**Instructions: This letter covers tax return preparation for individuals and different entities. The yellow highlighted sections provide guidance on what you may wish to tailor for particular clients.**

[Insert DD Month YYYY]

|  |
| --- |
|  |

[Insert Client Name]

[Insert Client Position]

[Insert Company Name]

[Insert Company Address]

[Suburb State Post Code]

Dear [Insert Client Name]

**Re: Year-end tax preparation**

As year-end is rapidly approaching, I am writing to encourage you to contact our office to arrange a meeting to discuss tax preparation matters.

I have also prepared a list of records you may wish to bring with you when we meet concerning the preparation of [Delete as applicable: your individual income tax return for the year ended 30 June 2020 or the income tax return for your company, trust or partnership for the year ended 30 June 2020] which is attached as an Appendix to this correspondence.

**YEAR-END CONSIDERATIONS**

Please find detailed below commentary on the following categories of tax planning issues that you may wish to consider in the lead up to year-end, in particular:

* business year-end tax preparation issues
* individual tax preparation considerations
* tax and superannuation reforms impacting property ownership.

[delete as appropriate]

**BUSINESS YEAR-END TAX PREPARATION ISSUES**

Some key business issues which may be relevant prior to the end of the financial year are outlined below.

The Government introduced a number of measures to assist businesses in relation to the economic impact of COVID-19, including:

* enhancing the instant asset write-off
* backing business investment
* boosting cash flow for employers
* JobKeeper Payment.

**Enhancing the instant asset write-off**

The cost threshold for which entities can access an immediate deduction for depreciating assets and certain related expenditure has been increased from $30,000 to $150,000 for the period 12 March 2020 to 30 June 2020. The turnover threshold of businesses eligible for the instant asset write-off during this period has also been increased to include businesses with an annual turnover of less than $500 million (up from the existing cap of $50 million).

For assets purchased and installed ready for use between 1 July 2019 and 11 March 2020, the instant asset write-off will apply where the entity has an aggregated turnover of less than $50 million.

The aggregated turnover test not only requires the calculation of the taxpayer’s annual turnover but also that of any affiliate or entity connected with the taxpayer at any time during the year.

Therefore, the amount of the deduction for the instant asset write-off is determined in accordance with when in the 2020 year the entity first uses the asset, or installs it ready for use.

For example, if the entity acquired the asset for $31,000 on 1 March 2020 and first uses and installs that asset on that same date, it will not be eligible for the instant asset write-off as the asset’s cost is in excess of the $30,000 threshold that applies to depreciating assets that are first used or installed ready for use on that date. However, if the asset had been acquired for $31,000 on 1 March 2020 and the asset is installed ready for use on 15 March 2020 that asset will qualify for the instant asset write-off as the prevailing threshold at the time that the asset was installed ready for use is $150,000.

Where the entity is registered for GST, the threshold for the immediate asset write-off is calculated on a GST exclusive basis, as the entity will claim an input tax credit to the extent it is a creditable acquisition for GST purposes. Thus, if the asset was acquired by an entity for a GST inclusive price of $165,000 on 1 June 2020 it would be potentially eligible for the immediate deduction during the 2020 year as its GST exclusive price would be $150,000 (i.e. $165,000 X 10/11), which does not exceed the relevant threshold.

Where the cost of the eligible depreciating asset is not eligible for the instant asset write-off, and the entity is a small business entity (i.e. aggregated turnover of less than $10 million), the asset can be allocated to the general small business pool and depreciated at a rate of 15% regardless of the date of acquisition during the 2020 year, provided the asset starts to be used or is installed ready for use during the 2020 year. Likewise, any second element costs incurred in the 2020 year exceeding the threshold and in respect of an asset that has been pooled in an earlier year will similarly be depreciated at a rate of 15%. For assets included in the pool at the start of the 2019 year the opening pool balance will be depreciated by 30%. Finally, where a balancing adjustment occurs, the asset’s termination value must be deducted from the pool.

If the closing balance of the SBE’s general small business pool is less than $150,000 as at 30 June 2020 the SBE will be entitled to a full deduction for the amount of the pool’s closing balance.

Note that special rules may apply due to the ‘Backing business investment’ measures introduced as part of the COVID-19 measures and may apply to qualifying assets over the instant asset threshold that are added to the general business pool allowing a 57.5% accelerated depreciation (rather than 15%) for SBEs. These measures are discussed further below.

