payment you receive is exempt income, non-assessable non-exempt income or other non-taxable amount, **contact us**.

Exempt income

The most common types of exempt income that you generally don't pay tax on.

Exempt Australian Government pensions, allowances and payments

These include:

- Carer adjustment payment (CAP).
- Carer payment where either
  - both the carer and the care receiver are under age-pension age
  - the carer is under age-pension age and any of the care receivers has died.
- Disability support pension Centrelink pays to a person who is under age-pension age.
- Double orphan pension.
- Invalidity service pension under the *Veterans' Entitlements Act 1986* where the veteran is under age-pension age.
- Partner service pension where either
  - the partner (excluding the non-illness separated spouse of a veteran) and the veteran are under age-pension age and the veteran receives an invalidity service pension
  - the partner is under age-pension age and the veteran has died and was receiving an invalidity service pension at the time of death.
- Veterans' Affairs disability pension and allowances, war widows and war widowers pension.

Lump sum bereavement payments you receive as part of any of the payments in this list are exempt only up to the tax-free amount. To find out how much of your payment is exempt, **contact us**.

Exempt Australian Government education payments

These include:

- Allowances for students under 16 years old, including those allowances you receive under ABSTUDY, the Assistance for Isolated Children Scheme and the Veterans' Children Education Scheme.
- Australian-American Educational Foundation (Fulbright Commission) grant.
- Commonwealth scholarships or bursaries for foreign students.
- Commonwealth secondary education assistance.
- Endeavour awards research fellowships or an Endeavour Executive Award.
- Language, literacy and numeracy supplement.
- Payments under the Military Rehabilitation and Compensation Act Education and Training Scheme (MRCAETS) for eligible young persons where you determine eligibility under either
  - paragraph 258(1)(a) of the *Military Rehabilitation and Compensation Act 2004* and the eligible young person was under 16 years old
  - paragraph 258(1)(b) of the *Military Rehabilitation and Compensation Act 2004*.
- Pensioner education supplement and fares allowance Centrelink pays.
- Rent assistance Austudy recipients receive.
- Some scholarships and bursaries full-time students receive.
- Supplementary allowances for students under the Assistance for Isolated Children Scheme.
- The first $1,000 of an apprenticeship early completion bonus you receive under a specified state or territory scheme for occupations with skill shortages.

Other exempt Australian Government payments

These include:

- Acute support packages for veterans and their families.

- Amounts you receive directly, or which a person receives on your behalf, under the National Disability Insurance Scheme for approved reasonable and necessary supports your plan funds.
- Australian Government Disaster Recovery Payment.
- Back to school bonus and single income family bonus under the *A New Tax System (Family Assistance) (Administration) Act 1999*.
- Carer allowance under the *Social Security Act 1991*.
- Child care subsidy.
- Additional child care subsidy.
- Child disability assistance under Part 2.19AA of the *Social Security Act 1991*.
- Education entry payment supplement under the *Social Security Act 1991*.
- Energy supplement paid under Part 2.25B of the *Social Security Act 1991* or Part VIIAD of the *Veterans' Entitlements Act 1986*.
- Family tax benefit.
- Household Assistance Package payments which include
  - Clean Energy Advance
  - Energy Supplement payments
  - Essential Medical Equipment payment
  - Single Income Family Supplement.
- Loss of earnings allowance under the *Veterans' Entitlements Act 1986*.
- Lump sum payment under section 198N of the *Veterans' Entitlements Act 1986*.
- Mobility allowance under the *Social Security Act 1991*.
- Outer Regional and Remote (OR&R) payment under the Better Start for Children with Disability initiative.
- Outer Regional and Remote (OR&R) payment under the Helping Children with Autism package.
- Payment from the Thalidomide Australia Fixed Trust.

- Payment for travelling expenses under Part 3 of the *Treatment Benefits (Special Access) Act 2019*.
- Payment of pharmaceutical supplement under Part 4 of the *Treatment Benefits (Special Access) Act 2019*.
- Payments from the Commonwealth to Thalidomide survivors under the Support for Australia's Thalidomide Survivors program.
- Payments from the National Indigenous Australians Agency under the Territories Stolen Generations Redress Scheme.
- Pension bonus and pension bonus bereavement payments under Part 2.2A of the *Social Security Act 1991* or Part IIIAB of the *Veterans' Entitlements Act 1986*.
- Pharmaceutical allowances under the *Social Security Act 1991*.
- Prisoner of War Recognition Supplement payment under Part VIB of the *Veterans' Entitlements Act 1986*.
- Quarterly pension supplement paid under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*.
- Remote area allowance.
- Rent assistance.
- Stillborn baby payment Centrelink pays.
- Telephone allowance under the *Social Security Act 1991*.
- The ex-gratia payment from the Australian Government, known as the Disaster Recovery Allowance for special category visa (subclass 444) holders for a disaster
  - that occurred in Australia during 2014–15 and future years, and
  - for which a determination under section 1061L of the *Social Security Act 1991* has been made.
- Utilities allowance under the *Social Security Act 1991*
- Veteran's supplement paid the *Veterans' Entitlements Act 1986*

Exempt Australian Defence Force and United Nations payments

This includes:

- Certain pay and allowances for Australian Defence Force personnel (your employer will advise you if an amount is exempt).
- Compensation payments under the *Safety, Rehabilitation and Compensation Act 1988* for impairment or incapacity resulting from service with a United Nations armed force in an operation area described in Schedule 2 of the *Veterans' Entitlement Act 1986*.
- Compensation payments under the *Military Rehabilitation and Compensation Act 2004*, except those that are income-related payments.
- F-111 deseal/reseal ex-gratia lump sum payments.
- Pay and allowances for part-time service in the Australian Naval, Army or Air Force Reserve.
- Payments in relation to a recommendation by the Defence Force Ombudsman for abuse by a member of Defence.
- Some allowances to Australian Defence Force personnel who serve in prescribed overseas areas (your employer will advise you if an allowance is exempt).

