

Taxation statistics

2005–06

A summary of tax returns for the 2005–06 income year and other reported tax information for the 2006–07 financial year



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Australian Government
Australian Taxation Office

Taxation statistics

2005–06

A summary of tax returns for the 2005–06 income year and other reported tax information for the 2006–07 financial year

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PREFACE

Welcome to the latest edition of *Taxation statistics* – the Australian Tax Office's most comprehensive statistical publication.

This publication informs the community about what taxpayers have been reporting to the Tax Office. It is a valuable resource, particularly for academics, researchers, scrutineers and the media. Importantly, it reflects an open and accountable tax administration.

Taxation statistics complements our Annual Report, providing more detailed information about how we administer the tax, superannuation, excise and related systems, including details of collections and payments. It is reflective of an open and accountable tax and superannuation administration.

Each year we endeavour to improve *Taxation statistics* to make it more relevant and easier to read. Some of the improvements this year include:

- a new chapter that brings together information on charities and not for profit organisations
- a new chapter on the international aspects of the Australian taxation system
- more information on rental properties with greater detail on the types of deductions claimed
- expanded information on work-related deductions
- information on superannuation co-contributions by postcode
- enhancements to the information on industry benchmark and business activity statements, and
- revised 10 year time series data with the most recent information available.

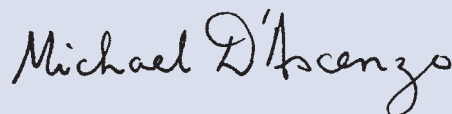
As always, *Taxation statistics* contains an appendix with copies of the annual return forms, relevant schedules and activity statements.

We are moving progressively towards a more comprehensive web publication. And this year we have continued to move more of the statistics to the detailed tables, which are best accessed through our website.

The electronic version contains links to the relevant return form guides and other explanatory material that set out what information must be reported under each label on the forms, schedules or statements.

I trust that the progressive improvements to the way we provide the information in *Taxation statistics* will make this publication more useful and accessible.

Your suggestions and comments would be most welcome and can be emailed to taxstats@ato.gov.au



Michael D'Ascenzo
Commissioner of Taxation



GENERAL NOTES

Data for *Taxation statistics 2005–06* was compiled before all processing for the 2005–06 income year and 2006–07 fringe benefits tax year was completed. Statistics in some chapters are sourced from 2006 annual income tax returns and associated schedules (such as the capital gains tax schedule 2006) that were processed by 31 October 2007. The statistics in these chapters are not necessarily complete and will continue to change as data from 2006 tax returns and schedules processed after 31 October 2007 is included. Caution should be exercised in comparing the detailed table statistics for the 2005–06 and prior income years. Better comparisons will be possible when *Taxation statistics 2006–07* is published. In that edition, the 2005–06 income year detailed table statistics will include data from returns processed up to 31 October 2008.

Where figures have been rounded, discrepancies may occur between the sums of the component items and totals. Average amounts, percentage changes and proportions are calculated from actual (not rounded) figures.

In order to meet privacy regulations:

- some cells in some tables have been aggregated, but this does not affect the total number of records (number indicator showing the number of returns or taxpayers) and the total amounts
- number indicators in the detailed tables may have been rounded to the nearest multiple of 5, so totals may differ from the sum of their components, and
- amounts and totals may vary between tables.

Descriptions or definitions of the items in the chapter and detailed tables are in the 'Return forms and other publications' section included on the CD-ROM attached to this publication and in the online version of the publication available at www.ato.gov.au

The following symbol used in this publication means:

n.a. not applicable or not available

ENQUIRIES ABOUT THESE STATISTICS

If you have any enquiries about the statistics in this publication, we recommend that you first read *Taxation statistics – frequently asked questions*, which is available at www.ato.gov.au

Any enquiries not answered by that document can be sent to taxstats@ato.gov.au

Alternatively, send enquiries to:

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Revenue Analysis Branch
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Australian Taxation Office
PO Box 900
Civic Square ACT 2608**

ABBREVIATIONS

| | |
|---------|---|
| ABN | Australian business number |
| ABS | Australian Bureau of Statistics |
| AFI | Attributed foreign income |
| APS | Attributed payment system |
| ANZSIC | Australian and New Zealand Standard Industrial Classification |
| APRA | Australian Prudential Regulation Authority |
| CFC | Controlled foreign country |
| CGT | Capital gains tax |
| CRN | Customer reference number |
| CWA | Connected with Australia |
| CYCG | Current year capital gains |
| DAFGS | Diesel and alternative fuels grants scheme |
| DFRS | Diesel fuel rebate system |
| EFT | Electronic funds transfer |
| ETP | Eligible termination payment |
| FBT | Fringe benefits tax |
| FIF/FLP | Foreign investment fund/foreign life assurance policy |
| FTB | Family tax benefit |
| GST | Goods and services tax |
| HECS | Higher Education Contribution Scheme |
| HELP | Higher Education Loan Program |
| LCT | Luxury car tax |

| | |
|---------|-------------------------------------|
| NCWA | Not connected with Australia |
| NPP | Non-primary production |
| PAYE | Pay as you earn |
| PAYG | Pay as you go |
| PDF | Pooled development funds |
| PP | Primary production |
| PPS | Prescribed payments system |
| PRRT | Petroleum resource rent tax |
| PSI | Personal services income |
| PST | Pooled superannuation trusts |
| R&D | Research and development |
| RBL | Reasonable benefit limits |
| RPS | Reportable payments system |
| RSA | Retirement savings account |
| SATO | Senior Australians tax offset |
| SFSS | Student Financial Supplement Scheme |
| SLA | Statistical local area |
| SLS | Student Loan Scheme |
| STS | Simplified tax system |
| TFN | Tax file number |
| UNCL | Unapplied net capital losses |
| UPP | Undeducted purchase price |
| VOLWARE | Volume weighted average realised |

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SUMMARY OF AUSTRALIAN TAX STATISTICS

01

Welcome to the latest edition of *Taxation statistics*, the Australian Taxation Office's (Tax Office) most comprehensive statistical publication.

Australian law requires that people pay taxes and other charges to fund a range of programs and community services. The role of the Tax Office is to manage and shape tax, excise and superannuation systems that fund services for Australians. The Tax Office is the Australian Government's principal revenue collection agency and a major payer of benefits. We are also the custodian of the Australian Business Register and the regulator of self managed superannuation funds.

Taxation statistics 2005–06 presents an overview of:

- 2006 income tax returns for individuals, companies, superannuation funds, partnerships and trusts
- payments and transfers made through the income tax system relating to the 2005–06 income year
- reported liabilities for goods and services tax (GST) and excise, payments for fuel schemes, and fringe benefits tax for the 2006–07 financial year, and
- the superannuation system, the international tax system and charities and deductible gifts.

2006 TAX RETURNS

OVERVIEW

For the 2005–06 income year:

- 13.5 million returns were lodged, 2.5% more than for 2004–05
- individual returns represented 85.2% of all returns lodged
- trusts experienced the largest growth in the number of returns lodged, with 6.8% more than for 2004–05
- 4.4% fewer partnerships lodged returns than in 2004–05, and
- the proportion of individuals lodging returns using e-tax increased to 13.2%.

Table 1.1: Taxpayers¹, by entity, 2004–05 and 2005–06 income years

| Entity | 2004–05 ² | | 2005–06 ² | |
|---------------------|----------------------|--------------|----------------------|--------------|
| | No. | % | No. | % |
| Individual | 11,235,993 | 85.3 | 11,510,959 | 85.2 |
| Company | 707,455 | 5.4 | 728,196 | 5.4 |
| Partnership | 434,491 | 3.3 | 415,279 | 3.1 |
| Trust | 533,268 | 4.0 | 569,593 | 4.2 |
| Superannuation fund | 267,977 | 2.0 | 285,784 | 2.1 |
| Total | 13,179,184 | 100.0 | 13,509,811 | 100.0 |

1 Includes residents and non-residents.

2 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

Table 1.2: Individuals lodging using e-tax, 2004–05 and 2005–06 income years

| Method of lodging | 2004–05 ¹ | | 2005–06 ¹ | |
|-------------------|----------------------|--------------|----------------------|--------------|
| | No. | % | No. | % |
| e-tax | 1,298,581 | 11.6 | 1,521,780 | 13.2 |
| Other | 9,937,412 | 88.4 | 9,989,179 | 86.8 |
| Total | 11,235,993 | 100.0 | 11,510,959 | 100.0 |

1 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

INDUSTRY PROFILE

OVERVIEW

For the 2005–06 income year:

- 60.2% of individuals were salary and wage earners
- 14.2% of companies were in the rental, hiring and real estate services industry
- 26.4% of partnerships were in the agriculture, forestry and fishing industry, and
- 18.1% of trusts were in the rental, hiring and real estate services industry.

Industry classification is an important economic and statistical tool for government and non-government agencies. The industry profile is used to identify groupings of businesses which carry out similar economic activities. Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 codes have been used for most chapters. To enable a comparison between 2004–05 and 2005–06, a common ANZSIC code has been used.

Table 1.3: Taxpayers¹, by entity and industry, 2005–06 income year

| Industry ² | Individuals No. | Companies No. | Partnerships No. | Trusts No. |
|---|--------------------|------------------|---------------------|----------------|
| Salary and wage earners | 6,934,359 | n.a. | n.a. | n.a. |
| Investment income recipients ³ | 228,066 | n.a. | 18 | 2,546 |
| Agriculture, forestry and fishing | 151,719 | 17,333 | 109,757 | 25,109 |
| Mining | 5,450 | 3,880 | 625 | 783 |
| Manufacturing | 82,197 | 39,245 | 15,583 | 12,634 |
| Electricity, gas, water and waste services | 4,623 | 1,998 | 839 | 670 |
| Construction | 434,801 | 87,366 | 64,984 | 38,061 |
| Wholesale trade | 31,221 | 39,106 | 8,638 | 10,264 |
| Retail trade | 117,023 | 42,536 | 31,829 | 23,485 |
| Accommodation and food services | 42,923 | 20,023 | 21,273 | 14,666 |
| Transport, postal and warehousing | 161,314 | 31,651 | 19,419 | 10,991 |
| Information media and telecommunications | 20,409 | 8,428 | 1,412 | 1,584 |
| Financial and insurance services | 617,682 | 102,830 | 4,844 | 93,038 |
| Rental, hiring and real estate services | 104,231 | 103,728 | 47,929 | 102,989 |
| Professional, scientific and technical services | 336,191 | 100,482 | 17,045 | 35,212 |
| Administrative and support services | 180,331 | 22,281 | 14,273 | 12,208 |
| Public administration and safety | 16,947 | 3,177 | 693 | 782 |
| Education and training | 69,498 | 6,644 | 2,722 | 1,874 |
| Health care and social assistance | 132,484 | 26,690 | 4,597 | 12,860 |
| Arts and recreation services | 107,703 | 6,828 | 4,481 | 2,520 |
| Other services | 151,955 | 25,255 | 20,530 | 11,823 |
| Other | 1,579,832 | 38,715 | 23,788 | 155,494 |
| Total | 11,510,959 | 728,196 | 415,279 | 569,593 |

¹ Excludes superannuation funds as defined in chapter 4. Superannuation funds do not use the ANZSIC industry classification system.

² Industry groups are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 code.

³ Refers to personal taxpayers (not classified as 'salary and wage earners'), or partnership or trust taxpayers who reported direct income from investments (for example, rental income, interest and dividends) but did not report income or loss from a business, partnership or trust on their returns.

INCOME AND NET TAX

OVERVIEW

For the 2005–06 income year¹:

- individuals accounted for 20.2% of total income¹, 62.8% of taxable income and 64.8% of net tax
- companies accounted for 75.5% of total income¹, 27.0% of taxable income and 28.8% of net tax, and
- superannuation funds accounted for 4.3% of total income¹, 10.2% of taxable income and 6.5% of net tax.

¹ Caution should be exercised when comparing the total income of individuals with other entities.

The following three boxes (Boxes 1.1, 1.2 and 1.3) outline the methods used to calculate net tax for individuals, companies and superannuation funds.

Box 1.1: Calculating net tax for individuals¹

Individual net tax is calculated as:

| | |
|--------------|---|
| | Total income |
| less | Total deductions |
| less | Primary production and non-primary production prior year losses |
| <i>gives</i> | <i>Taxable income or loss</i> |
| apply | Marginal tax rates |
| add | Complementary tax ¹ |
| <i>gives</i> | <i>Gross tax</i> |
| subtract | Total tax offsets ² |
| add | Medicare levy |
| add | Medicare levy surcharge |
| <i>gives</i> | <i>Net tax³</i> |

¹ The amount of tax added to ordinary tax when a primary producer's average income exceeds taxable income.

² Total tax offsets do not include the 30% private health insurance rebate, imputation credits, share of imputation credits from franked dividends, the first child tax offset (baby bonus) or the section 100(2) credit.

³ This part of the calculation cannot result in an amount of less than \$0.

Box 1.2: Calculating net tax for companies

Company net tax is calculated as:

| | |
|-----------------|---|
| | Total income (item income 6S) |
| less | Operating expenses (item expenses 6Q) |
| equals | Total profit or loss (item 6T) |
| add or subtract | Extraordinary items and reconciliation items ¹ |
| <i>gives</i> | <i>Taxable income or loss</i> (calculation item A) |
| apply | Relevant tax rate ² |
| <i>gives</i> | <i>Gross tax</i> (calculation item B) |
| subtract | Rebates/tax offsets, foreign tax credits and franking deficit tax offset (calculation items C, D and E) |
| <i>gives</i> | <i>Tax payable³</i> |
| subtract | Other refundable credits (calculation item Z) |
| <i>gives</i> | <i>Net tax</i> |

¹ Adjustments made for items where the tax treatment differs from the company's accounting treatment.

² The general company rate is 30%, but other rates may apply to life insurance companies, retirement savings account providers, pooled development funds, and non-profit organisations.

³ Located below calculation item G on the company income tax return form.

Box 1.3: Calculating net tax for superannuation funds

Superannuation fund net tax is calculated as:

| | |
|--------------|---|
| | Total income (item 9A item S – excludes gross foreign income) |
| less | Total deductions (item 9B (A–G)) |
| <i>gives</i> | <i>Taxable income or loss</i> (calculation item A) |
| apply | Superannuation fund type specific tax rate |
| <i>gives</i> | <i>Gross tax</i> (calculation item B) |
| subtract | Foreign tax credits and rebates/tax offsets |
| <i>gives</i> | <i>Tax payable</i> |
| subtract | Refundable franking credits (item Q) ¹ |
| <i>gives</i> | <i>Net tax</i> |

¹ Items in brackets refer to company tax return labels.

Table 1.4: Income, by entity, 2005–06 income year¹

| Entity | Total income \$m | Taxable income \$m | Net tax \$m |
|--------------------------|---------------------|-----------------------|----------------|
| Individual ² | 483,076 | 455,071 | 108,705 |
| Company ³ | 1,802,559 | 195,342 | 48,265 |
| Superannuation fund | 102,907 | 74,087 | 10,848 |
| Total⁴ | 2,388,542 | 724,500 | 167,818 |

1 Based on 2006 annual income tax returns processed up to 31 October 2007.
2 Includes net business income distributions from partnerships or trusts.
3 Taxable income refers to 'taxable or net income' reported on the company tax return.
4 Totals may differ from the sum of components due to rounding.

PAYMENTS AND TRANSFERS

OVERVIEW

For the 2006–07 financial year:

- the fuel tax credits schemes paid out the largest benefit, totalling \$4.9 billion.

For the 2006–07 income year:

- 1.2 million individuals were paid a superannuation co-contribution, with an average payment of \$1,578.

For the 2005–06 income year:

- transfers providing assistance to families and individuals totalled more than \$2.3 billion, growing from \$2.1 billion in 2004–05
- the research and development tax offset grew to \$274.0 million, a 14.6% increase from 2004–05, and
- a total of \$11 million in film and television tax offsets was claimed, this was the same as 2004–05.

The Tax Office pays out around \$9.5 billion in payment benefits to taxpayers annually. Various grants, benefits, tax offsets and redistribution programs are conducted, sometimes in conjunction with other government agencies. These include (more information is provided on each benefit in the chapter indicated):

- family tax benefit (chapter 9)
- first child tax offset (chapter 9)
- private health insurance rebate (chapter 9)
- research and development tax offset (chapter 9)
- film and television tax offset (chapter 9)
- fuel tax credits (chapter 14)
- cleaner fuels grants scheme (chapter 14)
- product stewardship for oil program (chapter 14)
- superannuation co-contribution (chapter 15), and
- superannuation guarantee payments (chapter 15).

Table 1.5: Payments and offsets, by type, by 2004–05 and 2005–06 income years or 2005–06 and 2006–07 financial years

| Payment/offset type | Income year | |
|---|-----------------------------|-----------------------------|
| | 2004–05 ¹ \$m | 2005–06 ¹ \$m |
| Family tax benefit | 1,686 | 1,897 |
| First child tax offset | 268 | 246 |
| Private health insurance tax offset | 169 | 174 |
| Research and development tax offset | 239 | 274 |
| Film and television tax offset | 11 | 11 |
| | Financial year | |
| | 2005–06 \$m | 2006–07 \$m |
| Fuel tax credits schemes | 3,553 | 4,906 |
| Cleaner fuel grants scheme | 22 | 92 |
| Product stewardship for oil program | 17 | 32 |
| Superannuation co-contributions determined and paid | 959 | 1,858 |
| Superannuation guarantee charge collections | 228 | 238 |

1 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

REPORTED LIABILITIES

OVERVIEW

For the 2006–07 financial year:

- fringe benefits tax collections totalled \$3.4 billion, a decrease of 4.7% from 2005–06
- GST liabilities increased by 6.7% to \$39.7 billion
- excise liabilities were \$22.9 billion, an increase of 5.1% from 2005–06 liabilities
- liabilities from wine equalisation tax were \$645 million, a 2.7% decline on 2005–06, and
- luxury car tax liabilities increased by 15.2% to \$371 million.

In addition to collecting taxes from different entity types such as individuals, companies and superannuation funds, the Tax Office is responsible for collecting other taxes that are not specific to a particular entity type.

Table 1.6: Liabilities, 2005–06 and 2006–07 financial years

| Liability | 2005–06 \$m | 2006–07 \$m |
|--|----------------|----------------|
| Fringe benefits tax ¹ | 3,585 | 3,416 |
| Goods and services tax ² | 37,192 | 39,686 |
| Excise ² | 21,761 | 22,874 |
| Wine equalisation tax ² | 663 | 645 |
| Luxury car tax ² | 322 | 371 |
| ¹ Data for the 2005–06 and 2006–07 fringe benefits tax (FBT) years includes data from FBT returns processed up to 31 October 2006 and 31 October 2007 respectively. | | |
| ² Processed liabilities at 31 October 2007, by amount sent to the Tax Office. | | |

SUPERANNUATION SYSTEM

OVERVIEW

During the 2006–07 financial year:

- there were 359,370 self managed superannuation funds, with a total of 688,853 members
- 755,363 individuals were liable for the superannuation surcharge, totalling \$699 million, and
- more than 1.7 million accounts were removed from the Lost Members Register.

The superannuation system in Australia is affected by many areas of tax, so many statistics can be reported. The tax statistics relating to superannuation funds and end benefits paid to individuals are detailed in the superannuation fund (chapter 4) and personal tax (chapter 2) chapters, while other statistics are outlined in the superannuation system chapter (chapter 15).

The superannuation system chapter contains statistics about various systems that the Tax Office plays a major role in administering. These include the superannuation guarantee, the superannuation holding accounts special account, the Lost Members Register, departing Australia superannuation payments, the regulation of self managed superannuation funds, the co-contributions system, reasonable benefit limits and the superannuation contributions surcharge.

SOURCE OF CHAPTER TABLE STATISTICS

Statistics reported in this publication are sourced from 2007, 2006 and 2005 annual tax returns, schedules to tax returns, activity statements and other sources. Copies of annual tax returns, relevant schedules and activity statements are in the appendix. They may be viewed or downloaded as a PDF file from the attached CD-ROM or from the online version of this publication on the Tax Office website.

This publication is a source of tax statistics, but it is not the source of all the statistics the Tax Office collects or reports. For example, statistics on the number of tax legal cases and audits conducted are not reported in this publication. In addition, the publication reports only statistics on taxes or collection systems administered by the Tax Office.

| Chapter | Source of statistics | Processed dates |
|--|---|---------------------------------|
| Personal tax | 2006 individual tax returns | 1 July 2006 to 31 October 2007 |
| | 2005 individual tax returns | 1 July 2005 to 31 October 2006 |
| | 2006 individual rental property schedule | 1 July 2006 to 31 October 2007 |
| Company tax and petroleum resource rent tax | 2006 company tax returns | 1 July 2006 to 31 October 2007 |
| | 2005 company tax returns | 1 July 2005 to 31 October 2006 |
| | 2007 petroleum resource rent tax return and instalment statements | 1 July 2006 to 31 October 2007 |
| | 2006 petroleum resource rent tax return and instalment statements | 1 July 2005 to 31 October 2006 |
| Superannuation funds | 2006 superannuation fund tax returns | 1 July 2006 to 31 October 2007 |
| | 2005 superannuation fund tax returns | 1 July 2005 to 31 October 2006 |
| Partnerships | 2006 partnership tax returns | 1 July 2006 to 31 October 2007 |
| | 2005 partnership tax returns | 1 July 2005 to 31 October 2006 |
| Trusts | 2006 trust tax returns | 1 July 2006 to 31 October 2007 |
| | 2005 trust tax returns | 1 July 2005 to 31 October 2006 |
| Capital gains tax | 2006 capital gains tax schedules and individual company trust to fund tax returns | 1 July 2006 to 31 October 2007 |
| | 2005 capital gains tax schedules | 1 July 2005 to 31 October 2006 |
| Fringe benefits tax | 2007 fringe benefits tax returns | 1 April 2006 to 31 October 2007 |
| | 2006 fringe benefits tax returns | 1 April 2005 to 31 October 2006 |
| Payments and transfers through the tax system | 2006 individual tax returns | 1 July 2006 to 31 October 2007 |
| | 2006 company tax returns | |
| | 2005 individual tax returns | 1 July 2005 to 31 October 2006 |
| | 2005 company tax returns | |

| Chapter | Source of statistics | Processed dates |
|---------------------------------------|---|--------------------------------|
| Charities and deductible gifts | 2006 individual tax returns | 1 July 2006 to 31 October 2007 |
| | 2005 individual tax returns | 1 July 2005 to 31 October 2006 |
| | Tax concession charity and deductible gift recipient status application forms | As at 30 November 2007 |
| | Applications for a refund of franking credits | 1 July 2005 to 30 June 2006 |
| | | 1 July 2006 to 30 June 2007 |
| International tax | 2006 individual tax returns | 1 July 2006 to 31 October 2007 |
| | 2005 individual tax returns | 1 July 2005 to 31 October 2006 |
| | 2006 company tax returns | 1 July 2006 to 31 October 2007 |
| | 2005 company tax returns | 1 July 2005 to 31 October 2006 |
| | 2006 partnership tax returns | 1 July 2006 to 31 October 2007 |
| | 2005 partnership tax returns | 1 July 2005 to 31 October 2006 |
| | 2006 trust tax returns | 1 July 2006 to 31 October 2007 |
| | 2005 trust tax returns | 1 July 2005 to 31 October 2006 |
| | 2006 superannuation fund tax returns | 1 July 2006 to 31 October 2007 |
| | 2005 superannuation fund tax returns | 1 July 2005 to 31 October 2006 |
| GST and other taxes | 2007 GST annual returns and information reports | 1 July 2006 to 30 June 2007 |
| | Business activity statements | |
| | Australian Customs Service | |
| Excise | Excise return forms | 1 July 2006 to 30 June 2007 |
| Fuel Schemes | Registration claim forms for: fuel tax credits, energy grant credits scheme, product stewardship for oil, cleaner fuels grant scheme, fuel sales grants scheme and business activity statements | 1 July 2006 to 30 June 2007 |
| Superannuation system | Australian Prudential Regulation Authority Publications | June 2007 and 2006 |
| | 2006 superannuation fund tax returns | 1 July 2006 to 31 October 2007 |
| | Australian Business Register | As at 30 June 2007 |
| Industry benchmarks | 2006 individual, company, partnership and trust tax returns | 1 July 2006 to 31 October 2007 |
| | 2006 GST annual returns | 1 July 2005 to 30 June 2006 |
| | Business activity statements | |

OVERVIEW

For the 2005–06 income year:

- 11.5 million individuals lodged income tax returns
- 72.8% (8.4 million) of tax returns were submitted by tax agents, and 13.2% (1.5 million) were submitted using e-tax
- individuals declared total income of \$483.1 billion, including \$350.7 billion in salary and wages
- individuals claimed \$27.0 billion in total deductions, including \$13.1 billion in work-related expenses
- 8.0 million individuals were entitled to tax offsets and credits totalling \$15.4 billion
- individuals had taxable income of \$455.1 billion and net tax payable of \$108.7 billion, plus \$0.8 billion payable for higher education loan debt repayments
- individuals declared \$106.2 billion in tax that was paid or withheld prior to lodging their tax return on income received during the income year
- individuals were entitled to \$8.8 billion in refundable tax offsets and credits, and
- \$16.6 billion was refunded to individuals after they lodged their income tax return, and \$11.1 billion was required to be paid by other individuals to meet their annual tax liabilities.

INTRODUCTION

This chapter provides information about individuals, as reported on their income tax return. A tax return is a form used to disclose income, tax withheld, deductions and/or tax offsets for an income year. An individual is required to lodge an income tax return for many reasons, two of the more common reasons are if they paid tax during the year, or if their taxable income exceeded certain amounts.

The purpose of the tax return is to calculate the difference between the tax withheld during the year and the amount of tax actually due. This results in either a refund or an amount payable.

Individuals have from 1 July to 31 October to lodge their tax return, unless it is prepared by a registered tax agent in which case the deadline may be extended under the particular tax agent's lodgement program for that year of income, but generally not later than 15 May in the following calendar year.

Individuals generally receive most of their income from salary or wages, Australian Government pensions and benefits, or investments. They may also have business income, business losses or deductions.

NEW FEATURES AND INFORMATION

Statistics for the 2005–06 income year reported in this chapter may have been affected by:

- personal income tax cuts
- the introduction of new measures such as the 30% child care tax rebate, the 25% entrepreneurs' tax offset, transitional incentives to contribute to superannuation, and
- transition to retirement rules – people aged over 55 can now access superannuation benefits without having to retire or leave their job.

The following new items were added to the 2006 individual tax return and have been included in the chapter and detailed tables:

- 30% child care tax rebate (item T6, item W), and
- the Tax Office calculated 25% entrepreneurs' tax offset

The following tables have been added to this chapter:

- individuals with an interest in a rental property (Table 2.6)
- individuals' work related expenses broken down by the method used to calculate their expense (Table 2.8)
- the range of individuals tax refund or debit on assessment (Table 2.17)
- rental property schedules (income and deductions) sorted by the state/territory of the rental property (Detailed Table 16), and
- taxable income compared to total income for individuals (Detailed table 17).

PERSONAL TAX RETURNS

For the 2005–06 income year, 11.5 million individuals lodged returns. These individuals represented 55.8% of the total estimated Australian population of 20.6 million as at 30 June 2006 (Australian Bureau of Statistics, *Australian demographic statistics*, June 2006, Cat. No. 3101.0).

Lodgment of individuals' tax returns grew by 2.4% for the 2005–06 income year. Growth in e-tax lodgments grew by 17.2% to 1.5 million, while growth in returns lodged by tax agents increased by 2.0%.

Individuals most commonly choose a tax agent to lodge their income tax return (72.8%). Lodgments via e-tax (13.2%) almost overtook paper and telephone lodgments (14.0% or 1.6 million). The proportion of taxpayers lodging returns using e-tax generally decreased with age, although by far the highest rates of growth were seen in those aged between 55 and 74. Not including the 'other' state grouping, the Australian Capital Territory had the highest proportion of people lodging returns using e-tax (24.4%), while Victoria had the lowest (11.2%).

Table 2.1: Individuals' returns, 2004–05 and 2005–06 income years

| | 2004–05 ¹ | | | 2005–06 ¹ | | |
|-----------------------------|----------------------|------------------|-------------------|----------------------|------------------|-------------------|
| | e-tax | Other | Total | e-tax | Other | Total |
| By method of lodging | | | | | | |
| Agent | 0 | 8,211,730 | 8,211,730 | 0 | 8,378,729 | 8,378,729 |
| Self-preparer | 1,298,581 | 1,725,682 | 3,024,263 | 1,521,780 | 1,610,450 | 3,132,230 |
| Total | 1,298,581 | 9,937,412 | 11,235,993 | 1,521,780 | 9,989,179 | 11,510,959 |
| By tax status | | | | | | |
| Taxable | 1,047,905 | 8,051,174 | 9,099,079 | 1,255,037 | 8,153,216 | 9,408,253 |
| Non-taxable | 250,676 | 1,886,238 | 2,136,914 | 266,743 | 1,835,963 | 2,102,706 |
| Total | 1,298,581 | 9,937,412 | 11,235,993 | 1,521,780 | 9,989,179 | 11,510,959 |
| By sex | | | | | | |
| Male | 647,554 | 5,171,349 | 5,818,903 | 765,817 | 5,183,674 | 5,949,491 |
| Female | 651,027 | 4,766,063 | 5,417,090 | 755,963 | 4,805,505 | 5,561,468 |
| Total | 1,298,581 | 9,937,412 | 11,235,993 | 1,521,780 | 9,989,179 | 11,510,959 |
| By state | | | | | | |
| NSW | 404,911 | 3,263,002 | 3,667,913 | 470,216 | 3,262,838 | 3,733,054 |
| VIC | 265,890 | 2,535,963 | 2,801,853 | 321,857 | 2,541,576 | 2,863,433 |
| QLD | 291,553 | 1,908,976 | 2,200,529 | 340,246 | 1,939,512 | 2,279,758 |
| WA | 146,193 | 990,635 | 1,136,828 | 170,318 | 1,007,504 | 1,177,822 |
| SA | 100,769 | 752,377 | 853,146 | 116,797 | 751,889 | 868,686 |
| TAS | 29,031 | 232,748 | 261,779 | 34,270 | 232,774 | 267,044 |
| ACT | 45,383 | 160,737 | 206,120 | 51,783 | 160,047 | 211,830 |
| NT | 12,844 | 86,949 | 99,793 | 13,994 | 86,840 | 100,834 |
| Other | 2,007 | 6,025 | 8,032 | 2,299 | 6,199 | 8,498 |
| Total | 1,298,581 | 9,937,412 | 11,235,993 | 1,521,780 | 9,989,179 | 11,510,959 |
| By age | | | | | | |
| <18 | 66,933 | 213,393 | 280,326 | 73,881 | 207,558 | 281,439 |
| 18–24 | 358,399 | 1,164,018 | 1,522,417 | 424,068 | 1,125,689 | 1,549,757 |
| 25–29 | 203,723 | 919,998 | 1,123,721 | 245,337 | 907,328 | 1,152,665 |
| 30–34 | 161,669 | 1,075,022 | 1,236,691 | 181,857 | 1,040,161 | 1,222,018 |
| 35–39 | 121,449 | 1,063,693 | 1,185,142 | 139,841 | 1,093,365 | 1,233,206 |
| 40–44 | 109,550 | 1,119,518 | 1,229,068 | 121,442 | 1,106,290 | 1,227,732 |
| 45–49 | 95,938 | 1,070,856 | 1,166,794 | 111,933 | 1,086,726 | 1,198,659 |
| 50–54 | 76,287 | 962,032 | 1,038,319 | 91,369 | 970,625 | 1,061,994 |
| 55–59 | 53,318 | 854,384 | 907,702 | 66,160 | 880,599 | 946,759 |
| 60–64 | 26,558 | 571,605 | 598,163 | 34,516 | 604,393 | 638,909 |
| 65–69 | 11,469 | 343,116 | 354,585 | 14,803 | 363,528 | 378,331 |
| 70–74 | 5,815 | 220,233 | 226,048 | 8,204 | 265,450 | 273,654 |
| 75 or more | 7,473 | 359,544 | 367,017 | 8,369 | 337,467 | 345,836 |
| Total | 1,298,581 | 9,937,412 | 11,235,993 | 1,521,780 | 9,989,179 | 11,510,959 |

¹ Data for 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

PERSONAL INCOME

For the 2005–06 income year, individuals had total income of \$483.1 billion and taxable income of \$455.1 billion. The average total income for all individuals increased by 5.3% to \$42,554 while the average taxable income for all individuals increased by 4.7% to \$40,168 for the 2005–06 income year. The difference in the two growth rates shows that deductions being claimed are growing at a greater rate than income being declared.

The average taxable income for both men and women increased by 4.8%, to \$47,516 for men and to \$32,137 for women. The gap between male and female average taxable income has continued to increase, and now stands at \$15,379.

Table 2.2: Individuals' total and taxable income, 2004–05 and 2005–06 income years

| Income | No. | 2004–05 ¹ | No. | 2005–06 ¹ |
|-----------------------------------|-------------------|----------------------|-------------------|----------------------|
| | | \$m | | \$m |
| Total income | 11,073,438 | 447,450 | 11,352,174 | 483,076 |
| Male | 5,799,417 | 277,801 | 5,927,830 | 299,141 |
| Female | 5,274,021 | 169,649 | 5,424,344 | 183,935 |
| Taxable income² | 11,050,246 | 423,742 | 11,329,277 | 455,071 |
| Male | 5,787,015 | 262,332 | 5,915,639 | 281,090 |
| Female | 5,263,231 | 161,411 | 5,413,638 | 173,980 |

1 Data for 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

2 Totals may differ from the sum of components due to rounding.

Salary and wages was the most common type of income reported in 2004–05 and 2005–06, with 78.3% of individuals reporting income from this source. Salary and wages represented 73.3% and 72.6% of total income respectively for each year. The average amount of salary and wages paid to an individual increased by 4.3% to \$39,460 in 2005–06.

Net capital gains have continued to grow strongly in 2005–06, increasing by 30.6%. This growth follows on from the 21.3% growth in 2004–05; however, unlike 2004–05, the driver behind this year's growth has been an increase in the size of net capital gains per individual rather than an increase in the number of individuals realising net capital gains. The strength of the share market is reflected in the growth of gross dividends and franking credits, which grew by 14.0% and 14.1% respectively in 2005–06.

Table 2.3: Source of individuals' income, 2004–05 and 2005–06 income years

| Source of income ¹ | 2004–05 ² | | 2005–06 ² | |
|---|----------------------|----------------|----------------------|----------------|
| | No. | \$m | No. | \$m |
| Salary and wages | 8,664,172 | 327,808 | 8,886,656 | 350,665 |
| Net partnership and trust distributions | 2,099,574 | 29,071 | 2,114,426 | 30,110 |
| Net capital gains | 1,147,928 | 12,413 | 1,193,781 | 16,213 |
| Net business income | 941,217 | 14,355 | 978,640 | 15,369 |
| Gross dividends | 3,037,374 | 13,449 | 3,002,486 | 15,331 |
| Other pensions/annuities (non-government) | 578,826 | 12,505 | 615,421 | 14,491 |
| Gross interest | 4,344,923 | 8,475 | 4,356,221 | 9,607 |
| Eligible termination payments – other than excessive component | 333,389 | 5,729 | 309,210 | 6,348 |
| Franking credits | 2,983,535 | 5,516 | 2,960,789 | 6,291 |
| Allowances, benefits, earnings and tips | 2,029,870 | 5,508 | 2,049,273 | 5,825 |
| Commonwealth of Australia pensions and allowances | 702,942 | 5,072 | 724,124 | 5,276 |
| Commonwealth of Australia benefits and payments | 967,397 | 4,468 | 921,612 | 4,296 |
| Lump sum payments – assessable in full (amount A) | 148,202 | 1,384 | 149,101 | 1,536 |
| Net personal services income | 77,885 | 1,221 | 82,346 | 1,336 |
| Other foreign income | 877,286 | 956 | 927,390 | 1,186 |
| Other income category 2 ³ | 110,649 | 941 | 116,011 | 1,007 |
| Less total deferred losses | 136,405 | 871 | 143,719 | 985 |
| Other income category 1 ⁴ | 76,617 | 690 | 79,936 | 972 |
| Foreign employment and pension or annuity income without an undeducted purchase price | 57,237 | 612 | 61,347 | 654 |
| Foreign pension or annuity income with an undeducted purchase price | 58,185 | 429 | 59,574 | 434 |
| Attributed personal services income | 6,395 | 156 | 6,331 | 170 |
| Eligible termination payments – excessive component | 602 | 41 | 602 | 36 |
| Attributed foreign income | 1,844 | 12 | 34,554 | 27 |
| Life assurance bonuses | 2,580 | 3 | 2,264 | 12 |
| Lump sum payments – 5% assessable (5% of amount B) | 18,752 | 10 | 18,896 | 10 |
| Australian franking credits from a New Zealand company | 7,705 | 1 | 8,599 | 1 |
| Net farm management withdrawals or deposits | 25,665 | –155 | 24,088 | –24 |
| Net rent | 1,510,921 | –4,101 | 1,561,630 | –5,089 |
| Total⁵ | 11,073,438 | 447,450 | 11,352,174 | 483,076 |

1 Definitions for the different sources of income are in the personal tax return form guide on the attached CD-ROM.

2 Data for 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

3 'Other income category 2' includes 'Other salary and wages category 2' and 'Other income n.e.i. (not elsewhere included) category 2'.

4 'Other income category 1' includes 'Other salary and wages category 1' and 'Other income n.e.i. (not elsewhere included) category 1'.

5 Components do not add to the total number of taxpayers as taxpayers may declare more than one type of income. The total income amount shown in this table is the sum of components as shown by taxpayers on their annual income tax returns. It is not necessarily the total income calculated by the Tax Office during assessment.

RENTAL INCOME AND DEDUCTIONS

For the 2004–05 and 2005–06 income years, total rental deductions were greater than total rental income, resulting in negative net rental income. In 2005–06 net rental income decreased by 24.1%, while the number of individuals with net rental income increased by 3.4%.

Of individuals declaring net rental income, 78.9% claimed rental interest deductions. These interest deductions were 14.1% (\$1,704 million) higher in 2005–06.

Table 2.4: Individuals' rental income and deductions, 2004–05 and 2005–06 income years

| Rental income/deductions | No. | 2004–05 ¹ | No. | 2005–06 ¹ |
|--------------------------------------|------------------|----------------------|------------------|----------------------|
| | | \$m | | \$m |
| Gross rental income | 1,495,646 | 17,653 | 1,545,310 | 19,160 |
| Less rental interest deductions | 1,185,721 | 12,126 | 1,231,694 | 13,830 |
| Capital works deductions | 479,240 | 965 | 518,568 | 1,091 |
| Other rental deductions | 1,497,282 | 8,662 | 1,548,327 | 9,328 |
| Net rental income² | 1,510,921 | –4,101 | 1,561,630 | –5,089 |

1 Data for 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

2 Components do not add to the total number of taxpayers claiming rental deductions as taxpayers may claim more than one type of deduction. Totals may differ from the sum of components due to rounding.

For 2005–06, 66.5% of individuals with net rental income had a taxable loss (net rental income less than zero) from their rental property. Almost half of individuals with net rental income (48.7%) had a taxable income between \$21,601 and \$63,000.

Table 2.5: Individuals' net rental income, by taxable income, 2005–06 income year

| Taxable income | Net rental income less than \$0 | | Net rental income greater than or equal to \$0 | | Total |
|--------------------------|---------------------------------|---------------|--|--------------|------------------|
| | No. | \$m | No. | \$m | |
| \$6,000 or less | 96,119 | –963 | 41,139 | 140 | 137,258 |
| \$6,001–\$21,600 | 132,526 | –940 | 112,846 | 594 | 245,372 |
| \$21,601–\$63,000 | 521,846 | –3,783 | 238,386 | 1,482 | 760,232 |
| \$63,001–\$95,000 | 174,446 | –1,462 | 75,419 | 574 | 249,865 |
| \$95,001 or more | 113,872 | –1,511 | 55,031 | 779 | 168,903 |
| Total¹ | 1,038,809 | –8,659 | 522,821 | 3,570 | 1,561,630 |

1 Totals may differ from the sum of components due to rounding.

Most individuals with an interest in a rental property complete a rental property schedule for each property. An interest in a property means either solely owned, jointly owned, or part year owned (for example brought or sold a property during the year). The majority of individuals (72.5%) had an interest in only one rental property.

Table 2.6 Individuals with an interest in a rental property, 2005–06 income year

| Property interests | No. of individuals |
|--------------------|--------------------|
| 1 | 1,081,067 |
| 2 | 272,677 |
| 3 | 82,283 |
| 4 | 29,738 |
| 5 | 12,082 |
| 6 or more | 12,442 |
| Total | 1,490,289 |

A new detailed table has been added (Table 16) which contains details of the rental income and expenses from the rental property schedule grouped by the state location of the property.

PERSONAL DEDUCTIONS

Deductions are subtracted from assessable (or total) income to give taxable income, to which the tax rates are then applied. Deductions are generally categorised as work-related deductions or other deductions. Work-related deductions are directly related to gaining or producing an employee's assessable income. Other deductions include gifts, film industry incentives, and expenses such as the cost of managing tax affairs.

The number of individuals claiming deductions (referring to deduction labels D1 to D15, which do not include rental and business deductions) increased by 2.6% for 2005–06 income year, yet the value of deductions claimed increased by 18.8%, far outpacing the growth in income. Work-related expenses were the most common type of deduction claimed, with 79.9% of individuals who claimed deductions in the 2005–06 income year claiming one or more work-related deductions. While 73.1% or 8.2 million individuals used a tax agent to lodge their 2004–05 income tax return, only 5.2 million claimed deductions for the cost of managing tax affairs on their 2005–06 income tax return. Non-employer-sponsored superannuation contributions, or superannuation contributions made by individuals who are predominantly self employed, increased by 91.7% in 2005–06.

Table 2.7: Individuals' deductions, by type, 2004–05 and 2005–06 income years

| Type of deduction | 2004–05 ¹ | | 2005–06 ¹ | |
|--|----------------------|---------------|----------------------|---------------|
| | No. | \$m | No. | \$m |
| Work-related expenses | 7,179,897 | 11,930 | 7,404,299 | 13,067 |
| Non-employer-sponsored superannuation | 179,725 | 2,023 | 203,233 | 3,879 |
| Undeducted purchase price of Australian pension or annuity | 336,633 | 2,602 | 370,895 | 3,128 |
| Interest and dividends | 952,908 | 2,203 | 912,589 | 2,726 |
| Gifts or donations | 4,312,817 | 1,472 | 4,195,908 | 1,556 |
| Cost of managing tax affairs | 5,145,331 | 1,219 | 5,219,831 | 1,312 |
| Low-value pool | 195,237 | 99 | 221,145 | 106 |
| Undeducted purchase price of foreign pension or annuity | 51,286 | 51 | 49,688 | 50 |
| Film industry incentives | 1,229 | 23 | 916 | 11 |
| Election expenses | 2,176 | 7 | 2,562 | 6 |
| Project pool | 950 | 3 | 749 | 3 |
| Other | 408,959 | 1,117 | 434,044 | 1,190 |
| Total² | 9,028,798 | 22,750 | 9,263,945 | 27,034 |
| Prior year losses | 75,961 | 1,035 | 74,812 | 1,057 |

1 Data for 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

2 Components do not add to the total number of taxpayers claiming deductions as taxpayers may claim more than one type of deduction. Amount totals may differ from the sum of components due to rounding.

Individuals can claim more than one type of work-related expense. The number of individuals claiming one or more types of work related expenses increased by 3.1% for the 2005–06 income year, with an increase of 9.5% in the amount claimed.

Details of the types of expenses that individuals claim for motor vehicle, clothing and self-education have been included in Table 2.8. Detailed Table 13 shows total work related expenses claimed by individuals by occupation code.

Table 2.8: Individuals' work-related expenses, 2004–05 and 2005–06 income years

| Work-related expense | No. | 2004–05 ¹ | | 2005–06 ¹ | |
|--|------------------|----------------------|------------------|----------------------|-----|
| | | No. | \$m | No. | \$m |
| Motor vehicle (car) Total | 2,338,000 | 4,707 | 2,428,406 | 5,190 | |
| Cents per kilometre | 2,004,439 | 2,599 | 2,093,694 | 2,947 | |
| 12% of original value | 29,632 | 133 | 30,062 | 139 | |
| 1/3 of actual expenses | 9,148 | 26 | 9,485 | 28 | |
| Log book | 239,303 | 1,879 | 245,346 | 2,008 | |
| Not stated | 55,478 | 69 | 49,819 | 67 | |
| Clothing (uniform) Total | 4,901,414 | 1,132 | 5,113,106 | 1,212 | |
| Protective | 1,773,241 | 431 | 1,802,035 | 452 | |
| Compulsory | 2,259,252 | 506 | 2,415,840 | 553 | |
| Non compulsory | 292,175 | 54 | 315,782 | 60 | |
| Occupation specific | 358,910 | 94 | 384,775 | 106 | |
| Not stated | 217,836 | 47 | 194,674 | 42 | |
| Self-education Total | 514,316 | 780 | 512,038 | 834 | |
| Direct connection with employment | 386,416 | 604 | 395,522 | 659 | |
| Improve skill or income of current employment | 67,472 | 124 | 65,474 | 127 | |
| Other direct connection | 12,632 | 16 | 10,666 | 15 | |
| Not stated | 47,796 | 36 | 40,376 | 34 | |
| Other travel | 667,427 | 1,005 | 714,449 | 1,126 | |
| Other work-related expenses | 5,421,783 | 4,306 | 5,630,475 | 4,704 | |
| Total work-related expenses² | 7,179,897 | 11,930 | 7,404,299 | 13,067 | |

¹ Data for 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

² Components do not add to the total number of taxpayers claiming work-related expenses as taxpayers may claim more than one type of work-related expense. Totals may differ from the sum of components due to rounding.