**Backing business investment**

Another key measure introduced in March 2020 is to allow eligible entities to deduct the cost of depreciating assets at an accelerated rate for the 2020 and 2021 years.

Entities with an aggregated turnover of less than $500 million in an income year who do not use the simplified depreciation rules for small business may be eligible for accelerated depreciation if the entity starts to hold the asset and the asset was first used or installed ready for use for taxable purposes between 12 March 2020 and 30 June 2021 (inclusive).

An asset does not qualify where:

* a commitment to the asset was entered into before 12 March 2020
* the instant write-off or depreciation deductions have been applied to the asset
* it relates to buildings or capital works where an amount can be deducted under Division 43
* it is a second hand depreciating asset
* the asset is not in Australia, or will not be used for the principal purpose of carrying on a business in Australia.

The amount an entity can deduct in an income year the asset is first used installed ready for use is 50% of the cost of the depreciating asset in addition to the usual depreciation deduction that would otherwise apply, worked out as if the cost for depreciation purposes was 50% of the original cost.

SBEs that use the simplified depreciation rules are eligible to deduct an amount equal to 57.5% (rather than 15%) of the cost (or adjustable value) of a qualifying depreciating asset added to the general small business pool where the asset is held and used or installed ready for use between 12 March 2020 and 30 June 2021 inclusive).

**Cash flow boost**

Eligible entities may also be entitled to receive cash flow boost payments during the 2020 year. Generally the cash flow boost is available for businesses and not for profit entities (NFPs), including charities, that employ people and have an aggregated turnover of less than $50 million

Any amount received is treated as non-assessable, non-exempt income and is therefore not taxable to the entity.

**JobKeeper Payment**

Another COVID-19 stimulus measure is the JobKeeper Payment scheme. The scheme commenced on 30 March 2020 and will finish on 27 September 2020 where businesses who suffer a “substantial decline” in turnover and are either an eligible employer or an eligible business participant may be eligible for the JobKeeper Payment. The amount of a JobKeeper Payment received per fortnight is $1,500 per eligible employee or eligible business participant (only one eligible business participant is allowed per entity).

Any JobKeeper amounts received are assessable income of the entity. Deductions for payments to employees are available provided the general requirements for deductibility are satisfied.

**Lower company tax rate [Delete if not company]**

It is critical to determine whether or not a company is a base rate entity for the purposes of determining the amount of its income tax liability for the year ended 30 June 2020.

A company which is a base rate entity will pay tax at a rate of 27.5% on its taxable income for the year ended 30 June 2020 whereas a company which is not a base rate entity will pay tax on its taxable income at the 30% tax rate for the 2020 year.

A company will be regarded as being a base rate entity if no more than 80% of the company’s assessable income comprises ‘base rate entity passive income’ (BREPI) and its ‘aggregated turnover’ is less than $50 million for the year ended 30 June 2020. For these purposes aggregated turnover is only calculated on the relevant annual turnover of the company and its affiliates and connected entities for the current year being 30 June 2020.

A company’s BREPI includes the following:

* distributions (e.g. dividends) other than non-portfolio dividends. A non-portfolio dividend is defined under section 317 of the *Income Tax Assessment Act* 1936(*ITAA 1936*) to mean a dividend paid to a company where that company has a voting interest amounting to at least 10% of the voting power in the company paying the dividend
* franking credits attached to dividends
* non-share dividends
* interest income or a payment in the nature of interest (except interest income derived by an entity which is a financial institution such as a Bank or a Co-operative Housing Society or an entity that holds an Australian credit licence or is a financial services licensee in certain circumstances)
* royalties and rent
* deferred and discounted gains on Division 16E qualifying securities
* net capital gains (as defined under section 995-1(1) of the *Income Tax Assessment Act 1997* (*ITAA 1997*)
* amounts included in partnership or trust income distributions of net income to the extent that they are attributable to BREPI under one of the preceding items which has been on-distributed to a company which is a partner in a partnership or a company which is a beneficiary of a trust.

Accordingly, an amount that flows through a partnership or trust to a company (either directly or indirectly via other interposed partnerships or trusts) will retain its character in the hands of the company for the purposes of determining whether or not that amount is BREPI of the company.

Hence, it is necessary to analyse and dissect partnership and trust distributions (including distributions via a chain of trusts and partnerships) to determine the nature of the income which is received by the company where it is either a partner in a partnership or a beneficiary of a trust.

