

## Source Document Checklist

### Companies carrying on investment activities

- Copies of all quarterly Instalment Activity Statements lodged for the year, including detailed workings for all instalment income calculations (if applicable)
- Bank statements, cheque book butts and deposit book duplicates
- Cashbooks (if maintained)
- Details of investments sold during the year
- Details of investments on hand at year-end
- Details of loans to shareholders or their associates
- Details of changes, if any, in shareholders

### Companies carrying on business

- A trial balance or a set of accounts or information as for companies carrying on investment activities, and
- Copies of all quarterly or monthly Business Activity Statements lodged for the year, including detailed workings for all GST and instalment income calculations (if applicable)
- Details of salaries, wages paid
- Details of interest expenses
- Details of superannuation contributions
- Details of motor vehicle expenses
- Details of new loans
- Details of rates, land taxes and insurance premiums
- Details of research and development expenses
- Details of depreciable assets bought and sold or scrapped during the year (including assets that may be eligible for the temporary investment allowance)
- Details of entertainment expenses
- Details of legal expenses

- Details of overseas travelling expenses
- Details of repairs and maintenance
- Details of subscriptions and donations
- Details of dividends and interest paid
- Amount of trade debtors (and work in progress) at year-end
- Details of trade creditors and accruals at year-end
- Cost of trading stock on hand and at year-end
- Details of leases entered into and terminated during the year
- Details of loans to shareholders and their associates
- Details of changes, if any, in shareholders

### Salary earners

- PAYG payment summaries (previously known as group certificates)
- Pension Slips
- Details of directors' fees
- Details of personal services income derived by a personal services entity
- Details of superannuation or other retirement payments
- Details of shares, rights or options received under an employee share scheme
- Interest received
- Dividends received
- Trust distributions received
- Details of property sold during the year
- Professional etc association subscriptions
- Deductions relating to allowances received
- Other expenditure incurred in earning income as an employee
- Gifts to school building funds/public institutions

- Tax agent's fees paid
- Details of rebateable items (see below)
- Details of overseas income and investments
- Motor vehicle log book (if applicable)
- Nature and period of any private health insurance cover, including membership details (refer to note 1)

## Investors

- As for salary-earners, and
- Copies of all quarterly Instalment Activity Statements lodged for the year, including detailed workings for all instalment income calculations (if applicable)
- Details of partnership income/loss shares
- Details of trust distributions received
- Details of rental properties and rent received
- Details of interest-earning deposits and interest received
- Details of shareholdings and dividends received
- Details of investments sold during the year
- Expenditure incurred in earning investment income (see below)

## Business and professional income earners

- As for salary-earners and investors, and
- Copies of all quarterly or monthly Business Activity Statements lodged for the year, including detailed workings for all GST and instalment income calculations (if applicable)
- Cheque book butts
- Deposit book duplicates
- Bank statements
- Cashbooks (if maintained)

- Motor vehicle log book (if applicable)
- Travel diary (if applicable)

## Income and Deductions Checklist

### Taxable items

- Allowances connected with employment
- Annuities, commutation or residual capital value payments
- Annuities, excluding undeducted cost to recipient
- Austudy scheme payments
- Back pay, including retrospective award increases
- Bad debt recoveries where deduction previously allowed
- Benefits (non-cash) provided to/received by business taxpayers
- Benefits received in connection with employment or other services rendered
- Betting or gambling wins of a taxpayer who is carrying on a business of betting etc
- Bonuses, including cash bonus on insurance policies
- Bonus shares
- Bounty for carrying on business
- Capital gains
- Commissions
- Commonwealth Formal Training Allowances (living component)
- Commonwealth Post-Graduate Award Scheme living allowances, incidentals allowance, thesis allowance
- Compensation:
  - Accident or disablement policy payments
  - Interruption of business
  - Sex Discrimination Act, payment for lost earnings
  - Workers compensation except final fixed sum redemption award