Other exempt payments

These include:

- Certain amounts of interest from the Commonwealth on unclaimed money and property.
- Certain annuities and lump sums for an injured person under a structured settlement
- Certain distributions from a pooled development fund.
- Certain distributions from an early-stage venture capital limited partnership.
- Certain payments relating to persecution during the Second World War.
- Certain profits or gains from disposal of shares in a pooled development fund.
- Japanese internment compensation payments made under the *Compensation (Japanese Internment) Act 2001* or the *Veterans' Entitlements Act 1986*.

- Your share of certain profits or gains arising from disposal of investments by a venture capital limited partnership (VCLP), an early-stage venture capital limited partnership (ESVCLP) or an Australian venture capital fund of funds (AFOF).

Non-assessable non-exempt income

The most common types of non-assessable non-exempt income are:

- superannuation lump sum death benefits payments to
  - a dependant
  - someone who isn't a dependant but receives the benefit because of the death of a member of the Australian Defence Force or an Australian police force (including Australian Protective Services) who died in the line of duty
- tax-free superannuation lump sum benefits a person with a terminal medical condition existing at the time they receive the lump sum, or within 90 days of its receipt
- amounts on which family trust distribution tax has been paid (see **question A5**)
- genuine redundancy payments and early retirement scheme payments that shows as 'Lump sum D' amounts on your income statement or payment summary
- National Rental Affordability Scheme (NRAS) payments or non-cash benefits (whether directly or indirectly, such as through an NRAS consortium of which you're a member) from a state or territory government or a relevant body established under a state or territory law
- that part of the taxable component of a death benefit employment termination payment (ETP) below the 2024–25 cap of $245,000 a dependant receives
- the taxed element of a death benefit superannuation income stream paid from an account-based pension to a death benefit dependant where either
  - the deceased was 60 years old or older at the time of their death

  - the recipient was 60 years old or older when they receive the benefit

- the taxed element of a superannuation income stream or lump sum from an account-based pension a person 60 years old or older receives
- the tax-free component of a superannuation benefit paid from an account-based pension
- the tax-free component of an ETP.

Tax-free income for temporary residents

If you're a temporary resident, your foreign income is non-assessable non-exempt income except for income you earn from your employment overseas while you're a temporary resident which may be taxable.

You're a temporary resident if:

- you hold a temporary visa granted under the *Migration Act 1958*
- you and your spouse (if you have one) aren't an Australian resident within the meaning of the *Social Security Act 1991*.

If on 6 April 2006, or at any time after, you're an Australian resident for tax purposes but not a temporary resident, you're not entitled to the **temporary resident exemptions** from that time, even if you later hold a temporary visa.

Other amounts that you don't pay tax on

You don't pay tax on:

- most child support and spouse maintenance payments
- allowances you receive as a volunteer in the Australian government funded Australian Volunteers Program
- government super contributions.

There are other amounts that you generally don't pay tax on, such as lottery winnings and **inheritances**.

For more information, see **Amounts you don't include as income**.

Return to main menu **Individual tax return instructions 2025**.

QC 104148

Adjusted taxable income for you and your dependants 2025

Work out your adjusted taxable income (ATI) and if you're eligible for certain tax offsets.

Last updated 27 May 2025

On this page

What is adjusted taxable income

Your ATI is the sum of the following amounts:

- taxable income (excluding any assessable **first home super saver** released amount)
- adjusted fringe benefits total, which is the sum of both of the following
  - reportable fringe benefits amounts from employers exempt from fringe benefits tax under section 57A of the *Fringe Benefits Tax Assessment Act 1986* multiplied by 0.53
  - reportable fringe benefits amounts from employers not exempt from fringe benefits tax under section 57A of the *Fringe Benefits Tax Assessment Act 1986*
- **reportable employer superannuation contributions**
- deductible **personal superannuation contributions**
- certain **tax-free government pensions or benefits** you receive

- **target foreign income** (income and certain other amounts from sources outside Australia you don't include in your taxable income or receive as a fringe benefit)
- **net financial investment loss** (the amount where the person's deductions attributable to financial investments exceeds their total financial investment income)
- **net rental property loss** (the amount where the person's deductions attributable to rental property exceeds their rental property income)
- *less* – any **child support payments you provide** to another person.

We use ATI to work out if:

- you can include a base amount in the zone or overseas forces tax offset (question **T4**)
- you can claim the invalid and invalid carer tax offset (question **T5**)
- your child is a dependant for Medicare levy purposes (question **M1**)
- you're eligible for government super contributions (question **A3**).

If you want to claim a tax offset at questions **T4** or **T5** and you have dependants, you'll need your and your dependants' ATI for the relevant period to work out:

- whether you're eligible for a tax offset
- the amount of your entitlement to any tax offset.

For the meaning of dependant and maintaining a dependant, see **Tax time definitions**.

Calculate your ATI

You can use either our **Income tests calculator** or [Worksheet 1a]() and [Worksheet 1b](). If you use the calculator and have to either work out a dependant's ATI for part of the year or a deceased's ATI, you need to read these instructions.

Working out the ATI of a person for the whole year

If you're working out the ATI of a person for the whole year, you can get the amounts for **worksheet 1b** from the person's tax return. **Table 1** shows you where the relevant amounts are on the tax return.

