



# myTax 2018 Zone or overseas forces

How to determine your entitlement to a zone or overseas forces tax offset in myTax.

**Last updated** 28 June 2018

## On this page

Zone tax offset

Overseas forces tax offset

Completing this section

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

- lived 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.

If eligible, the zone or overseas forces tax offset is made up of:

- a fixed amount, and
- a base amount.

The 'fixed amount' is a prescribed amount available to all people in the zone or overseas area eligible for the tax offset.

You may be able to include a 'base amount' if you:

- maintained a child under 21 or full time student under 25, or
- were entitled to claim the **Invalid and invalid carer offset**.

Your fixed and base amounts are determined by your circumstances.

## **Zone tax offset**

Eligibility for the zone tax offset is based on your usual place of residence. If your usual place of residence was not in a zone, you are not eligible for the 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 [Australian zone list](#).

To qualify for the tax offset, your usual place of residence must have been in a remote area (not necessarily continuously) for:

- 183 days or more during 2017–18, or
- 183 days or more during the period 1 July 2016 to 30 June 2018 (including at least one day in 2017–18), and you did not claim a zone tax offset in your 2017 tax return.

If your usual place of residence was in a zone for less than 183 days in 2017–18, you may still be able to claim a tax offset as long as your usual place of residence was in a zone for a continuous period of less than five years after 1 July 2012 and:

- you were unable to claim in the first year because you lived there less than 183 days, and
- the total days you lived there in the first year and in 2017–18 is 183 or more. The period you lived in a zone in 2017–18 must include the first day of the income year.

## **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 2017–18, 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 **Overseas forces tax offset** or phone **13 28 61**.

To claim the full overseas forces tax offset:

- you must have served in the overseas locality for 183 days or more in 2017–18, or
- the total number of days served in the overseas locality, when added to the number of days served in one or more zones, must be 183 days or more. If you served as a member of the Australian Defence Force, days spent in a zone must be defence force service.

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.

## Completing this section

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

1. Do the following circumstances apply to you?

- Your usual place of residence was in only one zone or you served in only one specified overseas locality for at least 183 days, and
- You are not able to include a base amount as:
  - you were not entitled to claim the Invalid and invalid carer tax offset, and
  - you either did not have a dependent [child or student](#) at any time in 2017–18 or if you did have a dependent child or student, their adjusted taxable income (ATI) was equal to or greater than \$282 plus \$28.92 for each week you maintained them.

**No** – Go to step 3.

**Yes** – Note the tax offset amount for your circumstance from **Table 1**. Go to step 2.


### Table 1: Tax offset amounts

Your circumstances	Zone A	Zone B	Special area	Overseas forces
You were able to claim the fixed amount only (you were not able to include a base amount)	\$338	\$57	\$1,173	\$338

2. Are you claiming the zone tax offset?

**No** – Go to step 4.

**Yes** – If you received a remote area allowance from Centrelink or the Department of Veterans' Affairs you must reduce the amount of your zone tax offset by the amount you received for this allowance. Go to step 4.

3. Work out your tax offset amount using the [Zone or overseas forces tax offset calculator](#) , or see [Working out your tax offset - complex circumstances](#).

4. Enter the amount of your tax offset into the **Offset amount** field.

5. Select **Save and continue** when you have completed the **Offsets** section.

## Working out your tax offset – complex circumstances

If your circumstances were more complex, the following information will help you work out your base amount (if any).

## Definitions

Use this guide to help you work out definitions on child or student, dependant and more.

# Working out your tax offset – complex circumstances

If your circumstances were more complex, the following information will help you work out your base amount (if any).

**Last updated** 28 June 2018

## On this page

Dependent child or student base amount

Sole parent base amount

Invalid and invalid carer base amount

Working out your total base amount

Final calculation

## Dependent child or student base amount

### Full-year claim

Your base amount will include the maximum amount shown in [Table 2](#) for each student under 25 years old on 30 June 2018 in full-time education at a school, college or university, and for each child under 21 years on 30 June 2018 who, for the whole of 2017–18:

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

To calculate the ATI use the [Income tests calculator](#) .

If you did not have any dependent children or students, go to [Invalid and invalid carer base amount](#).

### Table 2

Dependant	Base amount
Each student under 25 years old	\$376
For the oldest 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 base amount for each child or student and enter the total at row **n** [Worksheet 4](#).

If two or more people contributed to the maintenance of a dependent child or student, each person can only claim a proportion of the base amount.

For the meaning of dependant and maintaining a dependant, see [Definitions](#).

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 base amount in respect of them was \$286 or more, you may be able to claim for a part of the base amount. Read on.