- Debt Defeasance arrangements, except where subject to Capital Gains Tax
- Dividends
- Electoral expenses reimbursed to parliamentary candidate
- Eligible termination payments, subject to limits
- Executor' fees and legacies in lieu
- Foreign exchange gains
- Foreign income of temporary residents (for individuals, if you are a foreign citizen and were a temporary visa holder for the period during the year that you were a tax resident, you may qualify for an exemption – please contact us to discuss)
- Controlled foreign corporation income attributed to Australian residents
- Foreign investment fund income attributed to Australian residents
- Non-resident trust estate income attributed to Australian residents
- Gold mining income
- Grants for research etc. unless specifically exempted
- Gratuities related to employment or services rendered
- Holiday pay
- Income deemed accrued on long term bills, discounted and deferred interest securities
- Income equalisation deposit repayments
- Industrial dispute settlement payments
- Insurance recoveries
- Interest
- Jury fees
- Land sale or exchange profits where land acquired for profit-making or investment is part of business
- Lease incentive payments
- Lease premiums, where premises not intended for income-productive use
- Lecture fees
- Liquidator's distributions out of "income" of company
- Lump sum for lost earnings
- Lump sum on leaving employment or retirement from office
- Maintenance, if income-producing assets transferred
- Options or rights received under an employee share scheme
- Partnership, share of net income
- Pensions (social security) unless expressly exempt
- Personal services income attributed to an individual from a personal services entity
- Prizes or awards received in connection with business
- Profits on sale, exchange or other realisation of shares, land, houses, business (i.e. any property) where profit arises from adventure in nature of trade or property was acquired before 20 September 1985 predominantly for resale at a profit or ventured in profit-making undertaking
- Profit on sale of motor car or station wagon which taxpayer or an associate has previously leased
- Racehorse winnings including betting wins and prize money, gifts, etc where racing activities part of business
- Removal and storage expenses paid to employee where vouching not required
- Repayments of Farm Management Deposit Amounts
- Research grants, unless expressly exempted
- Rewards for services rendered
- Royalties
- Shares, profits where acquired for profit-making by sale in course of business
- Shares received under employee share scheme
- Sickness payments under disablement policy, workers compensation
- Social security pensions unless expressly exempt

- Sportsperson, signing-on fees
- Subsidies for carrying on business
- Superannuation benefits, subject to limits
- Termination payments, subject to limits
- Tips
- Trust income
- Workers compensation payments or lump sum arrears

## Miscellaneous deductions

- Accountant's fees for preparing income tax returns, and in the case of business, pay-roll, FBT etc returns
- Appeal costs relating to tax disputes
- Audit costs, including Taxation Office audit
- Bad trading debts written off
- Borrowing expenses on monies used for income production, generally
- Briefcase used as integral part of employment
- Broker's commission on borrowed monies used for income production
- Buildings, used for income-production purposes, 25 or 40 year write-off
- Business subscriptions and gifts in nature of advertising, public relations etc
- Business trips, expenses of
- Commission for collection of investment, property income
- Computer software expenses
- Convention expenses
- Copyrights, patents and designs: deduction for registration fees and amortisation of development cost or purchase price
- Depreciation of business plant and articles
- Dues to union, professional or business associations
- Education expenses in certain circumstances
- Election expenses: State, Commonwealth, ACT or NT, Parliamentary candidates
- Election expenses of local government candidates, up to \$1,000 per election
- Employee's business expenses incidental and relevant to employment:
- Entertainment of customers (deductible only in certain limited circumstances)
- Self-education to maintain skills
- Technical and trade journals
- Tools of trade, replacing and repairing
- Travel, excluding to and from work
- Exchange loss referable to transaction on revenue account or on capital account if referable to post 18 February 1986 borrowing
- Farm Management Deposits
- Film (Australian) investment, write-off
- Fringe benefits tax
- Gifts of \$2 or more to prescribed donees
- Home Office expenses where home is used as business premises
- Income equalisation deposits
- Insurance premiums relating to business, business property or other income-productive property
- Interest on money used by business taxpayer to pay income tax, in certain circumstances
- Interest referable to home office where home used as business premises
- Interest on money used for assessable income production or purchase of income-productive assets
- Investment losses where taxpayer carrying on investment business
- Land tax on business premises
- Lease incentive payment, except in form of rent-free