Table 1 – Working out ATI

For Worksheet 1b	The amount comes from
a	**Taxable income or loss** on page 4 in the tax return (excluding any assessable **first home super saver** released amount)
b	The sum of both of the following: • question **IT1 Total reportable fringe benefits amounts** – label **N** in the tax return, multiplied by 0.53 and rounded down to the nearest dollar • question **IT1 Total reportable fringe benefits amounts** – label **W** in the tax return
c	question **IT2 Reportable employer superannuation contributions** – label **T** in the tax return
d	question **D12 Personal superannuation contributions** – label **H** in the supplementary tax return
e	question **IT3 Tax-free government pensions** – label **U** in the tax return
f	question **IT4 Target foreign income** – label **V** in the tax return
g	question **IT5 Net financial investment loss** – label **X** in the tax return
h	question **IT6 Net rental property loss** – label **Y** in the tax return
j	question **IT7 Child support you paid** – label **Z** in the tax return

Working out a dependant's ATI for part of the year

If you're working out a dependant's ATI for part of the year, you can't use the figures from their tax return. Instead, you must work out the amounts for the relevant period and complete the calculator or worksheet using these figures. Follow the instructions at each tax offset question.

Completing a tax return for a deceased person

If you're completing a tax return for a deceased person, or your spouse died during the year and you need to know their ATI for the whole of 2024–25. Their ATI is the amount in the calculator or at row **k** in worksheet 1b:

- divided by the number of days the person was alive in 2024–25, and
- multiplied by 365.

This is the deceased person's ATI for the whole of 2024–25.

Working out a person's ATI for the relevant period

Determine the period where you need to work out the person's ATI (start date and end date). Cells in Dependant 1, Dependant 2 and Dependant 3 columns are left blank for you to fill in their details.

Worksheet 1a – Working out the start and end date for a pe ATI

	You	Dependant 1	Dependant 2	Depe
The start date to work out the person's ATI	1/7/2024			
The end date to work out the	30/6/2025			

person's ATI				

Worksheet 1b – Working out a person's ATI for the relevant

Row	Calculation	You	Dependant 1	Dependant 2
a	The person's taxable income for the period (excluding any assessable **first home super saver** released amount) If taxable income is a loss, write **0** (zero)	$	$	$
b	The person's adjusted fringe benefits total for the period	$	$	$
c	The person's reportable employer super contributions for the period	$	$	$
d	The person's deductible personal super contributions	$	$	$

	for the period				
e	The person's tax-free government pensions or benefits for the period	$	$	$	
f	The person's target foreign income for the period	$	$	$	
g	The person's net financial investment loss for the period	$	$	$	
h	The person's net rental property loss for the period	$	$	$	
i	Add all the amounts from rows **a** to **h**	$	$	$	
j	Child support the person provides to a third party for the period	$	$	$	
k	Subtract row **j** from row **i**. This is the person's ATI for the period.	$	$	$	

Return to main menu **Individual tax return instructions 2025**.

QC 104149

Special circumstances 2025

Find out more about completing certain questions in your tax return where special circumstances apply.

Last updated 27 May 2025

On this page

Foreign resident withholding tax

If you're a foreign resident find out more about reporting foreign resident withholding tax in your tax return for:

- Gross interest
- Dividends
- Foreign employment termination payments.

Gross interest

If you're a foreign resident for part of the income year, include at question **10 Gross interest** any interest you receive in 2024–25 while you're an Australian resident.

Don't include at question **10** any interest paid or credited to you when you're a foreign resident if withholding tax is deducted.

If withholding tax isn't deducted, on a separate piece of paper:

- write **Schedule of additional information – question 10**
- write your name, address and TFN
- provide details of amounts of interest you receive while you're a foreign resident if withholding tax isn't deducted.

Attach your schedule to your tax return. Print **X** in the **Yes** box at **Taxpayers' declaration** – question **2** in your tax return.

We'll advise you of the amount of withholding tax you have to pay on this interest.

Dividends

Don't include at question **11 Dividends** any dividend income you receive or are credited during the period you're a foreign resident, if either:

- the dividend is fully franked
- the dividend isn't fully franked, but either
  - the dividend statement shows the unfranked amount to be conduit foreign income
  - withholding tax is (or should be) withheld from the unfranked amount.

You need to provide details of any dividend, paid or credited to you while you're a foreign resident that:

- isn't fully franked and isn't declared to be conduit foreign income
- you haven't paid withholding tax.

On a separate piece of paper:

- write **Schedule of additional information – question 11**
- write your name, address and TFN

- provide details of the dividend.

Attach your schedule to your tax return. Print **X** in the **Yes** box at **Taxpayers' declaration** – question **2** in your tax return.

We'll work out the amount of withholding tax you have to pay on the dividends and advise you of the amount.

Foreign employment termination payments

The following is relevant for the purpose of question 4 Employment termination payments.

A foreign ETP is different from a foreign termination payment (FTP).

Instructions for foreign ETPs

You need to convert your foreign ETPs into Australian dollars before you can complete question 4.

For information about exchange rates and how to convert foreign payments, go to Foreign exchange rates or contact us.

- Then on a separate piece of paper
  - write **Schedule of additional information – question 4**
  - write your name, address and TFN
  - for each foreign ETP, print the name of the payer and the foreign country that employed you, and write the amount of the payment
  - for each foreign ETP, print the appropriate code letter (from those listed at step 4 in question 4). You must provide a valid code for each payment.
- Attach your schedule to your tax return.
- Print **X** in the **Yes** box at **Taxpayers' declaration** – question **2** in your tax return.

You'll need to include the total amount of these foreign ETPs in the amount you show at question **4** – label **I** in your tax return.

Go to step 1 in question 4.

Dividends and franking credits

Additional information for completing your tax return where special circumstances apply in:

- question **11 Dividends 2025**
- question **D8 Dividend deductions 2025**.

The unfrankable dividend integrity rule prevents you from claiming franking credits from distributions made on or after 15 September 2022, that are funded from capital raising or the issue of equity interest by an entity that made the distribution.

Reporting for:

- Dividend washing integrity rule
- Qualified person or small shareholder exemption

Dividend washing integrity rule

The dividend washing integrity rule prevents you from claiming franking credits where you receive a dividend as a result of dividend washing.