## Part-year claim

You can claim only part of the base amount for dependent children or students if:

- the child or student was treated as an Australian resident for only part of 2017–18
- the student was under 25 years old and in full-time education for only part of 2017–18
- the child or student was maintained by you for only part of 2017–18
- the child was 21 years old at 30 June 2018 and not in full-time education, or
- the student was 25 years old at 30 June 2018.

Use **Worksheet 1** to work out the reduced base amount for each eligible dependent child or student as described in [Table 2](#).

## Worksheet 1

Row	Calculation	Amount
a	Maximum base amount for the child or student from <a href="#">Table 2</a>	\$
b	Number of days you maintained your child or student and your child or student was an eligible dependant	
c	Number of days in 2017–18	365
d	Divide row <b>b</b> by row <b>c</b> .	\$
e	Multiply row <b>d</b> by row <b>a</b> .	\$

If the ATI of your child or student was less than \$286 for the period you are claiming this base amount in respect of them, transfer amount at row **e** above to row **o** [Worksheet 4](#).

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 base amount in respect of them, work out the amount for each child and student, add up all the amounts and enter the total at row **o** [Worksheet 4](#).

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

You cannot claim any base amount 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 oldest 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 base amount in respect of them was \$286 or more but less than the limits shown, use **Worksheet 2** to work out the base amount.

## Worksheet 2

Row	Calculation	Amount
f	Base amount for the child or student from <a href="#">Table 2</a> or row <b>e</b> <a href="#">Worksheet 1</a> for a part-year claim	\$
g	Your child's or student's ATI for the period you maintained them	\$
h	Income above which the base amount begins to reduce	\$282
i	Take row <b>h</b> away from row <b>g</b> .	\$
j	Divide row <b>i</b> by 4 because your base amount is reduced by \$1 for every \$4 of ATI over \$282. Do not show cents.	\$
k	Take row <b>j</b> away from row <b>f</b> . Show zero (0) if the amount is negative. Do not show cents.	\$

Transfer the amount at row **k** above to row **p** [Worksheet 4](#). 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 enter the total at row **p** [Worksheet 4](#).

## Sole parent base amount

If you had sole care of a dependent child or student **and** you have written an amount of at least \$1 in [Worksheet 4](#) at rows **n**, **o** or **p** (base amount for dependent children or students), you may also be eligible for a sole parent base amount.

You can only claim this base amount if you were a sole parent at any time during the income year and:

- your usual place of residence was in a remote area of Australia, or
- you served overseas as a member of the Australian Defence Force.

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) during the year unless special circumstances exist.

You will need to use [Worksheet 3](#) to calculate a part-year sole parent base amount claim.

## Special circumstances

If you had a spouse (married or de facto) at any time during 2017–18, you are entitled to a sole parent base amount 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 2017–18, but during the year you separated from or were deserted by your spouse, and for the period that you will claim the sole parent base amount 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 base amount 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 or student 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 dependant:

- was not receiving full-time education and turned 21 years old during 2017–18, or
- was a full-time student and turned 25 years old during 2017–18.

You are only entitled to claim the base amount for that part of the year before the birthday.

If you had sole care of a child or student for the whole of 2017–18, enter \$1,607 at row **q** [Worksheet 4](#).


### Worksheet 3 – Sole parent base amount, part-year claim

Row	Calculation	Amount
<b>l</b>	Number of days you had sole care of a child or student	
<b>m</b>	Multiply row <b>l</b> by \$4.40.	\$

Transfer the amount at row **m** above to row **r** [Worksheet 4](#).

### Invalid and invalid carer base amount

If you are entitled to an Invalid and invalid carer tax offset, you are entitled to this base amount.

To work out the base amount you are entitled to claim, you can use our [calculator](#) .

Then enter the amount you worked out above at row **s** **Worksheet 4**.

### Working out your total base amount

Use **Worksheet 4** to work out your total base amount.

### Worksheet 4 – Total base amount

Row	Calculation	Amount
<b>n</b>	Dependent children or students, from <a href="#">Table 2</a>	\$
<b>o</b>	Dependent children or students, from <a href="#">Worksheet 1</a>	\$

p	Dependent children or students, from <a href="#">Worksheet 2</a>	\$
q	Sole parent – full year	\$
r	Sole parent – part year from <a href="#">Worksheet 3</a>	\$
s	Amount claimed at <b>Invalid and invalid carer tax offset</b>	\$
t	Add up all of these amounts.	\$

The amount at row **t** is your total base amount.

Read on.

You use the information from **Table 3** below when you complete either [Worksheet 5](#) or [Worksheet 6](#).