NET BUSINESS INCOME

For the 2005–06 income year, more than 1.7 million individuals declared net business income or losses on their tax return.

There was not a significant change in the number of individuals with net business income from 2004–05 to 2005–06 (0.8% increase). There was a 5.0% increase in the number of individuals reporting a loss from their business activities.

Table 2.9: Individuals with net income¹ from business operations, by industry, 2004–05 and 2005–06 income years

| Industry ² | 2004–05 ³ | | 2005–06 ³ | |
|---|----------------------|---------------------|----------------------|---------------------|
| | Net business income | Net business losses | Net business income | Net business losses |
| | No. | No. | No. | No. |
| Agriculture, Forestry and Fishing | 50,797 | 48,863 | 49,081 | 53,890 |
| Mining | 1,299 | 498 | 1,346 | 511 |
| Manufacturing | 29,653 | 9,093 | 28,912 | 9,189 |
| Electricity, Gas, Water and Waste Services | 1,468 | 334 | 1,535 | 393 |
| Construction | 179,715 | 18,770 | 184,222 | 20,273 |
| Wholesale Trade | 9,557 | 4,734 | 9,718 | 5,047 |
| Retail Trade | 32,851 | 17,766 | 33,209 | 18,102 |
| Accommodation and Food Services | 12,838 | 6,451 | 13,022 | 6,467 |
| Transport, Postal and Warehousing | 61,926 | 7,914 | 62,856 | 8,141 |
| Information Media and Telecommunications | 5,775 | 2,403 | 6,013 | 2,412 |
| Financial and Insurance Services | 236,015 | 39,750 | 217,509 | 42,103 |
| Rental, Hiring and Real Estate Services | 21,560 | 9,285 | 21,706 | 9,913 |
| Professional, Scientific and Technical Services | 102,962 | 26,105 | 104,875 | 26,880 |
| Administrative and Support Services | 52,852 | 9,298 | 55,353 | 9,906 |
| Public Administration and Safety | 3,844 | 906 | 3,850 | 901 |
| Education and Training | 23,079 | 6,301 | 23,947 | 6,505 |
| Health Care and Social Assistance | 58,329 | 10,244 | 60,147 | 10,664 |
| Arts and Recreation Services | 29,225 | 14,358 | 29,865 | 14,642 |
| Other Services | 52,725 | 14,790 | 54,866 | 15,892 |
| No industry stated | 352,826 | 169,706 | 350,375 | 176,775 |
| Total | 1,319,296 | 417,569 | 1,312,407 | 438,606 |

1 The term 'Net business income' in this table refers to the sum of net business income primary production, net business income non-primary production, distribution from partnerships primary production, distribution from partnerships non-primary production, distribution from trusts primary production and net farm management withdrawals less deposits. Distribution from trusts non-primary production generally comprises income from investments, and thus has not been included in identifying taxpayers with net business income.

2 Industry groups are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 code.

3 Data for 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

There was a 6.2% increase in income from business operations in 2005–06, with the growth mainly driven by the 8.1% increase in other business income.

Table 2.10: Individuals with business income, by type, 2004–05 and 2005–06 income years

| Type of income | 2004–05 ¹ | | 2005–06 ¹ | |
|--|----------------------|---------------|----------------------|---------------|
| | No. | \$m | No. | \$m |
| Gross payments where ABN not quoted | 3,642 | 190 | 3,418 | 112 |
| Gross payments subject to foreign resident withholding | 341 | 22 | 216 | 13 |
| Gross payments – voluntary agreement | 11,008 | 379 | 9,835 | 353 |
| Gross payments – labour hire or other specified payments | 6,505 | 133 | 6,631 | 149 |
| Assessable government industry payments | 21,908 | 290 | 22,320 | 296 |
| Other business income | 874,597 | 74,614 | 906,987 | 80,653 |
| <i>Total business income</i> ² | 895,733 | 75,547 | 927,149 | 81,577 |
| Other business type income ³ | 651,587 | 14,757 | 619,714 | 14,304 |
| Total income from business operations⁴ | 1,504,427 | 90,305 | 1,504,895 | 95,881 |

1 Data for 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

2 'Total business income' here refers to the total business income in item P8 of the business and professional items schedule.

3 The term 'Other business type income' in this table refers to the sum of distribution from partnerships primary production, distribution from partnerships non-primary production, distribution from trusts primary production and net farm management withdrawals less deposits. Distribution from trusts non-primary production generally comprises income from investments, and thus has not been included in identifying taxpayers with net business income.

4 Components do not add to the total number of taxpayers as taxpayers may earn more than one type of business income. Totals may differ from the sum of components due to rounding.

Individuals claimed business expenses worth \$65.7 billion in 2005–06, an increase of 8.2% from 2004–05. Cost of sales was the largest expense claimed, accounting for 46.9% of total business expenses. When comparing the number of individuals that declared total business income and the number that claimed business expenses, there were 22,611 more claimants for expenses than taxpayers who declared business income.

The 'salary and wages in expenses' data at the bottom of table 2.11 is additional information that individuals employing people are required to complete on their income tax return. This does not represent an additional expense, as the amount has already been included in cost of sales or in other expenses. This amount is clearly under-reported.

Table 2.11: Individuals' business expenses, by type, 2004–05 and 2005–06 income years

| Type of expense | 2004–05 ¹ | | 2005–06 ¹ | |
|---|----------------------|---------------|----------------------|---------------|
| | No. | \$m | No. | \$m |
| Cost of sales | 239,182 | 27,815 | 243,482 | 30,812 |
| Other expenses | 873,271 | 21,068 | 905,022 | 22,111 |
| Motor vehicle | 632,585 | 2,855 | 646,391 | 3,088 |
| External labour | 102,692 | 2,196 | 108,223 | 2,400 |
| Depreciation | 563,287 | 2,091 | 579,014 | 2,240 |
| Rent | 161,086 | 1,857 | 163,094 | 1,954 |
| Interest | 218,045 | 1,316 | 223,369 | 1,486 |
| Repairs and maintenance | 272,192 | 691 | 268,671 | 701 |
| Superannuation | 73,170 | 452 | 73,699 | 538 |
| Lease expenses | 46,975 | 336 | 39,174 | 325 |
| Bad debts | 8,554 | 45 | 8,586 | 40 |
| Foreign resident withholding expenses | 158 | 4 | 49 | 1 |
| Total^{2,3} | 915,064 | 60,727 | 949,760 | 65,696 |
| <i>Salary and wages in expenses⁴</i> | <i>73,801</i> | <i>2,957</i> | <i>75,078</i> | <i>3,092</i> |

1 Data for 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

2 Components do not add to the total number of individuals claiming business expenses as individuals may claim more than one type of business expense. Amount totals may differ from the sum of components due to rounding.

3 Refers to the total expenses in item P8 of the business and professional items schedule.

4 Refers to item P13 on the 2006 Business and Professional Items Schedule for individuals.

PERSONAL TAX OFFSETS AND CREDITS

The purpose of tax offsets is to provide tax relief for certain individuals, for example, low-income earners or senior Australians. Tax offsets reduce the amount of tax payable on taxable income. Credits are for tax already paid by the individual or by a company or trustee on behalf of the individual.

Tax offsets are either refundable or non-refundable.

Non-refundable tax offsets can reduce the amount of tax owing to \$0, but cannot generate a refund. This can cause situations where the full value of non-refundable offsets that an individual has claimed cannot be fully utilised. For example, if an individual had \$200 in non-refundable tax offsets, but only had \$150 of tax liability, then this individual would only be able to use \$150 of their non-refundable tax offsets, leaving \$50 unused. While an individual's potential entitlement to a tax offset is referred to as the amount claimed, the actual amount used to offset an individual's tax owing is referred to as the amount of tax offset allowed.

For the 2005–06 income year, total tax offsets and credits increased by 13.3% from 2004–05. This growth was assisted by the introduction of the entrepreneurs' tax offset and the child care tax rebate which added 3.1% to the growth. The 14.4% increase in total franking credits claimed by individuals was a result of the strong share market and was the main contributor to the growth in tax offsets.

The superannuation contribution, annuity and pension offset increased 22.6% during 2005–06. This is in line with superannuation pensions paid to individuals increasing by 15.9% during 2005–06.

Table 2.12: Selected tax offsets and credits claimed/calculated by Tax Office, 2004–05 and 2005–06 income years

| Type of tax offset and credit | 2004–05 ¹ | | 2005–06 ¹ | |
|--|----------------------|--------------|----------------------|---------------|
| | No. | \$m | No. | \$m |
| Tax offsets claimed on return | | | | |
| Refundable | | | | |
| Total franking credits ² | 3,348,851 | 7,305 | 3,335,666 | 8,357 |
| Private health insurance rebate | 284,636 | 169 | 269,943 | 174 |
| Non-refundable | | | | |
| Superannuation contribution, annuity and pension tax offset | 367,865 | 806 | 407,422 | 988 |
| Spouse tax offset | 340,469 | 415 | 352,213 | 445 |
| Medical expenses tax offset | 538,417 | 321 | 601,255 | 367 |
| 30% child care tax rebate | n.a. | n.a. | 394,553 | 306 |
| Zone or overseas forces tax offset | 515,932 | 215 | 534,592 | 223 |
| Parent/parent in-law/invalid relative tax offset | 17,436 | 22 | 24,731 | 33 |
| Superannuation contributions on behalf of spouse tax offset | 35,277 | 15 | 35,187 | 15 |
| Landcare and water tax offset brought forward from previous year tax offset ³ | 124 | .. | 97 | .. |
| Other tax offsets | 3,730 | 9 | 3,087 | 8 |
| Total⁴ | 4,480,326 | 9,277 | 4,827,557 | 10,916 |

| Type of tax offset and credit | 2004–05 ¹ | | 2005–06 ¹ | |
|--|----------------------|--------------|----------------------|--------------|
| | No. | \$m | No. | \$m |
| Selected tax offsets calculated by the Tax Office | | | | |
| Refundable | | | | |
| Baby bonus ⁵ tax offset | 399,705 | 268 | 369,560 | 246 |
| Non-refundable | | | | |
| Termination payment tax offset | 248,342 | 1,752 | 240,615 | 1,907 |
| Senior Australians tax offset | 592,869 | 1,040 | 585,158 | 1,045 |
| Low income tax offset | 3,421,771 | 646 | 3,314,047 | 621 |
| Mature age worker tax offset | 1,070,032 | 452 | 1,163,984 | 500 |
| Pension or pensioner tax offset | 279,149 | 463 | 302,041 | 448 |
| Commonwealth of Australia benefits and allowances tax offset ⁶ | 303,827 | 142 | 289,461 | 128 |
| Entrepreneurs tax offset | n.a. | n.a. | 230,550 | 119 |
| Averaging tax offset | 96,232 | 126 | 84,286 | 99 |
| Life assurance (insurance) bonus tax offset | 2,580 | 3 | 2,264 | 4 |
| Total⁴ | 5,190,898 | 4,892 | 5,282,437 | 5,117 |
| Selected credits claimed | | | | |
| Foreign tax credits | 733,148 | 160 | 796,922 | 202 |
| Section 100(2) ⁷ credits | 3,013 | 10 | 2,476 | 10 |
| Total⁴ | 661,161 | 170 | 735,739 | 212 |
| <p>1 Data for 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.</p> <p>2 Sum of primary franking credits (item 11, label U on the individual return) and partnership and trust share of franking credits from franked dividends (item 12, label Q on the individual return).</p> <p>3 ‘..’ means rounded to zero but not zero.</p> <p>4 Components do not add to the total number of taxpayers claiming tax offsets or credits as taxpayers may claim more than one type of tax offset or credit. Amount totals may differ from the sum of components due to rounding.</p> <p>5 The number of taxpayers who claimed the baby bonus tax offset reported includes taxpayers who may not have lodged an individual tax return but lodged only the baby bonus claim form.</p> <p>6 Also referred to as ‘Beneficiary tax offset’.</p> <p>7 The total share of credits for tax paid by a trustee.</p> | | | | |

MEDICARE

The Medicare levy is used to partially fund Medicare, the scheme that gives Australian residents subsidised access to health care. Most individuals who are residents of Australia at any time during the income year are liable to pay a Medicare levy based on their taxable income for the year. The Medicare levy is calculated at 1.5% of an individual's taxable income, but this calculation maybe reduced in certain circumstances.

Individuals and families who have adjusted taxable incomes above certain thresholds and who do not have adequate private hospital cover pay an extra 1% of their taxable income for the Medicare levy surcharge in addition to the normal 1.5% Medicare levy.

An additional 91,287 individuals were liable for the Medicare levy surcharge in 2005–06, an increase of 24.4%.

Table 2.13: Medicare levy and Medicare levy surcharge, 2004–05 and 2005–06 income years

| | 2004–05 ¹ | | 2005–06 ¹ | |
|--|----------------------|-------|----------------------|-------|
| | No. | \$m | No. | \$m |
| Medicare levy | 7,620,386 | 5,689 | 7,833,149 | 6,121 |
| Medicare levy surcharge | 374,040 | 228 | 465,327 | 289 |
| ¹ Data for 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively. | | | | |

PERSONAL NET TAX

Box 2.1: Calculating net tax for individuals¹

| | |
|---|---|
| Net tax in this chapter refers to the net tax individuals are liable to pay before applying any refunds. | |
| Individual net tax for 2005–06 is calculated as: | |
| | Total income |
| less | Total deductions |
| | Primary production and non-primary production prior year losses |
| less | |
| <i>gives</i> | <i>Taxable income or loss</i> |
| apply | Marginal tax rates |
| add | Complementary tax ¹ |
| <i>gives</i> | <i>Gross tax</i> |
| subtract | Total tax offsets ² |
| add | Medicare levy |
| add | Medicare levy surcharge |
| <i>gives</i> | Net tax³ |
| ¹ The amount of tax added to ordinary tax when a primary producer's average income exceeds taxable income. | |
| ² Total tax offsets and credits do not include the 30% private health insurance rebate, imputation credits, share of imputation credits from franked dividends, the first child tax offset (baby bonus) and the section 100(2) credit. | |
| ³ This part of the calculation cannot result in an amount of less than \$0. | |

In the 2005–06 income year, a total of 9.4 million taxpayers (both Australian residents and non-residents for tax purposes) were liable for \$108.7 billion in net tax, with an average net tax payable of \$11,553 (tables 2.13, 2.14). Residents were liable for \$108.5 billion (99.8%) of the net tax payable, while non-residents were liable for \$240.6 million. The tax-free threshold for Australian residents remained at \$6,000 in 2005–06. It is apportioned in accordance with the month during the year when a taxpayer ceases full-time education or ceases to be a resident, or in the case of an immigrant when they commence residency.

Box 2.2: Personal income tax rates for residents, 2005–06 income year

| Taxable income | Tax payable |
|-------------------|---|
| \$0–\$6,000 | 0% or \$0 |
| \$6,001–\$21,600 | Nil plus 15 cents for each \$1 over \$6,000 |
| \$21,601–\$63,000 | \$2, 340 plus 30 cents for each \$1 over \$21,600 |
| \$63,001–\$95,000 | \$14,760 plus 42 cents for each \$1 over \$63,000 |
| \$95,001 or more | \$28,200 plus 47 cents for each \$1 over \$95,000 |

Table 2.14: Resident individuals' net tax payable, by taxable income, 2005–06 income year

| Taxable income | Taxpayers ¹ | | Net tax payable | |
|--------------------------|------------------------|--------------|-----------------|--------------|
| | No. | % | \$m | % |
| \$6,000 or less | 18,407 | 0.2 | 5 | 0.0 |
| \$6,001–\$21,600 | 1,927,049 | 20.6 | 2,074 | 1.9 |
| \$21,601–\$63,000 | 5,696,230 | 60.8 | 44,594 | 41.1 |
| \$63,001–\$95,000 | 1,153,914 | 12.3 | 23,589 | 21.7 |
| \$95,001 or more | 571,367 | 6.1 | 38,201 | 35.2 |
| Total² | 9,366,967 | 100.0 | 108,464 | 100.0 |

1 Taxpayer population includes only taxable resident individuals, that is, those with net tax payable of more than \$0.

2 Totals may differ from the sum of components due to rounding.

Box 2.3: Personal income tax rates for non-residents, 2005–06 income year

| Taxable income | Tax payable |
|-------------------|---|
| \$0–\$21,600 | 29 cents for each \$1 |
| \$21,601–\$63,000 | \$6,264 plus 30 cents for each \$1 over \$21,600 |
| \$63,001–\$95,000 | \$18,684 plus 42 cents for each \$1 over \$63,000 |
| \$95,001 or more | \$31,124 plus 47 cents for each \$1 over \$95,000 |

Table 2.15: Non-resident individuals' net tax payable, by taxable income, 2005–06 income year

| Taxable income | Taxpayers ¹ | | Net tax payable | |
|--------------------------|------------------------|--------------|-----------------|--------------|
| | No. | % | \$m | % |
| \$21,600 or less | 34,853 | 82.8 | 53 | 22.1 |
| \$21,601–\$63,000 | 5,094 | 12.1 | 53 | 21.8 |
| \$63,001–\$95,000 | 981 | 2.3 | 23 | 9.6 |
| \$95,001 or more | 1,149 | 2.7 | 112 | 46.5 |
| Total² | 42,077 | 100.0 | 241 | 100.0 |

1 Taxpayer population includes only taxable non-resident individuals, that is, those with net tax payable of more than \$0.

2 Totals may differ from the sum of components due to rounding.

HIGHER EDUCATION LOAN PROGRAM (HELP)

Australian students have a choice of payment methods for each semester's university fees:

- full payment upfront to the institution, or
- a deferred repayment to the Australian Government through the tax system.

The HELP system started in 2005, and replaced the older Higher Education Contribution Scheme (HECS). If repaying through the tax system, students are not liable to repay amounts until their income reaches a minimum level. For the 2005–06 income year, the minimum level was \$36,185, whereas in 2004–05 the minimum level was \$35,001. While there was a 12.1% increase in the number of individuals required to make HECS/HELP repayments, the amount repaid increased by 18.2%, reflecting the progressive nature of the repayment schedule.

The HECS/HELP repayment income is a person's taxable income, plus any amount of taxable income that has been reduced by a net rental loss, plus total reportable fringe benefits amounts, plus exempt foreign employment income amounts.

An additional scheme which operated between 1993 and 2003, called Student Financial Supplement Scheme (SFSS), allowed certain students access to loans with similar terms and conditions to those available via HECS/HELP. While new loans were not made available after 2003, individuals with these loans were still required to make compulsory repayments if their income was above \$39,217 for the 2005–06 income year.

Table 2.16: HELP and SFSS debt payable, 2004–05 and 2005–06 income years

| Debt | 2004–05 ¹ | | 2005–06 ¹ | |
|-----------------|----------------------|-----|----------------------|-----|
| | No. | \$m | No. | \$m |
| HELP | | | | |
| assessment debt | 250,084 | 632 | 280,255 | 750 |
| SFSS debt | 39,934 | 57 | 41,312 | 62 |

1 Data for 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

TAX RETURN ASSESSMENTS

The lodgment of an individual's tax return will generally result in a refund to the individual or a debit assessment. For the 2005–06 income year 79.0% of individuals received a refund, which compared to 78.4% for the prior year.

Table 2.17: Tax refund or debit assessment for individuals, 2004–05 and 2005–06 income years

| Refund/Debit | 2004–05 ¹ | | 2005–06 ¹ | |
|------------------------------------|----------------------|----------------|----------------------|----------------|
| | No. | \$m | No. | \$m |
| Refund of \$10,000 or more | 135,454 | –2,688 | 164,157 | –3,338 |
| Refund between \$8,000 and \$9,999 | 76,268 | –679 | 89,217 | –794 |
| Refund between \$6,000 and \$7,999 | 155,395 | –1,068 | 181,104 | –1,244 |
| Refund between \$4,000 and \$5,999 | 371,939 | –1,798 | 439,293 | –2,121 |
| Refund between \$2,000 and \$3,999 | 1,287,552 | –3,577 | 1,458,646 | –4,072 |
| Refund between \$1 and \$1,999 | 6,783,805 | –4,892 | 6,766,087 | –5,039 |
| Total refunds | 8,810,413 | –14,701 | 9,098,504 | –16,607 |
| <i>No refund or debit</i> | <i>409,321</i> | <i>0</i> | <i>438,279</i> | <i>0</i> |
| Debit between \$1 and \$2,000 | 1,243,349 | 799 | 1,192,921 | 777 |
| Debit between \$2,001 and \$4,000 | 294,721 | 840 | 288,372 | 824 |
| Debit between \$4,001 and \$6,000 | 146,396 | 719 | 145,850 | 716 |
| Debit between \$6,001 and \$8,000 | 87,196 | 603 | 87,253 | 604 |
| Debit between \$8,001 and \$10,000 | 56,026 | 500 | 57,419 | 513 |
| Debit of \$10,001 or more | 188,571 | 6,857 | 202,361 | 7,708 |
| Total Debits | 2,016,259 | 10,318 | 1,974,176 | 11,142 |
| Total | 11,235,993 | –4,383 | 11,510,959 | –5,465 |

¹ Data for 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

SOURCE OF PERSONAL TAX STATISTICS

The statistics in this chapter are sourced from 2006 and 2005 individual income tax returns processed by 31 October 2007 and 31 October 2006 respectively, and their associated schedules. The statistics reported are not necessarily complete as the proportion of tax returns processed by 31 October each year can vary. Caution should be exercised when comparing the statistics for the current year and previous years.

Statistics reported in the detailed tables have been updated for the 1999–2000 to 2004–05 income years to include returns processed by 31 October 2007. These statistics cannot be compared to previous editions of *Taxation statistics*.

A copy of the individual return form is in the appendix. It may be viewed or downloaded as a PDF file from the attached CD-ROM or from the online version of *Taxation statistics* on the Tax Office website at www.ato.gov.au

LIST OF PERSONAL TAX DETAILED TABLES

The following personal tax detailed tables are on the attached CD-ROM and included in the online version of this publication on the Tax Office website. The tables may be viewed or downloaded as PDF or Excel files.

The items referred to in the detailed tables are items declared on the 2006 individual tax return. A copy of the return is in the appendix.

To find out whether a particular item is included in a detailed table, refer to the personal tax detailed tables index included on the attached CD-ROM and in the online version of this publication. The table index lists the different items shown in the detailed tables and specifies the tables they appear in.

Table 1: Selected items, by sex and state/territory of residence, 2005–06 income year

This table shows the number of taxable, non-taxable, male, female and all personal taxpayers for each state and territory. It also shows the total income, taxable income, net tax payable, average taxable income, average net tax payable, work-related expenses, gifts or donation deductions, total deductions claimed, total business expenses claimed, HELP assessment debts, SLS assessment debts, Medicare levy and Medicare levy surcharge of male, female and all taxpayers for each state and territory.

Table 2: Selected items, by state/territory/region, 2005–06 income year

This table shows the number of records and amounts for selected income, deductions, tax offsets and other return items of personal taxpayers living in specified regions within different states and territories (for example, major urban, other urban, regional–high urbanisation, regional–low urbanisation, rural and other regions in New South Wales). A region is composed of postcodes grouped together according to specified population ranges.

- **Part A: Taxable individuals** – reports data for taxable individuals only, that is, personal taxpayers with net tax payable of more than \$0.
- **Part B: Non-taxable individuals** – reports data for non-taxable individuals only, that is, personal taxpayers with net tax payable less than or equal to \$0.
- **Part C: All individuals** – reports data for all personal taxpayers.

Table 3: Selected items, by state/territory and postcode, for taxable individuals, 2005–06 income year

This table shows the number of records and amounts for selected income, deductions, tax offsets and other return items of taxable personal taxpayers living in different postcodes (residential postcodes declared by taxpayers on their returns) for each state and territory. In addition, the number of non-taxable individuals residing in different postcodes is shown. The data for each state and territory is presented in separate parts:

- **Part A: New South Wales** – includes data on taxpayers living in residential postcodes in New South Wales.
- **Part B: Victoria** – includes data on taxpayers living in residential postcodes in Victoria.
- **Part C: Queensland** – includes data on taxpayers living in residential postcodes in Queensland.
- **Part D: South Australia** – includes data on taxpayers living in residential postcodes in South Australia.
- **Part E: Western Australia** – includes data on taxpayers living in residential postcodes in Western Australia.
- **Part F: Tasmania** – includes data on taxpayers living in residential postcodes in Tasmania.
- **Part G: Northern Territory** – includes data on taxpayers living in residential postcodes in the Northern Territory.
- **Part H: Australian Capital Territory, other taxpayers and total taxpayers** – includes data on taxpayers living in residential postcodes in the Australian Capital Territory. Also includes data on taxpayers who are living overseas, taxpayers who did not state their residential postcode on their return, taxpayers living in other grouped postcodes and total taxpayers.

Table 4: Selected items for all individuals, by fine industry, 2005–06 income year

This table shows the number of records and amounts for selected items from personal taxpayer returns. Taxpayers and the data are classified into fine industry groupings (determined by the taxpayer's main source of income) based on the ANZSIC 2006 codes.

- **Part A: Tax Office calculated and miscellaneous items** – contains data on Tax Office calculated items such as HELP assessment debt, Medicare levy surcharge, net tax and balance payable or refundable. Also contains the total number of personal taxpayers who lodged returns.
- **Part B: Income, credits, selected deductible, withheld and adjustment items** – contains taxpayer claimed income items, selected deductible and withheld items (items 1–22 on pages 2, 6–8), adjustments items (A1 on page 4 and A3 on page 8), selected credit items, including 'Credit for interest on early payments' (item C1 on page 8) and other Tax Office calculated items such as 'ETP–5% assessable', 'Other salary and wages category 1' and 'Other salary and wages category 2'.
- **Part C: Deduction and tax loss items** – contains taxpayer claimed deductions (items D1–D15 on pages 3 and 8) and tax loss items, including tax losses of earlier years claimed (item L1 on page 3).
- **Part D: Tax offset items** – contains tax offsets claimed by taxpayers on their return (items T1–T15 on pages 3 and 8) and other tax offsets calculated by the Tax Office on behalf of taxpayers, such as the averaging tax offset, life assurance bonus tax offset and others.
- **Part E: Business and professional items** – contains items from the business and professional items section of the return (pages 9–11).

! To meet privacy regulations, statistics for some items are not reported by fine industries in the different parts of this table. Statistics on items showing a low number of records are reported in table 10 ('Selected items, by broad industry').

Table 5: All items, by taxable income, 2005–06 income year

This table shows the number of records and amounts for items taxpayers declare on their personal tax return and items calculated by the Tax Office based on information provided on the return. Taxpayers and the data are classified by taxable status (non-taxable and taxable) and are grouped by taxable income.

- **Part A: Tax Office calculated and miscellaneous items** – contains data on Tax Office calculated items such as HELP assessment debt, Medicare levy surcharge, net tax and balance payable or refundable. Also contains the total number of personal taxpayers who lodged returns.
- **Part B: Income, credits, selected deductible, withheld and adjustment items** – contains taxpayer claimed income items, selected deductible and withheld items (items 1–22 on pages 2, 6–8), adjustment items (A1 on page 4 and A3 on page 8), selected credit items, including 'Credit for interest on early payments' (item C1 on page 8) and other Tax Office calculated items such as 'ETP–5% assessable', 'Other salary and wages category 1' and 'Other salary and wages category 2'.
- **Part C: Deduction and tax loss items** – contains taxpayer claimed deductions (items D1–D15 on pages 3 and 8) and tax loss items, including tax losses of earlier years claimed (item L1 on page 3).
- **Part D: Tax offset items** – contains tax offsets claimed by taxpayers on their return (items T1–T15 on pages 3 and 8) and other tax offsets calculated by the Tax Office on behalf of taxpayers, such as the averaging tax offset, life assurance bonus tax offset and others.
- **Part E: Business and professional items** – contains items from the business and professional items section of the return (pages 9–11).

Table 6: Number of individuals, by broad industry and state/territory/region, 2005–06 income year

This table shows the number of personal taxpayers classified by broad industry in specified regions in different states and territories (for example, major urban, other urban, regional–high urbanisation, regional–low urbanisation, rural and other regions in New South Wales). A region category is composed of postcodes grouped together according to specified population ranges. The broad industry groups used to classify personal taxpayers are based on the ANZSIC 2006 industry groups.

Table 7: Selected items for income years 1996–97 to 2005–06

This table shows the number of records and amounts for selected items from the individual tax return (including items calculated by the Tax Office) for all income years between 1996–97 and 2005–06.

Table 8: Non-resident individuals: selected items, by taxable income, 2005–06 income year

This table shows the number of records and amounts for selected items from the individual tax return of non-resident taxpayers only. For this table, taxpayers and the data are grouped by taxable income.

Table 9: One percentile distribution, by taxable income, 2005–06 income year

This table shows a distribution of taxable income, total income, net tax and number of taxpayers. Taxable income is distributed across 100 quantiles, with each quantile containing 1% of the total number of taxpayers. The table shows the number of male and female taxpayers, and the amount and proportion of total income, taxable income and net tax for each quantile.

Table 10: Selected items, by broad industry, 2005–06 income year

This table shows the number of records and amounts for selected items that are not included in personal tax detailed table 4 ('Selected items, by fine industry'). Taxpayers and the data are classified into broad industry groupings (determined by the taxpayer's main source of business income) based on the ANZSIC 2006 industry groups.

Table 11: Selected items, by age, sex, taxable status and taxable income, 2005–06 income year

This table shows the number of male, female and total personal taxpayers classified into different age brackets (from 'under 18' to '75 years and over') and ranged by taxable income. The pension income, net tax payable, taxable income and total income of male, female and total taxpayers in the different age brackets and taxable income ranges are also shown.

Table 12: Selected items, by sex, marital status, state/territory and taxable income, 2005–06 income year

This table shows the number of single and married male, female and total personal taxpayers, classified by state or territory and ranged by taxable income. The taxable income, total income and net tax payable of male, female and total taxpayers in the different states, territories and taxable income ranges are also shown.

Table 13: Total work-related expenses, by occupation code, 2005–06 income year

This table shows the number of records and amounts of salary and wages and total work-related expenses, classified by salary and wage occupation codes. The occupation classifications are based on information provided on the individual tax return.

Table 14: All items, by total income, 2005–06 income year

This table shows the number of records and amounts for items taxpayers declare on their personal tax return and items calculated by the Tax Office based on information provided on the return. Taxpayers and the data are ranged by total income.

- **Part A: Tax Office calculated and miscellaneous items** – contains data on Tax Office calculated items such as HELP assessment debt, Medicare levy surcharge, net tax and balance payable or refundable. Also contains the total number of personal taxpayers who lodged returns.
- **Part B: Income, credits, selected deductible, withheld and adjustment items** – contains taxpayer claimed income items, selected deductible and withheld items (items 1–22 on pages 2, 6–8), adjustment items (A1 on page 4 and A3 on page 8), selected credit items, including 'Credit for interest on early payments' (item C1 on page 8) and other Tax Office calculated items such as 'ETP–5% assessable', 'Other salary and wages category 1' and 'Other salary and wages category 2'.
- **Part C: Deduction and tax loss items** – contains taxpayer claimed deductions (items D1–D15 on pages 3 and 8) and tax loss items, including tax losses of earlier years claimed (item L1 on page 3).
- **Part D: Tax offset items** – contains tax offsets claimed by taxpayers on their return (items T1–T15 on pages 3 and 8) and other tax offsets calculated by the Tax Office on behalf of taxpayers, such as the averaging tax offset, life assurance bonus tax offset and others.
- **Part E: Business and professional items** – contains items from the business and professional items section of the return (pages 9–11).

Table 15: Taxpayers with business income, all items, by total business income, 2005–06 income year

This table shows the number of records and amounts for items taxpayers declare on their personal tax return and items calculated by the Tax Office, based on information provided on the return. Taxpayers and the data are ranged by total business income.

The statistics in the table refer only to taxpayers who had business income or loss. These are taxpayers who declared primary or non-primary production business income or loss at the following items on the business and professional items schedule: gross payments where ABN not quoted, gross payments – voluntary agreement, gross payments – labour hire or other specified payments, assessable government industry payments and/or other business income.

- **Part A: Tax Office calculated and miscellaneous items** – contains data on Tax Office calculated items such as HECS assessment debt, Medicare levy surcharge, net tax and balance payable or refundable. Also contains the total number of personal taxpayers who lodged returns.
- **Part B: Income, credits, selected deductible, withheld and adjustment items** – contains taxpayer claimed income items, selected deductible and withheld items (items 1–22 on pages 2, 6–8), adjustment items (A1 on page 4 and A3 on page 8), selected credit items, including 'Credit for interest on early payments' (item C1 on page 8) and other Tax Office calculated items such as 'ETP–5% assessable', 'Other salary and wages category 1' and 'Other salary and wages category 2'.
- **Part C: Deduction and tax loss items** – contains taxpayer claimed deductions (items D1–D15 on pages 3 and 8) and tax loss items, including tax losses of earlier years claimed (item L1 on page 3).
- **Part D: Tax offset items** – contains tax offsets claimed by taxpayers on their return (items T1–T15 on pages 3 and 8) and other tax offsets calculated by the Tax Office on behalf of taxpayers, such as the averaging tax offset, life assurance bonus tax offset and others.
- **Part E: Business and professional items** – contains items from the business and professional items section of the return (pages 9–11).

Table 16: Rental property schedules, by state of property, 2005–06 income year

This table shows the number of rental properties by the state location of the property, for all income and expense items on the schedule.

❗ The number of schedules does not correlate to the number of rental properties because of double counting. Properties can be jointly owned, or can be bought and sold during the same income year, resulting in more than one schedule being completed by different individuals for the same property.

Table 17: Taxable income compared to total income, by ranges, 2005–06 income year

This table shows the distribution of taxable individuals across taxable income and total income.

❗ Page numbers refer to the 2006 individual tax return form used by tax agents on behalf of their clients. A copy of this form is in the appendix.

❗ To meet privacy regulations, statistics for some items may not be included in these tables.

OVERVIEW

For the 2005–06 income year:

- 728,196 companies lodged returns, a 2.9% increase from 2004–05
- companies reported total income of \$1,802.6 billion, a 10% increase from 2004–05
- total company expenses were \$1,612 billion, an 8.4% increase from 2004–05
- companies were liable for \$47.8 billion in net tax, an 18.3% increase from 2004–05, and
- total assets controlled by companies were \$4,510.0 billion, a 26.6% increase from 2004–05.

For the 2006–07 financial year:

- petroleum resource rent tax totalled \$1.8 billion.

INTRODUCTION

This chapter provides information on companies as reported on their company income tax returns. Formally, a company is a body corporate and, therefore, an 'entity' for the purposes of the *Income Tax Assessment Act 1997* and the *Taxation Administration Act 1953*. For tax purposes, companies include all incorporated and unincorporated, bodies or associations, excluding partnerships and non-entity joint ventures. Limited partnerships, some corporate unit trusts and public trading trusts are also treated as companies. Depending on the level of their previous year's tax liability, companies pay income tax either in instalments (pay as you go or PAYG), some of which are paid during that income year, or in a single lump sum paid during the subsequent year. For the majority of companies, the income year is the same as the financial year. However, those companies where the income year is different to the financial year use a substituted accounting period.

Generally, every resident company that derives assessable income, from all sources, and every non-resident company that derives assessable income from Australian sources are required to lodge a company tax return. A resident non-profit company is not required to lodge a return if its taxable income is less than \$416. Companies pay a flat rate of tax, without a tax-free threshold. As from and including the 2001–02 income year, the tax rate for public and private companies is 30%. Other companies such as retirement savings account providers, pooled development funds, credit unions, non-profit companies and life insurance and friendly society companies have various other tax rates.

NEW FEATURES AND INFORMATION

Statistics for the 2005–06 income year reported in this chapter may have been affected by changes to the *Income Tax Assessment Act 1997* that now provide for 'black hole' expenditure deductions. The Act now provides for systemic treatment of certain capital expenses not previously recognised for income tax purposes. Such changes are effective for certain capital expenses and capital gains tax (CGT) events incurred on or after 1 July 2005.

Other related changes include:

- new rules which expand the cost base of a CGT asset or a depreciating asset
- introduction of a five year write-off for certain lease and license termination payments, and
- a greater range of business-related expenditure not recognised elsewhere in the tax law.

The Entrepreneurs' tax offset (item 10, label F) label was added to the 2006 company tax return form and has been included in the detailed tables.

The following labels were removed from the 2006 company tax return:

- extraordinary revenue or expenses (item 6, label N), and
- non-assessable management fees (item 13, label 13).

A new chapter table has been added detailing company assets and liabilities for the 2004–05 and 2005–06 year.

COMPANY RETURNS

For the 2005–06 income year, a total of 728,196 companies lodged returns, a 2.9% increase on the number lodging for 2004–05.

Table 3.1: Companies, by taxable status, 2004–05 and 2005–06 income years

| Taxable status | 2004–05 ¹ | | 2005–06 ¹ | |
|--------------------------------|----------------------|--------------|----------------------|--------------|
| | No. | % | No. | % |
| Non-taxable companies | 396,628 | 56.1 | 409,966 | 56.3 |
| Taxable companies ² | 310,827 | 43.9 | 318,230 | 43.7 |
| Total³ | 707,455 | 100.0 | 728,196 | 100.0 |

¹ Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

² Taxable companies are defined as companies with net tax of more than \$0.

³ Totals may differ from the sum of components due to rounding.

In 2005–06, 14.2% of total companies operated in the rental, hiring and real estate services industry, followed by 14.1% in the financial and insurance services industry. The industry with the smallest proportion of companies was the electricity, gas, water and waste services industry, with only 0.3%. These proportions remained largely consistent across 2004–05 and 2005–06.

Table 3.2: Companies¹, by industry, 2004–05 and 2005–06 income years

| Industry ² | 2004–05 ³ | | 2005–06 ³ | |
|---|----------------------|--------------|----------------------|--------------|
| | No. | % | No. | % |
| Agriculture, forestry and fishing | 17,234 | 2.4 | 17,333 | 2.4 |
| Mining | 3,579 | 0.5 | 3,880 | 0.5 |
| Manufacturing | 39,360 | 5.6 | 39,245 | 5.4 |
| Electricity, gas, water and waste services | 1,921 | 0.3 | 1,998 | 0.3 |
| Construction | 84,397 | 11.9 | 87,366 | 12.0 |
| Wholesale trade | 38,270 | 5.4 | 39,106 | 5.4 |
| Retail trade | 41,804 | 5.9 | 42,536 | 5.8 |
| Accommodation and food services | 20,209 | 2.9 | 20,023 | 2.7 |
| Transport, postal and warehousing | 30,698 | 4.3 | 31,651 | 4.3 |
| Information media and telecommunications | 8,158 | 1.2 | 8,428 | 1.2 |
| Financial and insurance services | 103,240 | 14.6 | 102,830 | 14.1 |
| Rental, hiring and real estate services | 99,482 | 14.1 | 103,728 | 14.2 |
| Professional, scientific and technical services | 98,828 | 14.0 | 100,482 | 13.8 |
| Administrative and support services | 21,609 | 3.1 | 22,281 | 3.1 |
| Public administration and safety | 3,194 | 0.5 | 3,177 | 0.4 |
| Education and training | 6,375 | 0.9 | 6,644 | 0.9 |
| Health care and social assistance | 25,874 | 3.7 | 26,690 | 3.7 |
| Arts and recreation services | 6,623 | 0.9 | 6,828 | 0.9 |
| Other services | 24,906 | 3.5 | 25,255 | 3.5 |
| Other ⁴ | 31,694 | 4.5 | 38,715 | 5.3 |
| Total⁵ | 707,455 | 100.0 | 728,196 | 100.0 |

1 Includes all companies that lodged returns (taxable and non-taxable).

2 Industry groups are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 code. This may produce variations in data values from *Taxation statistics 2004–05*.

3 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

4 Includes companies lodging under the 'nil company returns' code, which includes non-taxable companies or companies with nil company returns and companies that did not state their industry; and/or companies registered under the government administration and defence industry code.

5 Totals may differ from the sum of components due to rounding.

Box 3.1: Company size, by total income

For the purposes of this chapter:

Total income is the amount a company declared at item 6, label S, on page 2 of the 2006 company tax return.

Loss/nil companies have a total income equal to or less than \$0.

Micro companies have a total income equal to or more than \$1 but less than \$2 million.

Small companies have a total income equal to or more than \$2 million but less than \$10 million.

Medium companies have a total income equal between \$10 million and \$100 million (inclusive).

Large companies have a total income of more than \$100 million.

In terms of company size, 79.2% of companies were classified as micro companies in 2005–06, while large companies accounted for 0.2% of the total number of companies. These proportions remained consistent across 2004–05 and 2005–06.

Table 3.3: Companies¹, by company size, 2004–05 and 2005–06 income years

| Company size | 2004–05 ² | | 2005–06 ² | |
|---|----------------------|--------------|----------------------|--------------|
| | No. | % | No. | % |
| Loss/nil | 91,189 | 12.9 | 94,746 | 13.0 |
| Micro | 562,910 | 79.6 | 576,626 | 79.2 |
| Small | 41,618 | 5.9 | 44,055 | 6.0 |
| Medium | 10,265 | 1.5 | 11,148 | 1.5 |
| Large | 1,473 | 0.2 | 1,621 | 0.2 |
| Total³ | 707,455 | 100.0 | 728,196 | 100.0 |
| 1 Includes all companies that lodged returns (taxable and non-taxable). | | | | |
| 2 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively. | | | | |
| 3 Totals may differ from the sum of components due to rounding. | | | | |

COMPANY INCOME

For the 2005–06 income year, companies reported total income of \$1,802.6 billion, an increase of 10.0% from 2004–05. The smallest growth of income can be seen with the professional, scientific and technical services industry, showing an increase of 0.3%. No industry group has a decline in its aggregate income for the 2005–06 income year compared to the prior year.

Table 3.4: Company income, by industry, 2004–05 and 2005–06 income years

| Industry ¹ | 2004–05 ² | | 2005–06 ² | |
|---|----------------------|--------------|----------------------|--------------|
| | \$m | % | \$m | % |
| Agriculture, forestry and fishing | 18,012 | 1.1 | 25,852 | 1.4 |
| Mining | 68,023 | 4.2 | 99,539 | 5.5 |
| Manufacturing | 181,017 | 11.0 | 199,672 | 11.1 |
| Electricity, gas, water and waste services | 11,346 | 0.7 | 11,415 | 0.6 |
| Construction | 91,695 | 5.6 | 102,680 | 5.7 |
| Wholesale trade | 191,341 | 11.7 | 205,990 | 11.4 |
| Retail trade | 175,903 | 10.7 | 180,827 | 10.0 |
| Accommodation and food services | 22,432 | 1.4 | 23,474 | 1.3 |
| Transport, postal and warehousing | 62,534 | 3.8 | 69,742 | 3.9 |
| Information media and telecommunications | 35,292 | 2.2 | 36,601 | 2.0 |
| Financial and insurance services | 564,900 | 34.5 | 601,668 | 33.4 |
| Rental, hiring and real estate services | 51,952 | 3.2 | 64,030 | 3.6 |
| Professional, scientific and technical services | 72,867 | 4.4 | 73,069 | 4.1 |
| Administrative and support services | 30,108 | 1.8 | 33,454 | 1.9 |
| Public administration and safety | 3,192 | 0.2 | 3,571 | 0.2 |
| Education and training | 2,703 | 0.2 | 3,095 | 0.2 |
| Health care and social assistance | 15,106 | 0.9 | 15,557 | 0.9 |
| Arts and recreation services | 10,481 | 0.6 | 10,634 | 0.6 |
| Other services | 16,092 | 1.0 | 18,332 | 1.0 |
| Other ³ | 13,818 | 0.8 | 23,355 | 1.3 |
| Total⁴ | 1,638,816 | 100.0 | 1,802,559 | 100.0 |

1 Industry groups are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 code. This may produce variations in data values from *Taxation statistics 2004–05*.

2 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

3 Includes companies lodging under the 'nil company returns' code, which includes non-taxable companies or companies with nil company returns – no income, expense or balance sheet data present; companies that did not state their industry; and/or companies registered under the government administration and defence industry code.

4 Totals may differ from the sum of components due to rounding.

For 2005–06 approximately 72.6% of company income was derived from sales of goods and services. The largest growth in company income from any one source was from gross distribution from trusts, with 24.6% growth for 2005–06.

Table 3.5: Company income, by source, 2004–05 and 2005–06 income years

| Source of income | No. | 2004–05 ¹ | No. | 2005–06 ¹ |
|--|----------------|----------------------|----------------|----------------------|
| | | \$m | | \$m |
| Sales of goods and services | 265,149 | 1,180,933 | 271,285 | 1,308,516 |
| Other gross income | 306,005 | 257,747 | 308,790 | 259,152 |
| Gross interest | 355,852 | 127,537 | 375,749 | 136,663 |
| Gross rent/leasing/hiring | 66,106 | 25,454 | 66,354 | 27,640 |
| Gross dividends | 60,837 | 20,996 | 59,269 | 26,044 |
| Gross distribution from trusts | 65,868 | 20,639 | 69,258 | 25,722 |
| Unrealised gains on revaluation of assets to fair value | n.a. | n.a. | 1,373 | 12,358 |
| Gross distribution from partnerships | 12,099 | 2,945 | 11,858 | 3,344 |
| Assessable government industry payments | 24,189 | 1,900 | 25,319 | 2,193 |
| Fringe benefit employee contributions | 60,876 | 366 | 62,417 | 416 |
| Gross payments subject to foreign resident withholding | 645 | 91 | 609 | 363 |
| Gross payments where ABN not quoted | 345 | 207 | 242 | 148 |
| Total² | 617,929 | 1,638,816 | 635,188 | 1,802,559 |
| 1 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively. | | | | |
| 2 Components do not add to the number of companies as companies may declare more than one type of income. Totals may differ from the sum of components due to rounding. | | | | |

COMPANY EXPENSES

For the 2005–06 income year, company expenses totalled \$1,612.0 billion, an increase of \$125 billion. The largest increase in expenses claimed was in the agriculture, forestry and fishing industry, where companies claimed an additional \$7.9 billion, (a 47.7% increase). The income of this industry group increased by 43.5% over the same period.