Dividend washing occurs where you, or an entity connected to you, claim 2 sets of franking credits by:

- selling shares that are held on the Australian Securities Exchange (ASX) and have become 'ex-dividend', and then
- purchasing some substantially identical shares using a special ASX trading market.

When the dividend washing integrity rule applies, you're not entitled to claim the franking credits for the second dividend. However, if your interest in the second parcel of shares exceeds the interest in the first parcel, you may be entitled to claim a portion of the franking credits for the additional shares. For more information, see **Dividend washing rule**.

The dividend washing integrity rule doesn't apply if both of the following apply:

- you're an individual
- you receive no more than $5,000 in franking credits during 2024–25.

However, the dividend washing integrity rule applies where dividends flow indirectly to you through your interest in a trust or partnership.

If you're claiming franking credits at question **11**, certain rules apply. Read the following to check that you're entitled to claim the credits.

Qualified person or small shareholder exemption

You must be a 'qualified person' to be entitled to a franking credit for a dividend. To be a qualified person, you must satisfy the holding period rule and the related payments rule.

Holding period rule

To be able to claim the franking credits, the **holding period rule** requires you to hold shares 'at risk' for at least 45 days (90 days for certain preference shares).

When working out the number of days you held the shares at risk, don't count the day on which you acquire the shares and the day on which you dispose of the shares (or you enter into an arrangement to reduce the risk of making a loss on them).

This rule applies generally to shares bought on or after 1 July 1997.

Even if you don't hold the shares at risk for the required period, you may still be entitled to claim the franking credits if both of the following apply:

- your total direct and indirect franking credit entitlement for 2024–25, including any entitlement you may have had through a trust or partnership, isn't above $5,000 (the small shareholder exemption)
- the related payments rule doesn't apply to you.

In determining whether the holding period rule is satisfied for the prescribed minimum period, no account is taken of any days on which you entered into an arrangement to materially reduce the risk of making a loss on your shares, such as through derivatives, hedges, options and futures.

If you don't satisfy the holding period rule, add up all the franked dividend amounts from your statements and any other franked dividends you receive or that is credited to you. Write the total amount at question **11** – label **T**. Don't include any franking credit amount at question **11** – label **U** for that dividend.

Related payments rule

The related payments rule applies to arrangements you enter into after 7:30 pm (Australian Eastern Standard Time) on 13 May 1997. Broadly, it applies to you if you effectively have no interest in a dividend because you're under an obligation to make, or likely to make, a related payment to another party for the dividend and you don't hold your shares 'at risk' for at least 45 days (90 days for certain preference shares).

When working out the number of days you hold the shares 'at risk', don't count the day on which you acquire the shares and the day on which you dispose of the shares (or you enter into an arrangement to reduce the risk of making a loss on them).

A related payment includes you, or your associate, doing something under an arrangement that has the effect of passing the benefit of the dividend to someone else.

If either the holding period rule or related payments rule is likely to affect you, see You and your shares 2025.

Australian superannuation lump sum payments

Additional information for completing your tax return where special circumstances apply in question 8 Australian superannuation lump sum payments 2025.

Tables 1A and **2B** set out the maximum tax rates that apply to super lump sum payments made by complying super funds. The Medicare levy is additional where applicable.

You may find this useful in completing questions **8**, **M1** and **M2**.

You must include any lump sum in arrears amounts in your assessable income regardless of the period the income stream payment relates to.

Tables 1A and 1B: Death benefit

Use **Tables 1A** and **2B** to work out the maximum tax rates that apply to super lump sum payments made by complying super funds.

Table 1A: Death benefit paid to death benefits dependant (of any age)

Element	Amount	Tax rate
Tax-free component	Whole	Tax free
Taxed element	Whole	Tax free
Untaxed element	Whole	Tax free

Table 1B: Death benefit paid to non-death benefits dependant (of any age)

Element	Amount	Tax rate
Tax-free component	Whole	Tax free
Taxed element	Whole	15%
Untaxed element	Whole	30%

Tables 2A and 2B: Superannuation lump sum (other than death benefit)

Table 2A: Under the preservation age at the time of payment

Element	Amount	Tax rate
Tax-free component	Whole	Tax free
Taxed element	Whole	20%
Untaxed element	Up to the untaxed-plan cap amount, $1,780,000 (see **Note 1**)	30%
Untaxed element	Over the untaxed-plan cap amount, $1,780,000 (see **Note 1**)	45%

Table 2B: 60 years of age or older at the time of payment

Element	Amount	Tax rate
Tax-free component	Whole	Tax free
Taxed element	Whole	Tax free
Untaxed element	Up to the untaxed-plan cap amount, $1,780,000 (see Note 1)	15%
Untaxed element	Over the untaxed-plan cap amount, $1,780,000 (see Note 1)	45%

Note 1: For 2024–25, the untaxed-plan cap amount is a maximum of $1.78 million, but it could be less for you if you have previously received another super lump sum with an untaxed element from the same super fund. For more information on how we work out your untaxed-plan cap amount, see How tax applies to your super withdrawals.

For more information on untaxed-plan cap amount, see Untaxed plan cap amount.

Leased luxury cars

If you lease a luxury car and want to claim a deduction at question D1 Work-related car expenses or question D2 Work-related travel expenses, the following information about luxury cars will help you.

A leased luxury car is a leased car that at the time the lease began had a market value of more than the 'car limit' that applies in the relevant income year.

You can claim a deduction for the decline in value of a leased luxury car (but not for other leased cars). The car can be new or second-hand. You must use the logbook method, see Logbook method.

When claiming a deduction for decline in value, the initial value that you use for the car is the limit that applies in the income year that the lease begins. See, Table 3 for the car limit for this year and the past 10 income years.

