



**Australian Government**  
**Australian Taxation Office**



# **Tax in Australia**

What you need to know

**ato.gov.au**

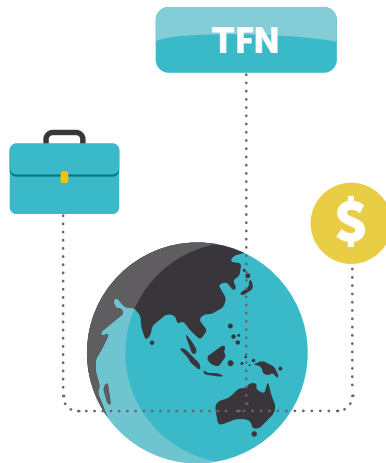
# Why we pay tax

Tax is money people and businesses pay to the Australian Government to provide services, including:

- health
- education
- defence
- roads and railways
- social security and other payments from Centrelink – Services Australia.

As Australians we enjoy access to a good health system, quality education and a variety of community facilities (for example, parks and playgrounds) that are supported through tax collections.





## How much tax you will pay

The amount of tax you pay depends on:

- whether you are an Australian resident for tax purposes
- how much income you earn
- whether you have more than one job
- whether you have a tax file number (TFN) – this is a personal reference number which you should tell your employer after you start working for them.

If you begin work before you have a TFN, you have 28 days to get one and give it to your employer. If you don't, your employer must take tax from your pay at the highest rate.

For more information about how much tax you will pay, visit [ato.gov.au/rates](https://ato.gov.au/rates)



## Before you start working

### Permission to work in Australia

If you are a foreign resident, you must get permission from the Department of Home Affairs before you start work in Australia. Home Affairs can provide you with useful information including which visas allow you to work in Australia.

For more information about permission to work in Australia, visit [homeaffairs.gov.au](http://homeaffairs.gov.au)

### Get a tax file number

Your tax file number (TFN) is your personal reference number. It is free to get a TFN.

You should get a TFN before starting work, or soon after starting work, otherwise you'll pay more tax.

We issue TFNs to individuals, businesses and other organisations for identification and record keeping purposes.

How you apply for your TFN will depend on your circumstances. For more information, visit [ato.gov.au/tfn](http://ato.gov.au/tfn)

If you are migrating to Australia or hold a temporary resident visa that allows you to work in Australia, you can apply for a TFN online at [ato.gov.au/tfnautoreg](http://ato.gov.au/tfnautoreg)

When completing your application, you will need documents that prove your identity.

It can take up to 28 days to process your TFN application and send your TFN to your address.



### Keeping your TFN safe

Your TFN is with you for life, so keep it secure. You keep the same TFN even if you change your name or address, change jobs, move interstate, or go overseas.

Don't let anyone else use your TFN, not even friends or relatives. Allowing someone else to use it, giving it away or selling it is a crime.

Only give your TFN to:

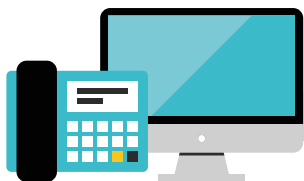
- us when discussing your tax records
- your employer after you begin work, but don't provide it on job applications
- your bank or other financial institutions
- Services Australia
- your registered tax agent
- your superannuation (super) fund
- your higher education provider or university to access a student loan such as the Higher Education Loan Program (HELP).

Report any loss, theft or misuse of your TFN to us immediately by phoning **1800 467 033**.

Keeping your TFN and other personal identity details secure helps prevent identity crime. Identity crime happens when people's identity details are used to commit crimes.

Scam emails, faxes, SMS and phone calls can look and sound very convincing. Don't include your TFN, passwords or other sensitive information in emails or SMS.

Be aware and if you're unsure a communication is from us phone our scam hotline **1800 008 540**.



For more information about how to keep your personal details safe visit:

- protecting your information  
– [ato.gov.au/identitycrime](https://ato.gov.au/identitycrime)
- tax scams – [ato.gov.au/scams](https://ato.gov.au/scams)
- identity crime  
– [ato.gov.au/identitytheft](https://ato.gov.au/identitytheft)
- [scamwatch.gov.au](https://scamwatch.gov.au)



### **Australian business numbers (ABN) are for business**

Not everyone is entitled to or needs an Australian business number (ABN) to work in Australia. Having an ABN means you:

- are running your own business
- have to pay your own tax to us
- may need to pay for your own super
- may not be insured if you're injured.