Table 3.6: Company expenses, by industry, 2004–05 and 2005–06 income years

| Industry ¹ | 2004–05 ² | | 2005–06 ² | |
|---|----------------------|--------------|----------------------|--------------|
| | \$m | % | \$m | % |
| Agriculture, forestry and fishing | 16,558 | 1.1 | 24,456 | 1.5 |
| Mining | 58,620 | 3.9 | 80,777 | 5.0 |
| Manufacturing | 166,412 | 11.2 | 178,559 | 11.1 |
| Electricity, gas, water and waste services | 10,691 | 0.7 | 10,368 | 0.6 |
| Construction | 86,603 | 5.8 | 95,493 | 5.9 |
| Wholesale trade | 182,915 | 12.3 | 196,874 | 12.2 |
| Retail trade | 170,920 | 11.5 | 174,629 | 10.8 |
| Accommodation and food services | 21,465 | 1.4 | 22,328 | 1.4 |
| Transport, postal and warehousing | 59,025 | 4.0 | 66,330 | 4.1 |
| Information media and telecommunications | 28,231 | 1.9 | 31,125 | 1.9 |
| Financial and insurance services | 488,744 | 32.9 | 511,101 | 31.7 |
| Rental, hiring and real estate services | 45,122 | 3.0 | 55,754 | 3.5 |
| Professional, scientific and technical services | 68,046 | 4.6 | 67,225 | 4.2 |
| Administrative and support services | 28,867 | 1.9 | 31,927 | 2.0 |
| Public administration and safety | 2,979 | 0.2 | 3,326 | 0.2 |
| Education and training | 2,561 | 0.2 | 2,930 | 0.2 |
| Health care and social assistance | 14,218 | 1.0 | 14,439 | 0.9 |
| Arts and recreation services | 9,490 | 0.6 | 9,323 | 0.6 |
| Other services | 15,079 | 1.0 | 17,214 | 1.1 |
| Other ³ | 10,253 | 0.7 | 17,827 | 1.1 |
| Total⁴ | 1,486,800 | 100.0 | 1,612,007 | 100.0 |

1 Industry groups are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 code.

2 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

3 Includes companies lodging under the 'nil company returns' code, which includes non-taxable companies or companies with nil company returns – no income, expense or balance sheet data present; companies that did not state their industry; and/or companies registered under the government administration and defence industry code.

4 Totals may differ from the sum of components due to rounding.

For the 2005–06 income year, 49.6% of total company expenses were related to cost of sales. Total company expenses increased by 8.4% in 2005–06. Companies appear to be sourcing more capital from overseas with the amount claimed for overseas interest expenses increasing by 37.5%.

Table 3.7: Company expenses, by type, 2004–05 and 2005–06 income years

| Type of expense | No. | 2004–05 ¹ | No. | 2005–06 ¹ |
|--|----------------|----------------------|----------------|----------------------|
| | | \$m | | \$m |
| Cost of sales | 227,819 | 731,412 | 230,508 | 799,889 |
| Other expenses | 627,805 | 467,645 | 644,922 | 484,095 |
| Interest expenses – Australia | 277,984 | 94,533 | 288,931 | 96,063 |
| External labour | 131,223 | 53,816 | 133,710 | 62,110 |
| Depreciation | 416,772 | 41,180 | 423,214 | 44,347 |
| Rent | 210,437 | 23,559 | 214,052 | 25,678 |
| Interest expenses – overseas | 7,849 | 19,365 | 9,016 | 26,627 |
| Employee superannuation | 311,858 | 17,537 | 315,502 | 20,845 |
| Repairs and maintenance | 281,156 | 13,469 | 278,896 | 14,894 |
| Motor vehicle | 319,163 | 8,354 | 323,553 | 9,368 |
| Unrealised losses on revaluation of assets to fair value | n.a. | n.a. | 2,400 | 9,118 |
| Lease expenses – Australia | 66,902 | 5,888 | 63,990 | 6,369 |
| Bad debts | 38,455 | 3,638 | 38,856 | 3,287 |
| Royalty expenses – Australia | 5,321 | 3,162 | 5,328 | 5,233 |
| Royalty expenses – overseas | 1,357 | 2,835 | 1,432 | 3,652 |
| Lease expenses – overseas | 1,317 | 390 | 1,378 | 414 |
| Foreign resident withholding expenses | 95 | 14 | 67 | 17 |
| Total² | 634,232 | 1,486,800 | 653,667 | 1,612,007 |

1 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

2 Components do not add to the number of companies as companies may claim more than one type of expense. Totals may differ from the sum of components due to rounding.

COMPANY ASSETS AND LIABILITIES

The current assets a company holds include cash on hand, trade debtors, short-term bills receivable, inventories and cash held with banks. Total assets include current fixed and tangible assets. Obligations payable by the company within the coming year are classed as current liabilities, while total liabilities will include deferred liabilities.

For the 2005–06 income year, companies reported total assets of \$4,510.0 billion. This represents a 26.6% increase of some \$946.5 million compared to 2004–05. The large company segment experienced the greatest growth in total assets, rising by 24.3% in 2005–06. Total company liabilities rose in 2005–06 with an additional \$734.7 million reported, an increase of 26.7%. The large company segment experienced the greatest total liability growth of 31.3%.

Table 3.8: Company¹ assets and liabilities, by company size, 2004–05 and 2005–06 income years

| Company size | 2004–05 ² | | | | 2005–06 ² | | | |
|--------------------------|----------------------|--------------|------------------|--------------|----------------------|--------------|------------------|--------------|
| | Total liabilities | | Total assets | | Total liabilities | | Total assets | |
| | \$m | % | \$m | % | \$m | % | \$m | % |
| Loss/nil | 17,891 | 0.6 | 35,174 | 0.9 | 17,735 | 0.5 | 27,174 | 0.6 |
| Micro | 157,919 | 5.7 | 281,442 | 7.5 | 164,707 | 4.7 | 302,373 | 6.7 |
| Small | 98,792 | 3.6 | 164,913 | 4.4 | 103,237 | 3.0 | 174,909 | 3.9 |
| Medium | 243,927 | 8.9 | 359,470 | 9.6 | 268,429 | 7.7 | 403,373 | 8.9 |
| Large | 2,236,405 | 81.2 | 2,897,478 | 77.7 | 2,935,546 | 84.1 | 3,602,217 | 79.9 |
| Total³ | 2,754,935 | 100.0 | 3,738,478 | 100.0 | 3,489,653 | 100.0 | 4,510,045 | 100.0 |

1 Includes all companies that lodged returns (taxable and non-taxable).

2 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

3 Totals may differ from the sum of components due to rounding.

COMPANY NET TAX

The definition of net tax is used to categorise companies as being taxable or non-taxable. A taxable company is seen as one where net tax is more than \$0. Comparatively, non-taxable companies are defined as those with net tax less than or equal to \$0.

Box 3.2: Calculating net tax for companies

| Company net tax is calculated as: | |
|--|---|
| | Total income (item income–6S) |
| less | Total expenses (item expenses–6Q) |
| equals | Operating profit or loss (item–6T) |
| add or subtract | Extraordinary items and reconciliation items ¹ |
| gives | <i>Taxable income or loss</i> (calculated item A) |
| apply | Relevant tax rate ² |
| gives | <i>Gross tax</i> (calculated item B) |
| subtract | Rebates/tax offsets, foreign tax credits, franking deficit tax offset (calculated items C, D and E) |
| gives | <i>Tax payable</i> ³ |
| subtract | Other refundable credits (calculated item Z) |
| gives | Net tax |
| <div><div>1</div>Adjustments made for items where the tax treatment differs from the company's accounting treatment.</div> <div><div>2</div>The general company rate is 30%, but other rates may apply to life insurance companies, retirement savings account providers, pooled development funds, and non-profit organisations.</div> <div><div>3</div>Located below calculation item G on the company income tax return form.</div> | |

Companies were liable for \$47.8 billion in net tax for the 2005–06 income year, an 18.1% increase from 2004–05. Large companies accounted for less than 0.4% of the total number of companies, but were liable for 64.5% of total company net tax. Conversely, the micro company segment represented the largest proportion of total company numbers, accounting for 87.1% of companies but paying 12.3% of the total net tax due.

Table 3.9: Company net tax¹, by company size, 2004–05 and 2005–06 income years

| Company size | 2004–05 ² | | 2005–06 ² | |
|--|----------------------|---------------|----------------------|---------------|
| | No. | \$m | No. | \$m |
| Loss/nil | 397 | 119 | 394 | 78 |
| Micro | 272,086 | 5,672 | 277,253 | 5,882 |
| Small | 29,524 | 4,136 | 31,015 | 4,704 |
| Medium | 7,698 | 5,364 | 8,333 | 6,325 |
| Large | 1,122 | 25,192 | 1,235 | 30,832 |
| Total³ | 310,827 | 40,483 | 318,230 | 47,822 |
| <div><div>1</div>Taxable companies are defined as companies with net tax of more than \$0.</div> <div><div>2</div>Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.</div> <div><div>3</div>Totals may differ from the sum of components due to rounding.</div> | | | | |

In 2005–06 public companies accounted for \$29.1 billion (60.9%) of total net tax but represented only 1.1% of the number of taxable companies. Private companies accounted for \$18.4 billion (38.4%) of total net tax, but represented 88.1% of taxable companies.

Table 3.10: Company net tax, by company type, 2005–06 income year

| Company type | Taxable companies | Net tax | Average net tax ¹ |
|--------------------------|-------------------|------------------|------------------------------|
| | No. | \$m ² | \$ |
| Public company | 3,612 | 29,105 | 8,057,796 |
| Private company | 280,478 | 18,351 | 65,426 |
| Limited partnership | 449 | 134 | 298,713 |
| Public trading trust | 107 | 91 | 846,222 |
| Co-operative | 1,069 | 83 | 77,568 |
| Corporate unit trust | 113 | 31 | 276,266 |
| Strata title | 31,747 | 13 | 419 |
| Pooled development fund | 13 | 8 | 651,098 |
| Non-profit organisation | 618 | 6 | 9,362 |
| Other | 24 | 0 | 5,325 |
| Total³ | 318,230 | 47,822 | 150,275 |

1 Average net tax figures are derived from actual (not rounded) net tax figures and taxable company numbers.

2 Values less than \$500,000 may be rounded to \$0.

3 Totals may differ from the sum of components due to rounding.

In 2005–06, 1.0% of taxable companies were each liable for \$1.0 million or more in net tax in 2005–06, but in aggregate they were liable for 75.4% of total company net tax.

Table 3.11: Taxable companies, by net tax, 2005–06 income year

| Net tax | Taxable companies | | Net tax | |
|--------------------------|-------------------|--------------|---------------|--------------|
| | No. | % | \$m | % |
| \$1–\$9,999 | 172,315 | 54.1 | 476 | 1.0 |
| \$10,000–\$49,999 | 89,741 | 28.2 | 2,127 | 4.4 |
| \$50,000–\$99,999 | 24,625 | 7.7 | 1,734 | 3.6 |
| \$100,000–\$499,999 | 25,046 | 7.9 | 5,130 | 10.7 |
| \$500,000–\$999,999 | 3,314 | 1.0 | 2,290 | 4.8 |
| \$1,000,000 or more | 3,189 | 1.0 | 36,064 | 75.4 |
| Total¹ | 318,230 | 100.0 | 47,822 | 100.0 |

1 Totals may differ from the sum of components due to rounding.

Box 3.3: Non-taxable companies

In general, non-taxable companies are companies with net tax less than or equal to \$0.

They include:

- companies trading at a loss, which can be due to poor trading performance (such as poor sales or cost control performance) or to the nature of a company's activities, and
- companies whose trading profits are offset by reconciliation. Profits, based on a company's trading activities, are offset by adjustments made by reconciliation items such as deductions for the decline in value of depreciating assets, capital works deductions and other deductible expenses. Refer to the 2006 company tax return for a list of possible reconciliation items.

The number of non-taxable companies increased by 3.4% in 2005–06. This growth was largely due to a 3.2% growth in the number of companies trading at a loss.

Table 3.12: Non-taxable companies¹, 2004–05 and 2005–06 income years

| Non-taxable companies | 2004–05 ² | | 2005–06 ² | |
|---|----------------------|--------------|----------------------|--------------|
| | No. | % | No. | % |
| Trading at a loss | 235,204 | 59.3 | 242,826 | 59.2 |
| Zero profit, nil total income | 51,510 | 13.0 | 53,020 | 12.9 |
| Zero profit with total income | 18,162 | 4.6 | 19,292 | 4.7 |
| Trading profit offset by reconciliation | 82,122 | 20.7 | 84,710 | 20.7 |
| Trading profit offset by other credits | 9,630 | 2.4 | 10,118 | 2.5 |
| Total³ | 396,628 | 100.0 | 409,966 | 100.0 |

1 Non-taxable companies are defined as companies with net tax less than or equal to \$0.

2 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

3 Totals may differ from the sum of components due to rounding.

Among non-taxable companies whose industry was stated, the mining industry accounted for 68.1% of the total number of non-taxable companies in 2005–06.

Table 3.13: Non-taxable companies¹, by industry, 2004–05 and 2005–06 income years

| Industry ² | Non-taxable No. | 2004–05 ³ | Non-taxable No. | 2005–06 ³ |
|---|--------------------|--|--------------------|--|
| | | Percentage of total companies % | | Percentage of total companies % |
| Agriculture, forestry and fishing | 10,632 | 61.7 | 11,068 | 63.9 |
| Mining | 2,443 | 68.3 | 2,640 | 68.1 |
| Manufacturing | 21,517 | 54.7 | 21,644 | 55.2 |
| Electricity, gas, water and waste Services | 1,110 | 57.8 | 1,157 | 57.9 |
| Construction | 47,790 | 56.6 | 49,879 | 57.1 |
| Wholesale trade | 21,237 | 55.5 | 22,126 | 56.6 |
| Retail trade | 24,568 | 58.8 | 25,647 | 60.3 |
| Accommodation and food services | 13,654 | 67.6 | 13,598 | 67.9 |
| Transport, postal and warehousing | 18,825 | 61.3 | 19,742 | 62.4 |
| Information media and telecommunications | 5,357 | 65.7 | 5,580 | 66.2 |
| Financial and insurance services | 52,415 | 50.8 | 52,824 | 51.4 |
| Rental, hiring and real estate services | 48,709 | 49.0 | 50,368 | 48.6 |
| Professional, scientific and technical services | 57,873 | 58.6 | 58,442 | 58.2 |
| Administrative and support services | 12,283 | 56.8 | 12,706 | 57.0 |
| Public administration and safety | 1,992 | 62.4 | 1,941 | 61.1 |
| Education and training | 4,088 | 64.1 | 4,296 | 64.7 |
| Health care and social assistance | 14,549 | 56.2 | 14,960 | 56.1 |
| Arts and recreation services | 4,264 | 64.4 | 4,510 | 66.1 |
| Other services | 14,575 | 58.5 | 14,825 | 58.7 |
| Other ⁴ | 18,747 | 59.1 | 22,013 | 56.9 |
| Total⁵ | 396,628 | 56.1 | 409,966 | 56.3 |

1 Non-taxable companies are defined as companies with net tax less than or equal to \$0.

2 Industry groups are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 code.

3 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

4 Includes companies lodging under the 'nil company returns' code, which includes non-taxable companies or companies with nil company returns – no income, expense or balance sheet data present; companies that did not state their industry; and/or companies registered under the government administration and defence industry code.

5 Totals may differ from the sum of components due to rounding.

PETROLEUM RESOURCE RENT TAX

Petroleum resource rent tax (PRRT) was introduced from 1 July 1984 replacing the crude oil and liquefied petroleum gas excise and the Commonwealth royalty on wellhead value of production. It is a secondary tax on profits from all offshore petroleum projects, except certain North-West Shelf projects and projects in the Joint Petroleum Development Area in the Timor Sea.

Like royalties, PRRT payments are allowable deductions when calculating income tax. The tax is calculated at 40% of 'excess' profit (a tax on economic rent of the petroleum resource), which is the excess of assessable receipts over deductible expenditure and eligible transferred exploration expenditure.

The tax is paid to the Tax Office quarterly, with the first three instalment payments made in October, January and April respectively. Annual returns are due within 60 days of the end of a year of tax. A final payment, or refund, is made after the Commissioner of Taxation has issued a notice of assessment.

In the 2006–07 financial year, PRRT totalled under \$1.8 billion. Compared to 2005–06, there was an 11.5% decrease in collections. The decrease was predominantly due to the impact of legislative changes announced by the Treasurer and Minister for Industry, Tourism and Resources on 10 May 2005. The changes, which came into effect on 1 July 2006, require taxpayers to transfer and deduct transferable exploration expenditure when calculating their quarterly PRRT installments. Previously, this expenditure could only be deducted at the end of the tax year.

Table 3.14: Petroleum resource rent tax, 2005–06 and 2006–07 financial years

| | 2005–06 | 2006–07 |
|--|--------------|--------------|
| PRRT | No. | No. |
| Number of taxpayers | 47 | 42 |
| | \$m | \$m |
| Assessable receipts | 8,155 | 9,005 |
| Expenditure – class 2 general ¹ | 3,279 | 4,891 |
| Expenditure – class 2 exploration ² | 374 | 614 |
| Expenditure – other | 1,516 | 56 |
| <i>Expenditure – total</i> | <i>5,168</i> | <i>5,560</i> |
| Transferred expenditure – section 45a ³ | 485 | 356 |
| Transferred expenditure – section 45b ⁴ | 89 | 637 |
| <i>Transferred expenditure – total</i> | <i>573</i> | <i>1,024</i> |
| Taxable profit | 4,991 | 4,419 |
| Carry forward expenditure | 2,578 | 1,967 |
| Total PRRT paid on taxable profit | 1,997 | 1,768 |
| ¹ General project operating expenditure (drilling plant and equipment, pipelines, wage costs) incurred on or after 1 July 1990. ² Project exploration expenditure (exploration and appraisal drilling) incurred on or after 1 July 1990. ³ Exploration expenditure incurred on or after 1 July 1990 transferred from other petroleum projects of a taxpayer. ⁴ Exploration expenditure incurred on or after 1 July 1990 transferred from other petroleum projects within a wholly owned group of companies. | | |

SOURCE OF COMPANY AND PRRT STATISTICS

The company statistics in this chapter are sourced from 2005 and 2006 company income tax returns processed by 31 October 2006 and 31 October 2007 respectively. The statistics reported are not necessarily complete as the proportion of tax returns processed by 31 October each year can vary. We recommend you exercise care when comparing the statistics for the current year and previous years.

The PRRT statistics were sourced from PRRT installment statements and the PRRT returns for the 2006 and 2007 financial years. These statements were processed by 31 October 2006 and 31 October 2007 respectively.

Statistics in the detailed tables have been updated for the 1996–97 to 2005–06 income years to include returns processed by 31 October 2007. These statistics cannot be compared to previous editions of *Taxation statistics*.

A copy of the company return form is in the appendix. It may be viewed or downloaded as a PDF file from the attached CD-ROM or from the online version of *Taxation statistics* on the Tax Office website at www.ato.gov.au

LIST OF COMPANY DETAILED TABLES

The following detailed tables are on the attached CD-ROM and included in the online version of this publication on the Tax Office website. The tables may be viewed or downloaded as PDF or Excel files.

To find out whether a particular item is included in a detailed table, refer to the company detailed table index included on the attached CD-ROM and in the online version of this publication. The index lists the different items shown in the detailed tables and specifies which table they appear in.

Table 1:

Selected items, by net tax and company type, 2005–06 income year

This table shows the number of records and amounts for selected items such as total income, taxable income, total credits/rebates, total refundable credits, net tax and net capital gains for public, private, other and total companies, broken down by net tax groupings.

Table 2:

Selected items, by taxable income, taxable status, residential status and company type, 2005–06 income year

This table shows the number of records and amounts for items from the company tax return for taxable and non-taxable companies that are classified by different types (resident, non-resident, public, private and other), broken down by taxable income groupings.

■ **Part A: Income items** – contains income labels from item 6 ‘Calculation of total profit or loss’ on page 2 of the company return.

■ **Part B: Expense items** – contains expense labels and operating profit/loss labels from item 6 ‘Calculation of total profit or loss’ on page 2 of the company return.

■ **Part C: Reconciliation to taxable income or loss items** – contains reconciliation labels from item 7 ‘Reconciliation to taxable income or loss’ on page 2 of the company return.

■ **Part D: Financial and other information items excluding non-membership period returns** – contains labels from item 8 ‘Financial and other information’ on page 3 of the company return.

■ **Part E: Calculation statement items** – contains labels from item 9 ‘STS depreciating assets’ and item 10 ‘Losses information’ on page 3, and tax offset label item 16 ‘Landcare and water facility offset’ and the ‘Calculation statement’ on page 4 of the company return.

■ **Part F: Financial and other information items for non-membership period returns** – details selected labels from item 8 ‘Financial and other information’ on page 3 of the company return for subsidiary companies (non-membership period returns) that were members of a consolidated group at any time during the 2005–06 income year.

Table 3:

Number of companies and net tax, by balance date, 2005–06 income year

This table shows the number of companies and taxable companies that used an income year similar to the Australian financial year (June balancers), and companies and taxable companies that used a substituted accounting period. The net tax of these companies is also shown.

Table 4: Selected items, by fine industry, 2005–06 income year

This table shows the number of records and amounts for items from the company tax return for companies classified by fine industry groupings (determined by the main source of income) based on the ANZSIC 2006 Business Register codes.

- **Part A: Income items** – contains income labels from item 6 ‘Calculation of total profit or loss’ on page 2 of the company return.
- **Part B: Expense items** – contains expense labels and operating profit/loss labels from item 6 ‘Calculation of total profit or loss’ on page 2 of the company return.
- **Part C: Reconciliation to taxable income or loss items** – contains reconciliation labels from item 7 ‘Reconciliation to taxable income or loss’ on page 2 of the company return.
- **Part D: Financial and other information items excluding non-membership period returns** – contains labels from item 8 ‘Financial and other information’ on page 3 of the company return.
- **Part E: Calculation statement items** – contains labels from item 9 ‘STS depreciating assets’ and item 10 ‘Losses information’ on page 3, and tax offset label item 16 ‘Landcare and water facility tax offset’ and the ‘Calculation statement’ on page 4 of the company return.

In order to meet privacy regulations, statistics for some items are not reported by fine industries in the different parts of this table. Statistics on items showing a low number of records are reported in table 9 (‘Other selected items, by broad industry’) and table 10 (‘Selected financial and other information, by broad industry, for non-membership period returns’).

Table 5: Selected items and financial ratios for medium to large companies, by broad industry, 2005–06 income year

This table reports amounts for selected items from the company tax return and financial ratios calculated from these items for companies with total income equal to or more than \$10 million. The financial ratios in this table include return on assets, net profit margin, gearing, interest cover and tax to profit ratios. This table also includes selected items from non-membership period returns.

- **Part A: Taxable and profitable companies** – includes amounts for selected items and ratios calculated for companies with:
 - total income more than or equal to \$10 million
 - net tax or tax payable of more than \$0, and
 - operating profit or loss of more than \$0.
- **Part B: Taxable and non-profitable companies** – includes amounts for selected items and ratios calculated for companies with:
 - total income more than or equal to \$10 million
 - net tax or tax payable of more than \$0, and
 - operating profit or loss less than or equal to \$0.
- **Part C: Non-taxable and profitable companies** – includes amounts for selected items and ratios calculated for companies with:
 - total income more than or equal to \$10 million
 - net tax or tax payable equal to \$0, and
 - operating profit or loss of more than \$0.
- **Part D: Non-taxable and non-profitable companies** – includes amounts for selected items and ratios calculated for companies with:
 - total income more than or equal to \$10 million
 - net tax or tax payable equal to \$0, and
 - operating profit or loss less than or equal to \$0.

Table 6: Selected items, 1996–97 to 2005–06 income years

This table shows selected items from the company tax return for income years 1996–97 to 2005–06. The number of records and amounts for most items are shown.

Table 7: Selected items, by total income, taxable status, residential status and company type, 2005–06 income year

This table presents data (number of records and amounts) on items from the company tax return for taxable and non-taxable companies, classified by different types (resident, non-resident, public, private and other) and broken down by total income groupings.

- **Part A: Income items** – contains income labels from item 6 ‘Calculation of total profit or loss’ on page 2 of the company return.
- **Part B: Expense items** – contains expense labels and operating profit/loss labels from item 6 ‘Calculation of total profit or loss’ on page 2 of the company return.
- **Part C: Reconciliation to taxable income or loss items** – contains reconciliation labels from item 7 ‘Reconciliation to taxable income or loss’ on page 2 of the company return.
- **Part D: Financial and other information items excluding non-membership period returns** – contains labels from item 8 ‘Financial and other information’ on page 3 of the company return.
- **Part E: Calculation statement items** – contains labels from item 9 ‘STS depreciating assets’ and item 10 ‘Losses information’ on page 3, and tax offset label item 16 ‘Landcare and water facility tax offset’ and the ‘Calculation statement’ on page 4 of the company return.
- **Part F: Financial and other information items for non-membership period returns** – details selected labels from item 8 ‘Financial and other information’ on page 3 of the company return for subsidiary companies (non-membership period returns) that were members of a consolidated group at any time during the 2005–06 income year.

Table 8: Selected items, by broad industry and total income, 2005–06 income year

This table shows the number of companies classified under the different broad industry groupings based on the ANZSIC 2006 Business Register codes, and the total income, taxable income and net tax of these companies. The companies, total income, taxable income and net tax are also broken down by total income groupings.

Table 9: Other selected items (not included in table 4), by company size, 2005–06 income year

This table shows the number of records and amounts for selected items that are not included in company tax detailed table 4 (‘Selected items, by fine industry’). Taxpayers and the data are classified into broad industry groupings (determined by the taxpayer’s main source of business income) based on the ANZSIC 2006 industry groups.

Table 10: Selected financial and other information, by company size, for non-membership period returns, 2005–06 income year

This table details selected labels from item 8 ‘Financial and other information’ on page 3 of the company return for subsidiary companies (non-membership period returns) that were members of a consolidated group at any time during the 2005–06 income year.

❗ Page numbers refer to the 2006 company tax return form used by tax agents on behalf of their clients. A copy of this form is in the appendix.

❗ To meet privacy regulations, statistics for some items may not be included in these tables.

OVERVIEW

For the 2005–06 income year:

- 285,784 funds lodged returns, a 6.6% increase from 2004–05
- funds reported total income of \$102.9 billion, a 26.5% increase from 2004–05
- total fund deductions were \$28.9 billion, a 21.8% increase from 2004–05, and
- funds were liable for \$6.7 billion in net tax, a 39.1% increase from 2004–05.

INTRODUCTION

This chapter provides information on superannuation funds as reported on their fund income tax returns. Superannuation funds hold contributions in trust and invest these contributions to provide retirement benefits for their members.

Broadly, the fund taxpayer population is divided into two categories: non-regulated funds and regulated funds. Only regulated funds (as defined under the *Superannuation Industry (Supervision) Act 1993*) qualify as complying superannuation funds for tax purposes and receive tax concessions. Regulated funds can be one of six types: self managed superannuation funds, small APRA (Australian Prudential Regulation Authority) funds, corporate or employer-sponsored funds, industry funds, retail funds or public sector funds.

Most funds with fewer than five members are self managed superannuation funds. These funds are regulated by the Tax Office. Small APRA funds are small funds (with less than five members) regulated by APRA. Corporate, industry, retail and public sector funds are superannuation funds with more than four members, and may be either public offer or non-public offer funds. They are generally established for the benefit of employees of a sponsoring employer. In this chapter they have been aggregated into a category called 'large fund types'.

For more information about the superannuation system, see chapter 15.

NEW FEATURES AND INFORMATION

For the 2005–06 income year, there were no significant return form changes that affected the statistics reported in this chapter.

FUND RETURNS

For the 2005–06 income year, 285,784 funds lodged returns in Australia, a 6.6% increase from 2004–05. Self managed superannuation funds were the most common type of fund, accounting for 97.2% of total funds. Self managed funds were the only type of fund that experienced growth in numbers in 2005–06.

Table 4.1: Funds, by type, 2004–05 and 2005–06 income years

| Fund type | 2004–05 ¹ | | 2005–06 ¹ | |
|---|----------------------|--------------|----------------------|--------------|
| | No. | % | No. | % |
| Self managed superannuation fund | 259,010 | 96.7 | 277,811 | 97.2 |
| Small APRA fund | 7,138 | 2.7 | 6,577 | 2.3 |
| Large fund types ² | | | | |
| Corporate fund | 749 | 0.3 | 515 | 0.2 |
| Industry fund | 67 | 0.0 | 62 | 0.0 |
| Retail fund | 342 | 0.1 | 299 | 0.1 |
| Public sector fund | 44 | 0.0 | 39 | 0.0 |
| <i>Total large fund types</i> | <i>1,202</i> | <i>0.4</i> | <i>915</i> | <i>0.3</i> |
| Non-regulated fund | 429 | 0.2 | 336 | 0.1 |
| Other ³ | 198 | 0.1 | 145 | 0.1 |
| Total⁴ | 267,977 | 100.0 | 285,784 | 100.0 |
| ¹ Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively. ² This term should not be confused with 'large funds', which refers to funds with income of more than \$100 million. ³ Includes funds that nominated 'other' on their tax return, approved deposit funds and pooled superannuation trusts. ⁴ Totals may differ from the sum of components due to rounding. | | | | |

The industry in which most members of a fund are employed determines the industry classification of the fund. Funds self-classify their industry each year on their fund tax return. In 2005–06, 63.8% of funds classified themselves in the finance, insurance, real estate and business services industry. This industry was also the one with the largest growth in 2005–06, growing by 10.4% (excluding ‘other’ funds).

Table 4.2: Funds, by industry, 2004–05 and 2005–06 income years

| Industry ¹ | 2004–05 ² | | 2005–06 ² | |
|--|----------------------|--------------|----------------------|--------------|
| | No. | % | No. | % |
| Building and construction | 19,235 | 7.2 | 19,482 | 6.8 |
| Electricity, gas and water | 1,219 | 0.5 | 1,251 | 0.4 |
| Entertainment, recreation, hotels, personal services and restaurants | 8,545 | 3.2 | 8,720 | 3.1 |
| Finance, insurance, real estate and business services | 165,203 | 61.6 | 182,351 | 63.8 |
| Government | 708 | 0.3 | 715 | 0.3 |
| Health, education, welfare and community services | 18,687 | 7.0 | 18,985 | 6.6 |
| Manufacturing | 7,952 | 3.0 | 7,791 | 2.7 |
| Mining | 1,620 | 0.6 | 1,730 | 0.6 |
| Primary production | 13,953 | 5.2 | 13,835 | 4.8 |
| Transport, storage and communications | 6,880 | 2.6 | 6,811 | 2.4 |
| Wholesale and retail trade | 21,957 | 8.2 | 21,682 | 7.6 |
| Other ³ | 2,018 | 0.8 | 2,431 | 0.9 |
| Total⁴ | 267,977 | 100.0 | 285,784 | 100.0 |

1 Fund industry groupings are different from the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 groupings used by other entities. Only superannuation funds need to specify their industry classification on the fund income tax return.

2 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

3 Includes funds that nominated ‘other’ on their tax return, approved deposit funds and pooled superannuation trusts.

4 Totals may differ from the sum of components due to rounding.

Box 4.1: Fund size, by total income

For the purposes of this chapter:

Total income is the amount a fund declared at item 9a, label S, on page 3 of the 2006 fund return.

Loss/nil funds have a total income equal to or less than \$0.

Micro funds have a total income equal to or more than \$1 but less than \$2 million.

Small funds have a total income equal to or more than \$2 million but less than \$10 million.

Medium funds have a total income between \$10 million and \$100 million (inclusive).

Large funds have a total income of more than \$100 million.

Micro funds accounted for 97.2% of the total number of funds in 2005–06. Small, medium and large funds accounted for less than 0.2% of the total number of funds, while 2.6% of funds had total income equal to or less than \$0. These proportions did not significantly change between 2004–05 and 2005–06.

Table 4.3: Funds, by size, 2004–05 and 2005–06 income years

| Fund size | 2004–05 ¹ | | 2005–06 ¹ | |
|--------------------------|----------------------|--------------|----------------------|--------------|
| | No. | % | No. | % |
| Loss/nil | 6,836 | 2.6 | 7,368 | 2.6 |
| Micro | 260,443 | 97.2 | 277,731 | 97.2 |
| Small | 343 | 0.1 | 341 | 0.1 |
| Medium | 239 | 0.1 | 214 | 0.1 |
| Large | 116 | 0.0 | 130 | 0.0 |
| Total² | 267,977 | 100.0 | 285,784 | 100.0 |

1 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

2 Totals may differ from the sum of components due to rounding.

FUND INCOME

For the 2005–06 income year, funds reported total income of \$102.9 billion, a 26.5% increase from 2004–05. Although retail funds represented only 0.1% of funds, they accounted for 29.0% of total fund income. Self managed superannuation fund income grew by 42.8%.

Table 4.4: Fund total income, by fund type, 2004–05 and 2005–06 income years

| Fund type | 2004–05 ¹ | | 2005–06 ¹ | |
|---|----------------------|--------------|----------------------|--------------|
| | \$m | % | \$m | % |
| Self managed superannuation fund | 15,831 | 19.5 | 22,609 | 22.0 |
| Small APRA fund | 322 | 0.4 | 316 | 0.3 |
| Large fund types | | | | |
| Corporate fund | 10,715 | 13.2 | 10,256 | 10.0 |
| Industry fund | 15,208 | 18.7 | 22,570 | 21.9 |
| Retail fund | 23,799 | 29.2 | 29,808 | 29.0 |
| Public sector fund | 11,592 | 14.2 | 14,024 | 13.6 |
| <i>Total large fund types²</i> | <i>61,314</i> | <i>75.3</i> | <i>76,658</i> | <i>74.5</i> |
| Non-regulated fund | 30 | 0.0 | 35 | 0.0 |
| Other ³ | 3,873 | 4.8 | 3,289 | 3.2 |
| Total⁴ | 81,370 | 100.0 | 102,907 | 100.0 |

1 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

2 This term should not be confused with 'large funds', which refers to funds with income of more than \$100 million.

3 Includes funds that nominated 'other' on their tax return, approved deposit funds and pooled superannuation trusts.

4 Totals may differ from the sum of components due to rounding.

The finance, insurance, real estate and business services industry generated 40.3% of total fund income and represented 63.8% of the total number of funds in 2005–06. The only industry that had a decline in income in 2005–06 was the transport, storage and communications industry, with a decrease of 16.5%.

Table 4.5: Fund total income, by industry, 2004–05 and 2005–06 income years

| Industry ¹ | 2004–05 ² | | 2005–06 ² | |
|--|----------------------|--------------|----------------------|--------------|
| | \$m | % | \$m | % |
| Building and construction | 2,720 | 3.3 | 3,406 | 3.3 |
| Electricity, gas and water | 1,211 | 1.5 | 1,656 | 1.6 |
| Entertainment, recreation, hotels, personal services and restaurants | 1,758 | 2.2 | 2,183 | 2.1 |
| Finance, insurance, real estate and business services | 30,331 | 37.3 | 41,498 | 40.3 |
| Government | 11,959 | 14.7 | 14,850 | 14.4 |
| Health, education, welfare and community services | 8,170 | 10.0 | 9,938 | 9.7 |
| Manufacturing | 7,280 | 8.9 | 9,060 | 8.8 |
| Mining | 1,248 | 1.5 | 1,557 | 1.5 |
| Primary production | 1,275 | 1.6 | 1,742 | 1.7 |
| Transport, storage and communications | 4,690 | 5.8 | 3,917 | 3.8 |
| Wholesale and retail trade | 4,844 | 6.0 | 5,999 | 5.8 |
| Other ³ | 5,884 | 7.2 | 7,101 | 6.9 |
| Total⁴ | 81,370 | 100.0 | 102,907 | 100.0 |

1 Fund industry groupings are different from the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 groupings used by other entities. Only superannuation funds need to specify their industry classification on the fund income tax return.

2 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

3 Includes funds that nominated 'other' on their tax return, approved deposit funds and pooled superannuation trusts.

4 Totals may differ from the sum of components due to rounding.

The number of funds reporting total income in 2005–06 increased by 6.6%, while the total income of funds increased by 26.5%. The main income source for funds was contributions from employers, which grew by 16.2% in 2005–06, representing 44.1% of total income. Almost all other types of fund income experienced strong growth. Net capital gains grew by 148.2% in 2005–06 as a result of 16.4% more funds realising larger capital gains. Net capital gains accounted for 19.5% of fund income.

Table 4.6: Fund income, by source, 2004–05 and 2005–06 income years

| Source of income | 2004–05 ¹ | | 2005–06 ¹ | |
|---|----------------------|---------------|----------------------|----------------|
| | No. | \$m | No. | \$m |
| Employer contributions | 151,742 | 39,063 | 161,637 | 45,394 |
| Net capital gains | 106,179 | 8,073 | 123,560 | 20,039 |
| Distribution from trusts | 140,756 | 9,986 | 155,870 | 11,629 |
| Dividends franked | 169,802 | 5,738 | 182,914 | 6,318 |
| Employee contributions | 28,947 | 2,555 | 41,403 | 4,502 |
| Gross interest | 236,352 | 3,521 | 253,398 | 3,829 |
| Net foreign income | 113,701 | 3,983 | 130,145 | 3,632 |
| Franking credits | 169,820 | 2,471 | 182,938 | 2,667 |
| Gross rents | 39,503 | 1,260 | 42,466 | 1,365 |
| Dividends unfranked | 118,054 | 561 | 132,133 | 711 |
| Distribution from partnerships | 2,940 | 95 | 3,132 | 84 |
| Assessable amounts from non-resident superannuation funds | 81 | 4 | 105 | 7 |
| Australian franking credits from a New Zealand company | 698 | 2 | 631 | 2 |
| Net non-arms length income | 67 | 2 | 57 | 2 |
| Gross payments where ABN not quoted | 184 | 1 | 102 | <1 |
| Net previous income | 6 | <1 | 8 | <1 |
| Gross payments subject to foreign resident withholding | 566 | <1 | 315 | <1 |
| Other income | 33,155 | 4,057 | 32,983 | 2,725 |
| Total² | 261,175 | 81,370 | 278,443 | 102,907 |

¹ Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

² Components do not add to total number of taxpayers as taxpayers may declare more than one income source.
Totals may differ from the sum of components due to rounding.

FUND DEDUCTIONS

Total deductions for the 2005–06 income year were \$28.9 billion, a 21.8% increase from 2004–05. Self managed superannuation funds' deductions grew by 40.8%, which was only surpassed by industry funds' deductions which grew by 58.2%.

Table 4.7: Fund total deductions, by fund type, 2004–05 and 2005–06 income years

| Fund type | 2004–05 ¹ | | 2005–06 ¹ | |
|---|----------------------|--------------|----------------------|--------------|
| | \$m | % | \$m | % |
| Self managed superannuation fund | 3,710 | 15.6 | 5,222 | 18.1 |
| Small APRA fund | 142 | 0.6 | 125 | 0.4 |
| Large fund types | | | | |
| Corporate fund | 1,390 | 5.9 | 1,246 | 4.3 |
| Industry fund | 1,495 | 6.3 | 2,365 | 8.2 |
| Retail fund | 12,361 | 52.1 | 14,120 | 48.9 |
| Public sector fund | 4,170 | 17.6 | 5,645 | 19.5 |
| <i>Total large fund types²</i> | <i>19,416</i> | <i>81.9</i> | <i>23,376</i> | <i>80.9</i> |
| Non-regulated fund | 5 | 0.0 | 4 | 0.0 |
| Other ³ | 439 | 1.9 | 165 | 0.6 |
| Total⁴ | 23,712 | 100.0 | 28,892 | 100.0 |

1 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

2 This term should not be confused with 'large funds', which refers to funds with income of more than \$100 million.

3 Includes funds that nominated 'other' on their tax return, approved deposit funds and pooled superannuation trusts.

4 Totals may differ from the sum of components due to rounding.

Most deductions were claimed by the finance, insurance, real estate and business services industry, followed by government and the manufacturing industry.

Table 4.8: Fund total deductions, by industry, 2004–05 and 2005–06 income years

| Industry ² | 2004–05 ¹ | | 2005–06 ¹ | |
|--|----------------------|--------------|----------------------|--------------|
| | \$m | % | \$m | % |
| Building and construction | 433 | 1.8 | 558 | 1.9 |
| Electricity, gas and water | 119 | 0.5 | 166 | 0.6 |
| Entertainment, recreation, hotels, personal services and restaurants | 218 | 0.9 | 260 | 0.9 |
| Finance, insurance, real estate and business services | 13,603 | 57.4 | 16,175 | 56.0 |
| Government | 4,301 | 18.1 | 6,059 | 21.0 |
| Health, education, welfare and community services | 994 | 4.2 | 1,150 | 4.0 |
| Manufacturing | 1,786 | 7.5 | 2,170 | 7.5 |
| Mining | 170 | 0.7 | 182 | 0.6 |
| Primary production | 192 | 0.8 | 291 | 1.0 |
| Transport, storage and communications | 591 | 2.5 | 404 | 1.4 |
| Wholesale and retail trade | 550 | 2.3 | 660 | 2.3 |
| Other ³ | 755 | 3.2 | 818 | 2.8 |
| Total⁴ | 23,712 | 100.0 | 28,892 | 100.0 |

1 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

2 Fund industry groupings are different from the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 groupings used by other entities. Only superannuation funds need to specify their industry classification on the fund income tax return.

3 Includes funds that nominated 'other' on their tax return, approved deposit funds and pooled superannuation trusts.

4 Totals may differ from the sum of components due to rounding.

Exempt pension income was the most significant fund deduction for 2005–06, accounting for 34.4% or \$9.9 billion of total deductions. This represented a 49.0% increase from 2004–05. Factors that influenced this growth include a 27.2% increase in the number of funds claiming this deduction (more fund members receiving a superannuation pension) and general strong growth in fund income.

Table 4.9: Total fund deductions, by type, 2004–05 and 2005–06 income years

| Type of deduction | 2004–05 ¹ | | 2005–06 ¹ | |
|---------------------------------------|----------------------|---------------|----------------------|---------------|
| | No. | \$m | No. | \$m |
| Exempt current pension income | 36,161 | 6,673 | 45,982 | 9,942 |
| Transfer of taxable contributions | 94 | 9,108 | 96 | 9,746 |
| Management/administration expenses | 203,660 | 2,300 | 220,670 | 2,708 |
| Group life and disability premiums | 32,731 | 2,273 | 36,334 | 2,692 |
| Investment expenses | 63,561 | 1,488 | 70,649 | 1,853 |
| Depreciation deducted | 17,744 | 82 | 18,656 | 76 |
| Total salary and wage expenses | 157 | 62 | 123 | 68 |
| Losses recouped ² | 6,622 | 80 | 6,956 | 50 |
| Capital works deductions | 5,584 | 39 | 5,757 | 34 |
| Interest expenses – Australia | 12,007 | 19 | 16,066 | 31 |
| Interest expenses – overseas | 170 | <1 | 211 | <1 |
| Foreign resident withholding expenses | 11 | <1 | 5 | <1 |
| Other deductions | 77,460 | 1,587 | 76,605 | 1,692 |
| Total^{3,4} | 257,166 | 23,712 | 272,583 | 28,892 |

¹ Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

² Also referred to as 'tax losses deducted'.

³ Taxpayers can claim more than one type of deduction.

⁴ Totals may differ from the sum of components due to rounding.

FUND NET TAX

For the 2005–06 income year, total fund net tax increased by 39.1% to \$6.7 billion. Industry funds accounted for 31.6% or \$2.1 billion of the total net tax payable, a 55.3% increase from 2004–05. Self managed superannuation funds' net tax grew by 73.1%.

Table 4.10: Fund net tax, by fund type, 2004–05 and 2005–06 income years

| Fund type | No. | 2004–05 ¹ | No. | 2005–06 ¹ |
|----------------------------------|----------------|----------------------|----------------|----------------------|
| | | \$m | | \$m |
| Self managed superannuation fund | 243,530 | 726 | 261,086 | 1,257 |
| Small APRA fund | 6,941 | –5 | 6,421 | –1 |
| Large fund types | | | | |
| Corporate fund | 692 | 999 | 456 | 968 |
| Industry fund | 66 | 1,365 | 61 | 2,120 |
| Retail fund | 264 | 989 | 237 | 1,432 |
| Public sector fund | 39 | 407 | 36 | 544 |
| <i>Total large fund types</i> | <i>1,061</i> | <i>3,760</i> | <i>790</i> | <i>5,064</i> |
| Non-regulated fund | 195 | 11 | 151 | 14 |
| Other | 146 | 328 | 109 | 368 |
| Total² | 251,873 | 4,819 | 268,557 | 6,701 |

1 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

2 Totals may differ from the sum of components due to rounding.

Box 4.2: Calculating net tax for funds

| Fund net tax is calculated as: | |
|--------------------------------|---|
| | Total income (item 9A item S – excludes gross foreign income) |
| less | Total deductions (item 9B (A – G)) |
| <i>gives</i> | <i>Taxable income or loss</i> (calculated item A) |
| apply | Fund type specific tax rate |
| <i>gives</i> | <i>Gross tax</i> (calculated item B) |
| subtract | Foreign tax credits, rebates/tax offsets |
| <i>gives</i> | <i>Tax payable</i> |
| subtract | Refundable franking credits (item Q) |
| <i>gives</i> | Net tax |

The finance, insurance, real estate and business services industry was liable for 32.6% of fund net tax in 2005–06, compared to 24.6% in 2004–05. A high proportion of self managed superannuation funds classify themselves into this industry, and this is where the strong growth in funds has occurred.

