

INDIVIDUALS

SEGMENT

PARENTS

AUDIENCE

INSTRUCTIONS

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NAT 14719-06.2007

PRODUCT ID



Australian Government

Australian Taxation Office

30% child care tax rebate instructions and transfer advice for individuals 2007

For people who are not required to lodge an income tax return and want to transfer their 30% child care tax rebate to their spouse



For more information visit
www.ato.gov.au

OUR COMMITMENT TO YOU

We are committed to giving you information and advice you can rely on and we have made every effort to ensure these instructions are accurate.

If you feel this publication does not fully cover your circumstances, please seek help from us or a professional adviser.

The information in this publication is current at May 2007. We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for a more recent version on our website at www.ato.gov.au or contact us.

What are your responsibilities?

It is your responsibility to lodge a transfer advice that is signed, complete and correct. Even if someone else – including a tax agent – helps you to prepare your transfer advice, you are still legally responsible for the accuracy of your information.

If you become aware that your transfer advice is incorrect, you must contact us straight away.

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PUBLISHED BY

Australian Taxation Office
Canberra
May 2007
JS 6811

NOTE

This is the last time you will claim the rebate in your tax return. Your next rebate will be paid by the Family Assistance Office.

DO YOU NEED TO LODGE A 2007 TAX RETURN?

YES You cannot use this transfer advice. You can claim the 30% child care tax rebate on your 2007 tax return.

NO Read below.

DID YOU HAVE A SPOUSE ON 30 JUNE 2007?

YES Read below.

NO You cannot transfer your 30% child care tax rebate. Do not use this transfer advice.

WHAT IS THE 30% CHILD CARE TAX REBATE?

It is a rebate for 30% of the out-of-pocket child care expenses you had to pay for the period 1 July 2005 to 30 June 2006, up to a maximum of \$4,096 per child. Out-of-pocket child care expenses are your total fees for approved child care less the child care benefit (CCB) to which you were entitled.

You will be eligible to claim the rebate for child care fees you had to pay if, for at least one week starting in the period 1 July 2005 to 30 June 2006, you:

- used approved child care
- were entitled to receive CCB, and
- passed the CCB work/training/study test for the purposes of the rebate.

You will receive the rebate for any period during which you met each of the eligibility requirements.

TRANSFER OF YOUR REBATE ENTITLEMENT TO YOUR SPOUSE

If you are eligible to claim the 30% child care tax rebate and you do not need to lodge a 2007 tax return, you can choose to transfer your tax rebate entitlement for the 2006–07 income year to your spouse. The rebate may then be used to reduce your spouse's tax liability.

Transferring your rebate to your spouse is voluntary. You can transfer your rebate only to the person who was your spouse on 30 June 2007.

NOTE

Your spouse is your husband or wife to whom you are legally married, or a person who lives with you on a genuine domestic basis as your husband or wife. Under Australian law, your husband or wife cannot be the same sex as you.

These instructions and the attached transfer advice will explain what you need to do to transfer your rebate entitlement to your spouse. You do not need to calculate your rebate – we will do it for you.

NOTE

Your spouse does not have to complete any item on their tax return to receive your rebate – it will be transferred to them automatically.

If the person who was eligible to claim the rebate died during the year, the executor or administrator of that person's estate can transfer the unused rebate to the person who was the deceased person's spouse at the time of death.

You need to know

- We will calculate your rebate for you.
- You cannot cancel or reverse the transfer.
- The amount you can transfer depends on your tax liability. A requirement to lodge a tax return may change the amount that you had transferred to your spouse.
- If the data used to calculate your rebate changes after you have lodged your transfer advice, and the rebate has been included in your spouse's assessment, we will issue an amended assessment for your spouse.
- You may be eligible to use the Tax Help service. See the inside back cover for more information.

HOW TO TRANSFER YOUR REBATE

You can transfer your rebate using one of the following options:

- Lodge your transfer advice online using e-tax – go to www.ato.gov.au for more information.
- Use the attached transfer advice – follow the steps below.