Table 3: Car limits for the past 10 income years

Year	Limit
2024–25	$69,674
2023–24	$68,108
2022–23	$64,741
2021–22	$60,733
2020–21	$59,136
2019–20	$57,581
2018–19	$57,581
2017–18	$57,581
2016–17	$57,581
2015–16	$57,466
2014–15	$57,466

Work-related travel expenses

For work-related travel expenses you claim in question D2, **tables 4** and **5** outline the evidence you need to keep for overnight travel expenses (accommodation, food and drink and incidental expenses).

Travel diary

Whether for domestic or overseas travel, a travel diary is a document you record the nature, places, dates, times and duration of your activities and travel.

Table 4: Travel expense records – domestic travel

Condition	Written evidence (all expenses)	Travel diary required
You don't receive a **travel allowance** and the travel is less than 6 nights in a row.	Yes	No
You don't receive a travel allowance and the travel is 6 or more nights in a row.	Yes	Yes
You receive a travel allowance, your claim doesn't exceed the reasonable allowance amount and the travel is less than 6 nights in a row.	No	No
You receive a travel allowance, your claim doesn't exceed the reasonable allowance amount and the travel is 6 or more nights in a row.	No	No
You receive a travel allowance, your claim exceeds the reasonable allowance amount and the travel is less than 6 nights in a row.	Yes	No
You receive a travel allowance, your claim exceeds the reasonable allowance amount and the travel is 6 or more nights in a row.	Yes	Yes

Overseas travel

You need written evidence for all overseas accommodation expenses, regardless of the amount you claim and the length of the trip. You don't need written evidence for food, drink and incidentals in certain circumstances, see Table 5.

Members of international aircrews don't have to keep a travel diary if they limit their claim to the amount of the allowance received.

Table 5: Travel expense records – overseas travel

Condition	Written evidence for food, drink and incidentals	Travel diary required
You don't receive a travel allowance and the travel is less than 6 nights in a row.	Yes	No
You don't receive a travel allowance and the travel is 6 or more nights in a row.	Yes	Yes
You receive a travel allowance, your claim doesn't exceed the reasonable allowance amount and the travel is less than 6 nights in a row.	No	No
You receive a travel allowance, your claim doesn't exceed the reasonable allowance amount and the travel is 6 or more nights in a row.	No	Yes
You receive a travel allowance, your claim exceeds the reasonable allowance amount and the travel is less than 6 nights in a row.	Yes	No
You receive a travel allowance, your claim exceeds the reasonable allowance amount and	Yes	Yes

the travel is 6 or more nights in a row.			

Rules for certain types of gifts or donations

The following information is about different types of gifts or donations that you may be able to claim a deduction for at question **D9 Gifts or donations**. If you obtain a valuation of a deductible donation of property, you may be able to claim a deduction for the cost of that valuation under question **D10 Cost of managing tax affairs**.

Find out more on the deduction rules for:

- Gifts of property
- Receiving a benefit
- Deductions for contributions relating to fund-raising events
- Gifts of shares valued at $5,000 or less
- Contributions and gifts to registered political parties and independent candidates and members

Gifts of property

You can claim a deduction for a gift of property (such as land, artwork or memorabilia) to an eligible organisation if either:

- you purchase the property within 12 months of making the gift
- you purchase the property more than 12 months before you made the gift and the Commissioner valued it at more than $5,000.

If you purchase the property within 12 months of making the gift, the amount deductible is the market value of the property at the time of the gift or the amount you pay for the property, whichever is less. If you purchase the property more than 12 months before you made the gift and the Commissioner values it at more than $5,000, the amount deductible is the value of the property the Commissioner determines.

You can't claim a deduction for a gift of property if you don't purchase it (for example, you inherit or win the property) unless the Commissioner values it at more than $5,000.

If you make a gift of property under the cultural gifts program the rules above don't apply to you.

For more information on working out whether you can claim a deduction for a gift under this program, see **Donating under the Cultural Gifts Program**.

For more information on property valuations, **contact us**.

Receiving a benefit

Generally, you can't claim a deduction for a donation if you receive something in return (for example, a raffle ticket, dinner or a reduction in your child's school fees) other than tokens like lapel badges and stickers that promote the organisation. This rule doesn't apply to certain fund-raising events, see Deductions for contributions relating to fundraising events.

Deductions for contributions relating to fundraising events

You can claim a deduction for contributions to approved organisations that relate to fundraising events where you receive a minor benefit for your contribution, if both of the following apply:

- the contribution meets certain conditions
- the benefit you receive doesn't exceed a specified limit.

A fundraising event includes a fete, ball, gala show, dinner, performance or similar event.

You can claim a deduction if one of the following applies:

- you make a contribution of money or property to attend or participate in (or for the right to attend or participate in) a fund-raising event
- you make a contribution of money to purchase goods or services at a charitable auction.

Your contribution must meet the following conditions:

- It's made to an approved organisation.
- If it's money, it is more than $150.
- If it's property, you either

  - purchase it within 12 months of making a contribution, and both the market value on the day of the contribution and the purchase price are more than $150
  - own it for more than 12 months and the Commissioner values it at more than $5,000.
- If it's publicly listed shares, the value is more than $150 and less than or equal to $5,000.
- The fundraising event is held in Australia.
- The GST-inclusive market value of the minor benefit you receive for your contribution must be worth no more than $150 or 20% of the value of the contribution, whichever is less. The receipt from the approved organisation will show the market value of the minor benefit you receive.

Your deduction is the value of your contribution that satisfies the conditions set out above **less** the GST-inclusive market value of the minor benefit you receive. Both of these amounts appear on your receipt.

There is no limit to the number of deductions you can claim for successful bids to purchase goods or services at a charitable auction, where the conditions are met.