Table 4.11: Fund net tax, by industry, 2004–05 and 2005–06 income years

| Industry ¹ | 2004–05 ² | | 2005–06 ² | |
|--|----------------------|--------------|----------------------|--------------|
| | No. | \$m | No. | \$m |
| Building and construction | 18,135 | 230 | 18,223 | 296 |
| Electricity, gas and water | 1,160 | 95 | 1,177 | 139 |
| Entertainment, recreation, hotels, personal services and restaurants | 7,852 | 144 | 7,980 | 202 |
| Finance, insurance, real estate and business services | 154,774 | 1,186 | 171,120 | 2,182 |
| Government | 669 | 508 | 674 | 587 |
| Health, education, welfare and community services | 18,032 | 651 | 18,293 | 939 |
| Manufacturing | 7,537 | 508 | 7,363 | 626 |
| Mining | 1,530 | 116 | 1,633 | 152 |
| Primary production | 13,215 | 86 | 13,079 | 139 |
| Transport, storage and communications | 6,436 | 439 | 6,346 | 344 |
| Wholesale and retail trade | 20,765 | 413 | 20,480 | 531 |
| Other | 1,768 | 442 | 2,189 | 564 |
| Total³ | 251,873 | 4,819 | 268,557 | 6,701 |
| 1 Fund industry groupings are different from the ANZSIC groupings used by other entities. Only superannuation funds need to specify their industry classification on the fund income tax return. | | | | |
| 2 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively. | | | | |
| 3 Totals may differ from the sum of components due to rounding. | | | | |

Large funds were liable for 69.5% of net tax in 2005–06, compared with 68.7% in 2004–05. All other fund sizes, except small, had an increase in net tax. This is especially significant for micro funds as there was an increase of 6.6% in the number with net tax, but a relatively large 69.0% increase in the value of net tax.

Table 4.12: Fund net tax, by fund size, 2004–05 and 2005–06 income years

| Fund size | 2004–05 ¹ | | 2005–06 ¹ | |
|--|----------------------|--------------|----------------------|--------------|
| | No. | \$m | No. | \$m |
| Loss/nil | 45 | <1 | 48 | <1 |
| Micro | 251,169 | 754 | 267,862 | 1,274 |
| Small | 332 | 117 | 330 | 88 |
| Medium | 226 | 638 | 198 | 685 |
| Large | 101 | 3,310 | 119 | 4,654 |
| Total² | 251,873 | 4,819 | 268,557 | 6,701 |
| ¹ Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively. | | | | |
| ² Totals may differ from the sum of components due to rounding. | | | | |

SOURCE OF FUND STATISTICS

The statistics in this chapter are sourced from 2005 and 2006 fund income tax returns processed by 31 October 2006 and 31 October 2007 respectively. The statistics reported are not necessarily complete as the proportion of tax returns processed by 31 October each year can vary. We recommend you exercise care in comparing the statistics for the current year and previous years.

Statistics in the detailed tables have been updated for the 1996–97 to 2004–05 income years to include returns processed by 31 October 2007. These statistics cannot be compared to previous editions of *Taxation statistics*.

A copy of the fund income tax return form is in the appendix. It may be viewed or downloaded as a PDF file from the attached CD-ROM or from the online version of *Taxation statistics* on the Tax Office website at www.ato.gov.au

LIST OF FUND DETAILED TABLES

The following detailed tables are on the attached CD-ROM and included in the online version of this publication on the Tax Office website. The tables may be viewed or downloaded as PDF or Excel files.

To find out whether a particular item is included in a detailed table, refer to the fund tax detailed table index included on the attached CD-ROM and in the online version of this publication. The index lists the different items shown in the detailed tables and specifies which table they appear in.

Table 1: Selected items, by net tax and fund status, 2005–06 income year
This table shows the number, taxable income and net tax of different types of funds (superannuation fund, approved deposit fund and pooled superannuation trust) broken down by net tax groupings. The number, taxable income and net tax of taxable and non-taxable funds are also reported.

Table 2: Selected items, by fund status and industry classification, 2005–06 income year

This table shows the number of records and amounts for items funds declare on their fund tax return. Funds and the data are classified by fund type (superannuation fund, approved deposit fund and pooled superannuation trust). Superannuation funds and the data referring to superannuation funds are further classified by membership industry classification.

- **Part A: Calculation statement items** – contains labels from item 8 ‘calculation statement’ on page 2 of the fund tax return.
- **Part B: Income items** – contains income labels from item 9a ‘income’ on page 3 of the fund tax return.
- **Part C: Expense items and losses information** – contains expense labels from item 9b ‘deductions’ and labels from item 10 ‘Losses information’ on page 4 of the fund tax return.
- **Part D: Other information** – contains labels from item 11 ‘other information’ on page 4 of the fund tax return.

Table 3: Selected items for income years 1996–97 to 2005–06

This table shows selected items from the fund tax return for income years 1996–97 to 2005–06. The number of records and amounts for most items are shown.

Table 4: Selected items, by taxable income, 2005–06 income year

This table shows the number of records and amounts for items funds declare on their fund tax return. Funds and the data are broken down by taxable income groupings.

- **Part A: Calculation statement items** – contains labels from item 8 ‘calculation statement’ on page 2 of the fund tax return.
- **Part B: Income items** – contains income labels from item 9a ‘income’ on page 3 of the fund tax return.
- **Part C: Expense items and losses information** – contains expense labels from item 9b ‘deductions’ and labels from item 10 ‘losses information’ on page 4 of the fund tax return.
- **Part D: Other information** – contains labels from item 11 ‘other information’ on page 4 of the fund tax return.

Table 5: Number of funds and net tax, by balance date, 2005–06 income year

This table shows the number of funds, the number of funds with net tax payable and the amounts of their respective net tax, by different balance dates.

Table 6: Selected items, by total income, 2005–06 income year

This table shows the number of records and amounts for items funds declare on their fund tax return. Funds and the data are ranged by total income.

- **Part A: Calculation statement items** – contains labels from item 8 ‘calculation statement’ on page 2 of the fund tax return.
- **Part B: Income items** – contains income labels from item 9a ‘Income’ on page 3 of the fund tax return.
- **Part C: Expense items and losses information** – contains expense labels from item 9b ‘deductions’ and labels from item 10 ‘losses information’ on page 4 of the fund tax return.
- **Part D: Other information** – contains labels from item 11 ‘other information’ on page 4 of the fund tax return.

❗ Page numbers refer to the 2006 fund income tax and regulatory return form used by tax agents on behalf of their clients. A copy of this form is in the appendix.

❗ To meet privacy regulations, statistics for some items may not be included in the tables.

OVERVIEW

For the 2005–06 income year:

- 415,279 partnerships lodged returns, a 4.4% decrease from 2004–05
- the largest proportion of partnerships were in the agriculture, forestry and fishing industry at 26.4%
- partnerships reported total business income of \$114.7 billion, a 1.2% decrease from 2004–05, and
- total partnership expenses were \$100.6 billion, a 0.7% decrease from 2004–05.

INTRODUCTION

This chapter provides information on partnerships, as reported on their partnership tax returns. A partnership is a relationship between separate persons carrying on a business with a view to profit. Each partner contributes towards the partnership and shares in the profits or losses and responsibilities.

A partnership does not pay tax in its own right. Instead each partner pays tax on their share of the net partnership income at their individual tax rate. All shares of capital gains or losses relating to capital gains tax events for partnership assets must be disclosed on the partners' tax returns.

A partnership is a separate entity for tax purposes, so it requires a tax file number and must lodge a tax return at the end of the income year. All income earned and deductions claimed for expenses incurred in earning income for the partnership must be shown on the tax return. Although this return is simply an information return, it provides the basis for determining each partner's respective share of the net partnership income or loss.

NEW FEATURES AND INFORMATION

The following new labels were added to the 2006 partnership return and have been included in the detailed tables:

- entrepreneurs' tax offset (item 57) labels:
 - simplified tax system group turnover (labels D)
 - net simplified tax system income (label E), and
- share of credit for tax withheld from foreign resident withholding (item 8, label U).

PARTNERSHIP RETURNS

Box 5.1: Partnership size, by total business income

For the purposes of this chapter:

Total business income is the amount a partnership declared at item 5 on page 2 of the 2006 partnership return.

Loss partnerships have a total business income less than \$0.

Nil partnerships have a total business income equal to \$0.

Micro partnerships have a total business income equal to or more than \$1 but less than \$2 million.

Small partnerships have a total business income equal to or more than \$2 million but less than \$10 million.

Medium partnerships have a total business income between \$10 million and \$100 million (inclusive).

Large partnerships have a total business income of more than \$100 million.

For the 2005–06 income year, a total of 415,279 partnerships lodged returns, a 4.4% decline from 2004–05. Micro partnerships were the most common type of partnership, accounting for 81.8% of the total number of partnerships.

Table 5.1: Partnerships, by size, 2004–05 and 2005–06 income years

| Partnership size | 2004–05 ¹ | | 2005–06 ¹ | |
|--------------------------|----------------------|--------------|----------------------|--------------|
| | No. | % | No. | % |
| Loss | 299 | 0.1 | 282 | 0.1 |
| Nil | 69,941 | 16.1 | 68,511 | 16.5 |
| Micro | 357,597 | 82.3 | 339,720 | 81.8 |
| Small | 5,969 | 1.4 | 6,101 | 1.5 |
| Medium | 641 | 0.1 | 632 | 0.2 |
| Large | 44 | 0.0 | 33 | 0.0 |
| Total² | 434,491 | 100.0 | 415,279 | 100.0 |

¹ Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

² Totals may differ from the sum of components due to rounding.

The proportion of partnerships across all industries remained stable from 2004–05 to 2005–06. The agriculture, forestry and fishing industry had the largest proportion of partnerships at 26.4%. This was followed by the construction industry at 15.6% and the rental, hiring and real estate services industry at 11.5%. Rental, hiring and real estate services was one of only two industries that experienced a growth (1.5%) in the number of partnerships for the 2005–06 income year, the other being public administration and safety (0.9%).

Table 5.2: Partnerships, by industry, 2004–05 and 2005–06 income years

| Industry ¹ | 2004–05 ² | | 2005–06 ² | |
|---|----------------------|--------------|----------------------|--------------|
| | No. | % | No. | % |
| Agriculture, forestry and fishing | 113,558 | 26.1 | 109,757 | 26.4 |
| Mining | 668 | 0.2 | 625 | 0.2 |
| Manufacturing | 16,559 | 3.8 | 15,583 | 3.8 |
| Electricity, gas, water and waste services | 847 | 0.2 | 839 | 0.2 |
| Construction | 67,459 | 15.5 | 64,984 | 15.6 |
| Wholesale trade | 8,985 | 2.1 | 8,638 | 2.1 |
| Retail trade | 33,425 | 7.7 | 31,829 | 7.7 |
| Accommodation and food services | 22,119 | 5.1 | 21,273 | 5.1 |
| Transport, postal and warehousing | 20,767 | 4.8 | 19,419 | 4.7 |
| Information media and telecommunications | 1,488 | 0.3 | 1,412 | 0.3 |
| Financial and insurance services | 5,233 | 1.2 | 4,844 | 1.2 |
| Rental, hiring and real estate services | 47,236 | 10.9 | 47,929 | 11.5 |
| Professional, scientific and technical services | 18,432 | 4.2 | 17,045 | 4.1 |
| Administrative and support services | 15,111 | 3.5 | 14,273 | 3.4 |
| Public administration and safety | 687 | 0.2 | 693 | 0.2 |
| Education and training | 2,843 | 0.7 | 2,722 | 0.7 |
| Health care and social assistance | 4,704 | 1.1 | 4,597 | 1.1 |
| Arts and recreation | 4,735 | 1.1 | 4,481 | 1.1 |
| Investment income recipients ³ | 25 | 0.0 | 18 | 0.0 |
| Other services | 21,389 | 4.9 | 20,530 | 4.9 |
| Other ⁴ | 28,221 | 6.5 | 23,788 | 5.7 |
| Total⁵ | 434,491 | 100.0 | 415,279 | 100.0 |

1 Industry groups are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 code.

2 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

3 This category refers to trusts with 'property operators and developers', 'property income interest and dividend income' and 'property income other' ANZSIC 2006 codes.

4 Includes partnerships that lodged a subsidiary return with income from non-primary production partnerships and trusts, those registered under the government administration and defence code and those that did not state their industry.

5 Totals may differ from the sum of components due to rounding.

PARTNERSHIP INCOME

Partnerships receive income from a variety of sources. The total net income or loss by partnerships increased by 1.7% in 2005–06. The majority of partnerships (87.5%) have reported net business income, which is the major source of income for partnerships, accounting for 81.5% of their total net income. Partnership gross interest had the highest growth in 2005–06, with an increase of 68.8%.

Table 5.3: Partnership selected income items, 2004–05 and 2005–06 income years

| Selected income items | 2004–05 ¹ | | 2005–06 ¹ | |
|--|----------------------|---------------|----------------------|---------------|
| | No. | \$m | No. | \$m |
| Net business income | 371,560 | 14,291 | 353,621 | 14,132 |
| Net primary production distributions from partnerships or trusts | 1,702 | 46 | 1,538 | 22 |
| Net non-primary production distributions from partnerships or trusts | 11,650 | 211 | 10,383 | 253 |
| Net rent | 73,784 | 1,369 | 72,193 | 1,411 |
| Gross interest | 133,537 | 709 | 129,615 | 1,197 |
| Gross (or total) dividends | 42,644 | 238 | 37,122 | 251 |
| Imputation credit | 38,321 | 89 | 34,219 | 95 |
| Other Australian income | 4,695 | 127 | 4,264 | 131 |
| Less deductions relating to Australian investment income | 6,930 | 81 | 5,675 | 73 |
| Less other deductions | 14,265 | 151 | 14,193 | 158 |
| Attributed foreign income | 20 | 14 | 53 | 0 |
| Net other assessable foreign source income | 4,150 | 175 | 3,694 | 74 |
| Australian franking credits from a New Zealand company | 53 | 0 | 47 | 0 |
| Total net income or loss² | 422,371 | 17,037 | 404,119 | 17,335 |

1 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

2 Totals may differ from the sum of components due to rounding.

PARTNERSHIP BUSINESS INCOME

Overall, 4.9% fewer partnerships reported total business income in 2005–06. The only industry to experience growth was the rental, hiring and real estate services industry, which increased by 0.5%. Partnerships reported total business income of \$114.7 billion for the 2005–06 income year, a 1.2% decline from 2004–05.

Table 5.4: Partnership total business income, by industry, 2004–05 and 2005–06 income years

| Industry ¹ | No. | 2004–05 ² | | 2005–06 ² | |
|---|----------------|----------------------|----------------|----------------------|--|
| | | \$m | No. | \$m | |
| Agriculture, forestry and fishing | 105,995 | 21,936 | 102,099 | 21,657 | |
| Mining | 593 | 700 | 562 | 589 | |
| Manufacturing | 15,863 | 5,883 | 14,863 | 4,817 | |
| Electricity, gas, water and waste services | 822 | 1,487 | 812 | 2,082 | |
| Construction | 62,758 | 19,083 | 60,102 | 17,909 | |
| Wholesale trade | 8,482 | 5,947 | 8,112 | 5,763 | |
| Retail trade | 32,028 | 19,552 | 30,453 | 19,512 | |
| Accommodation and food services | 20,595 | 5,871 | 19,773 | 5,956 | |
| Transport, postal and warehousing | 19,875 | 4,179 | 18,522 | 4,010 | |
| Information media and telecommunications | 1,381 | 1,118 | 1,312 | 2,928 | |
| Financial and insurance services | 3,023 | 1,548 | 2,840 | 1,588 | |
| Rental, hiring and real estate services | 15,590 | 4,260 | 15,674 | 4,516 | |
| Professional, scientific and technical services | 17,126 | 9,772 | 15,839 | 11,305 | |
| Administrative and support services | 14,604 | 1,611 | 13,814 | 1,704 | |
| Public administration and safety | 655 | 122 | 636 | 136 | |
| Education and training | 2,715 | 260 | 2,604 | 250 | |
| Health care and social assistance | 4,399 | 2,784 | 4,297 | 2,860 | |
| Arts and recreation | 4,447 | 2,519 | 4,223 | 898 | |
| Investment income recipients ³ | 10 | 2 | 7 | 1 | |
| Other services | 20,475 | 3,780 | 19,615 | 3,725 | |
| Other ⁴ | 13,114 | 3,690 | 10,609 | 2,495 | |
| Total⁵ | 364,550 | 116,104 | 346,768 | 114,701 | |

1 Industry groups are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 code.

2 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

3 This category refers to trusts with 'property operators and developers', 'property income interest and dividend income' and 'property income other' ANZSIC 2006 codes.

4 Includes partnerships that lodged a subsidiary return with income from non-primary production partnerships and trusts, those registered under the government administration and defence code and those that did not state their industry.

5 Totals may differ from the sum of components due to rounding.

Micro partnerships represented the largest proportion of total business income in both the 2004–05 and 2005–06 income years. Large partnerships experienced a 5.5% decline in total business income, with the number of large partnerships falling 25%.

Table 5.5: Partnership total business income, by partnership size, 2004–05 and 2005–06 income years

| Partnership size | 2004–05 ¹ | | 2005–06 ¹ | |
|--------------------------|----------------------|----------------|----------------------|----------------|
| | No. | \$m | No. | \$m |
| Loss | 299 | –26 | 282 | –7 |
| Nil | 69,941 | 0 | 68,511 | 0 |
| Micro | 357,597 | 66,681 | 339,720 | 65,404 |
| Small | 5,969 | 22,275 | 6,101 | 23,028 |
| Medium | 641 | 14,323 | 632 | 14,128 |
| Large | 44 | 12,852 | 33 | 12,148 |
| Total² | 434,491 | 116,104 | 415,279 | 114,701 |

1 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

2 Totals may differ from the sum of components due to rounding.

PARTNERSHIP BUSINESS EXPENSES

For the 2005–06 income year, partnerships reported total business expenses of \$100.6 billion, a 0.7% decline from 2004–05. The decline in expenses is consistent with the decline recorded for total business income. The most significant expense claimed was 'other expenses', which accounted for 39.8% of all partnership expenses, followed closely by cost of sales at 39.0%.

Table 5.6: Partnership business expenses, by type, 2004–05 and 2005–06 income years

| Type of expense | 2004–05 ¹ | | 2005–06 ¹ | |
|---------------------------------------|----------------------|----------------|----------------------|----------------|
| | No. ² | \$m | No. ² | \$m |
| Cost of sales | 197,246 | 42,092 | 187,487 | 39,196 |
| Interest | 200,382 | 3,950 | 192,923 | 4,142 |
| External labour | 91,909 | 4,664 | 90,248 | 4,004 |
| Rent | 99,424 | 2,604 | 92,124 | 2,606 |
| Depreciation | 322,920 | 4,388 | 308,053 | 4,436 |
| Superannuation | 86,352 | 821 | 81,676 | 852 |
| Repairs and maintenance | 243,179 | 2,097 | 229,888 | 2,059 |
| Motor vehicle | 273,069 | 2,125 | 255,815 | 2,118 |
| Lease expenses | 35,662 | 491 | 29,150 | 463 |
| Royalty expenses | 2,521 | 247 | 2,448 | 595 |
| Bad debts | 9,241 | 119 | 8,545 | 120 |
| Foreign resident withholding expenses | 27 | 1 | 0 | 0 |
| Other expenses | 366,457 | 37,722 | 348,946 | 40,009 |
| Total³ | 373,542 | 101,320 | 355,573 | 100,599 |

1 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

2 Components do not add to the total number of taxpayers claiming expenses as taxpayers may claim more than one type of expense.

3 Totals may differ from the sum of components due to rounding.

SOURCE OF PARTNERSHIP STATISTICS

The statistics in this chapter are sourced from 2005 and 2006 partnership tax returns processed by 31 October 2006 and 31 October 2007 respectively. The statistics reported are not necessarily complete as the proportion of tax returns processed by 31 October each year can vary. We recommend you exercise caution when comparing the statistics for the current year and previous years.

Statistics reported in the detailed tables for the 1996–97 to 2004–05 income years have been updated to include returns processed by 31 October 2007. These statistics cannot be compared to previous editions of *Taxation statistics*.

A copy of the partnership tax return form is located in the appendix. It may be viewed or downloaded as a PDF file from the attached CD-ROM or from the online version of *Taxation statistics* on the Tax Office website at www.ato.gov.au

LIST OF PARTNERSHIP DETAILED TABLES

The following partnership return detailed tables can be found on the attached CD-ROM and included in the online version of this publication on the Tax Office website. The tables may be viewed or downloaded as PDF or Excel files.

The items referred to in the detailed tables are items declared on the 2006 partnership income tax return. A copy of the return is in the appendix.

To find out whether a particular item is included in a detailed table, refer to the partnership return detailed tables index, included on the attached CD-ROM and in the online version of this publication. The table index lists the different items shown in the detailed tables and specifies the tables they appear in.

Table 1: Selected items, by net Australian income, 2005–06 income year

This table shows the number of records and amounts for selected items from the partnership return, broken down by net Australian income.

- **Part A: Business income, expense and reconciliation items** – contains income, expense and reconciliation labels from item 5 ‘Business income and expenses’ on page 2 of the partnership return.
- **Part B: Other income and expense items** – contains labels from items 6–12 on page 3 of the partnership return.
- **Part C: Other deductions, foreign income and total net income** – contains labels from items 14, 15, and 17–21 on page 4 of the partnership return.
- **Part D: Key financial information and business and professional items** – contains items 28–32 from the ‘Key financial information’ section and items 35–53 from the ‘Business and professional items’ section on page 5 of the partnership return.

Table 2: Selected items, by broad industry, 2005–06 income year

This table shows the number of records and amounts for most items from the partnership return. Partnership returns and the data are classified by broad industry groupings (determined by the taxpayer’s main source of business income) based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 codes.

- **Part A: Business income, expense and reconciliation items** – contains income, expense and reconciliation labels from item 5 ‘Business income and expenses’ on page 2 of the partnership return.
- **Part B: Other income and expense items** – contains labels from items 6–12 on page 3 of the partnership return.
- **Part C: Other deductions, foreign income and total net income** – contains labels from items 14, 15 and 17–21 on page 4 of the partnership return.
- **Part D: Key financial information and business and professional items** – contains items 28–32 from the ‘Key financial information’ section and items 35–53 from the ‘Business and professional items’ section on page 5 of the partnership return.

Table 3: Selected items for income years 1996–97 to 2005–06

This table shows selected items from the partnership return for income years 1996–97 to 2005–06. Most items display the number of records and amounts.

Table 4: Selected items, by fine industry (amounts only), 2005–06 income year

This table shows the number of partnership returns and amounts for most items from the partnership return. Partnership returns and the amounts are classified by fine industry groupings (determined by the taxpayer’s main source of business income) based on the ANZSIC 2006 codes.

- **Part A: Business income, expense and reconciliation items** – contains income, expense and reconciliation labels from item 5 ‘Business income and expenses’ on page 2 of the partnership return.
- **Part B: Other income and expense items** – contains labels from items 6–12 on page 3 of the partnership return.
- **Part C: Other deductions, foreign income and total net income** – contains labels from items 14, 15 and 17–21 on page 4 of the partnership return.
- **Part D: Key financial information and business and professional items** – contains items 28–32 from the ‘Key financial information’ section and items 35–53 from the ‘Business and professional items’ section on page 5 of the partnership return.

❗ Page numbers refer to the 2006 partnership tax return form used by tax agents on behalf of their clients. A copy of this form is in the appendix.

❗ To meet privacy regulations, statistics for some items may not be included in the tables.

06 TRUSTS

OVERVIEW

For the 2005–06 income year:

- 569,593 trusts lodged returns, a 6.8% increase from 2004–05
- the largest proportion of trusts where industry was stated were in the rental, hiring and real estate services industry at 18.1%
- trusts reported total business income of \$246.3 billion, a 14.3% increase from 2004–05, and
- total trust business expenses were \$224.3 billion, an 11.6% increase from 2004–05.

INTRODUCTION

This chapter provides information on trusts as reported on their trust income tax returns. A trust exists where a person, the 'trustee', is under an obligation to hold property or income for the benefit of other people, known as 'beneficiaries'. This obligation usually arises under the express terms of a trust, but may also be imposed by court order or declaration, or by the operation of law. Although the trustees hold the legal title to the property, they must deal with it in accordance with the terms of the trust for the benefit of the beneficiaries.

Beneficiaries can include public and charitable institutions, and the potential beneficiaries of a discretionary trust can include people not yet born.

A trust is not a separate taxable entity and a trust does not pay tax in its own right. (Note, certain public unit trusts are taxed as companies.) In general terms, it is the beneficiaries who are subject to tax on their share of the net income of the trust. The trustee is generally taxed on the proportion of the net income of the trust that is accumulated in the trust or that relates to certain kinds of beneficiaries (such as non-residents and those beneficiaries who are under a legal disability) – ie the trustee is taxed on that part of the net income of the trust for tax purposes that is not assessable to a beneficiary. The net income of the trust is generally assessable to the trustee or the beneficiaries in the income year in which it is derived by the trust.

An annual tax return must be lodged for a trust regardless of the amount of income derived by the trust, even if the trust derives nil income or incurs a loss for tax purposes.

NEW FEATURES AND INFORMATION

The following new labels were added to the 2006 trust tax return and have been included in the detailed tables:

- entrepreneurs' tax offset (item 57):
 - simplified tax system group turnover (label D)
 - net simplified tax system income (label E)

- share of credit for tax withheld from foreign resident withholding (item 8, label U), and
- the industry codes used for Industry Code – item 1, label A changed in 2006.

TRUST RETURNS

Box 6.1: Trust size, by total business income

For the purposes of this chapter:

Total business income is the amount a trust declares at item 5 on page 2 of the 2006 trust return.

Loss trusts have a total business income equal to or less than \$0.

Nil trusts have a total business income equal to \$0.

Micro trusts have a total business income equal to or more than \$1 but less than \$2 million.

Small trusts have a total business income equal to or more than \$2 million but less than \$10 million.

Medium trusts have a total business income between \$10 million and \$100 million (inclusive).

Large trusts have a total business income of more than \$100 million.

For the 2005–06 income year, a total of 569,593 trusts lodged returns, representing a 6.8% increase from 2004–05. Nil trusts were the most common type of trust, accounting for 58.3% of the total number of trusts in 2005–06.

Table 6.1: Trusts, by size, 2004–05 and 2005–06 income years

| Trust size | 2004–05 ¹ | | 2005–06 ¹ | |
|--------------------------|----------------------|--------------|----------------------|--------------|
| | No | % | No | % |
| Loss | 446 | 0.1 | 546 | 0.1 |
| Nil | 309,863 | 58.1 | 331,956 | 58.3 |
| Micro | 205,050 | 38.5 | 217,711 | 38.2 |
| Small | 15,035 | 2.8 | 16,167 | 2.8 |
| Medium | 2,751 | 0.5 | 3,055 | 0.5 |
| Large | 123 | 0.0 | 158 | 0.0 |
| Total² | 533,268 | 100.0 | 569,593 | 100.0 |

¹ Data for 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

² Totals may differ from the sum of components due to rounding.

The rental, hiring and real estate services industry had the largest proportion (18.1%) of trusts where the industry information was provided in the return. This was followed by the financial and insurance services industry with 16.3% of trusts for 2005–06. These industry proportions were very similar to the 2004–05 figures.

Table 6.2: Trusts, by industry, 2004–05 and 2005–06 income years

| Industry ¹ | 2004–05 ² | | 2005–06 ² | |
|---|----------------------|--------------|----------------------|--------------|
| | No. | %. | No. | % |
| Agriculture, forestry and fishing | 24,299 | 4.6 | 25,109 | 4.4 |
| Mining | 726 | 0.1 | 783 | 0.1 |
| Manufacturing | 12,065 | 2.3 | 12,634 | 2.2 |
| Electricity, gas, water and waste services | 586 | 0.1 | 670 | 0.1 |
| Construction | 34,436 | 6.5 | 38,061 | 6.7 |
| Wholesale trade | 9,689 | 1.8 | 10,264 | 1.8 |
| Retail trade | 21,951 | 4.1 | 23,485 | 4.1 |
| Accommodation and food services | 13,390 | 2.5 | 14,666 | 2.6 |
| Transport, postal and warehousing | 10,284 | 1.9 | 10,991 | 1.9 |
| Information media and telecommunications | 1,442 | 0.3 | 1,584 | 0.3 |
| Financial and insurance services | 89,338 | 16.8 | 93,038 | 16.3 |
| Rental, hiring and real estate services | 94,397 | 17.7 | 102,989 | 18.1 |
| Professional, scientific and technical services | 32,973 | 6.2 | 35,212 | 6.2 |
| Administrative and support services | 11,495 | 2.2 | 12,208 | 2.1 |
| Public administration and safety | 619 | 0.1 | 782 | 0.1 |
| Education and training | 1,689 | 0.3 | 1,874 | 0.3 |
| Health care and social assistance | 12,144 | 2.3 | 12,860 | 2.3 |
| Arts and recreation | 2,320 | 0.4 | 2,520 | 0.4 |
| Investment income recipients ³ | 2,821 | 0.5 | 2,546 | 0.4 |
| Other services | 10,938 | 2.1 | 11,823 | 2.1 |
| Other ⁴ | 145,666 | 27.3 | 155,494 | 27.3 |
| Total⁵ | 533,268 | 100.0 | 569,593 | 100.0 |

1 Industry groups are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 code.

2 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

3 This category refers to trusts with 'property operators and developers', 'property Income Interest and dividend income' and 'property Income Other' ANZSIC 2006 codes.

4 Includes trusts that lodged a subsidiary return with income from non-primary production partnerships and trusts, those registered under the government administration and defence code and those that did not state their industry.

5 Totals may differ from the sum of components due to rounding.

Table 6.3: Trusts, by type, 2004–05 and 2005–06 income years

| Type | 2004–05 ¹ | | 2005–06 ¹ | |
|---|----------------------|--------------|----------------------|--------------|
| | No. | %. | No. | % |
| Discretionary trust – main source from investment | 201,710 | 37.8 | 219,266 | 38.5 |
| Discretionary trust – main source from trading | 158,552 | 29.7 | 171,937 | 30.2 |
| Unit trust | 67,816 | 12.7 | 70,741 | 12.4 |
| Deceased estate | 40,238 | 7.5 | 40,995 | 7.2 |
| Discretionary trust – main source from service-management | 36,207 | 6.8 | 36,329 | 6.4 |
| Other fixed trust | 17,682 | 3.3 | 17,899 | 3.1 |
| Hybrid trust | 5,412 | 1.0 | 6,276 | 1.1 |
| Public unit trust – unlisted | 3,593 | 0.7 | 3,920 | 0.7 |
| Other ² | 1,196 | 0.2 | 1,257 | 0.2 |
| Cash management unit trust | 483 | 0.1 | 533 | 0.1 |
| Public unit trust – listed | 379 | 0.1 | 440 | 0.1 |
| Total³ | 533,268 | 100.0 | 569,593 | 100.0 |

¹ Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

² Includes trusts that lodged a subsidiary return with income from non-primary production partnerships and trusts, those registered under the government administration and defence code and those that did not state their industry.

³ Totals may differ from the sum of components due to rounding.

TRUST INCOME

Trusts receive income from a variety of sources. Total net income reported by trusts increased by 25.2% in 2005–06. Net capital gains was the main contributor to this growth with an additional \$16.9 billion (an 85% increase on the prior year) being realised. The two most common types of income reported by trusts were gross interest (49.7%) and net business income (47.4%).

Table 6.4: Trust selected income items, 2004–05 and 2005–06 income years

| Selected income items | No. | 2004–05 ¹ | No. | 2005–06 ¹ |
|--|----------------|----------------------|----------------|----------------------|
| | | \$m | | \$m |
| Net business income | 223,405 | 13,930 | 254,970 | 13,995 |
| Net primary production distributions from partnerships or trusts | 8,788 | 412 | 8,956 | 381 |
| Net non-primary production distributions from partnerships or trusts | 153,258 | 28,231 | 165,198 | 32,362 |
| Net rent | 103,977 | 5,371 | 111,136 | 5,978 |
| Gross interest | 250,436 | 18,516 | 267,223 | 22,495 |
| Gross (or total) dividends | 115,200 | 12,796 | 120,553 | 16,115 |
| Imputation credit | 111,443 | 4,992 | 116,890 | 6,271 |
| Other Australian income | 16,821 | 6,188 | 18,979 | 4,746 |
| Less deductions relating to Australian investment income | 67,730 | 5,640 | 64,277 | 6,591 |
| Less other deductions | 110,452 | 4,726 | 125,848 | 6,587 |
| Net capital gains | 75,598 | 19,846 | 86,051 | 36,716 |
| Attributed foreign income | 180 | 97 | 1,254 | 255 |
| Net other assessable foreign source income | 50,063 | 8,590 | 55,544 | 9,886 |
| Australian franking credits from a New Zealand company | 1,073 | 7 | 588 | 3 |
| Total net income or loss^{2,3} | 503,854 | 108,610 | 537,896 | 136,025 |
| Prior year tax losses deducted | 47,034 | 2,318 | 51,936 | 2,684 |

1 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

2 Prior to tax losses being deducted.

3 Totals may differ from the sum of components due to rounding.

TRUST BUSINESS INCOME

Trust net business income is a component of trust total net income. Trust net business income from table 6.4 (above) is, in general, calculated as trust business income less trust business expenses. Not all trusts have net business income.

For the 2005–06 income year trusts reported total business income of \$246.3 billion, a 14.3% increase from 2004–05. The financial and insurance services industry had the greatest increase in total business income of 63.8%.

Table 6.5: Trust total business income, by industry, 2004–05 and 2005–06 income years

| Industry ¹ | 2004–05 ² | | 2005–06 ² | |
|---|----------------------|----------------|----------------------|----------------|
| | No. | \$m | No. | \$m |
| Agriculture, forestry and fishing | 20,345 | 11,588 | 20,795 | 12,636 |
| Mining | 587 | 1,292 | 609 | 1,584 |
| Manufacturing | 10,812 | 18,612 | 11,188 | 19,247 |
| Electricity, gas, water and waste services | 520 | 598 | 576 | 704 |
| Construction | 27,042 | 24,770 | 29,490 | 27,241 |
| Wholesale trade | 8,532 | 25,729 | 8,931 | 27,085 |
| Retail trade | 19,109 | 43,129 | 20,194 | 46,416 |
| Accommodation and food services | 10,881 | 11,556 | 11,786 | 11,743 |
| Transport, postal and warehousing | 9,225 | 7,051 | 9,781 | 7,947 |
| Information media and telecommunications | 1,168 | 683 | 1,284 | 717 |
| Financial and insurance services | 21,272 | 19,184 | 22,009 | 31,425 |
| Rental, hiring and real estate services | 26,612 | 12,798 | 29,086 | 16,871 |
| Professional, scientific and technical services | 25,760 | 14,610 | 27,207 | 15,455 |
| Administrative and support services | 9,684 | 7,521 | 10,115 | 8,219 |
| Public administration and safety | 491 | 1,533 | 545 | 1,582 |
| Education and training | 1,511 | 474 | 1,665 | 535 |
| Health care and social assistance | 10,335 | 5,468 | 10,732 | 6,102 |
| Arts and recreation | 1,920 | 1,011 | 2,027 | 926 |
| Investment income recipients ³ | 52 | 14 | 43 | 8 |
| Other services | 8,912 | 4,351 | 9,526 | 4,733 |
| Other ⁴ | 8,635 | 3,567 | 10,048 | 5,156 |
| Total⁵ | 223,405 | 215,538 | 237,637 | 246,331 |

1 Industry groups are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 code.

2 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

3 This category refers to trusts with 'property operators and developers', 'property income interest and dividend income' and 'property income other' ANZSIC 2006 codes.

4 Includes trusts that lodged a subsidiary return with income from non-primary production partnerships and trusts, those registered under the government administration and defence code and those that did not state their industry.

5 Totals may differ from the sum of components due to rounding.

Medium trusts accounted for 29.1% of total business income for 2005–06 – a 10.6% increase on the previous year. Large trusts had the greatest increase in total business income of 52.9%.

Table 6.6: Trust total business income, by trust size, 2004–05 and 2005–06 income years

| Trust size | 2004–05 ¹ | | 2005–06 ¹ | |
|--------------------------|----------------------|----------------|----------------------|----------------|
| | No. | \$m | No. | \$m |
| Loss | 446 | –750 | 546 | –29 |
| Nil | 309,863 | 0 | 331,956 | 0 |
| Micro | 205,050 | 65,458 | 217,711 | 70,211 |
| Small | 15,035 | 60,494 | 16,167 | 65,395 |
| Medium | 2,751 | 64,785 | 3,055 | 71,683 |
| Large | 123 | 25,551 | 158 | 39,071 |
| Total² | 533,268 | 215,538 | 569,593 | 246,331 |

1 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

2 Totals may differ from the sum of components due to rounding.

TRUST BUSINESS EXPENSES

For the 2005–06 income year, total business expenses for trusts were \$224.3 billion, an 11.6% increase from 2004–05. The most significant expense claimed was the cost of sales, which accounted for 50.4% of all partnership expenses.

Table 6.7: Trust business expenses, by type, 2004–05 and 2005–06 income years

| Type of expense | 2004–05 ¹ | | 2005–06 ¹ | |
|---------------------------------------|----------------------|----------------|----------------------|----------------|
| | No. ² | \$m | No. ² | \$m |
| Cost of sales | 95,705 | 102,091 | 101,560 | 112,951 |
| Interest | 140,097 | 9,831 | 149,551 | 12,553 |
| External labour | 52,669 | 6,069 | 56,741 | 6,512 |
| Rent | 84,547 | 5,200 | 88,562 | 5,743 |
| Depreciation | 183,781 | 4,417 | 194,754 | 4,867 |
| Superannuation | 117,266 | 3,763 | 122,073 | 4,698 |
| Motor vehicle | 133,347 | 2,088 | 141,702 | 2,398 |
| Repairs and maintenance | 135,389 | 2,110 | 140,675 | 2,228 |
| Lease expenses | 28,796 | 844 | 27,158 | 843 |
| Royalty expenses | 2,975 | 306 | 3,104 | 331 |
| Bad debts | 12,905 | 211 | 13,189 | 224 |
| Foreign resident withholding expenses | 173 | 38 | 77 | 22 |
| Other expenses | 234,363 | 64,031 | 249,626 | 70,908 |
| Total³ | 238,917 | 200,998 | 254,515 | 224,278 |

1 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

2 Components do not add to the total number of taxpayers claiming expenses as taxpayers may claim more than one type of expense.

3 Totals may differ from the sum of components due to rounding.

TRUST ASSETS AND LIABILITIES

For the 2005–06 income year, the total value of assets held by trusts increased by 13.6% over 2004–05 while the total value of their liabilities increased by 30.4% over 2004–05.

Table 6.8: Trust total assets and liabilities, 2004–05 and 2005–06 income years

| | 2004–05 ¹ | | 2005–06 ¹ | |
|--------------------------|----------------------|-----------|----------------------|-----------|
| | No. ² | \$m | No. ² | \$m |
| Total assets | 348,971 | 1,707,994 | 370,311 | 1,940,454 |
| Total liabilities | 332,286 | 570,578 | 353,276 | 743,887 |

1 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

2 Components do not add to the total number of taxpayers claiming expenses as taxpayers may claim more than one type of expense.

SOURCE OF TRUST STATISTICS

The statistics in this chapter are sourced from 2005 and 2006 trust income tax returns processed by 31 October 2006 and 31 October 2007 respectively. The statistics reported are not necessarily complete as the proportion of tax returns processed by 31 October each year can vary. We recommend you exercise caution when comparing the statistics for the current year and previous years.

Statistics reported in the detailed tables for the 1996–97 to 2004–05 income years have been updated to include returns processed by 31 October 2007. These statistics cannot be compared to previous editions of *Taxation statistics*.

A copy of the trust tax return form is in the appendix. It may be viewed or downloaded in as a PDF file from the attached CD-ROM or from the online version of *Taxation statistics* on the Tax Office website at www.ato.gov.au

LIST OF TRUST DETAILED TABLES

The following detailed tables are on the attached CD-ROM and included in the online version of this publication on the Tax Office website. The tables may be viewed or downloaded as PDF or Excel files.

To find out whether a particular item is included in a detailed table, refer to the trust return detailed tables index included on the attached CD-ROM and in the online version of this publication. The index lists the different items shown in the detailed tables and specifies the tables they appear in.

Table 1: Selected items, by net Australian income, 2005–06 income year

This table shows the number of records and amounts for selected items from the trust return form, broken down ranged by net Australian income groupings.

- **Part A: Business income, expense and reconciliation items** – contains business income, expense and reconciliation labels from item 5 'Business income and expenses' on page 2 of the trust return.
- **Part B: Other income and expense items** – contains labels from items 6–12 on page 3 of the trust return.
- **Part C: Other deductions, foreign income, capital gains, tax offsets and total net income** – contains labels from items 14–25 relating to the 'Deductions', 'Capital gains' and 'Foreign income' sections on page 4 of the trust return.
- **Part D: Key financial information and business and professional items** – contains items 29–33 from the 'Key financial information' section and items 36–55 from the 'Business and professional items' section on page 5 of the trust return.

Table 2: Selected items, by broad industry, 2005–06 income year

This table shows the number of records and amounts for selected items from the trust return. Trust returns and the data are classified into broad industry groupings (determined by the taxpayer's main source of business income) based on the ANZSIC 2006 codes.

- **Part A: Business income, expense and reconciliation items** – contains business income, expense and reconciliation labels from item 5 'Business income and expenses' on page 2 of the trust return.
- **Part B: Other income and expense items** – contains labels from items 6–12 on page 3 of the trust return.
- **Part C: Other deductions, foreign income, capital gains, tax offsets and total net income** – contains labels from items 14–25 relating to the 'Deductions', 'Capital gains' and 'Foreign income' sections on page 4 of the trust return.
- **Part D: Key financial information and business and professional items** – contains items 29–33 from the 'Key financial information' section and items 36–55 from the 'Business and professional items' section on page 5 of the trust return.

Table 3: Selected items for income years 1996–97 to 2005–06

This table shows selected items from the trust return for income years 1996–97 to 2005–06, including the number and dollar amounts.

Table 4: Selected items, by fine industry (amounts only), 2005–06 income year

This table shows the number of trust returns and amounts for most items from the trust return. Trust returns and the amounts are classified into fine industry groupings (determined by the taxpayer’s main source of business income) based on the ANZSIC 2006 codes.

- **Part A: Business income, expense and reconciliation items** – contains business income, expense and reconciliation labels from item 5 ‘Business income and expenses’ on page 2 of the trust return.
- **Part B: Other income and expense items** – contains labels from items 6–12 on page 3 of the trust return.
- **Part C: Other deductions, foreign income, capital gains, tax offsets and total net income** – contains labels from items 14–25 relating to the ‘Deductions’, ‘Capital gains’ and ‘Foreign income’ sections on page 4 of the trust return.
- **Part D: Key financial information and business and professional items** – contains items 29–33 from the ‘Key financial information’ section and items 36–55 from the ‘Business and professional items’ section on page 5 of the trust return.

Table 5: Trustee assessments: selected items, by taxable income and residential status, 2005–06 income year

This table shows the number of records and amounts for selected trust return items from the individual tax return of assessed trustees. The trustees assessed and data are classified by taxable status (non-taxable and taxable) and are broken down by taxable income groupings.

Table 6: Selected items, by trust type (amounts only), 2005–06 income year

This table shows the number of trust returns and amounts for most items from the trust return. Trust returns and the amounts are classified into trust type groupings

- **Part A: Business income, expense and reconciliation items** – contains business income, expense and reconciliation labels from item 5 ‘Business income and expenses’ on page 2 of the trust return.
- **Part B: Other income and expense items** – contains labels from items 6–12 on page 3 of the trust return.
- **Part C: Other deductions, foreign income, capital gains, tax offsets and total net income** – contains labels from items 14–25 relating to the ‘Deductions’, ‘Capital gains’ and ‘Foreign income’ sections on page 4 of the trust return.
- **Part D: Key financial information and business and professional items** – contains items 29–33 from the ‘Key financial information’ section and items 36–55 from the ‘Business and professional items’ section on page 5 of the trust return.

❗ Page numbers refer to the 2006 trust tax return form used by tax agents on behalf of their clients. A copy of this form is in the appendix.

❗ To meet privacy regulations, statistics for some items may not be included in the tables.

OVERVIEW

For the 2005–06 income year:

- net capital gains totalled \$46.9 billion, reported by 1,019,615 taxable individuals, 18,844 taxable companies and 90,496 taxable funds
- capital gains tax (CGT) payable on the net capital gains of taxable individuals, companies and funds was estimated to be \$11.4 billion
- 618,866 taxable individuals, companies and funds declared \$86.5 billion in total current year capital gains on their CGT schedules. Approximately 61.0% (\$52.8 billion) of these total capital gains were sourced from share transactions, and
- 22,109 individuals and 3,328 companies claimed small business CGT concessions worth \$1,530 million and \$697 million respectively.

INTRODUCTION

This chapter provides CGT information on individuals, companies and funds, as reported on their individual, company and fund tax returns as well as CGT schedules. CGT is the tax payable on any net capital gain included with other assessable income on an entity's (individual, company or fund) tax return. Normal rates of tax apply to a net capital gain.

A net capital gain is the total capital gain made by a taxpayer for an income year, reduced by:

- the taxpayer's total capital losses for the income year and any net capital losses from previous years, and
- any CGT discount or small business CGT concessions the taxpayer is entitled to.

If total capital gains are less than total capital losses for an income year, the taxpayer has a net capital loss for that income year. This loss cannot be deducted from assessable income; it can be used only to reduce capital gains in subsequent income years.