For more information on applying for an ABN, visit [abr.gov.au](https://abr.gov.au)

# When you start working



## Complete a tax file number declaration

When you start working your employer will ask you to fill out a *Tax file number declaration* (NAT 3092) to tell them your TFN and personal information.

They use this declaration to work out how much tax you need to pay.

You have 28 days to complete the declaration and give it to your employer. If you don't, they must take tax from your pay at the highest rate.

## Superannuation

Super is Australia's retirement savings system. It is money set aside over your working life to provide for your retirement.

When starting a new job, it's important for you to understand how super works and to know your rights and entitlements. Decisions you make now and in the future will affect your lifestyle when you retire.

Compulsory employer super contributions are paid in addition to your salary. Most people can choose the Australian super fund these contributions are paid into.

Generally, if you are paid \$450 or more in a calendar month, your employer must contribute a percentage of what you earn into your super account.

For more information about super, visit [ato.gov.au/super](https://ato.gov.au/super)

You can also find out how to track your super at [ato.gov.au/trackyoursuper](https://ato.gov.au/trackyoursuper)



## Lodging a tax return

As an individual you must lodge a tax return if:

- you paid tax during the tax year (1 July to 30 June)
- your taxable income (including Centrelink allowances or payments) was over certain thresholds for residents – visit [ato.gov.au/DoINeedToLodge](https://ato.gov.au/DoINeedToLodge)
- you are a foreign resident and earned \$1 or more in Australia during the tax year (excluding income that had non-resident withholding tax withheld)
- you are leaving Australia permanently or for more than one tax year.

### Information you need to lodge

To lodge a tax return, you need know:

- how much income you have earned from working, from interest on bank accounts or investments
- how much tax has been withheld from your income (how much money is taken out of your pay by your employer and sent to us)
- about any deductions and tax offsets you are claiming.





Deductions are costs you can claim to reduce your tax. Most deductions are work-related expenses. That is money you have spent on something to help you earn your income. You must be able to show that:

- the expenses directly relate to earning income
- the expenses are not private in nature
- you have a record to prove your expenses (such as a receipt).

Your employer needs to provide you with an income statement or payment summary. This shows how much income you earned and how much tax you paid.

**For information to help you lodge a tax return visit:**

- [ato.gov.au/whentolodge](https://ato.gov.au/whentolodge)
- [ato.gov.au/incomeyoumustdeclare](https://ato.gov.au/incomeyoumustdeclare)
- [ato.gov.au/deductions](https://ato.gov.au/deductions)
- [ato.gov.au/incomestatement](https://ato.gov.au/incomestatement)



## Record keeping

When you lodge your tax return, we process it and work out whether you have paid the right amount of tax. We let you know the result by sending you a notice of assessment.

You must keep records, such as receipts, for any deductions you claim. You need to keep these records for at least five years from the date you lodge your tax return. We may ask you to show us these records.

For more information about record keeping, visit [ato.gov.au/taxrecords](https://ato.gov.au/taxrecords)

myDeductions is a convenient way to keep your expense and income records in one place. Download the ATO app to your smart device and select the myDeductions icon. Go to [ato.gov.au/app](https://ato.gov.au/app)

For more information about the myDeductions tool, visit [ato.gov.au/myDeductionatoapp](https://ato.gov.au/myDeductionatoapp)



## Complete and lodge your tax return

### When to lodge

If you are preparing and lodging your own tax return, you must lodge it by 31 October. If you are using a tax agent for the first time or a different agent to last year, you must contact them by 31 October.

If you don't lodge your tax return and pay any amounts you owe us, you may have to pay penalties.

### Lodge online using myTax

You can lodge your tax return online using myTax. It is the quick, easy, safe and secure way to lodge online.

To use myTax, you first need to create a myGov account, and link your account to the ATO online services.

Visit [ato.gov.au/firstreturn](https://ato.gov.au/firstreturn)

### Lodge using a registered tax agent

You can use a registered tax agent to prepare and lodge your tax return. You need to contact them before 31 October. You can find a registered tax agent, or check if they are a registered tax agent by visiting [ato.gov.au/lodgewithanagent](https://ato.gov.au/lodgewithanagent)

### Extra help to lodge

If you need help to lodge your tax return, you might be able to use the Tax Help program.

Tax Help is a group of ATO-trained and accredited community volunteers. They provide a free and confidential service to help people complete their tax returns online using myTax.

It's available from July to October, in all capital cities and many regional areas across Australia.

For more information about Tax Help, visit [ato.gov.au/taxhelpprogram](https://ato.gov.au/taxhelpprogram)

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