Gifts of shares valued at $5,000 or less

You can claim a deduction for a gift of shares to an approved organisation if:

- the shares are held in a company that is listed on an approved Australian stock exchange on the day the gift is made
- you acquire the shares at least 12 months before making the gift ('acquired' includes purchased, inherited, won or received as a gift or a bonus)
- the parcel of shares have a market value of $5,000 or less on the day you make the gift
- the parcel of shares is valued at $2 or more.

You can't claim a deduction for shares that are suspended from trading (other than a mere trading halt).

Gifts of shares held in different companies are separate gifts even if given at the same time.

A deduction is also available to you where you contribute the shares in return for a right permitting you or another individual to attend or participate in a particular fundraising event in Australia. The gift must satisfy the rules for contributions to fundraising events:

- the market value of the shares on the day they are contributed must be more than $150 but less than or equal to $5,000
- the market value of the right to attend or participate in the fund-raising event must not exceed 20% of the value of the shares or $150, whichever is less.

Be aware that capital gains tax applies when you make a gift of shares.

Contributions to registered political parties, candidates and members

You can claim a deduction for contributions or gifts to registered political parties, independent members of parliament (state or Commonwealth) or independent candidates in an election for parliament. Contributions must be $2 or more. The contribution or gift must be of money or property that you purchased during the 12 months before making the contribution or gift. If it is property, the amount deductible is the market value of the property at the time of the donation or the amount you paid for the property, whichever is less.

If the total of all your contributions and gifts to **political parties** during the income year is greater than $1,500, the maximum amount you can deduct is $1,500. A separate deduction limit of $1,500 applies if the total of all your contributions and gifts to **independent** candidates or independent members of parliament for the income year exceeds $1,500.

You can't claim a deduction for a political gift or contribution of $2 or more (including membership fees) to registered political parties, independent candidates and members of an Australian legislature if you make the gift or contribution in the course of carrying on a business.

The contribution must be to a political party that is registered under Commonwealth, state or territory electoral laws.

The contribution to an independent candidate or independent members must be to a candidate for election to, or member of, the Commonwealth Parliament, a state or territory parliament.

An independent candidate is an individual whose candidature in an election for parliament isn't endorsed by a registered political party. An independent member is a member of parliament who isn't a member of a registered political party.

Australian super income stream tax offset

To complete question **T2 Australian superannuation income stream 2025** when your payment summary doesn't show the tax offset amount:

- follow the steps if you're both
  - under 60 years old
  - don't have a death benefit income stream where the deceased was 60 years old or older.
- read question **T2** if either
  - you're 60 years old or older
  - you have a death benefit income stream where the deceased was 60 years old or older.

Completing your tax return

For each *PAYG payment summary – superannuation income stream* that doesn't show a tax offset amount, you can work out your tax offset amount by multiplying the taxed element and the untaxed element of the taxable component on each of those payment summaries by the relevant percentage in tables **6A** to **6C**.

Worksheet 1: Working out the amount of your tax offset taxed element only (pre-60 income)

Row	Calculation	Amount
a	The amount of any taxed element of your super income stream benefit paid to you for which you're entitled to a tax offset	$

b	Relevant percentage from **Tables 6A** to **6C**	%
c	Multiply row **a** by row **b**.	$

Your Australian super income stream tax offset percentages

Table 6A: Death benefit income stream

Age of the deceased	Your age at date of each payment	Taxed element	Untaxed element
Under 60 years old	Under 60 years old	15%	0%
Under 60 years old	60 years old or older	Not applicable	Limited – read question **T2**.
60 years old or older	Any age	Not applicable	Limited – read question **T2**.

Table 6B: Disability super benefit income stream

Your age at date of each payment	Taxed element	Untaxed element
Under 60 years old	15%	0%
60 years old or older	Not applicable	Limited – read question **T2**.

Table 6C: All other income streams

Your age at date of each payment	Taxed element	Untaxed element
Under preservation age	0%	0%

60 years or older	Not applicable	Limited – read question **T2**.

If your circumstances in the above tables change during 2024–25, for example, because you turn 60 years old during the year, then a different percentage of tax offset may apply to the amounts of the super income stream you receive before and after your birthday; read question **T2**.

If you have any *PAYG payment summary – superannuation income stream* that shows tax offset amounts, and you're under 60 years old on 30 June 2025, add up these amounts and the amount from question **T2** in **worksheet 1** – row **h** . Write the total amount at question **T2** – label **S** in your tax return. Don't show cents.

Tax-free government pensions or benefits and the income tests

If you receive any of the government pensions or benefits in the following list, you must include at **question IT3** the part of those pensions and benefits that are exempt from tax. In some cases, all of your pension or benefit could be exempt from tax, and in other cases only part of it might be.

Don't include any part of the following pensions and benefits that is a bereavement payment, pharmaceutical allowance, rent assistance or remote area allowance, or language, literacy and numeracy supplement.

Government benefits or payments you may receive are:

- Disability support pension paid by Centrelink to a person who is under age-pension age.
- Youth disability supplement if you receive a disability support pension.
- Carer payment under Part 2.5 of the *Social Security Act 1991* (this isn't the carer allowance under Part 2.19 of the *Social Security Act 1991*).
- Pension for defence, peacekeeping or war-caused death or incapacity, or any other pension granted under Part II or Part IV of the *Veterans' Entitlement Act 1986*.

- Invalidity service pension where the veteran is under age-pension age.
- Partner service pension where either
  - the partner and the veteran are under the age-pension age and the veteran is receiving an invalidity service pension
  - the partner is under age-pension age, the veteran has died and was receiving an invalidity service pension at the time of death.
- Income support supplement paid under Part IIIA of the *Veterans' Entitlements Act 1986*.
- A veteran payment under an instrument made under Part IIIAA of the *Veterans' Entitlements Act 1986*.
- Special rate disability pension under Part 6 of Chapter 4 of the *Military Rehabilitation and Compensation Act 2004*.
- A payment of compensation under section 68, 71 or 75 of the *Military Rehabilitation and Compensation Act 2004*.
- A payment of the weekly amount mentioned in paragraph 234(1)(b) of the *Military Rehabilitation and Compensation Act 2004* (including a reduced weekly amount because of a choice under section 236 of that Act) or of a lump sum mentioned in subsection 236(5) of that Act.