A capital gain or capital loss may arise if a CGT event happens, with the most common CGT event being the sale of an asset. Some typical assets are:

- land
- shares
- units in a unit trust or managed investment fund
- collectables which cost over \$500, (for example, jewellery), and
- personal use assets which cost over \$10,000.

NEW FEATURES AND INFORMATION

Statistics for the 2005–06 income year reported in this chapter may have been affected by:

- the extension of marriage breakdown CGT rollover relief for certain assets transferred to a spouse or former spouse under a binding financial agreement, and
- the extension of marriage breakdown CGT rollover relief for certain assets transferred relating to a de facto marriage breakdown where the agreement is similar to a binding financial agreement.

The following new tables have been added to this chapter:

- general capital gains tax discount claimed by individuals and funds for the 2004–05 and 2005–06 income years, Table 7.10
- small business capital gains tax concessions, by type and entity for the 2004–05 and 2005–06 income years, Table 7.11, and
- total small business capital gains tax concession by industry and entity for 2005–06 income year, Table 7.12.

Tables 7.6 to 7.8 have been changed to separately identify the assets class of collectables.

NET CAPITAL GAINS

From the 2004–05 to 2005–06 income years, there was an overall increase of 5.0% in the number of entities with net capital gains, and an increase of 78.6% in the amount of net capital gains. Funds recorded the largest increase in net capital gains (\$11,966 million) and the largest percentage increase of 148.2%.

These increases are a result of more entities realising capital gains that have occurred for all asset classes, especially from the recently strong share market.

Table 7.1: Taxpayers with net capital gains, by entity, 2004–05 and 2005–06 income years

| Entity | 2004–05 ¹ | | 2005–06 ¹ | |
|---|----------------------|---------------|----------------------|---------------|
| | No. | \$m | No. | \$m |
| Individual | | | | |
| Taxable ² | 974,284 | 11,852 | 1,019,615 | 15,472 |
| Non-taxable | 173,644 | 562 | 174,166 | 741 |
| <i>Individual total</i> | <i>1,147,928</i> | <i>12,413</i> | <i>1,193,781</i> | <i>16,213</i> |
| Company | | | | |
| Taxable ² | 18,657 | 7,051 | 18,844 | 13,468 |
| Non-taxable | 7,939 | 1,001 | 8,243 | 1,251 |
| <i>Company total</i> | <i>26,596</i> | <i>8,053</i> | <i>27,087</i> | <i>14,719</i> |
| Fund | | | | |
| Taxable ² | 75,075 | 6,797 | 90,496 | 17,922 |
| Non-taxable | 31,104 | 1,276 | 33,064 | 2,117 |
| <i>Fund total</i> | <i>106,179</i> | <i>8,073</i> | <i>123,560</i> | <i>20,039</i> |
| Total³ | 1,280,703 | 28,539 | 1,344,428 | 50,971 |
| 1 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively. | | | | |
| 2 Taxable taxpayers are taxpayers with net tax greater than \$0. | | | | |
| 3 Totals may differ from the sum of components due to rounding. | | | | |

TAX PAYABLE ON NET CAPITAL GAINS

For the 2005–06 income year, an estimated \$11.4 billion in capital gains tax was payable by taxable entities on net capital gains totalling \$46.9 billion. Taxable individuals accounted for 45.0% of tax on 33.0% of net capital gains, while taxable companies accounted for 31.4% of tax on 28.7% of net capital gains, and taxable funds accounted for 23.6% of tax on 38.2% of net capital gains.

When comparing taxable entities with net capital gains to the total population for each entity, only 8.9% of individuals, 2.6% of companies and 31.7% of funds were taxable and had a net capital gain for 2005–06.

Table 7.2: Tax payable on capital gains, by entity, 2005–06 income year

| Entity | All taxpayers No. | Taxable taxpayers with net capital gain ¹ No. | Net capital gains \$m | Tax on net capital gains ² \$m |
|--------------------------|----------------------|--|--------------------------|---|
| Individual | 11,510,959 | 1,019,615 | 15,472 | 5,140 |
| Company | 728,196 | 18,844 | 13,468 | 3,578 |
| Fund | 285,784 | 90,496 | 17,922 | 2,694 |
| Total³ | 12,524,939 | 1,128,955 | 46,861 | 11,412 |

1 Taxable taxpayers are taxpayers with net tax greater than \$0.
2 The tax payable on net capital gains is estimated (based on entity type and tax rates).
3 Totals may differ from the sum of components due to rounding.

The disposal or sale of an asset is still the most common CGT event. Asset disposal may be related to a range of economic and social factors, as well as to specific events.

Among taxable individuals with net capital gains for 2005–06, 47.7% had a taxable income of between \$21,601 and \$63,000 inclusive. They accounted for 19.4% of total net capital gains and were liable for 10.9% of the tax on net capital gains. Those with a taxable income of \$95,001 or more accounted for 27.4% of the total number of individuals, and accounted for 68.9% of net capital gains and 82.7% of the tax on net capital gains.

Table 7.3: Net capital gains and CGT of taxable individuals, by taxable income, 2005–06 income year

| Taxable income | Taxpayers ¹ No. | Net capital gains \$m | Tax on net capital gains \$m |
|--------------------------|-------------------------------|--------------------------|---------------------------------|
| \$6,000 or less | 5,039 | 15 | 4 |
| \$6,001–\$21,600 | 129,344 | 649 | 48 |
| \$21,601–\$63,000 | 486,336 | 3,001 | 558 |
| \$63,001–\$95,000 | 119,188 | 1,140 | 279 |
| \$95,001 or more | 279,708 | 10,667 | 4,250 |
| Total² | 1,019,615 | 15,472 | 5,140 |

1 Refers to individual taxpayers with net tax payable greater than \$0.
2 Totals may differ from the sum of components due to rounding.

Box 7.1: Entity size, by total income

For the purposes of this chapter:

Loss/nil entities have a total income equal to or less than \$0.

Micro entities have a total income equal to or more than \$1 but less than \$2 million.

Small entities have a total income equal to or more than \$2 million but less than \$10 million.

Medium entities have a total income between \$10 million and \$100 million (inclusive).

Large entities have a total income of more than \$100 million.

Micro companies represented 85.8% of taxable companies with net capital gains for 2005–06, and accounted for 15.1% of the total net capital gains and 17.1% of the total tax payable. Large companies accounted for only 1.1% of the total number of companies, but accounted for 61.0% of the total net capital gains and 56.2% of the total tax payable.

Table 7.4: Net capital gains and CGT of taxable companies¹, by company size, 2005–06 income year

| Company size | Companies No. | Net capital gains \$m | Tax on net capital gains \$m |
|--------------------|---------------|-----------------------|------------------------------|
| Loss/nil | 291 | 246 | 74 |
| Micro | 16,168 | 2,035 | 611 |
| Small | 1,627 | 1,455 | 435 |
| Medium | 547 | 1,516 | 448 |
| Large | 211 | 8,216 | 2,010 |
| Total ² | 18,844 | 13,468 | 3,578 |

1 Refers to companies with net tax payable greater than \$0.
2 Totals may differ from the sum of components due to rounding.

As with companies, the majority of taxable funds with net capital gains (99.5%) in 2005–06 were in the micro segment. Yet these funds accounted for only 14.2% of total net capital gains and were liable for only 14.2% of the total tax payable on net capital gains. Large funds, which represented less than 0.1% of all funds, accounted for 74.1% of total net capital gains and 73.9% of the total tax payable.

Table 7.5: Net capital gains and CGT of taxable funds¹, by fund size, 2005–06 income year

| Fund size | Funds No. | Net capital gains \$m | Tax on net capital gains \$m |
|--------------------|-----------|-----------------------|------------------------------|
| Loss/nil | 0 | 0 | 0 |
| Micro | 90,061 | 2,550 | 383 |
| Small | 166 | 253 | 38 |
| Medium | 163 | 1,843 | 281 |
| Large | 106 | 13,276 | 1,991 |
| Total ² | 90,496 | 17,922 | 2,694 |

1 Refers to funds with net tax payable greater than \$0.
2 Totals may differ from the sum of components due to rounding.

TOTAL CAPITAL GAINS

Statistics for total capital gains and capital losses are sourced from the CGT schedule. Only companies and funds with total capital gains of more than \$10,000 are required to complete a CGT schedule. Individuals (including individual partners in a partnership) who lodge a paper return are not required to complete a CGT schedule. Therefore, as not all entities are required to complete a CGT schedule, the following statistics cannot be directly compared to the statistics reported on net capital gains.

For the 2005–06 income year, 618,886 taxable entities (individuals, companies and funds) declared \$86.5 billion in total current year capital gains on their CGT schedules. Entities had to report capital gains from the following sources on the CGT schedule:

- shares and units (in unit trust)
- real estate
- other CGT assets and other CGT events, and
- collectables.

For 2005–06, approximately 61.0% (\$52.8 billion) of total current year capital gains were sourced from shares. Real estate accounted for 16.7% (\$14.4 billion) of total current year capital gains, collectables accounted for 0.1% (\$66 million) of total current year capital gains, while other assets accounted for 22.2% (\$19.2 billion).

For 2004–05 and 2005–06, only 41.4% and 52.3% respectively of taxable individuals with a net capital gain completed a CGT schedule. The value of total capital gains reported by individuals increased by 34.5%. The composition of total capital gains reported by these individuals changed significantly from 2004–05 to 2005–06, with the proportion of capital gains from shares and real estate decreasing by 4.5% and 3.6% respectively, and other assets increasing by 8.1%

Table 7.6: Total current year capital gains of taxable individuals¹, by source, 2004–05 and 2005–06 income years

| Source of gains ² | 2004–05 ³ | | 2005–06 ³ | |
|------------------------------|----------------------|---------------|----------------------|---------------|
| | No. | \$m | No. | \$m |
| Shares | 245,433 | 9,839 | 300,503 | 11,807 |
| Real estate | 129,720 | 9,253 | 138,411 | 11,300 |
| Other assets ⁴ | 88,658 | 4,580 | 178,315 | 8,735 |
| Collectables | 487 | 40 | 925 | 48 |
| Total⁵ | 403,014 | 23,712 | 533,719 | 31,890 |

1 Refers to individual taxpayers with net tax payable greater than \$0 who completed a schedule.

2 Sources include both active and non-active assets.

3 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

4 Includes other CGT assets and any other CGT events.

5 Components do not add to the total number of taxable individuals claiming total capital gains as individuals may claim capital gains from more than one source. Totals may differ from the sum of components due to rounding.

For the 2004–05 and 2005–06 income years, 76.8% and 82.8% of taxable companies with a net capital gain completed a CGT schedule. These companies reported a 52.8% increase in gains from shares in 2005–06.

Table 7.7: Total current year capital gains of taxable companies¹, by source, 2004–05 and 2005–06 income years

| Source of gains ² | No. | 2004–05 ³ | No. | 2005–06 ³ |
|------------------------------|---------------|----------------------|---------------|----------------------|
| | | \$m | | \$m |
| Shares | 8,373 | 9,514 | 9,352 | 14,534 |
| Real estate | 3,058 | 1,694 | 2,983 | 2,719 |
| Other assets ⁴ | 4,655 | 2,459 | 5,645 | 3,041 |
| Collectables | 19 | 1 | 29 | 15 |
| Total⁵ | 14,333 | 13,668 | 15,596 | 20,309 |

1 Refers to company taxpayers with net tax payable greater than \$0 who completed a schedule.

2 Sources include both active and non-active assets.

3 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

4 Includes other CGT assets and any other CGT events.

5 Components do not add to the total number of taxable companies claiming total capital gains as companies may claim capital gains from more than one source. Totals may differ from the sum of components due to rounding.

For 2004–05 and 2005–06, 63.3% and 76.9% respectively of funds with a net capital gain completed a CGT schedule. The majority of capital gains for these funds in each year were from share transactions.

Table 7.8: Total current year capital gains of taxable funds¹, by source, 2004–05 and 2005–06 income years

| Source of gains ² | No. | 2004–05 ³ | No. | 2005–06 ³ |
|------------------------------|---------------|----------------------|---------------|----------------------|
| | | \$m | | \$m |
| Shares | 43,453 | 16,327 | 59,349 | 26,431 |
| Real estate | 2,757 | 326 | 3,043 | 393 |
| Other assets ⁴ | 9,873 | 2,968 | 21,862 | 7,425 |
| Collectables | 96 | 2 | 132 | 3 |
| Total⁵ | 47,486 | 19,623 | 69,571 | 34,253 |

1 Refers to fund taxpayers with net tax payable greater than \$0 who completed a schedule.

2 Sources include both active and non-active assets.

3 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

4 Includes other CGT assets and any other CGT events.

5 Components do not add to the total number of taxable funds claiming total capital gains as funds may claim capital gains from more than one source. Totals may differ from the sum of components due to rounding.

CAPITAL LOSSES

The statistics for total capital gains and capital losses are sourced from CGT schedules. As not all entities are required to complete a CGT schedule, the following statistics cannot be directly compared to the net capital gains statistics reported.

For the 2005–06 income year, 257,887 taxpayers reported current year capital losses of \$20.8 billion. Losses of \$20.4 billion, including losses from before 2005–06, were used to offset 2005–06 capital gains. In total, funds claimed the most losses – 52.5%.

From 2004–05 to 2005–06 the amount of capital losses reported by funds decreased by 1.9%, and there was also a reduction (10.3%) in the amount of capital losses funds applied against current year gains. Individuals and companies had an increase in current year capital losses of 12.8% and 14.7% respectively, as well as an increase in the amount of capital losses being applied against current year gains of 5.2% and 10.5% respectively.

Table 7.9: Capital losses, by entity, 2004–05 and 2005–06 income years

| Entity | | | 2004–05 ¹ | | | | 2005–06 ¹ | |
|--------------------------------------|-----------------------------|---------------|------------------------|---------------|-----------------------------|---------------|------------------------|---------------|
| | Current year capital losses | | Capital losses applied | | Current year capital losses | | Capital losses applied | |
| | No. | \$m | No. | \$m | No. | \$m | No. | \$m |
| Individual | | | | | | | | |
| Taxable ² | 171,455 | 1,924 | 183,702 | 2,154 | 167,753 | 2,129 | 209,095 | 2,252 |
| Non-taxable | 19,412 | 271 | 19,103 | 227 | 20,964 | 347 | 25,551 | 253 |
| <i>Individual total</i> ³ | <i>190,867</i> | <i>2,195</i> | <i>202,805</i> | <i>2,381</i> | <i>188,717</i> | <i>2,476</i> | <i>234,646</i> | <i>2,505</i> |
| Company | | | | | | | | |
| Taxable ² | 5,439 | 5,317 | 6,234 | 5,553 | 6,231 | 5,988 | 6,864 | 6,424 |
| Non-taxable | 3,082 | 2,569 | 2,768 | 957 | 3,927 | 3,057 | 3,281 | 767 |
| <i>Company total</i> ³ | <i>8,521</i> | <i>7,886</i> | <i>9,002</i> | <i>6,510</i> | <i>10,158</i> | <i>9,045</i> | <i>10,145</i> | <i>7,191</i> |
| Funds | | | | | | | | |
| Taxable ² | 30,563 | 7,019 | 33,849 | 10,167 | 39,342 | 7,328 | 43,746 | 8,529 |
| Non-taxable | 18,133 | 2,465 | 19,605 | 3,681 | 19,670 | 1,976 | 21,499 | 2,176 |
| <i>Fund total</i> ³ | <i>48,696</i> | <i>9,483</i> | <i>53,454</i> | <i>13,849</i> | <i>59,012</i> | <i>9,304</i> | <i>65,245</i> | <i>10,705</i> |
| Total | 248,084 | 19,565 | 265,261 | 22,740 | 257,887 | 20,825 | 310,036 | 20,400 |

1 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively, for those entities that completed a schedule.

2 Taxable taxpayers are taxpayers with net tax greater than \$0.

3 Totals may differ from the sum of components due to rounding.

CAPITAL GAINS DISCOUNT

Individuals and superannuation funds are able to claim the general capital gains tax discount for assets they have held for over 12 months. Individuals get a 50% discount where superannuation funds get a 33% discount.

For the 2005–06 income year there has been an increase of 36.3% of individuals claiming the discount, with an increase of 33.5% in the amount claimed. For funds, there has been an increase of 51.2% claiming the discount with an increase in the amount claimed of 61.1%.

Table 7.10: General capital gains tax discount, by entity, 2004–05 and 2005–06 income years

| Entity | 2004–05 ¹ | | 2005–06 ¹ | |
|--------------|----------------------|---------------|----------------------|---------------|
| | No. | \$m | No. | \$m |
| Individuals | 362,650 | 10,732 | 494,409 | 14,329 |
| Funds | 49,226 | 3,437 | 74,443 | 8,500 |
| Total | 411,876 | 14,169 | 568,852 | 22,829 |

¹ Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively, for those entities that completed a schedule.

SMALL BUSINESS CAPITAL GAINS TAX CONCESSIONS

Small businesses that meet certain conditions are entitled to various capital gains tax concessions when they sell their small business (or assets from it). These concessions are claimed by taxpayers by way of the capital gains tax schedule.

For the 2005–06 income year, 22,109 individuals claimed small business capital gains tax concessions to the value of \$1.5 billion, an increase of 30.5% from 2004–05. Most individuals claiming these concessions (92.0%) claimed the small business active assets reduction. The small business 15 year exemption was the least claimed concession, but had the highest average amount per claimant of \$227,712.

Table 7.11: Small business capital gains tax concessions, by entity, 2004–05 and 2005–06 income years

| Concession | 2004–05 ¹ | | | | 2005–06 ¹ | | | |
|---------------------------------------|----------------------|--------------|--------------|------------|----------------------|--------------|--------------|------------|
| | Individuals | | Companies | | Individuals | | Companies | |
| | No. | \$m | No. | \$m | No. | \$m | No. | \$m |
| Small business 15 year exemption | 324 | 53 | 105 | 63 | 483 | 110 | 135 | 57 |
| Small business active asset reduction | 19,049 | 618 | 2,536 | 294 | 20,339 | 766 | 2,649 | 347 |
| Small business retirement exemption | 5,978 | 296 | 696 | 157 | 6,824 | 408 | 802 | 191 |
| Small business rollover | 3,804 | 196 | 511 | 88 | 4,161 | 247 | 533 | 103 |
| Total² | 20,488 | 1,164 | 3,127 | 592 | 22,109 | 1,530 | 3,328 | 697 |

¹ Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively, for those entities that completed a schedule.

² Totals may differ from the sum of components due to rounding.

For the individuals' small businesses where the industry classification is known, the financial and insurance services industry had the most claimants for these concessions, followed by the agricultural, forestry and fishing industry.

Table 7.12: Total small business capital gains tax concessions, by industry¹, 2005–06 income year

| Industry ¹ | 2005–06 ² | | | |
|---|----------------------|--------------|--------------|------------|
| | Individuals | | Companies | |
| | No. | \$m | No. | \$m |
| Agriculture, forestry and fishing | 1,818 | 207 | 101 | 34 |
| Mining | 16 | 2 | 14 | 4 |
| Manufacturing | 217 | 8 | 257 | 63 |
| Electricity, gas, water and waste services ³ | 19 | .. | 24 | 7 |
| Construction | 506 | 23 | 213 | 48 |
| Wholesale trade | 148 | 7 | 223 | 47 |
| Retail trade | 822 | 77 | 472 | 85 |
| Accommodation and food services | 539 | 26 | 413 | 88 |
| Transport, postal and warehousing | 429 | 16 | 210 | 39 |
| Information media and telecommunications | 26 | 1 | 29 | 9 |
| Financial and insurance services | 4,155 | 301 | 238 | 56 |
| Rental, hiring and real estate services | 749 | 88 | 368 | 78 |
| Professional, scientific and technical services | 653 | 46 | 241 | 43 |
| Administrative and support services | 328 | 8 | 87 | 16 |
| Public administration and safety | 16 | 1 | 23 | 2 |
| Education and training | 109 | 3 | 27 | 7 |
| Health care and social assistance | 439 | 33 | 143 | 33 |
| Arts and recreation services | 137 | 10 | 33 | 9 |
| Other services | 563 | 13 | 187 | 21 |
| Other/not stated | 5,646 | 401 | 25 | 9 |
| No ANZSIC | 4,774 | 258 | | |
| Total⁴ | 22,109 | 1,530 | 3,328 | 697 |

1 Industry groups are based on the Australian and New Zealand Industrial Classification (ANZSIC) 2006 code.

2 Data for the 2005–06 income year includes data processed up to 31 October 2007, for those entities that completed a schedule.

3 '...' means rounded to zero, but not zero.

4 Totals may differ from the sum of components due to rounding.

SOURCE OF CAPITAL GAINS TAX STATISTICS

Statistics in this chapter are sourced from 2005 and 2006 income tax returns for individuals, companies, trusts and funds, and from 2005 and 2006 CGT schedules completed by individual, company and fund taxpayers, processed by 31 October 2006 and 31 October 2007 respectively.

The statistics reported are not necessarily complete as the proportion of tax returns processed by 31 October each year can vary. We recommend that you exercise caution in comparing the statistics for the current year and previous years. As not all personal, company and fund taxpayers have to complete CGT schedules, the statistics sourced from the schedules do not represent all personal, company and fund taxpayers.

Statistics reported in the detailed tables for companies and funds have been updated for the 1996–97 to 2004–05 income years to include returns processed by 31 October 2007. Statistics reported in the detailed tables for individuals have been updated for the 2000–01 to 2004–05 income years to include returns processed by 31 October 2007. These statistics cannot be compared to previous editions of *Taxation Statistics*.

A copy of the CGT schedule is in the appendix. It may be viewed or downloaded in as a PDF file from the attached CD-ROM or from the online version of *Taxation statistics* on the Tax Office website at www.ato.gov.au

LIST OF CAPITAL GAINS TAX DETAILED TABLES

The following CGT detailed tables are on the attached CD-ROM and included in the online version of this publication on the Tax Office website. The tables may be viewed or downloaded as PDF or Excel files.

Table 1: Net capital gains subject to tax, 1996–97 to 2005–06 income years

This table shows the number of taxable entities with net capital gains, the amount of their net capital gains and the estimated tax payable on these net capital gains (CGT), for income years 1995–96 to 2005–06.

Table 2: Net capital gains subject to tax, by entity and taxable income, 2005–06 income year

This table shows the number of individual, company and fund taxpayers with capital gains; the total number of individual, company and fund taxpayers (or total number of returns lodged by these entities); the proportion of taxpayers with capital gains to the total number of taxpayers; the net capital gains of these entities and the estimated tax payable (CGT) on these net capital gains. These items are ranged by taxable income.

! To meet privacy regulations, statistics for some items may not be included in the table.

OVERVIEW

For the 2006–07 fringe benefits tax (FBT) year:

- FBT payable was \$3.4 billion (excluding FBT payable by Australian Government departments)
- FBT payable was \$364.5 million for Australian Government departments, a 1% decrease from 2005–06
- FBT rebates of \$95.3 million were claimed, a 7% decrease from 2005–06, and
- employee contributions reached \$452 million (excluding those made by employees of Australian Government departments).

INTRODUCTION

A fringe benefit is, generally speaking, a benefit provided in respect of employment. Fringe benefits are provided to employees (or associates of the employees) in place of or in addition to salary or wages. Benefits include any right, privilege, service or facility – for example, the use of a car for private purposes.

Fringe benefits tax (FBT) is the tax paid by employers on fringe benefits. The benefit does not have to be provided directly by the employer for FBT to apply. FBT may still apply if the benefit is provided by an associate of the employer or by a third party under an arrangement with the employer or an associate of the employer.

Employees generally do not pay income tax on the fringe benefits they receive. FBT is paid by employers, irrespective of whether they are sole traders, partnerships, trusts, corporations, unincorporated associations or government bodies, and irrespective of whether they are liable to pay other taxes such as income tax. The rate of FBT for the 2006–07 FBT year decreased by 2% from the 2005–06 FBT year to 46.5%. The reason for the change was the reduction in the top marginal tax rate as announced in the 2006–07 Budget.

Employers can generally claim an income tax deduction for the cost of providing fringe benefits. FBT paid by an employer may also be an allowable income tax deduction.

The FBT year runs from 1 April to 31 March each year, rather than from 1 July to 30 June as is the case for other tax types. For example, the 2006–07 FBT year runs from 1 April 2006 to 31 March 2007. FBT returns must be lodged by 21 May each year, which is a shorter lodgment period than for other tax types. These features of the FBT system enable the reporting of FBT statistics that are one year more recent than the statistics based on other income year return forms – for example, for personal tax.

This chapter primarily reports and discusses FBT statistics for the 2006–07 FBT year.

NEW FEATURES AND INFORMATION

This year the following additional information has been included to enable greater understanding of the FBT system:

- total fringe benefits payable by Commonwealth departments
- the number of employees in receipt of fringe benefits by industry, and
- information on type 1 and type 2 aggregate amounts by industry.

The statistics may have been affected by the change in the FBT rate for 2006–07, and also the change in the personal tax rates and thresholds.

FBT RETURNS

For the 2006–07 FBT year, 56,588 FBT returns were lodged by entities that paid FBT. The professional, scientific and technical services industry had the most payers, with 17.0%. It was closely followed by the wholesale trade and manufacturing industries, both with around 12.5% (see table 8.3).

Table 8.1: FBT returns¹, by taxable status, 2005–06 and 2006–07 FBT years

| Taxable status | 2005–06 ² | 2006–07 ² |
|----------------|----------------------|----------------------|
| | No. | No. |
| Taxable | 57,615 | 56,588 |
| Non-taxable | 12,022 | 12,835 |
| Total | 69,637 | 69,423 |

¹ Excludes FBT returns from Australian Government departments.

² Data for the 2005–06 and 2006–07 FBT years includes data from FBT returns processed up to 31 October 2006 and 31 October 2007 respectively.

The data in the rest of this chapter is based on taxable employers, data for non-taxable employers is not included.

EMPLOYEES RECEIVING FRINGE BENEFITS

The FBT return is completed by employers and they are asked to indicate how many employees were receiving fringe benefits during the FBT year. Overall, there was a decrease of 2.6% in the number of employees receiving fringe benefits from 2005–06, with the largest fall coming in the health care and social assistance industry where there was a decrease of 59,164 employees. Public administration and safety registered an increase of around 73,746 employees in receipt of fringe benefits.

Table 8.2: Number of employees receiving fringe benefits from taxable employers, by broad industry, 2005–06 and 2006–07 FBT years

| Industry ¹ | 2005–06 ² No. | 2006–07 ² No. |
|---|-----------------------------|-----------------------------|
| Agriculture, forestry and fishing | 7,855 | 7,623 |
| Mining | 45,157 | 47,067 |
| Manufacturing | 146,367 | 149,088 |
| Electricity, gas and water supply | 22,421 | 24,491 |
| Construction | 36,478 | 39,053 |
| Wholesale trade | 121,703 | 111,115 |
| Retail trade | 67,680 | 72,788 |
| Accommodation and food services | 20,877 | 19,904 |
| Transport, postal and warehousing | 97,688 | 76,044 |
| Information media and telecommunications | 29,464 | 26,807 |
| Finance and insurance services | 204,454 | 173,872 |
| Rental, hiring and real estate services | 20,294 | 23,126 |
| Professional, scientific and technical services | 115,467 | 113,696 |
| Administrative and support services | 56,698 | 56,844 |
| Public administration and safety | 147,192 | 220,938 |
| Education and training | 41,061 | 37,912 |
| Health care and social assistance | 238,056 | 178,892 |
| Arts and recreation services | 23,594 | 24,885 |
| Other services | 33,298 | 36,314 |
| Other ³ | 33,667 | 30,185 |
| Total⁴ | 1,509,471 | 1,470,644 |

1 Industry groups are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 code.

2 Data for the 2005–06 and 2006–07 FBT years includes data from FBT returns processed up to 31 October 2006 and 31 October 2007 respectively.

3 Includes FBT payable by FBT payers who did not state their industry.

4 Totals may differ from the sum of components due to rounding.

FBT PAYABLE

The FBT payable by an employer is calculated under the gross-up rules by applying the FBT rate to the 'fringe benefits taxable amount'. The tax is generally payable by an employer where an employee has received a fringe benefit.

The amount of FBT payable decreased by 4.7% from \$3.6 billion in the 2005–06 FBT year to \$3.4 billion in 2006–07, due in part to changes to the FBT rate. The health care and social assistance industry had the largest decrease in average FBT payable, with the average falling from \$38,545 in 2005–06 to \$28,130 in 2006–07.

Table 8.3: FBT payable¹, by industry, 2005–06 and 2006–07 FBT years

| Industry ² | No. | 2005–06 ³ | | 2006–07 ³ | |
|---|---------------|----------------------|--------------|----------------------|--------------|
| | | No. | \$m | No. | \$m |
| Agriculture, forestry and fishing | 1,124 | | 24 | 1,061 | 23 |
| Mining | 849 | | 179 | 929 | 179 |
| Manufacturing | 7,252 | | 552 | 6,935 | 505 |
| Electricity, gas and water supply | 334 | | 51 | 321 | 48 |
| Construction | 4,038 | | 126 | 3,964 | 133 |
| Wholesale trade | 7,304 | | 434 | 7,128 | 422 |
| Retail trade | 4,375 | | 199 | 4,204 | 187 |
| Accommodation and food services | 1,623 | | 46 | 1,547 | 43 |
| Transport, postal and warehousing | 1,666 | | 147 | 1,609 | 137 |
| Information media and telecommunications | 1,138 | | 144 | 1,094 | 129 |
| Finance and insurance services | 3,882 | | 470 | 3,827 | 446 |
| Rental, hiring and real estate services | 2,289 | | 70 | 2,212 | 67 |
| Professional, scientific and technical services | 9,775 | | 351 | 9,511 | 341 |
| Administrative and support services | 2,356 | | 132 | 2,377 | 132 |
| Public administration and safety | 1,125 | | 208 | 1,077 | 201 |
| Education and training | 1,935 | | 155 | 1,971 | 144 |
| Health care and social assistance | 2,976 | | 115 | 2,999 | 84 |
| Arts and recreation services | 700 | | 46 | 671 | 41 |
| Other services | 2,338 | | 99 | 2,288 | 93 |
| Other ⁴ | 536 | | 37 | 863 | 62 |
| Total⁵ | 57,615 | | 3,585 | 56,588 | 3,416 |

1 Refers to FBT payable calculated before rebates were deducted. Excludes FBT payable by Australian Government departments.

2 Industry groups are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 code.

3 Data for the 2005–06 and 2006–07 relates to processing of FBT returns up to 31 October 2006 and 31 October 2007, respectively.

4 Includes FBT payable by FBT payers who did not state their industry.

5 Totals may differ from the sum of components due to rounding.

The fringe benefits received by employees fall into two general categories according to whether or not the benefit it is a 'GST-creditable benefit'. Type 1 benefits are those for which the provider of the benefit is entitled to a GST input tax credit because of the provision of the benefit or because of the acquisition of the thing they provided as a benefit. Type 2 benefits are essentially those that are not type 1 fringe benefits.

Almost all industries have more type 1 benefits than type 2 benefits, except for the education and training industry where type 2 benefits are just higher. Overall, type 1 benefits accounted for 76.4% of all benefits.

Table 8.4: Type 1 and 2 aggregate amounts (fringe benefits) from taxable employers, by industry, 2006–07 FBT year

| Industry ¹ | 2006–07 ² | | | |
|---|--------------------------------------|--------------|--------------------------------------|------------|
| | Type 1 aggregate amount ³ | | Type 2 aggregate amount ⁴ | |
| | No. | \$m | No. | \$m |
| Agriculture, forestry and fishing | 927 | 19 | 424 | 5 |
| Mining | 892 | 114 | 460 | 79 |
| Manufacturing | 6,687 | 447 | 2,484 | 87 |
| Electricity, gas and water supply | 314 | 44 | 148 | 6 |
| Construction | 3,746 | 119 | 1,146 | 22 |
| Wholesale trade | 6,893 | 373 | 2,360 | 73 |
| Retail trade | 4,012 | 166 | 1,363 | 32 |
| Accommodation and food services | 1,331 | 29 | 707 | 18 |
| Transport, postal and warehousing | 1,546 | 121 | 574 | 24 |
| Information media and telecommunications | 1,056 | 112 | 441 | 24 |
| Finance and insurance services | 3,510 | 328 | 1,443 | 150 |
| Rental, hiring and real estate services | 2,021 | 59 | 652 | 11 |
| Professional, scientific and technical services | 8,961 | 281 | 2,727 | 81 |
| Administrative and support services | 2,199 | 115 | 746 | 22 |
| Public administration and safety | 1,039 | 161 | 532 | 45 |
| Education and training | 1,793 | 78 | 1,087 | 79 |
| Health care and social assistance | 2,222 | 28 | 627 | 15 |
| Arts and recreation services | 601 | 25 | 308 | 19 |
| Other services | 1,983 | 65 | 852 | 33 |
| Other ⁵ | 764 | 47 | 325 | 18 |
| Total⁶ | 52,488 | 2,733 | 19,406 | 842 |

1 Industry groups are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 code.

2 Data for 2006–07 relates to processing of FBT returns up to 31 October 2007.

3 Type 1 amounts represent fringe benefits that are GST-creditable benefits.

4 Type 2 amounts represent fringe benefits that are not GST-creditable benefits.

5 Includes FBT payable by FBT payers who did not state their industry.

6 Totals may differ from the sum of components due to rounding.

FBT REBATES

FBT is payable on the grossed-up taxable value of benefits, and an offsetting income tax deduction is allowed for the FBT paid. However, certain non-profit employers (such as religious institutions, trade unions, and scientific, charitable or public educational institutions) cannot claim the offsetting income tax deductions for FBT. To ensure these employers are not disadvantaged, they are eligible for an FBT rebate of 48%. More information on FBT rebates can be found in chapter 10 Charities and deductible gifts.

For the 2006–07 FBT year, FBT rebates decreased by 7.0% to \$95.3 million. This was consistent with the decrease in FBT payable. The industry with the largest proportion of employers claiming a rebate was education and training at 45.8%. Wholesale trade had the highest average rebate claimed of \$46,667.

Table 8.5: FBT rebates claimed, by industry, 2005–06 and 2006–07 FBT years

| Industry ¹ | 2005–06 ² | | 2006–07 ² | |
|---|----------------------|--------------|----------------------|-------------|
| | No. | \$m | No. | \$m |
| Agriculture, forestry and fishing | 25 | 0.2 | 24 | 0.2 |
| Manufacturing | 22 | 0.3 | 10 | 0.1 |
| Construction | 12 | 0.1 | 13 | 0.1 |
| Wholesale trade | 18 | 0.8 | 15 | 0.7 |
| Retail trade | 11 | 0.1 | 11 | 0.1 |
| Accommodation and food services | 302 | 4.8 | 293 | 4.8 |
| Transport, postal and warehousing | 7 | 0.1 | 5 | 0.2 |
| Information media and telecommunications | 36 | 0.7 | 31 | 0.6 |
| Finance and insurance services | 30 | 1.0 | 33 | 0.9 |
| Rental, hiring and real estate services | 16 | 0.3 | 14 | 0.2 |
| Professional, scientific and technical services | 210 | 3.9 | 206 | 3.4 |
| Administrative and support services | 134 | 3.1 | 130 | 2.7 |
| Public administration and safety | 38 | 0.6 | 32 | 0.4 |
| Education and training | 1,406 | 46.9 | 1,459 | 43.6 |
| Health care and social assistance | 120 | 1.7 | 115 | 1.7 |
| Arts and recreation services | 299 | 11.8 | 291 | 10.9 |
| Other services | 952 | 25.3 | 924 | 23.6 |
| Other ³ | 77 | 0.9 | 97 | 1.1 |
| Total⁴ | 3,715 | 102.5 | 3,703 | 95.3 |

1 Industry groups are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 code.

2 Data for the 2005–06 and 2006–07 FBT years includes data from FBT returns processed up to 31 October 2006 and 31 October 2007 respectively.

3 Includes mining, communication, electricity, gas and water supply industries and entities that did not state their industry.

4 Totals may differ from the sum of components due to rounding.

EMPLOYEE CONTRIBUTIONS

In some circumstances, an employee may make a payment to their employer as a contribution towards the cost of providing fringe benefits. These payments are referred to as 'employee contributions'. Employee contributions generally reduce the taxable value of a fringe benefit by the full amount of the contribution. Employee contributions are considered assessable income of the employer.

For the 2006–07 FBT year, employers had to report employee contributions for motor vehicles, expense payments, housing, airline transport, board, property, car parking and other benefits.

For the 2006–07 FBT year, contributions increased or remained stable in all industries except for the arts and recreation services industry. Overall contributions increased by 27.3% and have been steadily increasing over the past few years.

Company, partnership and trust employers also report fringe benefit contributions received from their employees on their annual income tax returns. Some company, partnership and trust tax detailed tables may contain statistics on fringe benefit employee contributions for the 2005–06 FBT year.

Table 8.6: Employee contributions¹ to taxable employers, by industry, 2005–06 and 2006–07 FBT years

| Industry ² | 2005–06 ³ | | 2006–07 ³ | |
|---|----------------------|------------|----------------------|------------|
| | Employers | \$m | Employers | \$m |
| Agriculture, forestry and fishing | 215 | 2 | 209 | 2 |
| Mining | 176 | 6 | 211 | 17 |
| Manufacturing | 1,568 | 55 | 1,607 | 57 |
| Electricity, gas, water and waste services | 99 | 3 | 104 | 6 |
| Construction | 808 | 9 | 826 | 12 |
| Wholesale trade | 1,564 | 23 | 1,545 | 40 |
| Retail trade | 1,224 | 30 | 1,232 | 30 |
| Accommodation and food services | 298 | 3 | 306 | 4 |
| Transport, postal and warehousing | 357 | 9 | 384 | 23 |
| Information media and telecommunications | 224 | 4 | 233 | 7 |
| Financial and insurance services | 824 | 23 | 896 | 33 |
| Rental, hiring and real estate services | 471 | 6 | 483 | 6 |
| Professional, scientific and technical services | 2,024 | 35 | 2,164 | 36 |
| Administrative and support services | 540 | 8 | 615 | 9 |
| Public administration and safety | 667 | 91 | 642 | 112 |
| Education and training | 615 | 22 | 621 | 26 |
| Health care and social assistance | 551 | 15 | 545 | 15 |
| Arts and recreation services | 150 | 4 | 141 | 3 |
| Other services | 479 | 6 | 504 | 7 |
| Other ⁴ | 124 | 2 | 200 | 6 |
| Total⁵ | 12,978 | 355 | 13,468 | 452 |

1 Excludes employee contributions made by employees of Australian Government departments.

2 Industry groups are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 code.

3 Data for the 2005–06 and 2006–07 FBT years includes data from FBT returns processed up to 31 October 2006 and 31 October 2007 respectively.

4 Includes FBT employee contributions where the industry was not stated.

5 Totals may differ from the sum of components due to rounding.

The highest proportion of employee contributions was for Cars – statutory, with 75.9% of employers receiving employee contributions. This represented 74.6% of the total \$452 million of employee contributions.

Table 8.7: Employee contributions¹ to taxable employers, by type, 2005–06 and 2006–07 FBT years

| Type of employee contribution | 2005–06 ² | | 2006–07 ² | |
|-------------------------------|----------------------|------------|----------------------|------------|
| | Employers | \$m | Employers | \$m |
| Cars – statutory | 9,698 | 264 | 10,225 | 337 |
| Other benefits | 568 | 25 | 602 | 23 |
| Cars – operating cost | 3,314 | 19 | 3,438 | 20 |
| Expense payments | 1,325 | 18 | 1,379 | 26 |
| Housing | 544 | 17 | 520 | 15 |
| Property | 210 | 5 | 217 | 8 |
| Car parking | 295 | 5 | 309 | 7 |
| Airline transport | 50 | 2 | 58 | 14 |
| Board | 28 | 1 | 27 | 2 |
| Total³ | 12,978 | 355 | 13,468 | 452 |

1 Excludes employee contributions made by employees of Australian Government departments.

2 Data for the 2005–06 and 2006–07 FBT years includes data from FBT returns processed up to 31 October 2006 and 31 October 2007 respectively.

3 Employers' number components do not add to total contributions as employers may report more than one type of employee contribution. Amount totals may differ from the sum of components due to rounding.

SOURCE OF FBT STATISTICS

The statistics in this chapter are sourced from 2006 and 2007 FBT returns processed by 31 October 2006 and 31 October 2007 respectively. The statistics reported are not necessarily complete as the proportion of tax returns processed by 31 October each year can vary. We recommend you exercise care when comparing the statistics for the current year and previous years.

Statistics in the detailed tables have been updated for the 1997–98 to 2005–06 FBT years to include returns processed by 31 October 2007. These statistics cannot be compared to previous editions of *Taxation statistics*.

A copy of the FBT return form is in the appendix. It may be viewed or downloaded as a PDF file from the attached CD-ROM or from the online version of *Taxation statistics* on the Tax Office website at www.ato.gov.au

LIST OF FBT DETAILED TABLES

The following fringe benefits tax detailed tables are on the attached CD-ROM and included in the online version of this publication on the Tax Office website. The tables may be viewed or downloaded as PDF or Excel files.

The items referred to in the detailed tables are items declared on the 2007 FBT return. A copy of the return is in the appendix.

Table 1: FBT payers, by FBT payable, 2006–07 FBT year

This table shows the number of FBT payers, broken down by the FBT payable, for the 2006–07 FBT year.

Table 2: FBT payable and FBT rebate, by broad industry, 2006–07 FBT year

This table shows FBT payable, FBT rebates claimed and net FBT payable, by broad industry groupings, for the 2006–07 FBT year.

Table 3: Number of FBT payers and value of benefit, by type of benefit and broad industry, 2006–07 FBT year

This table shows the number of FBT payers and the value of benefits, in different broad industries that provided different types of benefits, for the 2006–07 FBT year.

Table 4: Employee contributions, by type of benefit and broad industry, 2006–07 FBT year


This table shows amounts of employee contributions that entities (companies, partnerships, trusts, individuals and others), classified by broad industry groupings, received from their employees for different types of benefits (motor vehicle, expense payments, housing, board, airline transport, property, car parking and other (residual)) for the 2006–07 FBT year.

Table 5: Selected items, 1997–98 to 2006–07 FBT years

This table shows the number of FBT payers, FBT payable, FBT rebates claimed and net FBT for the 1997–98 to 2006–07 FBT years.

Table 6: Fringe benefits, by benefit type, 2003–04 to 2006–07 FBT years

This table shows the number of FBT payers and the benefit value amounts, by type of benefit, for the 2003–04 to 2006–07 FBT years.

 To meet privacy regulations, statistics for some items may not be included in these tables.

! OVERVIEW

For the 2005–06 income year:

- over \$2.3 billion was paid in transfers through the tax system for the benefit of families and individuals
- the highest proportion of taxpayers claiming family tax benefit entitlements had a family adjusted taxable income in the \$80,000 to \$90,000 range – their average claim was \$2,959, and
- there was a 14.6% increase in the amount of research and development tax offset claimed during 2005–06.

INTRODUCTION

This chapter provides information on payments and transfers, as reported on individual and company tax returns. Further, it covers a range of payments and transfers made through the tax system. Several of these payments provide assistance to families and individuals, such as the first child tax offset, family tax benefit and the private health insurance rebate. Conversely, both the research and development tax offset and the film and television tax offset provide targeted assistance to industry.

The private health insurance rebate, the first child tax offset, the research and development tax offset and the film and television tax offset are refundable. This means that these offsets are not limited to the amount of tax payable.

Other payments made by the Tax Office are fuel tax credits payments (see Chapter 14) and superannuation co-contribution payments (see Chapter 15).

NEW FEATURES AND INFORMATION

Statistics for the 2005–06 income year reported in this chapter may have been affected by changes to the family tax benefit (FTB). The following changes became effective from 1 July 2005:

- Part A – the Part A lower income threshold increased from \$32,485 to \$33,361. This means that families can continue to earn up to \$33,361 per income year and still receive the maximum amount of benefit.
- Part B – the amount a secondary earner can earn each year before their FTB Part B starts reducing was increased to \$4,088. Further, if after 1 July 2005 you were a parent who returned to work for the first time after the birth of your first child or after caring for a child that has come into your care, you may now be entitled to the maximum rate of FTB Part B for the period that you were not at work during the year.

FIRST CHILD TAX OFFSET

The first child tax offset applies to a child for whom legal responsibility was taken between 1 July 2001 and 30 June 2004 and can be claimed each year until the child is five years old. The first child tax offset is not available for a child born after 1 July 2004, though claims can continue to be made up until the income year ending 30 June 2014. For children born on or after 1 July 2004, a Family Assistance Office administered baby bonus replaced the maternity allowance and the Tax Office administered first child tax offset.

For the 2005–06 income year, personal taxpayers claimed \$246 million in first child tax offsets. This represents an average of \$666 per claim and a decrease on the \$671 average for 2004–05. The number of individuals claiming the offset has decreased by 7.5%, in part due to individuals no longer meeting the income eligibility criteria.

Table 9.1: First child tax offset claimed, 2004–05 and 2005–06 income years

| | 2004–05 ¹ | | 2005–06 ¹ | |
|--------------|----------------------|------------|----------------------|------------|
| | No. | \$m | No. | \$m |
| Total | 399,705 | 268 | 369,560 | 246 |

¹ Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

FAMILY TAX BENEFIT

Commencing on 1 July 2000, FTB assists families with the cost of raising dependant children and is paid through the Family Assistance Office (FAO) or the Tax Office. There are two main payment types – FTB Part A and FTB Part B; a person may be eligible for both. As part of basic eligibility provisions, both payment types are subject to income and residency tests. For payments through the tax system, FTB is generally paid as an annual year-end entitlement or reconciliation credit.

For payments through the tax system, the average entitlement and the average reconciliation credit for the 2005–06 income year increased by 1.7% and 12.6% respectively. The number of individuals receiving an entitlement or reconciliation credit increased by 7.0% and 1.7% respectively.