STEP 1

Complete both pages of the attached transfer advice and lodge it with the Tax Office at the address shown on the inside back cover. You do not need to calculate your rebate – we will do it for you.

STEP 2

You and your spouse must complete the transfer agreement in the next column. In the agreement your spouse must give their consent for you to quote their tax file number and to transfer the rebate to them. The Tax Office is authorised under the *Taxation Administration Act 1953* to request this information. This agreement needs to be kept with your tax records for this income year – do not send it to us. Your spouse should also keep a copy.

What happens next?

Your spouse does not need to claim the rebate on their tax return. If your spouse has already lodged their 2007 tax return, we will automatically amend it to include any unused rebate.

We will transfer your 30% child care tax rebate to your spouse after you lodge your transfer advice.

30% child care tax rebate transfer agreement 2007

This agreement must be completed and retained by both you and your spouse.

Cut out and keep with your tax records for this year.
Print carefully.

You need to complete this section of this agreement.

I
want to transfer my unused 30% child care tax rebate to my spouse. I am aware that I cannot cancel or reverse the transfer.

My tax file number is

..... / /

Your signature

Date

Your spouse needs to complete this section of this agreement

I
agree to receive the transfer of the unused 30% child care tax rebate. I am aware that I cannot cancel or reverse the transfer.

My tax file number is

I give permission for my tax file number to be disclosed to allow the transfer. I also understand that the rebate transferred to me can be increased or decreased, for example, due to changes in my spouse's taxable income or changes to child care benefit.

..... / /

Your spouse's signature

Date

CALCULATING YOUR CHILD CARE TAX REBATE

We will calculate your rebate entitlement for you using information received from the Family Assistance Office (FAO). If you would like to calculate the rebate for your own records use the worksheet on the next page.

To calculate your rebate you will need to know your total fees and your child care benefit (CCB) entitlement.

You can access your total fees and your CCB entitlement by:

- going to the website www.familyassist.gov.au and by clicking on 'View 30% child care tax rebate details'
- phoning the FAO on **13 61 50**, or
- phoning us on **13 28 61**.

EXAMPLE

Belinda's taxable income for 2007 was \$5,580 and she is not required to lodge a tax return this year. Her spouse, Jack, had a taxable income for 2007 of \$65,000. They had two children in approved child care during the period 1 July 2005 to 30 June 2006 at a cost of \$1,400 for each child.

Belinda received CCB of \$920 per child which means that she is eligible to claim the 30% child care tax rebate. Using the worksheet on the next page Belinda calculates her rebate for each child as follows:

Total fees	(a)	\$1,400
CCB entitlement	(b)	\$920
(a) – (b)	(c)	\$480
(c) × 30%	(d)	\$144
Lesser of \$4,096 or amount at (d)	(e)	\$144

Belinda's total rebate for both her children is \$288. As Belinda is not required to lodge a tax return, she can transfer her rebate of \$288 to Jack to reduce the tax that he will have to pay. Belinda does not need to include the amount of the rebate in the transfer advice – we will calculate the rebate for her.

You can use the worksheet below to calculate your rebate by working down the column for each child in approved care. If you had more than four children in approved care, continue the worksheet on another piece of paper.

WORKSHEET: Calculating your 30% child care tax rebate

	Child 1	Child 2	Child 3	Child 4
Total fees for each child (a)	\$	\$	\$	\$
Your child care benefit (CCB) entitlement for each child (b)	\$	\$	\$	\$
Take (b) away from (a). (c)	\$	\$	\$	\$
The amounts at (c) are your out-of-pocket expenses.				
Multiply (c) by 30%. (d)	\$	\$	\$	\$
The rebate for each child is limited to \$4,096.				
Write here the amount at (d) or \$4,096 whichever is lower. (e)	\$	\$	\$	\$
Add all the amounts from (e). (f)	\$			

The amount at (f) is your rebate entitlement which you can transfer to your spouse. You do not need to include this amount in your transfer advice – we will calculate your rebate for you.

EXPLANATION OF TERMS

Approved child care is care provided by long day care, family day care, in-home care, occasional care, before and after school care, and vacation care approved by the Australian Government to receive CCB on behalf of families.