If you're not sure, for the purpose of this question, whether a government pension or benefit you receive is tax-free, **contact us**.

To help you understand terms we use in the tax return instructions, **Tax time definitions**.

Return to main menu **Individual tax return instructions 2025**.

QC 104150

Claiming deductions 2025

You can claim deductions for work-related expenses you incur in earning your employment income as an employee.

Last updated 27 May 2025

On this page

Things you need to know

You may be able to claim deductions for **work-related expenses** you incur in the course of your employment duties or while performing your work duties as an employee. You **incur** an expense in 2024–25 if you either:

- receive a bill or invoice for an expense that you're liable for (even if you pay it after 30 June 2025)
- don't receive a bill or invoice but you pay for the expense.

These expenses include:

- car expenses, including fuel costs and maintenance
- travel costs
- clothing expenses
- education expenses
- union fees
- home computer and phone expenses
- tools and equipment expenses
- journals and trade magazines.

Use the **Employees guide for work expenses** to help you as an employee to decide:

- whether your expenses are deductible
- what written evidence and other records you need to keep to show you incur the expense and how you work out your claim.

You may also be able to claim some deductions that aren't work-related expenses. They are:

- interest and dividend deductions for investments
- deductions for gifts and donations
- a deduction for the cost of managing your tax affairs.

For more information, see:

- Taxation Ruling **TR 97/7** *Income tax: section 8-1 – meaning of 'incurred' – timing of deductions*
- Taxation Ruling **TR 2020/1** *Income tax: employees: deductions for work expenses under section 8-1 of the Income Tax Assessment Act 1997*

Goods and services tax

If your expense includes an amount of goods and services tax (GST), the GST is part of the total expense and is therefore part of any deduction. For example, if you incur union fees of $440 which includes $40 GST, you claim a deduction for $440.

Foreign employment

If you receive a *PAYG payment summary – foreign employment* or have foreign employment payment information on your income statement, you claim deductions that you're eligible to claim for that income at questions **D1** to **D6**, as relevant.

You must convert all foreign deduction claims to Australian dollars before you complete this question.

For more information on

- how to convert your foreign deductions, see **Foreign exchange gains and losses**
- exchange rates, see **Foreign exchange rates**.

Basic rules

You must incur the expense in 2024–25.

To claim a deduction for a work-related expense:

- you must spend the money yourself and not get a reimbursement
- the expense must directly relate to earning your income
- you must have a record to prove it (usually a receipt).

The expense must not be private, domestic or capital in nature. For example, the costs of normal travel to and from work, and buying lunch each day are private expenses.

If you incur an expense:

- that is both work-related and private or domestic in nature, you only claim a deduction for the work-related part
- that is capital in nature, you may be able to claim a deduction for the decline in value of the depreciating asset you acquire and use for work
- for services paid in advance, you need to work out what part of the expense is deductible in 2024–25.

You can't claim a deduction for an expense if any of the following apply:

- someone else pays for the expense
- someone has or will reimburse you for the expense
- the payment or reimbursement is a fringe benefit (including an exempt benefit).

If you receive a partial reimbursement for the expense, you can only claim a deduction for the part that you don't receive a reimbursement for.

Record keeping for work-related expenses

When you claim a deduction, you need to keep records that show you incur the expense. Records are written evidence of your income or expenses, these can be either paper or electronic. You need to keep records that support the claims you make in your tax return.

You need to **keep records** for 5 years (in most cases) from the date you lodge your tax return.

Total work-related expenses more than $300

If the total amount of deductions you're claiming is more than $300, you must have written evidence (such as a receipt or invoice) to **show you incur and don't receive a reimbursement for the expenses you claim**.

The written evidence and records you keep must prove the total amount you claim, not just the amount over $300.

The $300 threshold doesn't include car expenses, meal allowance expenses, award transport payment expenses and travel allowance expenses. There are special written evidence rules for these claims which we explain at the relevant questions in the instructions.

Total work-related expenses $300 or less

If the total amount you're claiming is $300 or less, you need records (such as calendar entries or a spreadsheet) to be able to show how you work out your claims, but you don't need written evidence (such as receipts or invoices).

Advance expenditure

If you prepaid for a service costing $1,000 or more, and the service extends for a period of more than 12 months or beyond 30 June 2026 (such as a subscription to a journal relating to your profession), you can only claim the prepaid amount that relates to 2024–25. You can also claim the proportion of your pre-paid expenses from a previous income year that relate to 2024–25.

For help to work out deductions you can claim for expenses you incur for things to be done in a later income year, see **Deductions for prepaid expenses 2025**.

Allowances

If you receive an allowance that you show at question **2** in your tax return, you can claim a deduction for your expenses the allowance covers, but only if you:

- actually incur the expenses in producing your employment income
- meet the basic rules.

For example, if you receive a tools allowance of $500 and your tool expenses were $300:

- include the whole allowance of $500 at question **2** in your tax return
- you claim a deduction of $300 at question **D5** if you have written evidence (such as a receipt for the purchase of the tools).

Decline in value of a depreciating asset

You may be able to claim a deduction for the decline in value of a **depreciating asset** you held during 2024–25 if you use it to produce income that you show in your tax return.

A depreciating asset is an asset that has an effective life and can reasonably be expected to decline in value over time. Depreciating assets include items such as tools, reference books, computers and office furniture.

Work out the decline in value of a depreciating asset using its effective life. You can either make your own estimate of its effective life or use the Commissioner's effective life determinations. For more information, see **Effective life of an asset**.