Table 9.2: Family tax benefit¹ claims, by type, 2004–05 and 2005–06 income years

| Type of FTB claim | 2004–05 ² | | 2005–06 ² | |
|------------------------------------|----------------------|-------|----------------------|-------|
| | No. | \$m | No. | \$m |
| Entitlement ³ | 133,750 | 441 | 143,095 | 480 |
| Reconciliation credit ⁴ | 728,880 | 1,296 | 741,547 | 1,484 |
| Reconciliation debit ⁵ | 80,595 | 50 | 92,603 | 66 |
| Consent debt ⁶ | 1,237 | 1 | 1,152 | 1 |

1 Includes FTB part A, FTB part B and the FTB part A and part B supplements, where applicable.

2 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

3 This amount represents FTB entitlement claims made through the tax system.

4 This amount represents the top-ups (on reconciliation) paid by the Tax Office.

5 This amount is FTB debt that has been offset by taxpayers' income tax refunds.

6 This amount is FTB debt that has been offset by income tax refunds of a taxpayer's consenting spouse.

The average entitlement payment of FTB to individuals generally decreases as family income increases.

Table 9.3: Family tax benefit entitlement claims, by family adjusted taxable income, 2005–06 income year

| Family adjusted taxable income ¹ | Taxpayers ² No. | FTB amount ³ \$m | Average \$ |
|---|-------------------------------|--------------------------------|---------------|
| <\$10,000 | 2,937 | 23.5 | 8,004 |
| \$10,000 to <\$20,000 | 2,966 | 20.4 | 6,869 |
| \$20,000 to <\$30,000 | 4,623 | 29.4 | 6,357 |
| \$30,000 to <\$40,000 | 6,922 | 40.0 | 5,779 |
| \$40,000 to <\$50,000 | 9,247 | 41.2 | 4,457 |
| \$50,000 to <\$60,000 | 11,821 | 44.4 | 3,754 |
| \$60,000 to <\$70,000 | 15,786 | 53.1 | 3,367 |
| \$70,000 to <\$80,000 | 19,152 | 61.1 | 3,192 |
| \$80,000 to <\$90,000 | 23,622 | 69.9 | 2,959 |
| \$90,000 to <\$100,000 | 18,551 | 43.4 | 2,337 |
| \$100,000 to <\$125,000 | 14,629 | 27.0 | 1,848 |
| \$125,000 to <\$150,000 | 4,924 | 9.9 | 2,017 |
| \$150,000 and over | 7,913 | 16.6 | 2,097 |
| Total⁴ | 143,093 | 479.9 | 3,354 |

1 Family adjusted taxable income is the combined amount of a taxpayer's adjusted taxable income and their spouse's adjusted taxable income (if they had a spouse).

2 A low number of claimants had multiple spouses during the income year. In these cases, each family is included in its respective income range.

3 Includes FTB part A, FTB part B and the FTB part A and part B supplements, where applicable.

4 Totals may differ from the sum of components due to rounding.

PRIVATE HEALTH INSURANCE REBATE

The private health insurance rebate was introduced in 1999 to replace the private health insurance incentive scheme. This new initiative was introduced to make private health insurance more affordable and accessible. The rebate is calculated as a percentage of the premium paid to a registered health fund for appropriate private health insurance cover. The percentage of rebate paid is determined by the age of the oldest individual covered by the policy – 30% of the premium if aged below 65, 35% of the premium aged between 65 and 69 or 40% of the premium if 70 or older. The rebate is not affected by the level of a taxpayer's income.

The rebate can be claimed as:

- a reduced private health insurance premium through the health fund
- a cash or cheque rebate from Medicare
- a fully refundable tax offset at the end of the financial year through the income tax return, or
- a combination of all the above options – each for a different period throughout the year.

The Tax Office can only provide statistical data on the refundable tax offset claimed through individual tax returns.

For the 2005–06 income year, 269,943 taxpayers claimed an average rebate of \$646 through the tax system. For the same period in 2004–05, an extra 5.4% of people claimed a rebate through the tax system and the average rebate was \$594.

Table 9.4: Private health insurance rebate, 2004–05 and 2005–06 income years

| | 2004–05 ¹ | | 2005–06 ¹ | |
|---|----------------------|------------|----------------------|------------|
| | No. | \$m | No. | \$m |
| Total | 284,636 | 169 | 269,943 | 174 |
| 1 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively. | | | | |

The highest proportion of taxpayers claiming a rebate through the tax system had a taxable income in the \$21,601 to \$63,000 range. Their average claim was \$587.

Table 9.5: Private health insurance rebate, by taxable income, 2005–06 income year

| Taxable income | Taxpayers | Amount claimed |
|---|----------------|----------------|
| | No. | \$m |
| Up to \$6,000 | 6,311 | 3 |
| \$6,001–\$21,600 | 23,284 | 11 |
| \$21,601–\$63,000 | 134,530 | 79 |
| \$63,001–\$95,000 | 67,561 | 50 |
| More than \$95,000 | 38,257 | 31 |
| Total¹ | 269,943 | 174 |
| 1 Totals may differ from the sum of components due to rounding. | | |

RESEARCH AND DEVELOPMENT TAX OFFSET

Jointly administered by the Industry Research and Development Board (through AusIndustry) and the Tax Office, the tax offset is designed to increase the level of research and development conducted by Australian companies. The tax offset is available to small companies with an aggregate annual turnover of less than \$5 million and grouped research and development expenditure of more than \$20,000 but less than \$1 million per income year.

Less than 1.0% of companies claimed the tax offset for the 2005–06 income year. The average claim was \$115,954, an increase on the 2004–05 average of \$107,826.

Table 9.6: Research and development tax offset, 2004–05 and 2005–06 income years

| Industry ² | 2004–05 ¹ | | 2005–06 ¹ | |
|---|----------------------|------------|----------------------|------------|
| | No. | \$m | No. | \$m |
| Agriculture, forestry and fishing | 62 | 7 | 72 | 8 |
| Mining | 41 | 7 | 56 | 11 |
| Manufacturing | 491 | 46 | 495 | 51 |
| Electricity, gas, water and waste services | 20 | 3 | 19 | 3 |
| Construction | 58 | 5 | 54 | 5 |
| Wholesale trade | 142 | 15 | 135 | 15 |
| Retail trade | 47 | 4 | 52 | 5 |
| Transport, postal and warehousing | 12 | 1 | 16 | 2 |
| Information media and telecommunications | 77 | 8 | 77 | 9 |
| Financial and insurance services | 73 | 10 | 78 | 11 |
| Rental, hiring and real estate services | 34 | 3 | 36 | 3 |
| Professional, scientific and technical services | 1,018 | 115 | 1,085 | 130 |
| Administrative and support services | 33 | 4 | 41 | 5 |
| Education and training | 22 | 2 | 19 | 2 |
| Health care and social assistance | 21 | 2 | 22 | 3 |
| Arts and recreation services | 9 | 1 | 12 | 1 |
| Other services | 32 | 3 | 39 | 5 |
| Other ³ | 29 | 3 | 55 | 7 |
| Total⁴ | 2,221 | 239 | 2,363 | 274 |

1 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

2 Industry groups are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 code.

3 Includes companies lodging under the 'Nil company returns' code, which includes non-taxable companies or companies with nil company returns – no income, expense or balance sheet data present; accommodation and food services industry companies; companies that did not state their industry; and/or companies registered under the government administration and defence industry code.

4 Totals may differ from the sum of components due to rounding.

FILM AND TELEVISION TAX OFFSET

Introduced in 2001–02, the refundable film and television tax offset provides an incentive for large budget productions to locate themselves in Australia. Administered by the Department of Broadband, Communications and the Digital Economy (formerly the Department of Communications, Information Technology and the Arts), the offset is available for the production of films, tele-movies and mini series.

The tax offset provides a benefit worth 12.5% of qualifying Australian production expenditure. The key criterion to access the offset is a minimum level of qualifying Australian production expenditure of \$15 million. Once this criterion is satisfied, there are two categories:

- Australian production expenditure between \$15 million and \$50 million requiring 70% of total film expenditure to be on film production activity in Australia, and
- Australian production expenditure above \$50 million – automatically qualifies for the offset, regardless of the proportion of Australian expenditure to the overall film budget.

The offset is provided to the production company through its tax return. Any excess over other tax liabilities is refunded.

Table 9.7: Film and television tax offset, 2004–05 and 2005–06 income years

| | 2004–05 ¹ | 2005–06 ¹ |
|-------|----------------------|----------------------|
| | \$m | \$m |
| Total | 11 | 11 |

1 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

SOURCE OF PAYMENTS AND TRANSFERS STATISTICS

The statistics in this chapter are sourced from 2005 and 2006 individual and company income tax returns processed by 31 October 2006 and 31 October 2007 respectively. The statistics reported are not necessarily complete as the proportion of tax returns processed by 31 October each year can vary. We recommend you exercise caution when comparing the statistics for the current year and previous years.

The family tax benefit statistics reported in the detailed table have been updated for the 2001–02 to 2005–06 income years to include returns processed by 31 October 2007. The statistics cannot be compared to previous editions of *Taxation statistics*. We recommend you exercise caution when comparing these statistics to the current year due to the differences in return processing times.

LIST OF PAYMENTS AND TRANSFERS DETAILED TABLES

The following personal tax detailed table is on the attached CD-ROM and included in the online version of this publication on the Tax Office website at www.ato.gov.au. The table may be viewed or downloaded as PDF or Excel files.

Table 1: Family tax benefits claims, by type, 2001–02 to 2005–06 income years

This table shows the number and value of family tax benefit claims made through the tax system, by entitlement, reconciliation credit, reconciliation debit and consent debit, for the 2001–02 to 2005–06 income years.

! To meet privacy regulations, statistics for some items may not be included in the table.

OVERVIEW

As at the end of November 2007, there were:

- 50,629 tax concession charities, and
- 24,384 active deductible gift recipients.

For the 2005–06 income year individuals claimed \$1,556 million in deductible gifts, an increase of 5.7% on the previous year.

For the 2006–07 financial year, charities claimed \$333.1 million in refundable franking credits, an increase of 7.1% on the previous year.

INTRODUCTION

This chapter provides information about entities that have applied for and been granted tax concession charity status or deductible gift recipient status, and the amounts claimed by individuals for donations to deductible gift recipients. Information on endorsed income tax exempt entities and deductible gift recipients that have claimed refundable franking credits from the Tax Office is also provided.

NEW FEATURES AND INFORMATION

This chapter has been introduced to report statistics on certain aspects of charitable organisations that can be obtained from taxation data.

TAX CONCESSION CHARITY

A charity is an institution or fund established and operated for altruistic purposes that the law regards as charitable.

Charitable purposes are:

- the relief of poverty
- the relief of the needs of the aged
- the relief of sickness or distress
- the advancement of religion
- the advancement of education
- the provision of child care services on a non-profit basis, and
- other purposes beneficial to the community.

The most common charitable purpose of charities is for social and community welfare.

The characteristics of a charity are:

- it is an entity which is also a trust fund or an institution
- it exists for the public benefit or the relief of poverty
- it is non-profit, and
- its sole purpose is charitable.

A charity with an Australian business number can seek endorsement from the Tax Office for the following concessions:

- 1 Income tax exemption – not required to pay income tax and not required to lodge an income tax return
- 2 GST charity tax concessions – including being able to use cash rather than accrual accounting for GST and being able to treat sales as GST free or input taxed
- 3 Fringe benefits tax rebate – entitlement to a rebate equal to 48% of the gross FBT payable, subject to a capping threshold
- 4 Fringe benefits tax exemption – exemption from paying FBT subject to a capping threshold.

Many community organisations are not charities. An entity is not a charity if:

- it is primarily for sporting, recreational or social purposes
- it is primarily for political, lobbying or promotional purposes
- its purpose is illegal or against public policy, or
- it is primarily for carrying on a commercial enterprise to generate surpluses.

Table 10.1: Main charitable purpose¹ of tax concession charities²

| Main charitable purpose | Number of tax concession charities | Income tax exempt charity | Tax concessions charities have | | GST concession |
|------------------------------|------------------------------------|---------------------------|--------------------------------|-------------------------------|----------------|
| | | | Fringe benefits tax exempt | Fringe benefits tax rebatable | |
| Social and community welfare | 23,154 | 23,077 | 9,385 | 11,082 | 22,900 |
| Religion | 11,615 | 11,602 | 670 | 10,960 | 11,417 |
| Education | 8,609 | 8,606 | 8 | 7,786 | 8,475 |
| Health | 1,608 | 1,597 | 3 | 1,083 | 1,538 |
| Culture | 1,310 | 1,309 | 0 | 384 | 1,260 |
| Natural environment | 420 | 420 | 0 | 355 | 404 |
| Other | 3,913 | 3,898 | 5 | 2,743 | 3,739 |
| Total | 50,629 | 50,509 | 10,071 | 34,393 | 49,733 |

1 As indicated on the application for endorsement as a tax concession charity or income tax exempt fund (NAT 10651-12.2005).

2 Active tax concession charities as at 30 November 2007.

The tax concessions a charity can apply and be endorsed for depend on its entity type. More information on concessions available to charities can be found on the Tax Office website, www.ato.gov.au

Table 10.2: Entity type¹ of tax concession charities²

| Entity Type | No. |
|-------------------------------|---------------|
| Charitable institution | 35,443 |
| Public benevolent institution | 9,615 |
| Charitable fund | 4,928 |
| Health promotion charity | 593 |
| Income tax exempt fund | 50 |
| Total | 50,629 |

1 As indicated on the application for endorsement as a tax concession charity or income tax exempt fund (NAT 10651-12.2005).

2 Active tax concession charities as at 30 November 2007.

DEDUCTIBLE GIFT RECIPIENTS

Deductible gift recipients (DGRs) are certain types of organisations that can receive tax deductible gifts. These organisations either need to be endorsed by the Tax Office, or to be specifically listed in the income tax law. To be endorsed by the Tax Office the organisation needs to fall within one of the DGR general categories, and apply to the Tax Office for DGR status.

The majority (99%) of DGRs are endorsed by the Tax Office.

Table 10.3: Deductible gift recipients¹, by type²

| Deductible gift recipient type | No. |
|--|---------------|
| Public benevolent institutions | 10,927 |
| School or college building fund | 4,339 |
| Public library | 1,566 |
| Ancillary funds | 1,406 |
| Public fund on the register of cultural organisations | 1,080 |
| Health promotion charity | 607 |
| Public museum | 519 |
| Public fund on the register of environmental organisations | 426 |
| Public fund for persons in necessitous circumstances | 424 |
| Public hospital | 360 |
| Public fund for religious instruction in government schools | 249 |
| Government special school | 191 |
| Scholarship fund | 173 |
| Specifically listed in the Income Tax Assessment Act | 165 |
| Public art gallery | 151 |
| Approved research institute | 149 |
| Overseas aid fund | 147 |
| Public institution for research | 95 |
| Non-profit hospital | 92 |
| Institution consisting of a public library, public museum and public art gallery or of any two of these bodies | 89 |
| Public fund for public benevolent institutions | 85 |
| Public university | 79 |
| TAFE | 74 |
| A public fund established and maintained for the purpose of providing money for the provision of public ambulance services | 67 |
| Residential educational institution | 62 |
| Animal welfare charity | 58 |
| Other ³ | 804 |
| Total | 24,384 |

¹ Active deductible gift recipient status as at 30 November 2007.

² Type as identified on the application form for deductible gift recipient application form (NAT 2948-06.2006).

³ Other includes 21 other deductible gift recipient types.

DEDUCTIBLE GIFTS

While entities are able to make tax deductible donations to DGRs, these donations are only separately reported to the Tax Office on the individuals' tax return. Donations can take many forms, including cash, shares, property, trading stock, cultural gifts and bequests and heritage gifts.

Overall, the number of individuals who claimed contributions as a deduction decreased by 2.7% for the 2005–06 income year, while the amount claimed increased by 5.7%.

Table 10.4: Individuals gifts claimed, by amount claimed, for 2004–05 and 2005–06 income years¹

| Amount of gifts claimed \$ | 2004–05 | | 2005–06 | |
|-------------------------------|------------------|--------------|------------------|--------------|
| | No. | \$m | No. | \$m |
| 1 to 25 | 1,136,226 | 16 | 1,104,113 | 16 |
| 26 to 50 | 790,570 | 33 | 793,222 | 33 |
| 51 to 250 | 1,418,461 | 178 | 1,315,658 | 165 |
| 251 to 1,000 | 765,927 | 382 | 783,324 | 391 |
| 1,001 to 5,000 | 176,905 | 335 | 173,546 | 331 |
| 5,001 to 10,000 | 15,378 | 105 | 15,897 | 108 |
| 10,001 to 25,000 | 6,662 | 98 | 6,930 | 102 |
| More than 25,000 | 2,688 | 326 | 3,218 | 410 |
| Total² | 4,312,817 | 1,472 | 4,195,908 | 1,556 |

¹ Data for 2004–05 and 2005–06 income year includes data processed up to 31 October 2006 and 31 October 2007 respectively.

² Totals may differ from the sum of components due to rounding.

For the 2005–06 income year 36.5% of individuals claimed a contribution to a DGR as a deduction in their income tax return. For 58.0% of these individuals, their contribution represented less than 0.25% of their total income.

Table 10.5: Individuals gifts as a percentage¹ of total income, for the 2005–06 income year²

| Gifts as a percentage of total income | No. | Gifts \$m |
|---------------------------------------|------------------|--------------|
| <i>No Gifts claimed</i> | 7,315,051 | 0 |
| More than 0% to 0.25% | 2,435,033 | 121 |
| More than 0.25% to 0.5% | 621,746 | 118 |
| More than 0.5% to 0.75% | 318,513 | 105 |
| More than 0.75% to 1% | 201,827 | 90 |
| More than 1% to 2% | 340,865 | 218 |
| More than 2% to 3% | 110,861 | 113 |
| More than 3% to 4% | 51,401 | 74 |
| More than 4% to 5% | 28,980 | 53 |
| More than 5% to 6% | 18,251 | 42 |
| More than 6% to 7% | 12,627 | 34 |
| More than 7% to 8% | 9,257 | 29 |
| More than 8% to 9% | 7,202 | 25 |
| More than 9% to 10% | 6,128 | 26 |
| More than 10% | 33,217 | 507 |
| Total Gifts³ | 4,195,908 | 1,556 |

1 The percentage is the gifts divided by total income multiplied by 100.

2 Data for the 2005–06 income year includes data processed up to 31 October 2007.

3 Totals may differ from the sum of components due to rounding.

More information on gifts claimed by individuals can be found in the personal tax (chapter 2) detailed tables.

REFUNDABLE FRANKING CREDITS

Franking credits attached to franked dividends received by endorsed income tax exempt entities, deductible gift recipients and developing country relief funds may be refundable, provided the eligibility criteria are met.

In June of each year the Tax Office sends a personalised refund application package to eligible organisations that applied for and received a refund in the previous financial year. Organisations claiming for the first time are required to contact the Tax Office.

The value of refundable franking credits grew by 7.1% in 2006–07.

Table 10.6: Refundable franking credits, by amount refunded, 2005–06 and 2006–07 financial years¹

| Amount paid | 2005–06 | | 2006–07 | |
|--------------------------|--------------|--------------|--------------|--------------|
| | Claims | \$m | Claims | \$m |
| Under \$100,000 | 2,893 | 22.1 | 3,144 | 37.2 |
| \$100,001 – \$500,000 | 272 | 58.9 | 307 | 67.5 |
| \$500,001 – \$1,000,000 | 58 | 39.2 | 56 | 40.0 |
| Over \$1,000,000 | 53 | 190.6 | 52 | 188.4 |
| Total² | 3,276 | 310.9 | 3,559 | 333.1 |

1 Claims processed during the financial year, 1 July to 30 June.

2 Totals may differ from the sum of components due to rounding.

Table 10.7: Refundable excess imputation credits, by ANZSIC¹, 2006–07 financial year²

| ANZSIC classification | Claims | \$m |
|---|--------------|--------------|
| Agriculture, forestry and fishing | 8 | 0.1 |
| Retail trade ³ | 9 | .. |
| Accommodation and food services | 47 | 1.5 |
| Financial and insurance services | 1,424 | 123.2 |
| Rental, hiring and real estate services | 76 | 8.3 |
| Professional, scientific and technical services | 101 | 16.0 |
| Administrative and support services | 38 | 1.2 |
| Public administration and safety | 14 | 5.9 |
| Education and training | 197 | 66.8 |
| Health care and social assistance | 386 | 25.8 |
| Arts and recreation services | 40 | 1.2 |
| Other services | 1,087 | 67.3 |
| Other or unknown ⁴ | 132 | 15.6 |
| Total⁵ | 3,559 | 333.1 |

1 Based on ANZSIC 2006 classifications.

2 Claims processed during the financial year, 1 July to 30 June.

3 '..' means rounded to zero but not zero.

4 Includes entities with no ANZSIC, and all other broad ANZSIC classifications not specifically listed above. This was due to only a small number of entities claiming refundable imputation credits in those broad ANZSIC classifications.

5 Totals may differ from the sum of components due to rounding.

SOURCE OF CHARITIES AND DEDUCTIBLE GIFTS STATISTICS


The statistics in this chapter are sourced from tax concession charity and deductible gift recipient status application forms, 2005 and 2006 individual income tax returns processed by 31 October 2006 and 31 October 2007 respectively, and from applications for a refund of franking credits.

LIST OF CHARITIES AND DEDUCTIBLE GIFTS DETAILED TABLES

The following detailed table refund of franking credits for the 2001–02 to 2006–07 financial years is on the attached CD-ROM and included in the online version of this publication on the Tax Office website. The table may be viewed or downloaded as PDF or Excel files.

Table 1: Refundable franking credits for endorsed income tax exempt entities and deductible gift recipients, 2001–02 to 2006–07 financial years

This table shows the number of claims and the value of franking credits claimed by charities for the 2001–02 to 2006–07 financial years.

 To meet privacy regulations, statistics for some items may not be included in the table.

! OVERVIEW

For the 2005–06 income year:

- 1,030,924 individuals lodged returns with foreign sourced income, a 5.4% increase from 2004–05
- individual foreign sourced income was \$2,468 million, an increase of 12.6% from 2004–05
- corporate net foreign sourced income was \$6,318 million, an 18.4% increase from 2004–05, and
- net foreign sourced income from superannuation funds was \$3,632 million, an 8.8% decrease from 2004–05.

INTRODUCTION

This chapter provides information on international dealings as reported on individual, company, partnership, trust and superannuation fund income tax returns. International tax is becoming increasingly important as taxpayers becoming involved in cross border business and investment activities, and more people cross national borders to live and work.

NEW FEATURES AND INFORMATION

This chapter has been introduced to gather statistics on the international aspects of the Australian tax system. The chapter focuses on different entity types.

INDIVIDUAL FOREIGN SOURCED INCOME

For the 2005–06 income year, a total of 61,120 non-residents lodged tax returns, an increase of 2.6% on 2004–05. Individual foreign sourced income increased 12.6% to almost \$2.5 billion in 2005–06. This reflects international labour movements as well as increased international investment by Australians.

Table 11.1: Individuals, by residency status and taxable income, 2004–05 and 2005–06 income years

| Taxable Income | 2004–05 ¹ | | 2005–06 ¹ | |
|--------------------------|----------------------|---------------------|----------------------|---------------------|
| | Resident No. | Non-resident No. | Resident No. | Non-resident No. |
| Less than \$0 | 117,253 | 15,678 | 125,934 | 16,509 |
| \$0 – \$24,999 | 4,554,793 | 37,662 | 4,481,997 | 37,482 |
| \$25,000 – \$49,999 | 3,861,009 | 3,700 | 3,901,801 | 3,804 |
| \$50,000 – \$74,999 | 1,736,382 | 1,409 | 1,860,595 | 1,511 |
| \$75,000 – \$99,999 | 485,185 | 498 | 581,600 | 655 |
| \$100,000 – \$199,999 | 330,820 | 709 | 393,985 | 790 |
| \$200,000 or more | 90,592 | 303 | 103,927 | 369 |
| Total² | 11,176,034 | 59,595 | 11,449,839 | 61,120 |

1 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

2 Totals may differ from the sum of components due to rounding.

Table 11.2: Individual foreign source income, by taxable income, 2004–05 and 2005–06 income years

| Taxable Income | 2004–05 ¹ | | 2005–06 ¹ | |
|--------------------------|----------------------|-----------------|----------------------|-----------------|
| | No. | \$m | No. | \$m |
| Less than \$0 | 7,541 | 16.67 | 8,065 | 32.95 |
| \$0 – \$24,999 | 345,581 | 489.22 | 336,351 | 491.32 |
| \$25,000 – \$49,999 | 292,248 | 538.69 | 301,670 | 544.83 |
| \$50,000 – \$74,999 | 178,345 | 270.34 | 193,327 | 316.12 |
| \$75,000 – \$99,999 | 66,954 | 156.55 | 82,972 | 192.57 |
| \$100,000 – \$199,999 | 62,834 | 269.13 | 77,902 | 331.85 |
| \$200,000 or more | 24,783 | 451.57 | 30,637 | 558.25 |
| Total² | 978,286 | 2,192.17 | 1,030,924 | 2,467.89 |

1 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

2 Totals may differ from the sum of components due to rounding.

CORPORATE FOREIGN SOURCED INCOME

During 2005–06 net foreign income to companies increased by \$981 million or 18.4% due mainly to increases in foreign income being received by the finance and insurance services sector. This industry increased by \$623 million from 2004–05 and represented almost 70% of all net foreign sourced income.

Table 11.3: Companies net foreign sourced income, by industry, 2004–05 and 2005–06 income years

| Industry ¹ | 2004–05 ² | | 2005–06 ² | |
|---|----------------------|-----------------|----------------------|-----------------|
| | No. | \$m | No. | \$m |
| Agriculture, forestry and fishing | 371 | 7.82 | 389 | 13.58 |
| Mining | 64 | 174.13 | 68 | 142.68 |
| Manufacturing | 455 | 129.00 | 485 | 304.33 |
| Electricity, gas, water and waste services | 12 | 3.41 | 15 | 2.38 |
| Construction | 467 | 58.02 | 497 | 42.40 |
| Wholesale trade | 512 | 171.77 | 563 | 298.03 |
| Retail trade | 327 | 76.79 | 389 | 121.65 |
| Accommodation and food services | 139 | 8.37 | 171 | 16.01 |
| Transport, postal and warehousing | 194 | 270.06 | 194 | 270.44 |
| Information media and telecommunications | 235 | 77.57 | 220 | 75.87 |
| Finance and insurance services | 7,234 | 3,660.25 | 7,767 | 4,283.53 |
| Rental, hiring and real estate services | 1,284 | 87.59 | 1,423 | 111.96 |
| Professional, scientific and technical services | 1,577 | 380.12 | 1,723 | 342.20 |
| Administrative and support services | 211 | 31.53 | 217 | 42.18 |
| Public administration and safety | 25 | 24.24 | 26 | 4.11 |
| Education and training | 95 | 8.36 | 89 | 35.17 |
| Health care and social assistance | 209 | 11.73 | 250 | 11.28 |
| Arts and recreational services | 149 | 34.57 | 137 | 30.16 |
| Other services | 227 | 18.11 | 229 | 22.11 |
| Other ³ | 1,077 | 103.70 | 1,422 | 147.67 |
| Total⁴ | 14,864 | 5,336.83 | 16,274 | 6,317.72 |

1 Industry groups are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 code. This may produce variations in data values from *Taxation statistics 2004–05*.

2 Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

3 Includes companies lodging under the 'nil company returns' code, which includes non-taxable companies or companies with nil company returns and companies that did not state their industry; and/or companies registered under the government administration and defence industry code.

4 Totals may differ from the sum of components due to rounding.

During the 2005–06 year there was a marked increase in overseas interest expenses claimed by companies. Overseas interest expenses grew by almost \$7.3 billion or 37.5% over 2004–05. Over 90% of the increase was from the finance and insurance sector.

Table 11.4: Selected company international tax labels, 2004–05 and 2005–06 income years

| Selected labels | 2004–05 ¹ | | 2005–06 ¹ | |
|--|----------------------|-----------|----------------------|-----------|
| | No. | \$m | No. | \$m |
| Net foreign income | 14,864 | 5,336.83 | 16,274 | 6,317.72 |
| Gross payments subject to foreign resident withholding | 645 | 90.52 | 609 | 362.73 |
| Interest expenses overseas | 7,849 | 19,365.12 | 9,016 | 26,627.41 |
| Lease expenses overseas | 1,317 | 390.42 | 1,378 | 413.70 |
| Attributed foreign income | | | | |
| Listed country | 52 | 91.78 | 128 | 62.10 |
| Section 404 country | 94 | 169.78 | 126 | 260.51 |
| Unlisted country | 84 | 566.74 | 99 | 694.12 |

¹ Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

Table 11.5: Companies by residency status, 2004–05 and 2005–06 income years

| Residency status | 2004–05 ¹ | 2005–06 ¹ |
|--------------------------------------|----------------------|----------------------|
| | No. | No. |
| Resident | 705,675 | 726,539 |
| Non-resident | 1,541 | 1,360 |
| Permanent establishment ² | 239 | 297 |
| Total | 707,455 | 728,196 |

¹ Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

² A permanent establishment is a fixed place of business in Australia or overseas. Refer to appropriate international tax agreement for a more comprehensive definition.

SUPERANNUATION FUND FOREIGN SOURCED INCOME

For 2004–05 net foreign income reported by superannuation funds decreased by \$351.33 million or –8.8% due mainly to a fall in foreign income received by public sector funds.

Table 11.6: Superannuation fund foreign income, 2004–05 and 2005–06 income years

| Selected Labels | 2004–05 ¹ | | 2005–06 ¹ | |
|----------------------|----------------------|----------|----------------------|----------|
| | No. | \$m | No. | \$m |
| Gross foreign income | 113,630 | 4,886.92 | 130,115 | 4,948.47 |
| Net foreign income | 113,701 | 3,982.89 | 130,145 | 3,631.56 |

¹ Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

PARTNERSHIP AND TRUST FOREIGN SOURCED INCOME

Net other assessable foreign income for partnerships decreased by 57% to \$74.28 million for 2005–06. This decline mainly impacted on partnerships engaged in investment activities but reflects a wider movement away from the use of partnerships.

Table 11.7: Partnership other assessable foreign income, 2004–05 and 2005–06 income years

| Selected Labels | 2004–05 ¹ | | 2005–06 ¹ | |
|---------------------------------------|----------------------|--------|----------------------|-------|
| | No. | \$m | No. | \$m |
| Gross other assessable foreign income | 4,222 | 226.48 | 3,751 | 94.21 |
| Net other assessable foreign income | 4,150 | 174.88 | 3,694 | 74.28 |

¹ Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

Net other assessable foreign income for trusts increased by 15% to \$9,886 million for 2005–06. The increase was impacted on trusts classed as investment income recipients.

Table 11.8: Trust other assessable foreign income, 2004–05 and 2005–06 income years

| Selected Labels | 2004–05 ¹ | | 2005–06 ¹ | |
|---------------------------------------|----------------------|-----------|----------------------|-----------|
| | No. | \$m | No. | \$m |
| Gross other assessable foreign income | 50,593 | 11,592.09 | 56,107 | 13,411.18 |
| Net other assessable foreign income | 50,063 | 8,589.67 | 55,544 | 9,885.60 |

¹ Data for the 2004–05 and 2005–06 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

SOURCE OF INTERNATIONAL TAXATION STATISTICS

The international tax statistics in this chapter are sourced from 2005 and 2006 individual, company, partnership, trust and superannuation fund income tax returns processed by 31 October 2006 and 31 October 2007 respectively. The statistics reported are not necessarily complete as the proportion of tax returns processed by 31 October each year can vary. We recommend you exercise caution when comparing the statistics for the current year and previous years.

A copy of the individual, company, partnership, trust and superannuation return form is in the appendix. It may be viewed or downloaded as a PDF file from the attached CD-ROM or from the online version of *Taxation statistics* on the Tax Office website at www.ato.gov.au


LIST OF INTERNATIONAL TAXATION DETAILED TABLES

The following detailed tables are on the attached CD-ROM and included in the online version of this publication on the Tax Office website. The tables may be viewed or downloaded as PDF or Excel files.

To find out whether a particular item is included in a detailed table, refer to the company detailed table index included on the attached CD-ROM and in the online version of this publication. The index lists the different items shown in the detailed tables and specifies which table they appear in.

Table 1: Selected international items, 1996–97 to 2005–06 income years

This table shows selected items from the individual, company, partnership, trust and superannuation fund tax returns for income years 1996–97 to 2005–06. The number of records and amounts are shown.

 To meet privacy regulations, statistics for some items may not be included in the table.

OVERVIEW

For the 2006–07 financial year:

- total net GST liabilities (including Customs collections) increased by 6.7% to \$39.7 billion – from \$37.2 billion in 2005–06
- wine equalisation tax liabilities (including Customs collections) decreased by 2.7% from the previous year to \$645.0 million, and
- luxury car tax liabilities (including Customs collections) increased by 15.2% to \$371.0 million.

INTRODUCTION

This chapter provides a general description of goods and services tax (GST), wine equalisation tax (WET) and luxury car tax (LCT). It reports liabilities incurred during the 2005–06 and 2006–07 financial years as reported on business activity statements and other forms.

GST is a tax of 10% on the supply of most goods and services and other taxable supplies (for example, real property and rights) in Australia, including items that are imported. In most cases, GST does not apply to exports of goods or services, or other items consumed outside Australia.

GST is administered by the Tax Office on behalf of the Australian Government, and is appropriated to the states and territories. The Australian Government funds the Tax Office to administer GST, and is reimbursed by the states and territories. The Australian Customs Service (Customs) collects GST on taxable importations that are not subject to the deferred GST scheme.

NEW FEATURES AND INFORMATION

GST, WET and LCT statistics for this edition are provided on a liabilities basis as reported on business activity statements. All data provided has been compiled at the client account level rather than the entity level – an entity may have a number of client accounts. To improve consistency, 2005–06 data includes cases processed as at 31 October 2006 and 2006–07 data includes cases processed as at 31 October 2007. As a result, values for 2005–06 may differ from those provided in *Taxation statistics 2004–05*.

GST LIABILITIES**Box 12.1: Calculating net GST liabilities****Net GST is calculated as:**

| | |
|------|----------------------------------|
| | Gross GST payable |
| Add | Deferred GST payments on imports |
| Less | Input tax credits |

Gives Net GST

If net GST is more than \$0, the net difference is payable to the Tax Office.

If net GST is less than \$0, the net difference can be claimed as a refund.

Note: Net GST can also be affected by increasing and decreasing adjustments.

From 2005–06 to 2006–07, the most noticeable change in GST liabilities is a decrease in the electricity, gas and water industry liabilities, which is attributable to increased input tax credits which in turn is due to a number of new claims being made.

Table 12.1: Net GST liabilities^{1,2}, by industry, 2005–06 to 2006–07 financial years

| Industry ³ | 2005–06 | | 2006–07 | |
|--------------------------------------|------------------|------------------|------------------|------------------|
| | No. | \$m ⁴ | No. | \$m ⁴ |
| Agriculture | 200,353 | –17 | 198,103 | –16 |
| Mining | 6,484 | –3,107 | 6,695 | –3,544 |
| Manufacturing | 91,797 | 5,558 | 90,857 | 5,930 |
| Electricity, gas and water | 5,020 | 587 | 5,121 | 452 |
| Construction | 319,065 | 4,083 | 327,232 | 4,611 |
| Wholesale | 71,951 | 11,458 | 72,144 | 12,058 |
| Retail | 137,801 | 2,222 | 137,545 | 2,609 |
| Accommodation, cafes and restaurants | 76,180 | 2,334 | 76,248 | 2,483 |
| Transport, postal and warehousing | 125,901 | 1,912 | 127,676 | 2,111 |
| Communication | 16,341 | 2,132 | 16,294 | 1,994 |
| Finance | 114,090 | 4,368 | 116,722 | 4,532 |
| Rental, hiring and real estate | 187,898 | 1,936 | 195,046 | 2,172 |
| Professional, scientific and safety | 212,852 | 5,068 | 215,718 | 5,801 |
| Administration and support services | 68,357 | 2,251 | 70,041 | 2,553 |
| Public administration | 10,470 | –7,140 | 10,537 | –7,793 |
| Education | 31,590 | 118 | 31,961 | 112 |
| Health and community services | 84,899 | –801 | 87,154 | –943 |
| Arts and recreational services | 31,945 | 769 | 31,953 | 830 |
| Other services | 113,335 | 1,186 | 113,722 | 1,272 |
| Unknown ⁵ | 26,154 | –179 | 42,052 | –241 |
| <i>Tax Office GST liabilities</i> | <i>1,932,483</i> | <i>34,736</i> | <i>1,972,821</i> | <i>36,983</i> |
| Customs collections | | 2,456 | | 2,703 |
| Total net GST | | 37,192 | | 39,686 |

1 Excludes penalties and interest on overpayments.

2 Values have been compiled at the client account level rather than at entity level. 2005–06 data includes cases processed as at 31 October 2006 and the 2006–07 data includes cases processed as at 31 October 2007. As a result, values may differ from those provided in *Taxation statistics 2004–05*.

3 Industry classifications are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 code. Some recoding has been undertaken to better reflect the activities of certain clients.

4 Sales tax credits could no longer be deducted from gross GST payable to calculate net GST liabilities for either year.

5 Includes entities that did not state their industry and 'ATO use only' codes.

Table 12.2: Net GST liabilities^{1,2}, by amount, 2005–06 to 2006–07 financial years

| Net liability amount ³ | 2005–06 | | 2006–07 | |
|-----------------------------------|------------------|------------------|------------------|------------------|
| | No. | \$m ² | No. | \$m ² |
| \$–10,000,000 or more | 363 | –15,584 | 425 | –17,623 |
| \$–5,000,000 – \$–9,999,999 | 313 | –2,234 | 334 | –2,346 |
| \$–1,000,000 – \$–4,999,999 | 1,677 | –3,616 | 1,875 | –3,985 |
| \$–500,000 – \$–999,999 | 1,858 | –1,277 | 2,080 | –1,451 |
| \$–100,000 – \$–499,999 | 15,152 | –3,091 | 16,819 | –3,452 |
| \$–10,000 – \$–99,999 | 100,351 | –2,948 | 104,081 | –3,110 |
| \$–1 to \$–9,999 | 433,089 | –930 | 436,057 | –939 |
| \$0 to \$9,999 | 940,159 | 3,278 | 940,970 | 3,319 |
| \$10,000 – \$99,999 | 386,580 | 10,798 | 411,575 | 11,603 |
| \$100,000 – \$499,999 | 42,721 | 8,576 | 47,222 | 9,484 |
| \$500,000 – \$999,999 | 4,858 | 3,360 | 5,458 | 3,764 |
| \$1,000,000 – \$4,999,999 | 4,175 | 8,528 | 4,600 | 9,415 |
| \$5,000,000 – \$9,999,999 | 554 | 3,836 | 649 | 4,469 |
| \$10,000,000 or more | 633 | 26,041 | 676 | 27,834 |
| <i>Tax Office liabilities</i> | <i>1,932,483</i> | <i>34,736</i> | <i>1,972,821</i> | <i>36,983</i> |
| Customs collections ⁴ | | 2,456 | | 2,703 |
| Total net GST | | 37,192 | | 39,686 |

1 Excludes penalties and interest on overpayments.

2 Values have been compiled at the client account level rather than at entity level. 2005–06 data includes cases processed as at 31 October 2006 and the 2006–07 data includes cases processed as at 31 October 2007. As a result values may differ from those provided in *Taxation statistics 2004–05*.

3 Sales tax credits could no longer be deducted from gross GST payable to calculate net GST liabilities for either year.

4 Customs collects GST on taxable importations that are not subject to the deferred GST scheme.

INPUT TAX CREDITS

An input tax credit (or GST credit) is an amount a registered entity is entitled to claim to offset the GST paid on inputs the entity acquires to use in its enterprise. However, if a registered entity acquires a supply for private use and/or to make input taxed supplies, it cannot claim an input tax credit. Reduced input tax credits are available for certain input taxed financial supplies.

The industry with the largest net GST payments was the wholesale industry. This industry showed an increase of 52.1% in net GST payments from the previous year. Gross GST payable and input credits increased. This is due to the movement of a particular type of company to the 'wholesale' ANZSIC code, which is considered a more representative code for the business type. Public administration generally comprises government authorities who do not pay GST. This can be seen in the table below where public administration shows a large negative net GST (refund) value.

Table 12.3: GST, input tax credits and deferred GST liabilities^{1,2} on imports, by industry, 2006–07 financial year

| Industry ³ | Number No. | Gross GST payable \$m ² | Input tax credits \$m ² | Deferred GST payments on imports \$m ² | Net GST \$m ² |
|--------------------------------------|------------------|--|--|--|-----------------------------|
| Agriculture | 198,103 | 4,657 | 4,709 | 37 | -16 |
| Mining | 6,695 | 3,990 | 8,197 | 663 | -3,544 |
| Manufacturing | 90,857 | 23,083 | 20,844 | 3,692 | 5,930 |
| Electricity, gas and water | 5,121 | 5,335 | 4,905 | 23 | 452 |
| Construction | 327,232 | 19,748 | 15,251 | 114 | 4,611 |
| Wholesale | 72,144 | 33,586 | 30,368 | 8,841 | 12,058 |
| Retail | 137,545 | 24,149 | 22,683 | 1,143 | 2,609 |
| Accommodation, cafes and restaurants | 76,248 | 5,460 | 2,981 | 3 | 2,483 |
| Transport, postal and warehousing | 127,676 | 9,033 | 7,246 | 323 | 2,111 |
| Communication | 16,294 | 5,767 | 3,888 | 115 | 1,994 |
| Finance | 116,722 | 22,182 | 18,073 | 423 | 4,532 |
| Rental, hiring and real estate | 195,046 | 8,533 | 6,450 | 89 | 2,172 |
| Professional, scientific and safety | 215,718 | 14,201 | 8,718 | 318 | 5,801 |
| Administration and support services | 70,041 | 4,994 | 2,477 | 36 | 2,553 |
| Public administration | 10,537 | 2,970 | 10,955 | 192 | -7,793 |
| Education | 31,961 | 1,827 | 1,776 | 61 | 112 |
| Health and community services | 87,154 | 2,654 | 3,612 | 16 | -943 |
| Arts and recreational services | 31,953 | 2,130 | 1,315 | 15 | 830 |
| Other services | 113,722 | 4,299 | 3,079 | 52 | 1,272 |
| Unknown ⁴ | 42,052 | 2,973 | 3,363 | 149 | -241 |
| <i>Tax Office GST liabilities</i> | <i>1,972,821</i> | <i>201,569</i> | <i>180,892</i> | <i>16,305</i> | <i>36,983</i> |
| Customs collections | | | | | 2,703 |
| Total | | | | | 39,686 |

1 Excludes penalties and interest on overpayments.

2 Values have been compiled at the client account level rather than at entity level. 2005–06 data includes cases processed as at 31 October 2006 and the 2006–07 data includes cases processed as at 31 October 2007. As a result values may differ from those provided in *Taxation statistics 2004–05*.

3 Industry classifications are based on Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 code. Some recoding has been undertaken to better reflect the activities of certain clients.

4 Includes entities that did not state their industry and 'ATO use only' codes.

WINE EQUALISATION TAX

From 1 July 2000, sales tax on wine was replaced with GST and wine equalisation tax. The wine equalisation tax rate is 29% of the wholesale sale value. Wine equalisation tax was designed to maintain the price relativities between cask wine and full-strength packaged beer purchased for consumption away from licensed premises.

The producer rebate scheme started on 1 October 2004 and entitles producers to a rebate of 29% of the wholesale value of domestic wine sales and applications to own use. This scheme replaced the previous cellar door rebate scheme. The maximum rebate from 1 July 2006 is \$500,000 each financial year. Previously the maximum rebates were \$217,500 for 2004–05 and \$290,000 for the 2005–06 financial year. Further, effective from 1 July 2005, producers of wine made in New Zealand who are approved as a New Zealand participant are also eligible for the producer rebate on their wine sold in Australia on which wine equalisation tax is paid.

The lower level of WET for 2006–07 reflects the higher rebate threshold and a general downturn in wine industry production.

Table 12.4: Wine equalisation tax liabilities, 2005–06 and 2006–07 financial years

| Amount of WET paid | 2005–06 ¹ | | | 2006–07 ² | | |
|-----------------------------------|----------------------|-------------------|--------------------|----------------------|-------------------|--------------------|
| | WET Payable \$m | WET Refund \$m | Amount paid \$m | WET Payable \$m | WET Refund \$m | Amount paid \$m |
| Less than \$100,000 | 77 | 107 | –30 | 100 | 160 | –60 |
| \$100,000–\$499,999 | 34 | 9 | 25 | 27 | 6 | 22 |
| \$500,000–\$999,999 | 25 | 2 | 23 | 22 | 3 | 19 |
| \$1,000,000–\$4,999,999 | 95 | 8 | 87 | 92 | 15 | 77 |
| \$5,000,000 or more | 559 | 8 | 551 | 591 | 15 | 576 |
| <i>Tax Office WET liabilities</i> | <i>790</i> | <i>134</i> | <i>656</i> | <i>832</i> | <i>199</i> | <i>633</i> |
| Customs collections ³ | | | 7 | | | 12 |
| Total⁴ | | | 663 | | | 645 |

1 Processed liabilities at 31 October 2006, by amount sent to the Tax Office.

2 Processed liabilities at 31 October 2007, by amount sent to the Tax Office.

3 Customs collects wine equalisation tax on taxable importations.

4 Totals may differ from the sum of components due to rounding.

LUXURY CAR TAX

From 1 July 2000, sales tax on luxury cars was replaced by GST and luxury car tax (LCT). Like wine equalisation tax, luxury car tax was designed to maintain price relativities. It ensured that the price of luxury cars fell by about the same amount as the price of cars just under the luxury car tax threshold following the removal of sales tax and the introduction of GST.