If you are unsure whether your child care is approved, contact your child care provider or phone the child care access hotline on FREECALL **1800 670 305** (TTY Service FREECALL **1800 639 327**).

Child care benefit is a payment made by the Family Assistance Office (FAO) to assist with the cost of child care. If you have used approved child care but not claimed CCB, contact the FAO on www.familyassist.gov.au or phone **13 61 50**.

CCB entitlement is the amount of CCB you were actually entitled to for each child for the period 1 July 2005 to 30 June 2006.

CCB work/training/study test is administered by the FAO. You pass the test if you are in paid work, are actively looking for paid work, or are studying or training. If you have a spouse, they must also pass the test. If you are unsure whether you passed this test, contact the FAO on www.familyassist.gov.au or phone **13 61 50**.

Total fees are the amount of CCB paid to your child care provider on your behalf as well as the amount which you pay.

ADDRESS TO LODGE YOUR TRANSFER ADVICE

To lodge your transfer advice put it and any other claim together in an envelope and post it to the address shown below:

**Australian Taxation Office
GPO Box 9845
IN YOUR CAPITAL CITY**

NOTE

Use the address shown. Do not replace the words IN YOUR CAPITAL CITY with the name of your capital city. Our agreement with Australia Post means there is no need for you to include the name of your capital city, a state, a territory or a postcode.

LODGING YOUR TRANSFER ADVICE FROM OVERSEAS

You can lodge your transfer advice online using e-tax. Most transfer requests are processed within 14 days. Go to www.ato.gov.au for more information. Alternatively, post your transfer advice to the following address:

**Australian Taxation Office
GPO Box 9845
Sydney NSW 2001
Australia**

MORE INFORMATION

Internet

For general tax information and to download publications and rulings, visit www.ato.gov.au

Infolines

Our infolines are open Monday to Friday between 8.00am and 6.00pm except where otherwise indicated.

Personal Infoline 13 28 61

**National Aboriginal and
Torres Strait Islander Infoline** 13 10 30
Specialises in helping Indigenous clients

Superannuation Infoline 13 10 20
For assistance with all your
superannuation enquiries

Fax 13 28 60

Get information faxed to you about individual taxes. Follow the instructions to order information to be faxed to you.

Other services

■ **Translating and Interpreting Service** 13 14 50

If you do not speak English well and want to talk to a tax officer, phone the Translating and Interpreting Service for help with your call.

■ **Hearing or speech impairment**

If you are deaf or have a hearing or speech impairment, you can phone the Tax Office through the **National Relay Service**:

- If you are a TTY or modem user phone **13 36 77** and ask for the number you want. For 1800 free call numbers, phone **1800 555 677** and ask for the number you want.
- If you are a voice-only (speak and listen) user phone **1300 555 727** and ask for the number you want. For 1800 free call numbers, phone **1800 555 727** and ask for the number you want.

Tax Help

If you want to complete your own transfer advice but think you may need some assistance, then Tax Help may be the answer.

We train and support our community volunteers to help you.

Tax Help is a free and confidential service for people on low incomes.

Many people who use Tax Help are seniors, people from non-English speaking backgrounds, people with a disability, Aboriginal people, Torres Strait Islander people and students.

Volunteers can explain your obligations and help you prepare your transfer advice accurately.

There are Tax Help centres throughout Australia. If you want to visit one of the trained volunteers you need to make an appointment. You need to bring a copy of the *30% child care tax rebate transfer advice and instructions 2007* and all relevant papers with you when you visit.

For more information or to find out where your nearest Tax Help centre is, phone the Personal Infoline on **13 28 61**.

FEEDBACK

Reader feedback helps us to improve the information we provide. If you have any feedback about this publication, write to:

**The Editor
Publishing Coordination
Marketing and Education
Micro Enterprises and Individuals
Australian Taxation Office
PO Box 900
CIVIC SQUARE ACT 2608**

As this is a publications area only, any tax matters will be passed on to a technical area; alternatively, you can phone our Personal Infoline on **13 28 61** for help.

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