**Table 3**

	Fixed amount	Percentage of base amount
<b>Zone A</b>	\$338	50%
<b>Zone B</b>	\$57	20%
<b>Special area</b>	\$1,173	50%
<b>Overseas forces</b>	\$338	50%

## Final calculation

### Multiple locations

Check **Table 3** if:

- your usual place of residence was in more than one zone or special area, or

- you serve in specified overseas localities, and
- you were in one of them for 183 days or more.

If the fixed amount for that zone is higher than for the other zones where you were, use that fixed amount and [Worksheet 5](#) to work out your tax offset. This will give you the greatest benefit.

Otherwise go to [Category 2](#).

## Category 1

Your usual place of residence was only in one zone or you served only in specified overseas localities for at least 183 days.

1. Complete **Worksheet 5**.

### Worksheet 5

Row	Calculation	Amount
u	Your fixed amount from <a href="#">Table 3</a>	\$
v	Your base amount from row <b>t</b> <a href="#">Worksheet 4</a>	\$
w	Multiply row <b>v</b> by the percentage figure from <a href="#">Table 3</a> .	\$
x	<p>Add rows <b>u</b> and <b>w</b>.</p> <p>If you are claiming an overseas forces tax offset, the amount you can claim is row <b>x</b>. Go to Step 2.</p> <p>If you are claiming a zone tax offset, read on.</p>	\$
y	Any remote area allowance you received.	\$
z	Take row <b>y</b> away from row <b>x</b> and enter the answer at row <b>z</b>	\$

The amount at row **z**, if it is more than zero (0), is your zone tax offset. Go to step 2.

2. Return to [Completing this section](#) to enter your zone or overseas forces tax offset amount.

## Category 2

Your usual place of residence was in more than one zone, or you:

- served in a specified overseas locality for less than 183 days, or
- served in a specified overseas locality and you served in one or more zones for a total of 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 3](#). This will give you the greatest benefit.

1. Use [Worksheet 6](#) to work out your claim for each zone, special area or overseas locality you were in.

### Worksheet 6

Row	Calculation	Amount
aa	Your fixed amount from <a href="#">Table 3</a>	\$
bb	Your base amount from row <b>t</b> <a href="#">Worksheet 4</a>	\$
cc	Multiply row <b>bb</b> by the percentage figure from <a href="#">Table 3</a> .	\$
dd	Add row <b>aa</b> and row <b>cc</b> .	\$
ee	Number of days your usual place of residence was in a zone or special area or you served in an overseas locality, to a maximum of 183 days	
ff	Multiply row <b>dd</b> by row <b>ee</b> .	\$
gg	Divide row <b>ff</b> by 183. This is the amount you can claim.	\$

2. Once you have worked out the amount you can claim for each place, add up all the amounts and then use [Worksheet 7](#) to work out

your total tax offset.

## Worksheet 7

Row	Calculation	Amount
hh	Total of the amounts you have worked out for each zone from row <b>gg</b> <a href="#">Worksheet 6</a> .  If you are claiming an overseas forces tax offset, the amount you can claim is row <b>hh</b> . Go to Step 3.  If you are claiming a zone tax offset, read on.	\$
ii	Any remote area allowance you received	\$
jj	Take row <b>ii</b> away from row <b>hh</b> . This is the amount you can claim.	\$

The amount at row **jj**, if it is more than zero (0), is the total of your zone tax offset. Go to step 3.

- Return to step 4 in [Completing this section](#) to enter your zone or overseas forces tax offset amount.

QC 55673

## Definitions

Use this guide to help you work out definitions on child or student, dependant and more.

Last updated 28 June 2018

### On this page

Child or student

Dependant

## Child or student

**Child** includes:

- your adopted child, stepchild or ex-nuptial child
- a child of your spouse, and
- someone who is your child within the meaning of the *Family Law Act 1975* (for example, a child who is considered to be a child of a person under a state or territory court order giving effect to a surrogacy agreement).

A **student** must be full-time at a school, college or university.

## Dependant

A **dependant** must be an Australian resident for tax purposes. A dependant can be:

- your spouse
- a child who is under 21 years old (see above) and is not a student
- a student under 25 years old who is studying full time at school, college or university
- an invalid or an invalid carer.

## Maintaining a dependant or another person

You **maintained** a **dependant** or **maintained another person** if any of the following applied:

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

If you had a spouse for the whole of 2017–18 and your spouse worked at any time during the year, we still consider you to have maintained your spouse as a dependant for the whole income year.

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

If you maintained a dependant or maintained another person for only part of the year, you may need to adjust your claim accordingly.

QC 55673

## **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.

## **Copyright notice**

© Australian Taxation Office for the Commonwealth of Australia

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).