You may be able to claim an immediate deduction for the full cost of depreciating assets costing $300 or less if certain conditions are met.

Where to go next

- Go to **D1 Work-related car expenses 2025**.
- Return to main menu **Individual tax return instructions 2025**.
- Go back to **Total income or loss 2025**.

QC 104151

Rebate income 2025

Work out your rebate income and if you're eligible for the seniors and pensioners tax offset at question T1.

Published 27 May 2025

What is rebate income?

Your rebate income is the total amount of your taxable income (excluding any assessable first home super saver released amount) *plus* the following amounts if they apply to you:

- adjusted fringe benefits total, which is the sum of both of the following
  - reportable fringe benefits amounts you receive from employers exempt from fringe benefits tax under section 57A of the *Fringe Benefits Tax Assessment Act 1986* multiplied by 0.53
  - reportable fringe benefits amounts from employers not exempt from fringe benefits tax under section 57A of the *Fringe Benefits Tax Assessment Act 1986*
- reportable employer super contributions
- deductible personal super contributions
- your net financial investment loss (that is, the amount your deductions from your financial investments exceeded your total financial investment income)
- your net rental property loss (that is, the amount where your deductions attributable to rental property exceeded your rental property income).

Calculate your rebate income

To work out your rebate income, use the following worksheet.

Worksheet 1 – Working out your rebate income

Row	Calculation	Amount
a	Your taxable income (from **Taxable income or loss** in your tax return – excluding any assessable first home super saver released amount) If your taxable income is a loss, write **0 (zero)**.	$
b	Your reportable employer super contributions (from question **IT2** – label **T** in your tax return)	$
c	Your deductible personal super contributions (from question **D12** – label **H** in your tax return)	$
d	Your net financial investment loss (from question **IT5** – label **X** in your tax return)	$
e	Your net rental property loss (from question **IT6** – label **Y** in your tax return)	$
f	Your adjusted fringe benefits total – the sum of the following: • question **IT1** – label **N** in your tax return multiplied by 0.53 and rounded down to the nearest dollar • question **IT1** – label **W** in your tax return.	$
g	Add up the amounts from rows **a** to **f**. This is your rebate income.	$

Go back to question **T1 Seniors and pensioners tax offset 2025**.

QC 104152

Checklist – tax return 2025

Complete the tax return checklist to avoid any delays when you lodge your paper tax return.

Last updated 27 May 2025

Things you need to know

To avoid any delay in the processing of your tax return, use the pre-addressed envelope we provide with the tax return instructions, or use the following address:

AUSTRALIAN TAXATION OFFICE
GPO BOX 9845
(insert the name and postcode of your nearest capital city)

For example:

AUSTRALIAN TAXATION OFFICE
GPO BOX 9845
SYDNEY NSW 2001

Your checklist

Check you have completed the following before you lodge your tax return:

- your tax file number
- all your personal details, including your date of birth
- your electronic funds transfer details so we can pay any refund owing directly to your financial institution account – we can hold

your refund for 90 days if you don't provide valid Australian financial institution account details

- all **questions** that are relevant to you, including
  - **M2** – this question is **compulsory** for all taxpayers
  - **Private health insurance policy details**, if required
  - **A1** if you're under 18 years old on 30 June 2025; this is **compulsory** and you may pay tax at a higher rate if you don't complete it
  - **A4** if you're in Australia on a 417 or 462 visa that allows you to work and holiday – this is **compulsory** and you may pay tax at a higher rate if you don't complete it
  - **IT1** to **IT8 Income tests**
  - **Spouse details – married or de facto**, if required, including
    - **Family Assistance consent** – if you consent to offset part or all of your tax refund against your spouse's Family Assistance debt, if required
- the letter code boxes, if required, at questions
  - **1 Salary or wages**
  - **3 Employer lump sum payments**
  - **4 Employment termination payments**
  - **8 Australian superannuation lump sum payments**
  - **TOTAL SUPPLEMENT INCOME OR LOSS**
  - **TOTAL INCOME OR LOSS**
  - **D1 Work-related car expenses**
  - **D3 Work-related clothing, laundry and dry-cleaning expenses**
  - **D4 Work-related self-education expenses**
  - **SUBTOTAL**
  - **TAXABLE INCOME OR LOSS**
  - **T1 Seniors and pensioners**
  - **M1 Medicare levy reduction or exemption**

  - **Private health insurance policy details**
  - **A1 Under 18**
  - **A3 Government super contributions**.
- written totals at
  - **TOTAL TAX WITHHELD**
  - **TOTAL SUPPLEMENT INCOME OR LOSS** (if applicable)
  - **TOTAL INCOME OR LOSS**
  - **TOTAL SUPPLEMENT DEDUCTIONS** (if applicable)
  - **TOTAL DEDUCTIONS**
  - **SUBTOTAL**
  - **TAXABLE INCOME OR LOSS**
  - **TOTAL SUPPLEMENT TAX OFFSETS** (if applicable)
  - **TOTAL TAX OFFSETS**
- a Trust income schedule to attach to your tax return, if you report amounts for trust distributions at
  - **13 Partnerships and trusts**
  - **18 Capital gains**
  - **19 Foreign entities**
  - **20 Foreign source income and foreign assets or property**
- the **Taxpayer's declaration**, you need to read, complete, sign and date it
- attach copies of all documents or schedules the tax return instructions tell you to attach
- kept copies of your tax return, all attachments, and relevant papers for your own records.

When can you expect your notice of assessment?

We aim to process paper tax returns within 50 business days. If you lodge your tax return online using myTax, our standard processing time is 10 business days.

Do you want to work out your tax?

If you want to work out your tax refund or debt estimate, use the **Income tax calculator**.

Return to main menu **Individual tax return instructions 2025.**

QC 104153

Our commitment to you

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

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

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

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