Law Companion Ruling LCR 2019/5 provides that if a company is assessed on a share of net income of a trust or partnership it will have BREPI to the extent that the amount is included in assessable income as a trust or partnership distribution and it is referable to BREPI. Where the distribution comprises a mixture of BREPI and trading income LCR 2019/5 also confirms that it will be necessary to allocate expenses in a fair and reasonable way particularly in relation to indirect costs such as overheads.

Once it is determined that the appropriate company tax rate is either 27.5% or 30% all of the income derived by the company will be subject to tax at the applicable rate whether such income is BREPI or not.

Moreover, where there is a privately owned group of companies which has not been consolidated it will be necessary to apply the BREPI test to each company in that group to determine the rate of tax payable by that company.

**Changed imputation rate [Delete if not company]**

In addition to determining the tax rate of a company, there is also the need to consider the application of the dividend imputation rules that apply to the franking of dividends by a company.

Under the dividend imputation system, the amount of franking credits that can be attached to a dividend by a company cannot exceed the maximum franking credit for the distribution.

The maximum franking credit is in turn calculated by reference to the company’s corporate tax rate for imputation purposes.

Importantly a company’s corporate tax rate for imputation purposes is calculated differently to its company tax rate for the current year. Hence, in certain circumstances a company’s tax rate for an income year may be different to the rate at which it can frank dividends in that year.

The corporate tax rate for imputation purposes is defined under section 995-1(1) of the *ITAA 1997* to mean the company tax rate of a company worked out on the assumption that:

* its aggregated turnover for the income year is equal to its aggregated turnover for the previous income year
* its BREPI for the income year is equal to its BREPI for the previous income year
* its assessable income for the income year is equal to its assessable income for the previous income year.

Thus, in determining the extent to which a dividend can be franked in the 2020 year by a company, reference will be made to that company’s aggregated turnover, base rate entity passive income and assessable income derived in the 2019 year.

For example, where the company had an aggregated turnover of less than $50 million and no more than 80% of that company’s assessable income is BREPI for the 2019 year it will apply the lower corporate tax rate of 27.5% in the 2020 year for franking purposes. Where this criteria is not met the corporate tax rate for imputation purposes will be 30%.

However, where the company did not exist in the previous year its corporate tax rate for imputation purposes will be deemed to be at the lower corporate tax rate of 27.5% for that initial year.

**Small business tax offset[Delete if not sole trader or receiving small business income via a trust or partnership]**

An individual is entitled to the small business income tax offset for the year ended 30 June 2020 being 8% of the income tax payable on the portion of an individual’s taxable income that is their ‘total net small business income’.

This non-refundable offset is available to sole traders who would meet the requirements of being a small business entity, and to individuals who are not a small business entity, but who are assessed on a share of the net income of a small business entity in which they are a partner in a partnership that is a small business entity or a beneficiary of a trust that is a small business entity.

An entity is a small business entity for these purposes if it carries on business and its aggregated turnover for the 2020 year is less than $5 million. An individual is only able to claim one small business tax offset for an income year irrespective of the number of sources of small business income derived by that individual and the maximum amount of the offset is capped to $1,000 per year.

**Small business CGT (SBCGT) concessions**

There are significant tax savings potentially available where an eligible active asset used in a business is sold at a capital gain, and the taxpayer can satisfy either the $6 million maximum net asset value test immediately before the CGT event or the $2 million CGT small business entity test (i.e. less than $2 million of aggregated turnover) for the 2020 year.

The SBCGT concessions may also apply to a disposal of shares or units in a small business entity, however it should be noted that from 8 February 2018 additional conditions must be met.

Some of the requirements to claim the SBCGT concessions include:

* where the asset being disposed of is a share or an interest in a trust, the taxpayer must be a CGT concession stakeholder in the object company or trust. Alternatively, if the CGT asset is a share in a company or an interest in a trust which is owned by an interposed entity, the taxpayer must be a CGT concession stakeholder in respect of the object company or trust, and CGT concession stakeholders in that object company or trust must together also have a small business participation percentage of at least 90% in the interposed entity
* the object entity must be a CGT small business entity for the income year or the $6 million maximum net asset value test must be satisfied just before the CGT event. In applying this test it is important to note that a modified connected entity test applies in determining whether these turnover and asset tests are satisfied
* the shares or interests in the object entity must satisfy a modified active asset test that looks through shares in companies and interests in trusts to the activities and assets of the underlying entities.