- period or complete holiday package
- Losses of previous years, subject to conditions
  - Losses through theft or misappropriation
  - Loss, sale of property acquired before 20 September 1985 for profitable resale or ventured in profit-making undertaking
  - Luxury car lease notional depreciation and finance charges
  - Mains electricity connection costs for business premises, 10 year write-off
  - Mortgage discharge expenses where monies used for income production
  - Primary producers:
    - Breeding service fees
    - Fertiliser
    - Income equalisation deposits
    - Land degradation, outright deduction
    - Payment to co-ops for business services
    - Refinance and research levy, wheat growers
    - Seeds
    - Soil conservation, outright deduction
    - Subscriptions to producers' organisation
    - Timber felling deduction
    - Water conservation, three-year write-off
    - Wool tax
  - Procurement fees on loan monies used for income production
  - Professional journals, subscriptions to
  - Professional/technical qualifications, certain costs of obtaining
  - Protective clothing
  - Relocation expenses incurred by transferred employee or by employer
  - Rent referable to home office where home is used as business premises
  - Repairs to income-producing property, except pre-existing faults in recently acquired assets
  - Safety footwear
  - Shoes, if an integral part of a distinctive compulsory uniform
  - Sickness/accident insurance premiums in certain cases
  - Socks and stockings, if an integral part of a distinctive compulsory uniform
  - Sunglasses, sunscreen lotion and hats (if required to work outdoors)
  - Superannuation contributions by employer and self employed persons
  - Tax advice costs
  - Tax agents fees associated with preparing returns, disputing assessments or in giving tax advice
  - Temporary investment allowance (on certain new depreciable assets acquired for use in a business and installed ready for use prior to 30 June 2009)
  - Timber access road, sinking fund deduction
  - Timber depletion
  - Timber mill buildings, sinking fund deduction
  - Traveller accommodation, 25 to 40 year write-off
  - Worthless securities or shares, notional loss on

## Rebateable items

- Annuities purchased by roll-over of an ETP
- AUSTUDY allowances
- Baby bonus
- Bonuses under short-term life policies
- Dental expenses (net of refunds)
- Dividends, franked, received by resident individuals
- Doctors bills (net of refunds)

- Eligible termination payments
- Formal training allowance
- Health insurance premiums (refer to note 1)
- Heritage conservation expenditure
- Hospital expenses (net of fund reimbursement)
- Housekeeper caring for dependants
- Landcare and Water facility expenditure
- Maintenance of dependants:
  - Single or widowed parent
  - Spouse etc
  - Dependent child/children (refer to note 2)
- Nursing home fees
- Optical expenses, net of refunds
- Parents or parents-in-law, contributions to maintenance
- Primary producers income
- Zone allowances

## Notes:

### 1. Private Health Insurance Details

If you have private health insurance we will require a copy of the health fund tax statement which you should have received from your fund for the 2009 income year. The information contained on this statement will be required for completion of the items relating to the Medicare Levy Surcharge and (if you have not already claimed the 30% premium reduction) the private health insurance rebate.

You should be aware that if your taxable income exceeds the relevant threshold, and your income tax return does not show that you and your dependents held an appropriate level of private health cover for the whole of the 2009 income year, then you may be charged the additional 1% Medicare Levy Surcharge. The relevant thresholds are \$70,000 for individuals, or \$140,000 combined taxable income for couples or families (including single parent families), subject to an increase of \$1,500 for each dependant child after the first one.

### 2. Where an individual maintains a dependent child

Eligible individuals may claim the family tax benefit through the Family Assistance Office or Centrelink, as a fortnightly payment or as a lump sum payment.

Alternatively the benefit may be claimed as a lump sum payment through lodgement of an individual's income tax return. We note, however, that this requires the completion of a number of complex and detailed schedules, and we understand that these schedules will be cross-checked closely with data provided by Centrelink. If you are eligible we therefore advise that, where possible, you should claim this benefit through Centrelink rather than claiming it on your income tax return.

#### Sydney

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