For the 2006–07 financial year, there was a 15.2% increase in total luxury car tax liabilities. These results are consistent with the recent upward trend in sales of new luxury vehicles. The luxury car tax threshold remained at \$57,009 in 2006–07.

Table 12.5: Luxury car tax liabilities, 2005–06 and 2006–07 financial years

| Amount paid | 2005–06 ¹ | | 2006–07 ² | |
|----------------------------------|----------------------|-------|----------------------|-------|
| | \$m | % | \$m | % |
| Less than \$100,000 | 14 | 4.4 | 15 | 4.1 |
| \$100,000–\$499,999 | 28 | 8.8 | 34 | 9.3 |
| \$500,000–\$999,999 | 21 | 6.7 | 18 | 5.0 |
| \$1,000,000–\$4,999,999 | 150 | 47.1 | 158 | 42.9 |
| \$5,000,000 or more | 105 | 32.9 | 143 | 38.8 |
| Tax Office LCT liabilities | 319 | 100.0 | 369 | 100.0 |
| Customs collections ³ | 3 | | 2 | |
| Total ⁴ | 322 | | 371 | |

1 Processed liabilities at 31 October 2006, by amount sent to the Tax Office.

2 Processed liabilities at 31 October 2007, by amount sent to the Tax Office.

3 Customs collects luxury car tax on taxable importations.

4 Totals may differ from the sum of components due to rounding

SOURCE OF GST STATISTICS

The statistics in this chapter are sourced from 2006 and 2007 GST, wine equalisation tax and luxury car tax liabilities reported on business activity statements, GST annual returns and information reports as at 31 October 2006 and 31 October 2007. The Customs collection statistics in this chapter are provided by the Australian Customs Service.


A copy of the business activity statement is in the appendix. It may be viewed or downloaded as a PDF file from the attached CD-ROM or from the online version of *Taxation statistics* on the Tax Office website at www.ato.gov.au

LIST OF GST DETAILED TABLES

The following detailed table on selected GST, wine equalisation tax and luxury car tax items for the 2000–01 to 2006–07 financial years is on the attached CD-ROM and included in the online version of this publication on the Tax Office website. The table may be viewed or downloaded as PDF or Excel files.

Table 1: Selected GST, wine equalisation tax and luxury car tax items, 2000–01 to 2006–07 financial years

This table shows selected GST, wine equalisation tax and luxury car tax items for the 2000–01 to 2006–07 financial years.

 To meet privacy regulations, statistics for some items may not be included in the table.

OVERVIEW

For the 2006–07 financial year:

- total excise liabilities were \$22.9 billion
- excise from refined petroleum products was \$14.2 billion, and
- excise clearances for crude oil totalled \$535.0 million, an increase of 62.0%.

INTRODUCTION

Excise duty is levied on certain goods manufactured or produced in Australia. These goods include crude oil, petroleum products, tobacco and alcohol (spirits, beer, liqueur and ready-to-drink products but not wine).

Excise duties applied to tobacco and alcohol are increased in February and August each year, in line with upward movements in the consumer price index. Indexation is not applied to petroleum products.

Excise duty is applied to crude oil on an ad valorem tax basis. The excise liability is calculated by applying marginal rates to the volume weighted average realised (VOLWARE) price.

Taxpayers self-assess their excise duty liability. The Tax Office helps manufacturers, producers and dealers in excisable goods to meet their obligations.

For the purpose of this publication, excise revenue is recorded when the products are cleared for home consumption. The time difference between liabilities raised and the receipt of payment for products such as tobacco, alcohol and petroleum, is approximately one week. For crude oil, payment is made on or before the last working day of the month following the month in which it was cleared.

NEW FEATURES AND INFORMATION

Statistics for this chapter may be affected by the excise tariff reforms. These reforms were part of an administrative review which looked at reducing compliance costs for excise manufacturers, stakeholders, importers and administering authorities.

The key changes of this reform were to:

- streamline the tariff schedule
- have one excise rate for all fuels (except aviation)
- streamline provisions in the concessional spirits scheme
- have a standard three year expiry for excise licences, and
- repeal the *Distillation Act 1901*, *Spirits Act 1906*, *Coal Excise Act 1949*, *Fuel Blending (Penalty Surcharge) Act 1997*, *Fuel Misuse (Penalty Surcharge) Act 1997*, *Fuel (Penalty Surcharges) Administration Act 1997* and *Fuel Sale (Penalty Surcharge) Act 1997*.

These excise changes applied from 1 July 2006.

EXCISE LIABILITIES

Excise liabilities for the 2006–07 financial year totalled \$22.9 billion, increasing by \$1,113.0 million or 5.1% from 2005–06.

Table 13.1: Excise liabilities, by commodity, 2005–06 and 2006–07 financial years

| Commodity | 2005–06 ¹ | | 2006–07 ¹ | |
|--------------------------|----------------------|--------------|----------------------|--------------|
| | \$m | % | \$m | % |
| Petroleum | 13,593 | 62.5 | 14,236 | 62.2 |
| Tobacco | 5,290 | 24.3 | 5,387 | 23.6 |
| Beer | 1,739 | 8.0 | 1,836 | 8.0 |
| Spirits | 808 | 3.7 | 880 | 3.8 |
| Crude oil | 330 | 1.5 | 535 | 2.3 |
| Total² | 21,761 | 100.0 | 22,874 | 100.0 |

¹ Data for 2005–06 and 2006–07 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

² Totals may differ from the sum of components due to rounding.

The amount of duty for each commodity was relatively stable, with the exception of crude oil which increased from \$330.0 to \$535.0 million. The increase reflects increased production in 2006–07 for crude oil following on from production issues in 2005–06.

REFINED PETROLEUM PRODUCTS

Petroleum excise is levied on a variety of petroleum products, including gasoline (petrol), diesel, kerosene, heating oil, fuel oil, petroleum-based oils, ethanol and biodiesel. Excise tariff reform which commenced in July 2006 resulted in the introduction of one rate of excise for all fuels, except aviation fuel. This resulted in increased collections for a number of the fuel products such as fuel oil, kerosene and heating oil as the excise rate for these products was increased.

Excise liabilities from petroleum products were \$14.2 billion in 2006–07, increasing from \$13.6 billion in 2005–06. The total quantity produced in 2006–07 increased by 4.0%, with large increases in non-petroleum based fuels and other refined petroleum products. The large increases seen in these fuel categories reflect an increase in ethanol and biodiesel fuel blends.

Table 13.2: Quantities of petroleum products subject to excise, 2005–06 and 2006–07 financial years

| Product | Megalitres ² | 2005–06 ¹ | Megalitres ² | 2006–07 ¹ |
|--|-------------------------|----------------------|-------------------------|----------------------|
| | | Duty (\$m) | | Duty (\$m) |
| Petrol – unleaded, leaded and lead replacement petroleum | 19,079 | 7,202 | 19,049 | 7,266 |
| Diesel | 16,023 | 6,199 | 16,595 | 6,330 |
| Other petroleum products | | | | |
| Fuel oil | 371 | 28 | 317 | 117 |
| Heating oil | 48 | 7 | 39 | 6 |
| Aviation gasoline | 88 | 3 | 97 | 3 |
| Aviation kerosene | 2,218 | 65 | 2,430 | 70 |
| Kerosene | 47 | 5 | 36 | 14 |
| Oils and greases | 377 | 21 | 353 | 19 |
| Other refined petroleum products | 274 | 63 | 1,160 | 412 |
| Total³ | 38,526 | 13,593 | 40,074 | 14,236 |
| Non-petroleum-based fuels ⁴ | 68 | 26 | 155 | 59 |

¹ Data for 2005–06 and 2006–07 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

² One mega litre equals one million litres.

³ Totals may differ from the sum of components due to rounding.

⁴ Includes ethanol and biodiesel.

CRUDE OIL

Excise duty is levied on onshore stabilised crude oil production from fields within the North–West Shelf area of Australia. This oil is excise free for the first 30 million barrels produced in any one year period. Crude oil from offshore areas located outside the North–West Shelf permit zones is subject to petroleum resource rent tax (PRRT).

The calculation of crude oil excise liability is a three-step process.

1 A volume weighted average realised (VOLWARE) price is calculated each month based on the price per barrel of crude oil in \$US and the Australian and United States exchange rate.

2 Marginal rates are applied to the progressive production of crude oil in each field. The marginal rates and excise-free threshold depend on whether the field is classified as new or intermediate. The excise-free threshold is currently 500 megalitres for new fields and 300 megalitres for intermediate fields.

3 The monthly crude oil excise liability is calculated by incorporating the marginal excise rates, the quantity produced and the current VOLWARE price. VOLWARE and the crude oil excise liability for each month's price is self assessed by the producer and then verified by the Tax Office.

The quantity of crude oil subject to excise for 2006–07 was 9,560 megalitres, an increase of 5,648.0 megalitres from 2005–06. Much of this increase was driven by lower than expected production during 2005–06.

Table 13.3: Quantities of crude oil subject to excise, 2005–06 and 2006–07 financial years

| | 2005–06 | | 2006–07 | |
|-----------|-------------------------|-----|-------------------------|-----|
| | Megalitres ¹ | \$m | Megalitres ¹ | \$m |
| Crude oil | 3,989 | 330 | 9,637 | 535 |

1 In calculating these figures, crude oil volumes from all fields were totalled, including those under the 30 million barrel limit who did not pay any excise during the period.

TOBACCO

Tobacco manufacturers in Australia pay excise duty on locally manufactured cigarettes and tobacco products. Customs duty (at the same rate) applies to imported tobacco products. The duty rate for tobacco is as follows:

- per stick not exceeding 0.8 grams actual tobacco content, and
- per kilogram for all other products.

Excise liabilities on cigarette sticks and other tobacco products increased slightly to \$5.2 billion during 2006–07. The quantities of cigarettes subject to excise duty fell 1.9% from the previous year to 21.9 billion sticks.

Table 13.4: Quantities of tobacco products subject to excise, 2005–06 and 2006–07 financial years

| Tobacco | Unit | Quantity | 2005–06 ¹ | Quantity | 2006–07 ¹ |
|------------|----------------|----------|----------------------|----------|----------------------|
| | | | Duty (\$m) | | Duty (\$m) |
| Cigarettes | Million sticks | 22,281 | 5,128 | 21,868 | 5,218 |
| Tobacco | Kilograms | 570,000 | 163 | 570,000 | 170 |

1 Data for 2005–06 and 2006–07 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

ALCOHOL

Manufacturers of alcohol not subject to wine equalisation tax have a responsibility under the *Excise Act 1901* and *Excise Tariff Act 1921* to pay excise duty on certain goods.

Excise duty applies to:

- beer (except home brew, which is not subject to excise)
- spirits such as brandy, rum and vodka (unless the spirit is purchased for an approved purpose under the concessional spirits scheme)
- liqueurs, and
- other alcoholic beverages not subject to wine equalisation tax.

In 2006–07 excise liabilities from alcohol products (beer and spirits) increased by 6.6% from the previous year to \$2.7 billion.

Beer

Excise duty rates applying to beer vary according to alcohol content and container size. The duty-free threshold for beer is 1.15% alcohol content.

Spirits

Spirits manufactured in Australia are generally subject to excise duty but under some circumstances the duty rate is free.

Table 13.5: Quantities of alcohol products subject to excise, 2005–06 and 2006–07 financial years

| Alcohol | 2005–06 ¹ | | 2006–07 ¹ | |
|--------------------------|-------------------------|--------------|-------------------------|--------------|
| | Megalitres ² | Duty (\$m) | Megalitres ² | Duty (\$m) |
| Beer | 52 | 1,739 | 53 | 1,835 |
| Spirits | | | | |
| Other spirits | 3 | 171 | 3 | 179 |
| Brandy | 1 | 31 | 1 | 31 |
| Ready-to-drink beverages | 17 | 607 | 18 | 671 |
| Total³ | 73 | 2,548 | 74 | 2,716 |

¹ Data for 2005–06 and 2006–07 income years includes data processed up to 31 October 2006 and 31 October 2007 respectively.

² One mega litre equals one million litres.

³ Totals may not add to sum of the components due to rounding.

SOURCE OF EXCISE STATISTICS

The statistics reported in this chapter are sourced from excise returns for products cleared for home consumption during 2005–06 and 2006–07.

LIST OF EXCISE DETAILED TABLES

The following detailed table on excise is on the attached CD-ROM and included in the online version of this publication on the Tax Office website at www.ato.gov.au. The table may be viewed or downloaded as PDF or Excel files.

Table 1: Excise collections, 1996–97 to 2006–07 financial years

This table shows excise from beer, spirits, tobacco, petroleum and crude oil for the 1996–97 to 2006–07 financial years.

❗ To meet privacy regulations, statistics for some items may not be included in the table.

OVERVIEW

For the 2006–07 financial year:

- total grants paid under fuel tax credits system and energy grants credits scheme were \$4,906 million, a 38.1% increase over 2005–06
- total benefits paid under the product stewardship for oil program increased by 88.2% from 2005–06 to \$32 million, primarily due to additional incentives, and
- grants totalling around \$92 million were paid under the cleaner fuels grants scheme.

INTRODUCTION

Excise duty is levied on petroleum products in Australia. Customs duty applies (at the same rate) to imported petroleum products. The Australian Taxation Office administers fuel schemes, which aim to:

- cut fuel costs by providing a credit for the fuel tax (excise duty) included in the price of fuel, when used for specified activities
- support and encourage the environmentally sustainable management and recycling of used oil, and
- encourage the manufacture and importation of fuels that have a reduced impact on the environment.

The fuel schemes for the 2006–07 financial year are:

- fuel tax credits
- product stewardship for oil program, and
- cleaner fuels grants scheme.

There were some residual payments made under the fuel sales grant scheme and the energy grants credits scheme which closed on 30 June 2006. Claims were allowable until 31 December 2006 under the fuel sales grant scheme and 30 June 2007 under the energy grants credits scheme (except for on-road alternative fuel). Updated information is provided in the detailed tables.

This chapter contains statistics on grants or benefits paid under these fuel schemes for the 2006–07 financial year.

NEW FEATURES AND INFORMATION

Statistics for this chapter have been affected by the introduction of the fuel scheme reforms. These reforms include the introduction of the fuel tax credits system on 1 July 2006, replacing the energy grants credits scheme for diesel, and changes to the excise tariff. These reforms modernise and simplify the fuel tax system.

Fuel scheme statistics from this year will be reported based on the period the fuel scheme claim relates to, rather than when the grant was approved or processed.

FUEL TAX CREDITS (INCLUDING ENERGY GRANTS CREDITS SCHEME)

The fuel tax credits system commenced on 1 July 2006, as part of reforms to modernise and simplify the fuel taxation system and reduce the fuel tax burden on business and households (for domestic electricity generation). The energy grants credits scheme has been substantially replaced with a single fuel tax credit for all fuels except alternative fuels.

For the 2006–07 financial year, the amount of fuel tax credits paid was \$4,906 million, an increase of \$1,353 million over the scheme it replaced. There were 653,114 fuel tax credits system and energy grants credits claims made during the 2006–07 financial year, an increase of 189,156 claims. The increase in fuel tax credits claims was due to the removal of metropolitan boundaries, the inclusion of previously ineligible activities and the transfer of excise rebates and remissions to the fuel tax credits regime.

For the 2006–07 financial year, there was a 40.8% increase in claims and a 38.1% increase in the total amount paid when compared to the energy grants credits scheme last year. The largest percentage increase in the number of claims and amount paid for fuel tax credits, were made by government entities which increased by 59.8% and 58.9% respectively. This was followed by 'other' entities with an increase in claims of 52.2% and an increase of 41.3% in the amount paid.

Table 14.1: Fuel tax credits¹ paid, by entity, 2005–06 and 2006–07 financial years

| Entity | 2005–06 ² | | 2006–07 ³ | |
|--------------------------|----------------------|--------------|----------------------|--------------|
| | No. | \$m | No. | \$m |
| Company | 147,151 | 2,521 | 178,926 | 3,556 |
| Partnership | 178,277 | 438 | 262,122 | 506 |
| Government | 3,382 | 153 | 5,406 | 243 |
| Individual | 67,184 | 106 | 103,219 | 129 |
| Other ⁴ | 67,964 | 334 | 103,441 | 472 |
| Total⁵ | 463,958 | 3,553 | 653,114 | 4,906 |

1 2005–06 fuel tax credits data contains payments from the energy grants credits scheme. These claims could be made until 30 June 2007.

2 Includes payments made under the energy grants credits scheme.

3 Includes payments made under the fuel tax credits system and residual energy grants credits scheme payments.

4 'Other' includes trusts and superannuation funds.

5 Totals may differ from the sum of components due to rounding.

In the 2006–07 financial year, the number of claims for fuel tax credits increased for all industries, when compared to the figures under the energy grants credits scheme last year, except mining and financial and insurance services which declined by 4.6% and 15.5% respectively. The largest increase in claims was experienced in health care and social assistance, by 73.6%, and construction, by 69.9%.

The largest percentage increase in the amounts paid for fuel tax credits occurred in the agriculture, forestry and fishing industry group which increased by 21.0%, followed by professional, scientific and technical services which increased by 10.2%.

Table 14.2: Fuel tax credits¹ paid, by industry, 2005–06 and 2006–07 financial years

| Industry ⁴ | 2005–06 ² | | 2006–07 ³ | |
|---|----------------------|--------------|----------------------|--------------|
| | No. ⁵ | \$m | No. ⁵ | \$m |
| Agriculture, forestry and fishing | 198,213 | 623 | 316,241 | 753 |
| Mining | 7,063 | 1,246 | 6,736 | 1,470 |
| Manufacturing | 1,1314 | 106 | 19,149 | 273 |
| Electricity, gas, water and waste services | 4,817 | 44 | 6,664 | 125 |
| Construction | 29,894 | 180 | 50,799 | 233 |
| Wholesale trade | 13,563 | 73 | 20,293 | 82 |
| Retail trade | 8,577 | 20 | 14,221 | 26 |
| Accommodation and food services | 2,168 | 12 | 3,233 | 13 |
| Transport, postal and warehousing | 158,177 | 1,043 | 171,083 | 1,281 |
| Information media and telecommunications | 233 | 5 | 390 | 4 |
| Financial and insurance services | 4,579 | 43 | 3,870 | 171 |
| Rental, hiring and real estate services | 6,291 | 21 | 9,568 | 35 |
| Professional, scientific and technical services | 2,636 | 24 | 4,318 | 264 |
| Administrative and support services | 2,773 | 11 | 5,141 | 16 |
| Public administration and safety | 2,936 | 71 | 4,867 | 120 |
| Education and training | 1,143 | 3 | 1,910 | 3 |
| Health care and social assistance | 867 | 3 | 1,505 | 3 |
| Arts and recreation services | 1,267 | 3 | 2,003 | 4 |
| Other services and other | 7,414 | 22 | 11,131 | 28 |
| Total⁶ | 463,958 | 3,553 | 653,114 | 4,906 |

1 2005–06 fuel tax credits data contains payments from the energy grants credits scheme. These claims could be made until 30 June 2007.

2 Includes payments made under the energy grants credits scheme.

3 Includes payments made under the fuel tax credits system and residual energy grants credits scheme payments.

4 Industry groups are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 code.

5 Claims processed during the period may not necessarily relate to fuel purchased during the same period.

6 Totals may differ from the sum of components due to rounding.

For 2006–07 financial year, the largest percentage increase, when compared to the energy grants credits scheme last year, in the amount paid for fuel tax credits was 209.6% in the \$5,000,000 refundable or more range, followed by an increase of 61.6% in the payable (greater than \$0) range.

Table 14.3: Fuel tax credits¹ paid, 2005–06 and 2006–07 financial years

| Amount Paid | 2005–06 ² | | 2006–07 ³ | |
|--------------------------------------|----------------------|--------------|----------------------|--------------|
| | No. ⁴ | \$m | No. ⁴ | \$m |
| Payable (greater than \$0) | 14,070 | 360 | 19,235 | 581 |
| \$0 – \$29,999 refundable | 437,399 | 1,265 | 619,733 | 1,508 |
| \$30,000 – \$69,999 refundable | 7,078 | 311 | 7,900 | 350 |
| \$70,000 – \$99,999 refundable | 1,381 | 115 | 1,738 | 145 |
| \$100,000 – \$499,999 refundable | 3,022 | 658 | 3,241 | 701 |
| \$500,000 – \$999,999 refundable | 569 | 410 | 590 | 417 |
| \$1,000,000 – \$4,999,999 refundable | 394 | 764 | 559 | 1,159 |
| \$5,000,000 refundable or more | 44 | 390 | 118 | 1,207 |
| Total⁵ | 463,958 | 3,553 | 653,114 | 4,906 |

1 2005–06 fuel tax credits data contains payments from the energy grants credits scheme. These claims could be made until 30 June 2007.

2 Includes payments made under the energy grants credits scheme.

3 Includes payments made under the fuel tax credits system and residual energy grants credits scheme payments.

4 Claims processed during the period may not necessarily relate to fuel purchased during the same period.

5 Totals may differ from the sum of components due to rounding.

PRODUCT STEWARDSHIP FOR OIL PROGRAM

Under the product stewardship for oil program, the government collects an excise levy on all petroleum-based oils or synthetic equivalents. The levy applies to both domestic and imported oils and is paid by oil producers and importers. Benefits are paid to recyclers as a volume-based incentive to encourage and increase the environmentally sustainable management and recycling of waste oil and to support economic recycling options.

The Department of the Environment, Water, Heritage and the Arts has policy responsibility for the program, while the Tax Office administers the program by collecting the oil levy and paying the benefit.

In the 2006–07 financial year, 709 claims and \$32.0 million in payments were made under the product stewardship for oil program. The number of claims and value of claims increased in 2006–07 as a result of an additional benefit of 10.057 cents per litre paid to category 5 and 6, recyclers of used oil claimants.

Table 14.4: Product stewardship for oil program payments, 2005–06 and 2006–07 financial years

| 2005–06 ¹ | | | 2006–07 ¹ | | |
|----------------------|-----|-----------------------|----------------------|-----|-----------------------|
| No. | \$m | Litres claimed ('000) | No. | \$m | Litres claimed ('000) |
| | | | | | |
| 546 | 17 | 263,231 | 709 | 32 | 417,253 |

1 No further breakdown of claims paid, total amount or litres claimed can be provided because of secrecy regulations. Recyclers may lodge more than one claim a year.

CLEANER FUELS GRANTS SCHEME

The cleaner fuels grants scheme provides payment of a grant for the manufacture and importation of eligible cleaner fuels. The scheme is designed to encourage the supply of fuels that have a reduced impact on the environment.

The cleaner fuels grant on biodiesel gives an effective excise rate of zero for pure biodiesel and biodiesel components of blends until 30 June 2011.

From 1 January 2006, the cleaner fuels initiative was extended to ultra low sulphur fuels. Premium unleaded petrol (PULP) with 50 mg/kg of sulphur or less that meets the fuel standard is eligible between 1 January 2006 and 31 December 2007. Diesel with 10 mg/kg of sulphur or less (ultra low sulphur diesel or ULSD) that meets the fuel standard is eligible between 1 January 2007 and 31 December 2008.

The cleaner fuels grants scheme experienced a significant increase in benefits claimed during the 2006–07 financial year. The number of claims for PULP and biodiesel increased by 183.2% and 393.0% respectively. The value of payments increased by 149.3% for PULP and 261.3% for biodiesel. This increase is largely due to more producers and importers participating in the scheme.

Table 14.5: Cleaner fuels grants scheme payments, 2005–06 and 2006–07 financial years

| | | | 2005–06 ^{1,2} | 2006–07 ^{1,2} | | |
|-----------|------|------|------------------------|------------------------|-----|-----------------------|
| Fuel | No. | \$m | Litres claimed ('000) | No. | \$m | Litres claimed ('000) |
| Biodiesel | 128 | 8 | 21,210 | 631 | 29 | 76,633 |
| PULP | 107 | 14 | 1,260,836 | 303 | 35 | 3,142,815 |
| ULSD | n.a. | n.a. | n.a. | 174 | 28 | 2,846,306 |

1 No further breakdown of claims paid, total amount or litres claimed can be provided because of secrecy regulations. Clients may lodge more than one claim per year.

2 2005–06 and 2006–07 grant payments processed as at 31 October 2006 and 31 October 2007 respectively.

SOURCE OF FUEL SCHEMES STATISTICS

The statistics for this chapter are sourced from registration and claim forms for fuel tax credits, the energy grants credits scheme, the product stewardship for oil program, the cleaner fuels grants scheme and the fuel sales grants scheme. Most claims are lodged using paper forms, although some are lodged electronically via the Tax Office's electronic commerce interface, the electronic lodgment service, or business activity statements.

LIST OF FUEL SCHEMES DETAILED TABLES

The following detailed tables relating to the fuel schemes are on the attached CD-ROM and included in the online version of this publication on the Tax Office website at www.ato.gov.au. The tables may be viewed or downloaded as PDF or Excel files.

Table 1: Fuel tax credits scheme – quantity and value of claims paid, by industry, 2006–07 financial year¹

This table reports the number of claims, and the value of fuel tax credits claimed by industry, for the 2006–07 financial year. Industry groups are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 code.

Table 2: Energy grants credits scheme (off-road credits) – quantity and value of claims paid, by industry/operation, 1996–97 to 2006–07 financial years¹

This table reports the number of claims, quantity of fuel and the value of energy grants for off-road credits claimed, by industry/operation groups, for the 1996–97 to 2006–07 financial years.

Table 3: Energy grants credits scheme (on-road credits) – quantity and value of claims paid, by industry, 2000–01 to 2006–07 financial years

This table reports the number of claims, quantity of fuel and the value of energy grants for on-road credits claimed, by industry/operation groups, for the 2000–01 to 2006–07 financial years.

Table 4: Fuel sales grants scheme – quantity and value of claims paid, 2000–01 to 2005–06 financial years


This table reports the number of claims, quantity of fuel and the value of fuel sales grants claimed by clients/entities. The statistics are for 2000–01 to 2006–07 financial years.

Table 5: Product stewardship for oil program – quantity and value of benefits paid, 2001–02 to 2006–07 financial years

This table reports the number of claims, quantity of fuel and the value of benefits claimed by clients/entities under the stewardship for oil program. The statistics are for the 2001–02 to 2006–07 financial years.

Table 6: Cleaner fuels grants scheme – number of claims and value of benefits paid, 2003–04 to 2006–07 financial years

This table report the number of claims/entities under the cleaner fuels grants scheme. The statistics are for 2003–04 and 2006–07 financial years.

 To meet privacy regulations, statistics for some items may not be included in the table.

¹ The energy grants credits scheme for both on-road and off-road credits commenced on 1 July 2003. For 2002–03 and prior financial years, other schemes delivered a rebate.

OVERVIEW

During the 2006–07 financial year:

- the number of self managed superannuation funds grew by 13% while the value of assets held by these funds grew by 30%
- there were 1.2 million co-contribution entitlements determined and paid, totalling \$1,858 million, and
- there were significant improvements in the number of lost members with over 1.7 million superannuation accounts being removed from the Lost Members Register.

INTRODUCTION

Superannuation is a specifically designed long-term investment vehicle for individuals' retirement savings. The retirement income system includes:

- a compulsory element of superannuation, the superannuation guarantee. This requires employers to contribute a minimum level to their employees' superannuation accounts
- a voluntary level of superannuation encouraged by tax concessions and the government's co-contribution scheme, and
- the age pension and associated social security arrangements that provide an income safety net for retirees.

The Tax Office plays a major role in administering the compulsory and voluntary elements of the superannuation system. During the period covered by these statistics, the Tax Office has responsibility for:

- income tax on superannuation funds (reported in chapter 4)
- the other income tax aspects of superannuation
- the superannuation guarantee
- the superannuation holding accounts special account
- the Lost Members Register
- departing Australia superannuation payments
- the regulation of self managed superannuation funds
- the co-contributions system
- reasonable benefit limits
- the superannuation contributions surcharge, and
- the termination payments surcharge.

An increasing number of Australians are directly affected by Australia's superannuation system tax regime.

As at 30 June 2006, there were approximately 28.9 million member superannuation accounts. During the 2005–06 financial year there were:

- \$29.6 billion in member contributions
- \$46.3 billion in employer contributions, and
- \$36.0 billion in member benefit payments.

By 30 June 2007, approximately 90% of employees had some form of superannuation. There were:

- approximately 1.25 million active registered employers
- 366,213 superannuation funds, and
- \$1,153 billion in total assets held by superannuation funds.

For information reported by superannuation funds for the 2005–06 income year, see Chapter 4.

NEW FEATURES AND INFORMATION

On 10 May 2006, a major reform of the superannuation system was announced. Legislation to give effect to this reform was passed in March 2007. Most of the reforms took effect on 1 July 2007 or later and so are not reflected in the statistics in this chapter.

In the 2007 Budget, the government announced that the superannuation co-contribution payable in respect of the 2005–06 year would be doubled for that year only. Legislation giving affect to the measure was passed in May 2007.

SUPERANNUATION GUARANTEE SCHEME

The superannuation guarantee scheme requires employers to provide a prescribed minimum level of superannuation support for each eligible employee to a complying superannuation fund or retirement savings account.

Some employees are not eligible for superannuation guarantee contributions because of low salary or wages, age, hours of work or residency status. The limits for tax deductible superannuation guarantee contributions by employers for employees are based on an employee's age.

A new measure called choice of fund commenced on 1 July 2005. This ensures that employees have a choice as to which fund their superannuation guarantee entitlements are paid to.

The measure initially covered about 650,000 employers and 4.8 million employees. Generally, employees were not covered if they were employed under a state award or state agreement, or under an Australian Workplace Agreement or certified agreement. However, from 1 July 2006, choice of fund was extended to employees of corporations who work under state awards. This extended choice of fund to approximately 70,000 more employers and 500,000 more employees.

Employers who fail to provide a minimum level of superannuation support and meet choice of superannuation fund obligations for all eligible employees, are liable to pay a non-deductible superannuation guarantee charge. This charge is equal to:

- the employer's total superannuation guarantee shortfalls
- the choice of superannuation fund liability, if any
- an interest component of 10% per annum calculated from the beginning of the quarter relating to the shortfall to the 28th day of the second month following the end of the quarter, or the date of lodgment of the superannuation guarantee statement (whichever is later), and
- an administrative fee of \$20 for each employee not fully covered.

The Tax Office collects the superannuation guarantee charge from employers and facilitates the transfer of the shortfall component, plus interest, to their employees' relevant superannuation accounts. In addition to the superannuation guarantee charge, penalties may apply.

Table 15.1: Superannuation guarantee charge collections and transfers, 2005–06 and 2006–07 financial years

| | 2005–06 | 2006–07 |
|--------------------------|---------|---------|
| Superannuation guarantee | \$m | \$m |
| Charge collections | 228 | 238 |
| Transfers | 248 | 209 |

SUPERANNUATION HOLDING ACCOUNTS SPECIAL ACCOUNT

The superannuation holding accounts special account (special account) closed to new employer superannuation guarantee deposits on 30 June 2006. However, the special account still contains accounts where a holder has not yet transferred their money to a superannuation fund or retirement savings account.

The special account may also receive unclaimed superannuation guarantee and superannuation co-contributions amounts.

At the end of the 2006–07 financial year, the total value of accounts in the special account was \$47.8 million. Some 141,794 or 31.9% of individual accounts had balances of more than \$0, with an average value of \$300 per account. There were also 302,699 or 68.1% of accounts with a \$0 balance, representing account balances transferred to a superannuation fund, paid to an individual or inactive accounts transferred to consolidated revenue.

Deposits into the special account in 2006–07 totalled \$0.2 million, made up of a small number of employer deposits received before 30 June 2006 but processed after this date, as well as some stale cheques and money returned from funds. Transfers from the special account in 2006–07 totalled \$10.1 million and the majority of this money was paid to superannuation funds and retirement savings accounts. Inactive special accounts were also transferred to consolidated revenue and recorded on the Lost Members Register.

An inactive account is one where there has been no activity on the account for ten consecutive financial years.

Table 15.2: Individual account balances in the superannuation holding accounts special account, 2005–06 and 2006–07 financial years¹

| Individual account balance | 2005–06 | | 2006–07 | |
|--|----------------|------------------|----------------|------------------|
| | No. | \$m ¹ | No. | \$m ¹ |
| \$0 | 263,597 | 0 | 302,699 | 0 |
| \$1–\$100 | 73,388 | 4 | 58,329 | 3 |
| \$101–\$500 | 78,375 | 18 | 62,413 | 14 |
| \$501–\$1,000 | 16,877 | 12 | 13,165 | 9 |
| \$1,001 or more | 10,175 | 20 | 7,887 | 16 |
| Total of account balances more than \$0² | 178,815 | 54 | 141,794 | 42 |

1 The total value of accounts in the superannuation holding accounts special account is generally more than the total value of individual accounts due to money awaiting distribution to individual accounts or transfer to superannuation funds. The total value at the end of 2005–06 was \$57.8 million and at the end of 2006–07 was \$47.8 million.

2 The total of account balances may not add to the sum of the components due to rounding.

LOST MEMBERS REGISTER

The Tax Office maintains a register of accounts that superannuation funds have classified as 'lost'. Superannuation funds report members as lost when they have received unclaimed mail for the member and/or when the account has not shown activity for some time.

At the end of the 2006–07 financial year, there were 6.1 million accounts on the Lost Members Register, with a total value of \$11.9 billion. During the 2006–07 financial year, more than 1.7 million accounts were removed from the register. The majority of these were due to funds providing updated member records, thereby removing accounts with incorrect, duplicate or out-of-date data. Despite this, there was a net increase in the number of accounts, as approximately 2.2 million accounts were reported as 'lost'.

Table 15.3: Lost members register accounts, 2005–06 and 2006–07 financial years

| Financial year | 2005–06 No. | 2006–07 No. |
|-------------------------------------|----------------|----------------|
| Accounts removed during the year | 1,008,526 | 1,767,417 |
| Accounts at 30 June 2006 | 5,676,510 | 6,104,039 |
| Closing value at 30 June 2007 (\$m) | 9,700 | 11,900 |

SELF MANAGED SUPERANNUATION FUNDS

The Tax Office assumed regulatory responsibility for self managed superannuation funds following amendments to the *Superannuation Industry (Supervision) Act 1993* in October 1999.

Generally, the *Superannuation Industry (Supervision) Act* defines a self managed superannuation fund according to the following criteria:

- it has four or fewer members
- no member of the fund is an employee of another member of the fund, unless they are related
- each member is a trustee, and
- no trustee of the fund receives any remuneration for their services as a trustee.

A self managed superannuation fund can have a company as a trustee (known as a corporate trustee).

While self managed funds make up 98% of all superannuation funds, they only represent around 2% of total superannuation member accounts. Self managed funds hold 25% of all assets in the Australian superannuation system.

At the end of 2006–07, there were 359,370 self managed funds, with approximately 689,000 members. The majority (89%) of self managed funds have one or two members. In 2006–07 approximately 46,000 new funds were registered, compared to around 22,800 in the previous financial year.

Table 15.4: Self managed superannuation fund demographics, 2005–06 and 2006–07 financial years

| Financial year | 2005–06 ¹ No. | 2006–07 No. |
|--|-----------------------------|----------------|
| Funds | 317,946 | 359,370 |
| Members ² | 610,341 | 688,853 |
| Assets (\$m) | 220,943 | 287,730 |
| ¹ 2005–06 figures have been updated. | | |
| ² Estimates based on Tax Office data. | | |

Table 15.5: Number of members in self managed superannuation funds, 2005–06 financial year

| Number of members | Proportion of funds (%) |
|-------------------|-------------------------|
| 1 | 20.2 |
| 2 | 69.2 |
| 3 | 5.3 |
| 4 | 5.3 |

Table 15.6: Asset allocation across self managed superannuation funds, 2004–05 and 2005–06 financial years¹

| Asset type | 2004–05 ² % | 2005–06 % |
|------------------------------|---------------------------|--------------|
| Life insurance policies | 0.2 | 0.1 |
| Other managed funds | 6.1 | 6.7 |
| Overseas assets | 0.6 | 0.7 |
| Real property | 11.3 | 10.5 |
| Other property | 0.4 | 0.4 |
| Listed shares and equities | 32.5 | 34.2 |
| Unlisted shares and equities | 1.7 | 1.7 |
| Public trusts | 11.0 | 11.4 |
| Other trusts | 10.1 | 9.0 |
| Cash and term deposits | 22.6 | 22.1 |
| Loans | 0.8 | 0.6 |
| Other | 2.6 | 2.6 |
| Total³ | 100.0 | 100.0 |

¹ 2006–07 fund tax return information not available.

² 2004–05 figures have been updated.

³ Totals may differ from the sum of components due to rounding.

SUPERANNUATION CO-CONTRIBUTION

The superannuation co-contribution has operated from 1 July 2003. It is intended to help lower income individuals to save for their retirement. If an eligible person makes personal superannuation contributions, the government will match their contributions with a co-contribution, subject to certain limits.

From 1 July 2004, eligible persons with total income below \$28,000 will receive a co-contribution of \$1.50 for every dollar of personal contributions – up to a maximum co-contribution of \$1,500. The co-contribution reduces by five cents for each dollar earned above \$28,000, phasing out at the higher income threshold of \$58,000. From the 1 July 2007, these thresholds will be indexed annually. From that date, the measure is extended to eligible people who are self-employed.

For the 2005–06 year only, the co-contribution entitlement was doubled. The maximum co-contribution payable for that year was \$3,000.

A co-contribution entitlement is determined and paid, generally to an individual's superannuation account, once the Tax Office matches an individual's income tax return with the member contribution information supplied by a superannuation fund or Retirement Savings Account provider. As income tax return and member contribution information are lodged with the Tax Office after the end of the relevant income year, the payment of a co-contribution usually occurs in the following income year.

Table 15.7: Co-contribution entitlements determined and paid, 2005–06 and 2006–07 financial years¹

| Co-contribution | 2005–06 | | 2006–07 ² | |
|---|-----------|-----|----------------------|-------|
| | No. | \$m | No. | \$m |
| Total | 1,204,400 | 959 | 1,177,211 | 1,858 |
| <div>1 Co-contribution entitlements determined and paid in the financial year relate to personal contributions made in previous income years. The figures in this table refer to payments of original entitlements and do not include credit amendments or interest.</div> <div>2 Includes \$906m of entitlements determined and paid in respect of 1,117,056 beneficiaries as a result of amendments made to superannuation co-contribution laws by the <i>Superannuation Laws Amendment (2007 Budget Co-contribution Measure) Act 2007</i>.</div> | | | | |

During 2006–07, 59% of individuals who were paid co-contributions were female, and 31.6% of these women were aged between 46 and 55.

Table 15.8: Number of co-contribution entitlements determined and paid, by age and sex, 2006–07 financial year¹

| Age range | Female No. | Male No. | Total No. |
|---|------------|----------|-----------|
| Under 21 | 19,665 | 26,208 | 45,873 |
| 21–25 | 44,061 | 39,895 | 83,956 |
| 26–30 | 47,694 | 35,848 | 83,542 |
| 31–35 | 65,962 | 42,434 | 108,396 |
| 36–40 | 79,179 | 47,316 | 126,495 |
| 41–45 | 100,996 | 58,464 | 159,460 |
| 46–50 | 108,691 | 63,161 | 171,852 |
| 51–55 | 111,015 | 66,463 | 177,478 |
| 56–60 | 84,432 | 62,254 | 146,686 |
| 61–65 | 29,167 | 33,150 | 62,317 |
| 66–70 | 4,689 | 6,467 | 11,156 |
| Total | 695,551 | 481,660 | 1,177,211 |
| <div>1 Co-contributions entitlements determined and paid in 2006–07 relate to personal contributions made in the 2003–04, 2004–05 and 2005–06 income years.</div> | | | |

REASONABLE BENEFIT LIMITS

Reasonable benefit limits were the maximum amount of retirement and termination of employment benefits that a person could receive over their lifetime at concessional rates of tax. Benefits taken in excess of a person's reasonable benefit limit do not receive tax concessions.

The reasonable benefits limit legislation was repealed with effect from 1 July 2007. This means that payments made on or after 1 July 2007 are no longer required to be reported for the benefit of applying the reasonable benefit limit rules.

There were two types of reasonable benefit limits: a lump sum limit and a pension limit. The limits were indexed annually according to movements in average weekly ordinary time earnings published by the Australian Bureau of Statistics.

For 2006–07, the lump sum limit was \$678,149 and the pension limit was \$1,356,291. Higher (transitional) limits could apply in some circumstances.

Of the 1.0 million benefits reported in 2006–07, 10,047 benefits (or 1.0%) exceeded the reasonable benefit limits. By comparison, 0.8% exceeded the limits in 2005–06.

Table 15.9: Reasonable benefits reported, 2005–06 and 2006–07 financial years

| Reasonable benefits | 2005–06 | | 2006–07 | |
|---------------------|--------------|---------------------|--------------|---------------------|
| | No. reported | No. exceeding limit | No. reported | No. exceeding limit |
| Total | 1,072,489 | 8,132 | 1,002,360 | 10,047 |

SUPERANNUATION SURCHARGE

The superannuation surcharge has been repealed. The surcharge does not apply to superannuation contributions made, or termination payments received, on or after 1 July 2005. However, the surcharge still applies and continues to be collected in respect of contributions made before that day.

The surcharge was generally imposed on certain employer superannuation contributions, deductible personal contributions and certain termination payments. It only applied for high income earners whose taxable income, reportable fringe benefits amounts and surchargeable contributions together exceeded a certain threshold (\$99,710 in 2004–05).

In 2004–05, a maximum surcharge rate of 12.5% applied for adjusted taxable incomes that exceeded a higher income amount of \$121,075. The rate reduces to nil for adjusted taxable incomes under the lower income amount of \$99,710.

Table 15.10: Surcharge assessments issued, 2005–06 and 2006–07 financial years

| Surcharge assessments | 2005–06 | | 2006–07 ¹ | |
|-----------------------|---------|-----|----------------------|-----|
| | No. | \$m | No. | \$m |
| Total | 899,733 | 951 | 755,363 | 699 |

¹ 2006–07 figures relate to surcharge assessments in respect of 2004–05 and previous years.

SOURCE OF SUPERANNUATION SYSTEM STATISTICS

The statistics in this chapter are sourced from the various superannuation systems, fund income tax and regulatory returns and the Australian Business Register, processed by 30 June 2007. Most of the statistics reported in the introduction section of this chapter are sourced from the Australian Prudential Regulation Authority publications, *Quarterly superannuation performance June 2007* and *Annual Superannuation Bulletin June 2006*.

Statistics reported in the self managed superannuation funds tables have been updated for 2005–06 and prior years to incorporate data received and processed by 30 June 2007. These statistics cannot be compared to previous editions of *Taxation statistics*.

A copy of the fund income tax and regulatory return form is in the appendix. It may be viewed or downloaded as a PDF file from the attached CD-ROM or from the online version of *Taxation statistics* on the Tax Office website at www.ato.gov.au

LIST OF SUPERANNUATION SYSTEM DETAILED TABLES

The following detailed tables are on the attached CD-ROM and included in the online version of this publication on the Tax Office website. The tables may be viewed or downloaded as PDF or Excel files.

Table 1: Superannuation holding accounts special account, 2000–01 to 2006–07 financial years

This table details the number and value of deposits, the number and value of individual accounts and the total value of the superannuation holding accounts special account for the 2000–01 to 2006–07 financial years.

Table 2: Selected self managed superannuation funds demographics, 1999–2000 to 2006–07 financial years

This table details the number of funds, number of members and total value of assets for self managed superannuation funds for the 1999–2000 to 2006–07 financial years.

Table 3: Postcodes of beneficiaries of superannuation co-contributions

This table contains details of the state and postcodes of individuals who had a superannuation co-contribution both determined and paid during the 2006–07 financial year. Postcodes and state codes used to compile this information were obtained from income tax postal addresses.

! To meet privacy regulations, statistics for some items may not be included in the table.

INTRODUCTION

In recent years the Tax Office has worked with community groups, industry representatives and tax practitioners on a range of activities. These activities are aimed at maintaining the integrity of the tax system, encouraging and improving record keeping practices among businesses, and reducing compliance costs for businesses. Providing industry benchmarks in the form of financial ratios and activity statement ratios is one such activity.

In providing benchmarks, the Tax Office aims to have a more direct impact on taxpayer behaviour before tax returns are prepared and lodged.

The benchmarks help tax advisers identify averages for groups of activities and, therefore, businesses that vary significantly from those averages. Tax advisers can use this information to determine the reasons for any variation and identify action that should be taken to correct problems and improve business practices – in particular those related to record keeping.

The business community and business owners generally use benchmarks to compare the performance of their business with industry averages. The business community may also use these ratios when evaluating job tenders. The gross profit and net profit ratios of a business compared to the industry average may be one factor taken into account in deciding whether a particular tender is successful.

NEW FEATURES AND INFORMATION

We have used the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 to derive and classify this year's industry benchmarks. We have also used a new methodology process to exclude outliers that may have had an undue influence on the final ratios. As a result, the industry groupings may be different to previous years' groupings.

FINANCIAL RATIOS

Financial ratio data related to gross profit, net profit and wages to turnover provides useful indicators of business activity and performance for tax practitioners, the business community and the Tax Office. The data is widely used in external publications and can be calculated from income tax return data.

The industry benchmark detailed tables contain financial ratio benchmark data for each entity type and most business activities. We have used the ratios calculated for each business activity to produce two sets of mean average ratio values. The first set includes both profit making and loss making entities. It provides a benchmark figure for an entire business activity/industry division or group. The second set of ratios excludes businesses that return a loss, providing an industry average for 'profitable' businesses only.

Box 16.1: Financial ratios calculated¹

Gross profit ratio: total business income minus cost of sales, divided by total business income.

Net profit ratio: total business income minus total expenses, divided by total business income.

Wages to turnover ratio: salary and wages paid, divided by total business income.

¹ Calculated from income tax return labels.