Given the complexity of the SBCGT concessions, specialist advice should be obtained especially in respect of the disposal of an active asset being a share in a company or an interest in a trust at a capital gain which may be reduced under the concessions.

**Trustee resolutions [Delete if no trust entity]**

The trustee of a non-fixed trust should document the exercise of any discretion regarding distributions of trust income by 30 June 2020 (or any earlier date required under the trust deed) to ensure that beneficiaries are presently entitled to all trust income and therefore ensure that the trustee will not be potentially subject to tax at a penalty rate of 47% in respect of trust income to which no beneficiary has been made presently entitled.

Such distributions should be made in accordance with the definition of trust income set out in the relevant trust deed. Prior to making such beneficiaries present entitled it may also be prudent for the trustee to determine whether any beneficiaries should be made specifically entitled to capital gains or franked dividends from a tax planning perspective with the balance of trust income being distributed to presently entitled beneficiaries. Care should be taken to ensure that any exercise of the trustee’s discretion to make beneficiaries specifically entitled to such amounts is permitted under the trust deed and satisfies all the requirements imposed under the tax law.

**Division 7A [Delete if no company]**

It is prudent to determine whether any payments, loans or debt forgiveness made by a private company to a shareholder (or an associate of a shareholder) have been made during the year ended 30 June 2020. Where this has occurred during the year it should be determined whether any exemptions potentially apply, and if not, what strategies could be employed to ensure that a deemed dividend does not arise in the 2020 year in respect of any such payment, loan or debt forgiveness.

It is particularly important to recognise that an unpaid present entitlement which is owed by a trust to a related private company beneficiary who effectively lends those funds back to the associated trust will be treated as a loan for the purposes of Division 7A of the *ITAA 1936*.

Previously announced changes to Division 7A that were expected to apply from 1 July 2020 have not been enacted, however it may be prudent to take into account announced changes when considering cash flow or planning issues.

**INDIVIDUAL TAX PREPARATION CONSIDERATIONS**

[Delete if client does not have individual tax return prepared]

The following tax planning measures should be considered in respect of your own individual circumstances.

**Salary sacrifice arrangements**

If employed, you may wish to review your remuneration arrangements with your employer and forego future gross salary in return for receiving exempt or concessionally taxed fringe benefits and/or making additional superannuation contributions under a valid salary sacrifice arrangement.

However, in entering into a salary sacrifice arrangement it is important to make sure that any additional employer superannuation contributions made in lieu of gross salary do not result in the total of compulsory superannuation contributions and salary sacrificed contributions exceeding the prevailing concessional contributions cap which is $25,000 for the 2020 year.

Alternatively, an employee can claim a deduction for personal superannuation contributions provided certain eligibility conditions are met including the requirement to provide a notice of your intention to claim such a contribution with your complying superannuation fund. You should consult our licensed financial adviser to consider the merits of exploring these options.

It should be noted that if you have been financially affected by COVID-19, you may be able to access some of your superannuation early. In the event you would like to consider accessing your superannuation, you should consult our licenced financial planner.

**Capital gains tax planning**

*C*areful planning should be undertaken in planning the timing of any CGT event in respect of the disposal of appreciating assets which may trigger a capital gain. In this context, it is important to recognise that CGT is triggered when you enter into a contract for the sale of a CGT asset rather than on its settlement which is particularly important where the entry and settlement of the contract straddle year-end.

In these circumstances, it may be preferable for a cash flow perspective to defer the sale of the CGT asset to the subsequent year where other relief may be available such as a capital loss sold on another asset.

However, it is important to note that Taxation Ruling TR 2008/1 provides that an asset sold under a ‘wash sale’ to a related entity to generate a capital or revenue loss to reduce a capital gain will result in the loss being cancelled under the general anti-avoidance provisions of Part IVA of the *ITAA 1936* where there has been no significant change in the taxpayer’s economic exposure to the asset.

Care should also be taken to ensure that an eligible asset is retained for the 12-month holding period required under the CGT discount, and to recognise that the CGT discount is not available to the extent that any capital gain accrued after 8 May 2012 and you were a foreign resident or temporary resident at any time after that date.

**Work-related deductions**

You should ensure that any unreimbursed claims for work-related expenses, car expenses and travel expenses are correctly allowable on the basis that such expenses were incurred in gaining or producing salary and wages income or other payments subject to the PAYG withholding regime, including any work-related claims below $300.

Where items are used both for work or business purposes and for private purposes (e.g. use of a mobile phone or home computer) it is also necessary to apportion deductions so that a deduction is only claimed for the business portion of the expense. In addition, all claims for work-related expenses and business travel expenses must be substantiated by way of evidence such as invoices, receipts and credit card statements.

Where car expenses are claimed as deductible using the logbook method it is also necessary to retain all appropriate invoices and receipts as well as maintain a fully compliant logbook. Alternatively, where car expense deductions are claimed using the cents per kilometre method it is necessary that any estimate of business kilometres travelled be based on reasonable estimates which should be appropriately documented.

For employees who are working from home during the period 1 March to 30 June 2020, the ATO is allowing a temporary simplified method of calculating deductions for additional running expenses. There are 3 alternatives including:

1. 80 cents per hour for all additional running expenses incurred after 1 March 2020 until 30 June 2020,
2. 52 cents per work hour for heating, cooling, lighting, cleaning and the decline in value of office furniture, plus the work-related portion of phone and internet expenses, computer consumables, stationery and the decline in value of a computer, laptop or similar device, or
3. Actual work-related portion of all running expenses, which will need to be calculated on a reasonable basis.

Care should be taken in claiming such deductions as the Australian Taxation Office (ATO) continues to scrutinise excessive work-related expense claims and uses data analytics to detect deductions which are unusual or abnormally high relative to other persons in the taxpayer’s occupation or profession.

**TAX AND SUPERANNUATION REFORMS IMPACTING PROPERTY OWNERSHIP [Delete if not applicable]**

Various taxation and superannuation measures have been legislated in recent years which may impact a taxpayer’s purchase and sale of residential property, and the amount of deductions potentially available to residential rental property owners. The most important of these changes for resident taxpayers are set out below.

**Denial of travel deductions in relation to rental properties**

From 1 July 2017, deductions are not allowable in respect of travel costs incurred in inspecting or maintaining residential rental properties by individuals, discretionary trusts, small unit trusts and self-managed superannuation funds.

Moreover, such expenses cannot be included in the cost base or reduced cost base of the residential rental premises or deducted as black-hole expenditure. Accordingly, it is important to recognise that there is no tax relief for travel costs incurred in either inspecting or maintaining property or collecting rents.

**Limiting deductions for second hand depreciating assets**

From 1 July 2017 individuals, discretionary trusts, small unit trusts and self-managed superannuation funds are also denied a deduction for the decline in value of a depreciating asset (e.g. furniture and fittings) to the extent that the asset is used or installed ready for use in residential rental premises, and that asset was previously used by the taxpayer for a non-taxable purpose or was previously used by another entity, e.g. a previous owner.

However, any decline in the value of such second-hand depreciating assets may result in a capital loss (or in certain circumstances a capital gain) on any subsequent disposal of an asset on the basis that the asset has been used for a non-taxable purpose. These amendments apply to income years starting on or after 1 July 2017 in relation to depreciating assets acquired from, or owned at, the time the measure was publicly announced on 9 May 2017.

**Foreign resident CGT withholding rate**

A non-final 12.5% foreign resident CGT withholding tax must be retained by a purchaser at settlement from the purchase price of certain property acquired from a foreign resident which must be subsequently remitted by the purchaser to the ATO. However, such tax does not need to be retained from the purchase price of the property if the vendor obtains a clearance certificate from the ATO prior to settlement or if an exemption or variation otherwise applies. It should be noted that the foreign resident CGT withholding obligation does not arise in relation to a CGT asset if the market value of that asset is less than $750,000 or if the CGT asset is not taxable Australian real property or certain indirect Australian real property interests.

**Main residence exemption for foreign residents**

Foreign resident individuals who held Australian property prior to 7.30pm (AEST) on 9 May 2017 can only claim the CGT main residence exemption for disposals occurring up until 30 June 2020.

If the property is disposed of on or after 1 July 2020 (regardless of the purchase date), the CGT main residence exemption is only available if the individual satisfies the “life events” test. To satisfy the life events tests all of the following elements need to be satisfied:

* the individual was a foreign resident for a continuous period of six years or less at the time of the CGT event
* at least one of the following occurred:
  + during all or part of the period of a person’s foreign residency, either they, their spouse or their child who was under 18 years of age had a terminal medical condition
  + during all or part of the period of a person’s foreign residency, their spouse, or their child who is under 18 years of age at the time of their death died or
  + the CGT event occurs in a matter involving the distribution of assets between the person and their spouse in a family law context, such as in the event of divorce or separation or similar maintenance agreements.

All other requirements to claim the main residence exemption must also be satisfied.

**Additional superannuation contributions on downsizing a main residence**

Individuals aged 65 or over are eligible to make additional non-concessional contributions of up to $300,000 per individual if it is sourced from the capital proceeds on the sale of the ownership interest in a CGT exempt Australian main residence held by that individual (or their spouse or former spouse) where the contract of sale was entered into on or after 1 July 2018.

This measure allows an eligible individual an additional downsizing contribution cap of $300,000 which will be excluded from the broader non-concessional contributions cap and the restrictions on non-concessional contributions for individuals with a total superannuation balance above $1.6 million.

Furthermore, the maximum downsizer contribution of $300,000 can be claimed by both the taxpayer and the spouse even where only one of those parties is on the title to the property.

However, various conditions must be satisfied including the requirement that the ownership interest in the main residence must have been held for at least 10 years prior to the date of disposal, and the contribution must be made to a complying superannuation fund within 90 days of the change in ownership of the residence. However, there is no requirement that the individual acquire a replacement main residence or satisfy the work test in order to be eligible for the downsizing contribution which can only be utilised once by each taxpayer.

**First home super saver (FHSS) scheme**

The FHSS scheme essentially allows an individual to make additional voluntary salary sacrificed superannuation contributions or after-tax contributions to a complying superannuation fund from 1 July 2017 up to a maximum amount of up to $15,000 per year (and $30,000 in total) which can be withdrawn to help finance a first home deposit from 1 July 2018.

Compulsory superannuation employer contributions and contributions in respect of defined benefit funds are not eligible for the FHSS scheme.

Various other eligibility conditions must be satisfied including a requirement that the relevant individual has never owned real property in Australia, and that such an individual must enter into a contract to acquire eligible residential premises within 12 months of the release of the FHSS amount.

In addition, where the buyer’s partner also has never owned real property, the couple can effectively withdraw an amount of up to $60,000 to jointly fund a home deposit.

The FHSS scheme is a tax initiative primarily aimed at low to middle income earners and provides that 85% of concessional contributions can be withdrawn together with any associated earnings as a FHSS released amount which is then in aggregate included in the individual’s assessable income and subject to a 30% non-refundable tax offset.

If you would like to discuss the above tax planning issues with us or have a better understanding of their potential impact on you and your business [delete if not applicable], please do not hesitate to contact me on [insert telephone number].

Yours faithfully

**[Insert name of Partner]**

**APPENDIX: REQUIRED CLIENT RECORDS**

**Delete either “Individual income tax returns” list or “Sole traders, companies, trusts and partnerships” list as appropriate**

**Individual income tax returns**

|  |  |
| --- | --- |
| Name of taxpayer: |  |
| Address: |  |
| Contact number: |  |

|  |  |  |
| --- | --- | --- |
| **Client records required** | **Information provided** | **Not applicable** |
| Bank account name, number and BSB (if new client or if account details have changed) |  |  |
| Bank statements (including any issued by a building society or credit union) |  |  |
| Car expenses details (including logbook and invoices if required) |  |  |
| CGT statement (or details of any asset sales during the year including dates of acquisition and disposal, cost base items and capital proceeds) |  |  |
| Copies of contract notes relating to the disposal of CGT assets including shares and units |  |  |
| Copies of invoices for rental expenses (e.g. advertising costs, body corporate fees, borrowing expenses, capital works (including any quantity surveyor’s depreciation report), cleaning costs, depreciation schedule, gardening and maintenance expenses, insurance, interest, land tax, legal fees, postage, rates, stationery and security costs) |  |  |
| Distributions from unit trusts |  |  |
| Dividend statements (including any dividend reinvestment plan or share buyback details) |  |  |
| Insurance policies (including any income protection insurance premiums) |  |  |
| Managed funds statements |  |  |
| Notice of intention to claim personal superannuation contributions (if applicable) |  |  |
| Partnership distribution statement |  |  |
| PAYG payment summary |  |  |
| Private health insurance statement |  |  |
| Receipts and invoices for work-related expenses (e.g. union fees, subscriptions, protective clothing, safety boots, employer uniforms, tools of trade, self-education costs) |  |  |
| Rental statements (including any agent’s commission and details of the date the property was rented during the income year) |  |  |
| Statement of eligible termination payments (or any rollover payment notification) |  |  |
| Statement of Government social security pensions or allowance income streams |  |  |
| Statement of income received in respect of life insurance policies and friendly society bonds |  |  |
| Trust distribution statements |  |  |

**Sole traders, companies, trusts and partnerships**

|  |  |
| --- | --- |
| Name of taxpayer: |  |
| Address: |  |
| Contact number: |  |

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| --- | --- | --- |
| **Client records required – business clients** | **Information provided** | **Not applicable** |
| GENERAL INFORMATION | | |
| Accounting information, including any trial balance, profit & loss and balance sheet (if applicable) |  |  |
| Accrued expenses (e.g. audit fees and bonuses) and unearned revenue |  |  |
| Asset register detailing depreciating assets bought and sold or scrapped during the year and any other capital assets purchased during the year |  |  |
| Bank statements |  |  |
| Cashbook (if maintained) |  |  |
| CGT register (if maintained) |  |  |
| Cheque butts and deposit books (if maintained) |  |  |
| Copies of Instalment Activity Statements and/or Business Activity Statements lodged for the income year |  |  |
| Copies of invoices for fees paid to registered tax agent or auditor (if another firm provided services) |  |  |
| Copies of invoices or documentation for material amounts or which relate to extraordinary transactions |  |  |
| Copies of sell notes and settlement statements for shares purchased and sold (including original contract notes and settlement statements, if possible) |  |  |
| Copies of sell notes for units in managed funds purchased and sold (including original purchase notes, if possible) |  |  |
| Details of any investments purchased during the year |  |  |
| Details of any leases entered into and terminated during the year |  |  |
| Details of provision for long service leave, annual leave or any other provision or reserve |  |  |
| Details of work-in-progress |  |  |
| Distribution statements, annual tax statements and capital gains statements from managed funds |  |  |
| Dividend statements |  |  |
| Documentation relating to acquisition or disposal of CGT assets (e.g. purchase contracts and sale contracts) |  |  |
| Listing of trade creditors with amounts owing |  |  |
| Listing of trade debtors with amounts outstanding |  |  |
| Rental statements |  |  |
| Statements from lenders detailing the opening and closing balances of existing loans during the financial year (and any repayments made) |  |  |

|  |  |  |
| --- | --- | --- |
| **Client records required – business clients** | **Information provided** | **Not applicable** |
| ADDITIONAL INFORMATION – COMPANY [Delete if not applicable] | | |
| Auditor’s report (if applicable) |  |  |
| Copies of Instalment Activity Statements and/or Business Activity Statements lodged for the income year |  |  |
| Copies of minutes of company meetings |  |  |
| Details of any changes in shareholdings, including the issue of new shares |  |  |
| Details of any share buybacks or share cancellations |  |  |
| Loans, payments, debt forgiveness, or use of assets given to shareholders or associates of the shareholders, if private company |  |  |
| ADDITIONAL INFORMATION – TRUST [Delete if not applicable] | | |
| Copies of Instalment Activity Statements and/or Business Activity Statements lodged for the income year |  |  |
| Copies of minutes of trust meetings, in particular trustee resolutions or minutes |  |  |
| Copy of trust deed or any amendments during year, if not already supplied |  |  |
| Details of any units redeemed or issued during the year (for a unit trust) |  |  |
| Details of any unpaid present entitlements to beneficiaries or associate private companies |  |  |
| Details of any elections (e.g. family trust election, interposed entity election) |  |  |
| If a closely held trust, any relevant notices (e.g. tax file number (TFN) report, trustee beneficiary (TB) statement) |  |  |
| ADDITIONAL INFORMATION – PARTNERSHIP [Delete if not applicable] | | |
| Copies of Instalment Activity Statements and/or Business Activity Statements lodged for the income year |  |  |
| Copies of minutes of partnership meetings |  |  |
| Copy of partnership agreement |  |  |
| If the partnership was restructured during the year, please provide details |  |  |