ACTIVITY STATEMENT RATIOS

Activity statement data helps the Tax Office identify and address issues likely to have a negative impact on revenue as they emerge, rather than after they become ingrained business practice.

The industry benchmark detailed tables contain activity statement ratio benchmark data for each entity type and most business activities. As with the financial ratios, activity statement ratios calculated for each business activity have been used to produce two sets of mean average ratio values. The first set includes both profit making and loss making entities. It provides a benchmark figure for an entire business activity/industry division or group. The second set of ratios excludes businesses that return a loss, providing an industry average for 'profitable' businesses only.

Box 16.2: Activity statement ratios calculated¹

| |
|---|
| Wages to sales ratio: Total salary, wages and other payments (W1) ² , divided by Total sales (G1) ² . |
| Expenses to sales ratio: Non-capital purchases (G11) ² plus Total salary, wages and other payments (W1), divided by Total sales (G1) ² . |
| Net GST to sales ratio: GST on sales or GST instalment (1A) ² minus GST on purchases (1B), divided by Total sales (G1) ² . |
| <div>1 Calculated from <i>Business activity statement</i> labels.</div> <div>2 Activity statement labels.</div> |

EXCLUSIONS AND CONSIDERATIONS

Including some cases when analysing a large population can produce misleading results. For example, income tax return labels used in the calculations may not have been completed or not completed correctly, or the ratios for an individual entity are exceptional and would distort the calculation of a true industry average.

In an attempt to improve the quality of the end product, we have developed and applied certain exclusion criteria. A list and explanation of these exclusion criteria are in all the industry benchmark tables.

Despite applying these exclusion criteria, it is still important to recognise that the benchmarks developed are not definitive and should not be used in isolation. For example, there are a range of legitimate reasons why businesses vary from industry averages and, conversely, why businesses with ratios close to the industry average may have compliance problems or other financial difficulties. Also, an average ratio calculated using a large population is generally more reliable than one calculated from a small population.

Benchmarks are most useful as a guide when considered over a period of time or in conjunction with other information. For example, the age of the business and its performance over a number of years should also be taken into account when considering the viability of a business.

SOURCE OF INDUSTRY BENCHMARKS

The data used to calculate the financial ratios for the business activities and entities was sourced from the 2006 individual, company, partnership and trust income tax returns processed by 31 October 2007.

The goods and services tax (GST) and pay as you go withholding collections for the 2005–06 financial year used for calculating activity statement ratios are sourced from activity statements, annual GST returns and annual GST information reports.

Generally, new data used in activity statement ratios is compiled two months after the end of the quarterly reporting period. For example, data for the quarter ending 30 September 2007 is compiled on 1 December 2007. Companies that use a substituted accounting period (that is, their financial year is not 1 July to 30 June) are not included in the calculation of activity statement ratios for this publication.

LIST OF FINANCIAL RATIOS DETAILED TABLES

Each detailed table contains gross profit ratios, net profit ratios and wages to turnover ratios for business activity/industry (Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 –Business Register) divisions and groups listed in the Tax Office publication *Business industry codes 2007* (NAT 1827).

ⓘ Ratios may not be available in the financial ratio detailed tables for some business (ANZSIC 2006 – Business Register) group codes and/or entities because there is insufficient data to calculate the ratios, or the data cannot be shown for confidentiality reasons.

Each of the financial ratio tables is divided into two parts. **Part A** contains benchmark ratios calculated for broad industries (or ANZSIC divisions). The ratios for fine industries (or ANZSIC groups) are presented in **Part B**.

| | |
|-------------------|---|
| Table IN1: | Individual industry financial ratios, by business status, 2005–06 income year |
| | This table shows gross profit, net profit and wages to turnover ratios for profitable and all individuals. Each ANZSIC 2006 – Business Register division or group is classified by business status – that is, commenced business (businesses that just started) and established business. Industry ratios are, therefore, calculated for commenced and established business entities. |

Table IN2: Individual industry financial ratios, by total business income, 2005–06 income year

This table shows gross profit, net profit and wages to turnover ratios for profitable and all individuals falling under different business activity/industry (ANZSIC 2006 – Business Register) divisions or groups. Each ANZSIC 2006 – Business Register division or group is broken down by total business income groupings.

Table CO1: Company industry, financial ratios, by business status, 2005–06 income year

This table shows gross profit, net profit and wages to turnover ratios for profitable and all companies. Each ANZSIC 2006 – Business Register division or group is classified by business status – that is, commenced business (businesses that just started) and established business. Industry ratios are, therefore, calculated for commenced and established business entities.

Table CO2: Company industry financial ratios, by total income, 2005–06 income year

This table shows gross profit, net profit and wages to turnover ratios for profitable and all companies falling under different business activity/industry (ANZSIC 2006 – Business Register) divisions or groups. Each ANZSIC 2006 – Business Register division or group is broken down by total income groupings.

Table PA1: Partnership industry financial ratios, by business status, 2005–06 income year

This table shows gross profit, net profit and wages to turnover ratios for profitable and all partnerships. Each ANZSIC 2006 – Business Register division or group is classified by business status – that is, commenced business (businesses that just started) and established business. Industry ratios are, therefore, calculated for commenced and established business entities.

Table PA2: Partnership industry financial ratios, by total business income, 2005–06 income year

This table shows gross profit, net profit and wages to turnover ratios for profitable and all partnerships falling under different business activity/industry (ANZSIC 2006 – Business Register) divisions or groups. Each ANZSIC 2006 – Business Register division or group is broken down by total business income groupings.

Table TR1: Trust industry financial ratios, by business status, 2005–06 income year

This table shows gross profit, net profit and wages to turnover ratios for profitable and all trusts. Each ANZSIC 2006 – Business Register division or group is classified by business status – that is, commenced business (businesses that just started) and established business. Industry ratios are, therefore, calculated for commenced and established business entities.

Table TR2: Trust industry financial ratios, by total business income, 2005–06 income year

This table shows gross profit, net profit and wages to turnover ratios for profitable and all trusts falling under different business activity/industry (ANZSIC 2006 – Business Register) divisions or groups. Each ANZSIC 2006 – Business Register division or group is broken down by total business income groupings.

LIST OF ACTIVITY STATEMENT RATIO DETAILED TABLES

There are three main types of industry benchmark activity statement ratio detailed tables. They all contain expenses to sales ratios, wages to sales ratios, and net GST paid to sales ratios for business activity/industry (ANZSIC 2006 – Business Register) divisions listed in *Business industry codes 2007*.



Ratios may not be available for all entities because there is insufficient data to calculate the ratios or the data cannot be shown for confidentiality reasons.

Table INAS1: Individual industry activity statement ratios, by business status, 2005–06 income year

This table shows expenses to sales, wages to sales and net GST paid to sales ratios for profitable and all taxpayers falling under different industry (ANZSIC 2006 – Business Register) groups for the income year indicated. Each ANZSIC 2006 – Business Register group is classified by business status – that is, commenced business (businesses that just started) and established business. Industry ratios are, therefore, calculated for commenced and established businesses of all entity types.

Table INAS2: Individual industry activity statement ratios, by level of sales and profitability, 2005–06 income year

This table shows expenses to sales, wages to sales and net GST paid to sales ratios for profitable and all individuals falling under different industry (ANZSIC 2006 – Business Register) groups for the income year indicated. Each ANZSIC 2006 – Business Register group is broken down by Total sales (label G1) income groupings.

Table COAS1: Company industry activity statement ratios, by business status, 2005–06 income year

This table shows expenses to sales, wages to sales and net GST paid to sales ratios for profitable and all companies falling under different industry (ANZSIC 2006 – Business Register) groups for the income year indicated. Each ANZSIC 2006 – Business Register group is classified by business status – that is, commenced business (businesses that just started) and established business. Industry ratios are, therefore, calculated for commenced and established businesses of all entity types.

Table COAS2: Company industry activity statement ratios, by level of sales and profitability, 2005–06 income year

This table shows expenses to sales, wages to sales and net GST paid to sales ratios for profitable and all companies falling under different industry (ANZSIC 2006 – Business Register) groups for the income year indicated. Each ANZSIC 2006 – Business Register group is broken down by Total sales (label G1) income groupings.

Table PAAS1: Partnership industry activity statement ratios, by business status, 2005–06 income year

This table shows expenses to sales, wages to sales and net GST paid to sales ratios for profitable and all partnerships falling under different industry (ANZSIC 2006 – Business Register) groups for the income year indicated. Each ANZSIC 2006 – Business Register group is classified by business status – that is, commenced business (businesses that just started) and established business. Industry ratios are, therefore, calculated for commenced and established businesses of all entity types.

Table PAAS2: Partnership industry activity statement ratios, by level of sales and profitability, 2005–06 income year


This table shows expenses to sales, wages to sales and net GST paid to sales ratios for profitable and all partnerships falling under different industry (ANZSIC 2006 – Business Register) groups for the income year indicated. Each ANZSIC 2006 – Business Register group is broken down by Total sales (label G1) income groupings.

Table TRAS1: Trust industry activity statement ratios, by business status, 2005–06 income year

This table shows expenses to sales, wages to sales and net GST paid to sales ratios for profitable and all trusts falling under different industry (ANZSIC 2006 – Business Register) groups for the income year indicated. Each ANZSIC 2006 – Business Register group is classified by business status – that is, commenced business (businesses that just started) and established business. Industry ratios are, therefore, calculated for commenced and established businesses of all entity types.


Table TRAS2: Trust industry activity statement ratios, by level of sales and profitability, 2005–06 income year

This table shows expenses to sales, wages to sales and net GST paid to sales ratios for profitable and all trusts falling under different industry (ANZSIC 2006 – Business Register) groups for the income year indicated. Each ANZSIC 2006 – Business Register group is broken down by total sales (label G1) income groupings.

 To meet privacy regulations, statistics for some items may not be included in the table.

APPENDIX: ANNUAL TAX RETURN FORMS

INDIVIDUAL TAX RETURN, 2005-06 INCOME YEAR



Australian Government
Australian Taxation Office

Individual tax return

2006

1 July 2005 to 30 June 2006

Print neatly in BLOCK LETTERS with a black or blue ballpoint pen only.

Your tax file number (TFN)

See the **Privacy** note in the *Taxpayer's declaration* on page 12 of this tax return.

Are you an Australian resident? ☐ Print **Y** for yes or **N** for no.

Have you included any attachments – other than PAYG payment summaries? ☐ Print **Y** for yes or **N** for no.

| | | | | | | |
|---|--|---|----------------------|--|-------------------------------|---------------------------------|
| Your name | Title – for example, Mr, Mrs, Ms, Miss | <input type="text"/> | Your sex | Print X in the relevant box. | Male <input type="checkbox"/> | Female <input type="checkbox"/> |
| | Surname or family name | <input type="text"/> | | | | |
| | Given names | <input type="text"/> | | | | |
| Has any part of your name changed since completing your last tax return? | <input type="checkbox"/> Print Y for yes or N for no. | If you answered yes, print previous surname. | <input type="text"/> | | | |

| | |
|--|---|
| Your postal address | |
| Has your postal address changed since completing your last tax return? | <input type="checkbox"/> Print Y for yes or N for no. |
| Suburb or town _____ State _____ Postcode _____ | |
| Country – if not Australia _____ | |

Your home address

If the same as your current postal address, print **AS ABOVE**.

| | | |
|----------------------------|-------|----------|
| | | |
| | | |
| Suburb or town | State | Postcode |
| Country – if not Australia | | |

| | | | | | | | | |
|--|--|------|-------|------|--|--|--|--|
| <p>Your date of birth</p> <p>If you were under 18 years of age on 30 June 2006 you must complete item A1 on page 4 of this tax return.</p> | <table border="1" style="margin: auto;"> <tr> <td style="padding: 5px;">Day</td> <td style="padding: 5px;">Month</td> <td style="padding: 5px;">Year</td> </tr> <tr> <td style="text-align: center;"> </td> <td style="text-align: center;"> </td> <td style="text-align: center;"> </td> </tr> </table> | Day | Month | Year | | | | <p>Final tax return</p> <p>If you know this is your final tax return, print FINAL.</p> |
| Day | Month | Year | | | | | | |
| | | | | | | | | |

Your daytime telephone number Area code Telephone number

Electronic funds transfer (EFT)

Do you want to use electronic funds transfer (EFT) this year for your tax refund or family tax benefit payment where applicable?

☐ Print **Y** for yes or **N** for no.

If you answered yes, complete the account details – do not provide details if they are the same as last year.

BSB number Account number

Must be six digits

Account name

INDIVIDUAL TAX RETURN, 2005–06 INCOME YEAR

Income

1 Salary or wages

Your main salary and wage occupation

Occupation code

☒

Payer's Australian business number

Tax withheld
(do not show cents) -00Income
(do not show cents)☒ -00 -00☒ -00 -00☒ -00 -00☒ -00 -00☒ -00

2 Allowances, earnings, tips, director's fees etc

 -00☒ -00

3 Lump sum payments

 -00Amount A in lump
sum payments box☒ -00TYPE
 -005% of amount B in
lump sum payments box☒ -00

4 Eligible termination payments (ETP)

Taxable amount other than
excessive component☒ -00

Excessive component

☒ -00 -005 Australian Government allowances and payments like
Newstart, youth allowance and austudy payment -00☒ -00

6 Australian Government pensions and allowances

You must complete item T2 or T3 in Tax offsets on page 3.

 -00☒ -00

7 Other Australian pensions or annuities – including superannuation pensions

Type

 -00☒ -00

8 Attributed personal services income

 -00☒ -00

Total tax withheld

Add up the boxes.

\$

 -00

9 Total reportable fringe benefits amounts

W

 -00

10 Gross interest

Tax file number amounts
withheld from gross interest

M

Gross interest

☒ -00

11 Dividends

Unfranked amount

☒ -00

Franked amount

☒ -00Tax file number amounts
withheld from dividends

V

Franking credit

☒ -00

I Only used by taxpayers completing the supplementary section

Transfer the amount from TOTAL SUPPLEMENT INCOME OR LOSS on page 8 and write it here.

 -00LOSS

TOTAL INCOME OR LOSS

Add up the income amounts and deduct any loss amount in the boxes.

 -00LOSS

F

INDIVIDUAL TAX RETURN, 2005–06 INCOME YEAR

| | | | |
|---|----------|---|---|
| Attach all requested attachments here. Place the 'Payee's Tax Return Copy' of PAYG payment summaries on top followed by any other attachments. | | | |
| Deductions | | | |
| D1 Work related car expenses | A | <input style="width: 100px;" type="text" value="00"/> | <div style="border: 1px solid black; padding: 2px; text-align: center;">CLAIM TYPE</div> |
| D2 Work related travel expenses | B | <input style="width: 100px;" type="text" value="00"/> | |
| D3 Work related uniform, occupation specific or protective clothing, laundry and dry cleaning expenses | C | <input style="width: 100px;" type="text" value="00"/> | <div style="border: 1px solid black; padding: 2px; text-align: center;">CLAIM TYPE</div> |
| D4 Work related self-education expenses | D | <input style="width: 100px;" type="text" value="00"/> | <div style="border: 1px solid black; padding: 2px; text-align: center;">CLAIM TYPE</div> |
| D5 Other work related expenses | E | <input style="width: 100px;" type="text" value="00"/> | |
| D6 Low value pool deduction | K | <input style="width: 100px;" type="text" value="00"/> | |
| D7 Interest and dividend deductions | I | <input style="width: 100px;" type="text" value="00"/> | |
| D8 Gifts or donations | J | <input style="width: 100px;" type="text" value="00"/> | |
| D9 Deductible amount of undeducted purchase price (UPP) of an Australian pension or annuity (Deductible amount of UPP of a foreign pension or annuity is dealt with at D12 on page 8) | L | <input style="width: 100px;" type="text" value="00"/> | |
| D10 Cost of managing tax affairs | M | <input style="width: 100px;" type="text" value="00"/> | |
| D Only used by taxpayers completing the supplementary section Transfer the amount from TOTAL SUPPLEMENT DEDUCTIONS on page 8 and write it here. <input style="width: 100px;" type="text" value="00"/> | | | |
| TOTAL DEDUCTIONS | | Items D1 to D – add up the 1 boxes. | <input style="width: 100px;" type="text" value="00"/> |
| SUBTOTAL | | TOTAL INCOME OR LOSS less TOTAL DEDUCTIONS | <input style="width: 100px;" type="text" value="00"/> <div style="border: 1px solid black; padding: 2px; text-align: center;">LOSS</div> |
| Losses | | | |
| L1 Tax losses of earlier income years | | | |
| Primary production losses carried forward from earlier income years | Q | <input style="width: 100px;" type="text" value="00"/> | Primary production losses claimed this income year F <input style="width: 100px;" type="text" value="00"/> |
| Non-primary production losses carried forward from earlier income years | R | <input style="width: 100px;" type="text" value="00"/> | Non-primary production losses claimed this income year Z <input style="width: 100px;" type="text" value="00"/> |
| TAXABLE INCOME OR LOSS | | Subtract amounts at F and Z item L1 from amount at SUBTOTAL | \$ <input style="width: 100px;" type="text" value="00"/> <div style="border: 1px solid black; padding: 2px; text-align: center;">LOSS</div> |
| Tax offsets | | | |
| T1 Spouse (without dependent child or student), child-housekeeper or housekeeper | | P | <input style="width: 100px;" type="text" value="00"/> <div style="border: 1px solid black; padding: 2px; text-align: center;">CLAIM TYPE</div> |
| If you had a spouse during 2005–06 you must also complete Spouse details – married or de facto on page 5. | | V | <input style="width: 100px;" type="text" value="00"/> |
| T2 Senior Australians (includes age pensioners, service pensioners and self-funded retirees) | | N | <input style="width: 100px;" type="text" value="00"/> <div style="border: 1px solid black; padding: 2px; text-align: center;">TAX OFFSET CODE</div> |
| If you had a spouse during 2005–06 you must also complete Spouse details – married or de facto on page 5. | | Y | <input style="width: 100px;" type="text" value="00"/> <div style="border: 1px solid black; padding: 2px; text-align: center;">VETERAN CODE</div> |
| If you completed item T2 Senior Australians above DO NOT complete this item. | | | |
| T3 Pensioner | | O | <input style="width: 100px;" type="text" value="00"/> <div style="border: 1px solid black; padding: 2px; text-align: center;">TAX OFFSET CODE</div> |
| If you had a spouse during 2005–06 you must also complete Spouse details – married or de facto on page 5. | | T | <input style="width: 100px;" type="text" value="00"/> <div style="border: 1px solid black; padding: 2px; text-align: center;">VETERAN CODE</div> |
| T4 Superannuation annuity and pension | S | <input style="width: 100px;" type="text" value="00"/> | |
| T5 Private health insurance | G | <input style="width: 100px;" type="text" value="00"/> | Amount of refundable tax offset not previously claimed by way of reduced private health insurance premiums |
| T6 30% child care | W | <input style="width: 100px;" type="text" value="00"/> | Total claim for child care tax rebate |
| T7 Ongoing baby bonus claim | H | <input style="width: 100px;" type="text" value="00"/> | First-time baby bonus claimants and all transferees must use the <i>Baby bonus instructions and claim 2006</i> . <div style="border: 1px solid black; padding: 2px; text-align: center;">CODE</div> |
| T Only used by taxpayers completing the supplementary section Transfer the amount from TOTAL SUPPLEMENT TAX OFFSETS on page 8 and write it here. <input style="width: 100px;" type="text" value="00"/> | | | |
| TOTAL TAX OFFSETS | | Items T1 , T4 , T5 , T6 and T – add up the 1 boxes. | U <input style="width: 100px;" type="text" value="00"/> F |

INDIVIDUAL TAX RETURN, 2005–06 INCOME YEAR

Private health insurance policy details

You must provide the details for each policy if item T5 or item M2 asked you to complete this section.

| | | |
|--|-------------------------------|-------------------------------|
| Health fund ID | Membership number | TYPE |
| B <input type="text"/> F | C <input type="text"/> | <input type="text"/> F |
| B <input type="text"/> F | C <input type="text"/> | <input type="text"/> F |
| B <input type="text"/> F | C <input type="text"/> | <input type="text"/> F |

Medicare levy related items

M1 Medicare levy reduction or exemption

If you complete this item and you had a spouse during 2005–06 you must complete **Spouse details – married or de facto** on page 5.

Reduction based on family income

Number of dependent children and students **Y**

Exemption categories

Full 1.5% levy exemption – number of days **V** **CLAIM**

Half 1.5% levy exemption – number of days **W**

M2 Medicare levy surcharge (MLS)

THIS ITEM IS COMPULSORY

If you do not complete this item you may be charged the full Medicare levy surcharge.

For the **whole** period 1 July 2005 to 30 June 2006, were **you** and **all** your dependants (including your spouse) – if you had any – covered by private patient HOSPITAL cover?

E Print **Y** for yes or **N** for no.

If you printed **Y**, you must complete **Private health insurance policy details** above.
If you printed **N**, read below.

If you are liable for the surcharge for the whole period 1 July 2005 to 30 June 2006 you **must** write **0** at **A**.

If you are liable for the surcharge for part of the period 1 July 2005 to 30 June 2006 you **must** write the number of days you were **NOT** liable at **A**.

If you are **NOT** liable for the surcharge for the whole period 1 July 2005 to 30 June 2006 you **must** write **365** at **A**.

Number of days **NOT** liable for surcharge **A**

Number of dependent children **D**

If you had a spouse during 2005–06 (and you printed **N** at **E**), complete **Spouse details – married or de facto** on page 5. If you were covered by private patient hospital cover at any time during 2005–06 you **must** complete **Private health insurance policy details** above.

Adjustments

A1 Under 18

If you were under 18 years of age on 30 June 2006 you must complete this item or you may be taxed at a higher rate. Read the information on **A1** in *TaxPack 2006* for more information.

J **TYPE**

A2 Part-year tax-free threshold

Read the information on **A2** in *TaxPack 2006* before completing this item.

Date

Months eligible for threshold **N**

Income while a full-time student **O** **F**

INDIVIDUAL TAX RETURN, 2005–06 INCOME YEAR

Spouse details – married or de facto

If you completed any of the items below and you had a spouse during 2005–06 or you consent to use part or all of your 2006 refund to repay your spouse's family tax benefit debt, you must complete Spouse details – married or de facto.

- T1** Spouse (without dependent child or student), child-housekeeper or housekeeper
T2 Senior Australians (includes age pensioners, service pensioners and self-funded retirees)
T3 Pensioner
T6 30% child care
M1 Medicare levy reduction or exemption
M2 Medicare levy surcharge and you printed **X** in the **NO** box at **E**
T8 Superannuation contributions on behalf of your spouse

NO ☐ You do not need to complete this section. Go to page 6.

YES ☐ You must complete this section. Complete the information required below then go to page 6.

| | | | |
|---------------------------------|-------------------------------|---|---|
| Spouse's surname or family name | <input type="text"/> | | |
| Spouse's given names | <input type="text"/> | | |
| Spouse's date of birth | K <input type="text"/> | Day <input type="text"/> Month <input type="text"/> Year <input type="text"/> | Spouse's sex Print X in the relevant box. Male <input type="checkbox"/> Female <input type="checkbox"/> |

Did you have a spouse for the full year 1 July 2005 to 30 June 2006? **L** ☐ Print **Y** for yes or **N** for no.

If you did not have a spouse for the full year, write the dates you had a spouse between 1 July 2005 and 30 June 2006.

From **M** Day Month Year to **N** Day Month Year

30% child care tax rebate transfer

You can only transfer to your spouse as at 30 June 2006.

Do you want to transfer your unused 30% child care tax rebate to your spouse and have you obtained their written consent to both the transfer and the use of their tax file number?

YES **A** ☐

Your spouse's tax file number (TFN) **B**

NO ☐ Read on.

The information below relates to your spouse's income – the list shows which details you need to complete.

If you have completed:

- | | |
|--|---|
| • item T1, | complete R |
| • item T2 or T3, | complete O , T , P and Q |
| • item M1 (V or W), | complete O |
| • item M1 (Y only), | complete O if you had a spouse on 30 June 2006 |
| • item M2 and if you printed N for no at E , | complete O , T , U and S if you had a spouse for all of 2005–06 or your spouse died during the year |
| • item T8, | complete O and S |

For any of the following that you are required to complete, if the amount is zero, write **0**.

| | |
|--|-----------------------------------|
| Spouse's 2005–06 taxable income | O <input type="text"/> .00 |
| Your spouse's share of trust income on which the trustee is assessed under section 98 and which has not been included in spouse's taxable income | T <input type="text"/> .00 |
| Distributions to your spouse on which family trust distribution tax has been paid which your spouse would have had to show as assessable income if the tax had not been paid | U <input type="text"/> .00 |
| Your spouse's total reportable fringe benefits amounts | S <input type="text"/> .00 |
| Amount of any Australian Government pensions and allowances that your spouse received in 2005–06 (not including exempt pension income) | P <input type="text"/> .00 |
| Amount of any exempt pension income that your spouse received in 2005–06 (make sure you only include your spouse's exempt pension income) | Q <input type="text"/> .00 |
| Your spouse's 2005–06 separate net income | R <input type="text"/> .00 |

F

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PAGE 5

Income

12 Partnerships and trusts

F

F

INDIVIDUAL TAX RETURN, 2005–06 INCOME YEAR

15 Deferred non-commercial business losses

Item P9 on page 11 must be completed before you complete this item.

Your share of deferred losses from partnership activities **F** .00

Deferred losses from sole trader activities **G** .00

Total deferred losses **H** .00

16 Net farm management deposits or withdrawals

E .00 ^{LOSS} **F**

17 Capital gains

Did you have a capital gains tax event during the year? **G** ☐ Print **Y** for yes or **N** for no.

Net capital gain **A** .00

You must also print **Y** at **G** if you received a distribution of a capital gain from a trust.

Total current year capital gains **H** .00

Net capital losses carried forward to later income years **V** .00

18 Foreign entities

Did you have either a direct or indirect interest in a controlled foreign company (CFC)? **I** ☐ Print **Y** for yes or **N** for no.

CFC income **K** .00

Have you **ever**, either directly or indirectly, caused the transfer of property – including money – or services to a non-resident trust estate? **W** ☐ Print **Y** for yes or **N** for no.

Transferor trust income **B** .00

Did you have an interest in a foreign investment fund (FIF) or a foreign life assurance policy (FLP)? **J** ☐ Print **Y** for yes or **N** for no.

FIF and FLP income **C** .00

19 Foreign source income and foreign assets or property

Assessable foreign source income **E** .00

Net foreign employment and net foreign pension or annuity income **WITHOUT** an undeducted purchase price **L** .00 ^{TYPE}

Net foreign pension or annuity income **WITH** an undeducted purchase price **D** .00

Other net foreign source income **M** .00

Also include at **F** Australian franking credits from a New Zealand company that you have received indirectly through a partnership or trust distribution.

Australian franking credits from a New Zealand company **F** .00

Exempt foreign employment income **N** .00

Foreign tax credits **O**

During the year did you own, or have an interest in, assets located outside Australia which had a total value of AUD\$50,000 or more? **P** ☐ Print **Y** for yes or **N** for no.

F

20 Rent

Gross rent **P** .00

Interest deductions **Q** .00

Capital works deductions **F** .00

Other rental deductions **U** .00

P less (**Q** + **F** + **U**) ^{Net rent} .00 ^{LOSS}

21 Bonuses from life insurance companies and friendly societies

W .00

INDIVIDUAL TAX RETURN, 2005–06 INCOME YEAR

| | | | |
|---|------------|--|---|
| 22 Other income | | | |
| Type of income | Category 1 | <input type="text"/> | Y <input type="text"/> .00 |
| | Category 2 | <input type="text"/> | V <input type="text"/> .00 |
| Tax withheld – lump sum payments in arrears | | E <input type="text"/> .00 | |
| Taxable professional income | | Z <input type="text"/> .00 | F |
| TOTAL SUPPLEMENT INCOME OR LOSS | | Items 12 to 22 – add up the Y boxes for income amounts and deduct any loss amounts in the V boxes. <input type="text"/> .00 LOSS Transfer this amount to 1 on page 2. ← | |
| Deductions | | | |
| D11 Australian film industry incentives | | G <input type="text"/> .00 | |
| D12 Deductible amount of undeducted purchase price of a foreign pension or annuity | | Y <input type="text"/> .00 | |
| D13 Personal superannuation contributions | | | |
| Full name of fund | | Account number | H <input type="text"/> .00 |
| Fund Australian business number | | | |
| Fund tax file number | | | |
| D14 Deduction for project pool | | D <input type="text"/> .00 | |
| D15 Other deductions – not claimable at items D1 to D14 | | Election expenses | E <input type="text"/> .00 |
| Description of claim | | Other deductions | J <input type="text"/> .00 |
| TOTAL SUPPLEMENT DEDUCTIONS | | Items D11 to D15 – add up the I boxes and transfer this amount to D on page 3. <input type="text"/> .00 | |
| Tax offsets | | | |
| T8 Superannuation contributions on behalf of your spouse | | Contributions paid | <input type="text"/> .00 A <input type="text"/> .00 |
| You must also complete Spouse details – married or de facto on page 5. | | | |
| T9 Zone or overseas forces | | R <input type="text"/> .00 | |
| T10 20% tax offset on net medical expenses over the threshold amount | | X <input type="text"/> .00 | |
| T11 Parent, spouse's parent or invalid relative | | B <input type="text"/> .00 | |
| T12 Landcare and water facility | | Landcare and water facility tax offset brought forward from earlier income years | T <input type="text"/> .00 |
| T13 Net income from working – supplementary section | | M <input type="text"/> .00 LOSS | Read the information on T13 in <i>TaxPack 2006 supplement</i> before completing this item. |
| T14 Entrepreneurs tax offset | | Simplified tax system group turnover | Net simplified tax system income |
| | | K <input type="text"/> .00 | N <input type="text"/> .00 CODE |
| Read the information on T14 in <i>TaxPack 2006 supplement</i> before completing this item. | | | |
| T15 Other tax offsets | | If you are entitled to a low-income tax offset, do not write it anywhere on your tax return. The Tax Office will calculate it for you. | C <input type="text"/> .00 CLAIM TYPE F |
| TOTAL SUPPLEMENT TAX OFFSETS | | Items T8, T9, T10, T11, T12 and T15 – add up the Q boxes. <input type="text"/> .00 Transfer this amount to 1 on page 3. ← | |
| Adjustments | | | |
| A3 Amount on which family trust distribution tax has been paid | | X <input type="text"/> .00 | |
| Read the information on A3 in <i>TaxPack 2006 supplement</i> before completing this item. | | | |
| Credit for interest on tax paid | | | |
| C1 Credit for interest on early payments – amount of interest | | L <input type="text"/> | F |

INDIVIDUAL TAX RETURN, 2005–06 INCOME YEAR

Business and professional items section**S1 Simplified tax system (STS) elections**

Complete these labels if you are electing to enter the STS, you are continuing in the STS or you are exiting from the STS.

Entering or continuing

Only complete this column if you are entering or continuing in the STS.

Are you eligible for the STS? **G** ☐ Print **Y** for yes or **leave blank**.Are you electing to enter the STS? **H** ☐ Print **Y** for yes or **leave blank**.**OR**Are you continuing in the STS? **R** ☐ Print **Y** for yes or **leave blank**.Is your business grouped with another business? **I** ☐ Print **Y** for yes, **N** for no or **leave blank**.**Exiting**

Only complete this column if you are exiting from the STS.

Eligible but choosing to leave? **S** ☐ Print **Y** for yes or **leave blank**.**OR**No longer eligible? **T** ☐ Print **Y** for yes or **leave blank**.**P1 Personal services income (PSI)**Print **X** in the appropriate box.

Did you receive any personal services income?

YES ☐ Read on.**NO** ☐ Go to item **P2**.**Part A**

Did you satisfy the results test?

P NO ☐ Read on.**YES** ☐ Go to item **P2**.

Have you received a personal services business determination(s) that was in force for the whole of the period you earned PSI?

C NO ☐ Read on.**YES** ☐ Go to item **P2**.

Did you receive 80% or more of your PSI from one source?

Q NO ☐ Read on.**YES** ☐ Go to part B.If you received less than 80% of your PSI from each source for the whole of the period you earned PSI and you satisfied any of the following personal services business tests, indicate which business test(s) you satisfied. Print **X** in the appropriate box(es). Refer to the publication *Business and professional items 2006* before you complete this item.Unrelated clients test **D1** ☐Employment test **E1** ☐Business premises test **F1** ☐If you printed **X** at **D1**, **E1** or **F1**, go to item **P2** below; otherwise go to part B.**Part B**Do not show amounts at part B that were subject to foreign resident withholding. Show these at item **P8**.PSI – voluntary agreement **M** .00PSI – where Australian business number not quoted **N** .00PSI – labour hire or other specified payments **O** .00PSI – other **J** .00Deductions for payments to associates for principal work **K** .00Total amount of other deductions against PSI **L** .00Net PSI (**M** + **N** + **O** + **J**) less (**K** + **L**) **A** .00 **F**Transfer the amount at **A** above to **A** item **13** on page 6.Complete items **P2** and **P3**. Do not show at item **P8** any amount you have shown at part B of item **P1**.**P2 Description of main business or professional activity**

Codes have changed for 2006.

Industry code **A** **P3 Number of business activities****B** **P4 Status of your business** – print **X** in one box only.Ceased business **C1** ☐Commenced business **C2** ☐**P5 Business name of main business and Australian business number (ABN)**

ABN

P6 Business address of main business

Suburb or town

State

D

Postcode

P7 Did you sell any goods or services using the internet?**Q** ☐ Print **Y** for yes or **N** for no.**F**

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INDIVIDUAL TAX RETURN, 2005-06 INCOME YEAR

P8 Business income and expenses

| Income | | Primary production | Non-primary production | Totals |
|---|----------|-----------------------------------|-----------------------------------|-----------------------------------|
| Gross payments where Australian business number not quoted | C | <input type="text" value="0.00"/> | D | <input type="text" value="0.00"/> |
| Gross payments subject to foreign resident withholding | A | <input type="text" value="0.00"/> | B | <input type="text" value="0.00"/> |
| Gross payments – voluntary agreement | E | <input type="text" value="0.00"/> | F | <input type="text" value="0.00"/> |
| Gross payments – labour hire or other specified payments | N | <input type="text" value="0.00"/> | O | <input type="text" value="0.00"/> |
| Assessable government industry payments | G | <input type="text" value="0.00"/> | H | <input type="text" value="0.00"/> |
| Other business income | I | <input type="text" value="0.00"/> | J | <input type="text" value="0.00"/> |
| Total business income | | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> |
| Expenses | | | | |
| Opening stock | | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> | K |
| Purchases and other costs | | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> | L |
| Closing stock | | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> | M |
| Cost of sales (K + L – M) | | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> |
| Foreign resident withholding expenses | | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> | U |
| Contractor, subcontractor and commission expenses | | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> | F |
| Superannuation expenses | | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> | G |
| Bad debts | | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> | I |
| Lease expenses | | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> | J |
| Rent expenses | | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> | K |
| Interest expenses within Australia | | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> | Q |
| Interest expenses overseas | | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> | R |
| Depreciation expenses | | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> | M |
| Motor vehicle expenses | | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> | N |
| Repairs and maintenance | | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> | O |
| All other expenses | | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> | P |
| Total expenses | | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> |
| Add up the I boxes for each column. | | | | |
| Reconciliation items | | | | |
| Deduction for environmental protection expenses | | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> | V |
| Section 40-880 deduction | | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> | A |
| Business deduction for project pool | | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> | L |
| Landcare operations and business deduction for decline in value of water facility | | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> | W |
| Income reconciliation adjustments | | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> | X |
| Expense reconciliation adjustments | | <input type="text" value="0.00"/> | <input type="text" value="0.00"/> | H |
| Net income or loss from business this year | B | <input type="text" value="0.00"/> | C | <input type="text" value="0.00"/> |
| Deferred non-commercial business losses from a prior year | D | <input type="text" value="0.00"/> | E | <input type="text" value="0.00"/> |
| Net income or loss from business | Y | <input type="text" value="0.00"/> | Z | <input type="text" value="0.00"/> |
| Transfer the amounts at Y and Z to item 14 on page 6. | | | | |

INDIVIDUAL TAX RETURN, 2005–06 INCOME YEAR

P9 Business loss activity details

Show details of up to three business activities in which you made a net loss this year. List them in order of size of loss – greatest first. If you print loss code **8** at **G**, **M** or **S** you must also complete item **15** on page 7.

Activity 1 Description of activity **D** **F**

Industry code **E** Partnership (P) or sole trader (S) **F** ☐

Codes have changed for 2006.

Type of loss **G** ☐ Reference for code 5 **C** **Y** / **A**

Deferred non-commercial business loss from a prior year **H** **-00** Net loss **I** **-00** **F**

Activity 2 Description of activity **J** **F**

Industry code **K** Partnership (P) or sole trader (S) **L** ☐

Codes have changed for 2006.

Type of loss **M** ☐ Reference for code 5 **C** **Y** / **A**

Deferred non-commercial business loss from a prior year **N** **-00** Net loss **O** **-00** **F**

Activity 3 Description of activity **P** **F**

Industry code **Q** Partnership (P) or sole trader (S) **R** ☐

Codes have changed for 2006.

Type of loss **S** ☐ Reference for code 5 **C** **Y** / **A**

Deferred non-commercial business loss from a prior year **T** **-00** Net loss **U** **-00** **F**

P10 STS depreciating assets

For completion by STS taxpayers only. STS taxpayers are not required to complete a *Capital allowances schedule 2006*.

Deduction for low-cost assets (less than \$1,000)

A **-00**

Deduction for general pool assets (less than 25 years)

B **-00**

Deduction for long-life pool assets (25 years or more)

C **-00**

Other business and professional items

P11 Trade debtors **E** **-00**

P12 Trade creditors **F** **-00**

P13 Total salary and wage expenses **G** **-00** / **TYPE**

P14 Payments to associated persons **H** **-00**

P15 Intangible depreciating assets first deducted **I** **-00**

P16 Other depreciating assets first deducted **J** **-00**

P17 Termination value of intangible depreciating assets **D** **-00**

P18 Termination value of other depreciating assets **K** **-00**

P19 Trading stock election **P** ☐

Print **Y** for yes or leave blank.

Hours taken to prepare and complete the Business and professional items section

S

F

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INDIVIDUAL TAX RETURN, 2005–06 INCOME YEAR

I consent to the Tax Office using part or all of my 2006 tax refund to repay any FTB debt of my spouse, whose details I have provided above. I have obtained my spouse's permission to quote their CRN.

You must read the information on family tax benefit in *TaxPack 2006* before completing FTB claimant's details.

Only complete the details below if:

- you were the spouse of an FTB claimant on 30 June 2006 and your income was taken into account in their claim – check with your spouse – AND
- your spouse has given you authority to quote their customer reference number (CRN) on your tax return – if your spouse does not know their CRN they can contact the Family Assistance Office (FAO) – AND
- your spouse has a debt due to FAO or expects to have an overpayment for 2006 AND
- you expect to receive a tax refund for 2006 AND
- you consent to use part or all of your tax refund to repay your spouse's FTB overpayment.

Note: An FTB overpayment can only be raised after reconciliation has been completed. If an FTB overpayment is raised after your refund has been sent to you the Tax Office will not be able to use your refund to repay the FTB overpayment.

Spouse's CRN **Z**

Important: You also need to provide your spouse's name, date of birth and their sex on page 5.

I consent to the Tax Office using part or all of my 2006 tax refund to repay the 2006 FTB overpayment of my spouse, whose details I have provided above. I have obtained my spouse's permission to quote their CRN.

Your
signature

Date

| | | |
|----------------------|----------------------|----------------------|
| Day | Month | Year |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |

Taxpayer's declaration

Read and sign the declaration after completing your tax return, including the Supplementary section, Business and professional items section and other schedules if applicable.

I declare that:

- the information provided to my registered tax agent for the preparation of this tax return is true and correct, and
- I authorise my registered tax agent to lodge this tax return.

Taxpayer's
signature

Date

| | | |
|----------------------|----------------------|----------------------|
| Day | Month | Year |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |

Important: The tax law imposes heavy penalties for giving false or misleading information.

The Tax Office will issue your assessment based on your tax return. However, the Tax Office has some time to review your tax return, and issue a revised assessment if a review shows inaccuracies that change the assessment. The standard review period is two years but for some taxpayers it is four years (see page 9 in *TaxPack*).

Privacy:

The Tax Office is authorised by the *Taxation Administration Act 1953* to request you to quote your tax file number (TFN). It is not an offence not to quote your TFN. However, your assessment may be delayed if you do not quote your TFN. The Tax Office is also authorised by the *Income Tax Assessment Act 1936*, the *Income Tax Assessment Act 1997* and the *A New Tax System (Family Assistance) (Administration) Act 1999* to ask for the other information on this tax return. We need this information to help us to administer the taxation laws. We may give this information to other government agencies as authorised in taxation law – for example, benefit payment agencies such as Centrelink, the Department of Education, Science and Training, and the Department of Families, Community Services and Indigenous Affairs; law enforcement agencies such as state and federal police; and other agencies such as the Child Support Agency, the Australian Bureau of Statistics and the Reserve Bank of Australia.

Tax agent's declaration

I,

declare that this tax return has been prepared in accordance with information supplied by the taxpayer, that the taxpayer has given me a declaration stating that the information provided to me is true and correct and that the taxpayer has authorised me to lodge the tax return.

Agent's signature

Date

| | | |
|----------------------|----------------------|----------------------|
| Day | Month | Year |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |

Client's reference

Contact name


Agent's telephone number

Area code

Telephone number

Agent's reference number

COMPANY TAX RETURN, 2005–06 INCOME YEAR

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|---|--|---|--|--|---|---|--|--|--|---|---|--|--|--|---|---|--|--|--|--|--|--|--|--|--|--|--|---|
|  <p>Australian Government Australian Taxation Office</p> | <h2 style="margin: 0;">Company tax return</h2> | <h2 style="margin: 0;">2006</h2> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <div style="display: flex; justify-content: space-around; align-items: center;"> <div>Day Month Year</div> <div>to</div> <div>Day Month Year</div> </div> <p style="font-size: small;">Or specify period if part year or approved substitute period.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Notes to help you prepare this tax return are in the <i>Company tax return instructions 2006</i> (the instructions), available from the Tax Office. | Tax file number (TFN) | Is a payment due? Is a refund due? | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Name of company and Australian business number (ABN) <div style="border: 1px solid black; height: 1.2em; width: 100%;"></div> <div style="border: 1px solid black; height: 1.2em; width: 100%;"></div> <div style="text-align: right; font-size: x-small;">ABN</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Previous name of company If the company name has changed, print the previous name exactly as shown on the last tax return lodged and show Australian company number (ACN) or Australian registered business number (ARBN). | <div style="border: 1px solid black; height: 1.2em; width: 100%;"></div> <div style="border: 1px solid black; height: 1.2em; width: 100%;"></div> <div style="text-align: right; font-size: x-small;">ACN or ARBN*</div> <div style="font-size: x-small;">* Cross out whichever is not applicable</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current postal address If the address has not changed, print it exactly as shown on the last tax return lodged. | <div style="border: 1px solid black; height: 1.2em; width: 100%;"></div> <div style="border: 1px solid black; height: 1.2em; width: 100%;"></div> <div style="border: 1px solid black; height: 1.2em; width: 100%;"></div> <div style="display: flex; justify-content: space-between; font-size: x-small;"> Suburb or town State Postcode </div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Postal address on previous tax return If the address has changed, print the previous address exactly as shown on the last tax return lodged. | <div style="border: 1px solid black; height: 1.2em; width: 100%;"></div> <div style="border: 1px solid black; height: 1.2em; width: 100%;"></div> <div style="border: 1px solid black; height: 1.2em; width: 100%;"></div> <div style="display: flex; justify-content: space-between; font-size: x-small;"> Suburb or town State Postcode </div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Business address of main business | <div style="border: 1px solid black; height: 1.2em; width: 100%;"></div> <div style="border: 1px solid black; height: 1.2em; width: 100%;"></div> <div style="border: 1px solid black; height: 1.2em; width: 100%;"></div> <div style="display: flex; justify-content: space-between; font-size: x-small;"> Suburb or town State Postcode </div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Final tax return | <div style="border: 1px solid black; height: 1.2em; width: 100%;"></div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 Ultimate holding company name and ABN or country code | <div style="border: 1px solid black; height: 1.2em; width: 100%;"></div> <div style="border: 1px solid black; height: 1.2em; width: 100%;"></div> <div style="text-align: right; font-size: x-small;">ABN or country code*</div> <div style="font-size: x-small;">* Cross out whichever is not applicable</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Immediate holding company name and ABN | <div style="border: 1px solid black; height: 1.2em; width: 100%;"></div> <div style="border: 1px solid black; height: 1.2em; width: 100%;"></div> <div style="text-align: right; font-size: x-small;">ABN</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 Description of main business activity | Industry code B Percentage of foreign shareholding A % <small>Codes have changed for 2006</small> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 Status of company – print X in a box if applicable | <table style="width: 100%; font-size: x-small;"> <tr> <td>Resident C1 <input type="checkbox"/></td> <td>Cooperative D1 <input type="checkbox"/></td> <td>Pooled development fund D5 <input type="checkbox"/></td> <td>Private D9 <input type="checkbox"/></td> </tr> <tr> <td>Non-resident C2 <input type="checkbox"/></td> <td>Non-profit D3 <input type="checkbox"/></td> <td>Limited partnership D6 <input type="checkbox"/></td> <td>Public D10 <input type="checkbox"/></td> </tr> <tr> <td>Non-resident permanent estab. C3 <input type="checkbox"/></td> <td>Strata title D4 <input type="checkbox"/></td> <td>Corporate unit trust D7 <input type="checkbox"/></td> <td>Consolidated head company Z1 <input type="checkbox"/></td> </tr> <tr> <td></td> <td></td> <td>Public trading trust D8 <input type="checkbox"/></td> <td>Consolidated subsidiary member Z2 <input type="checkbox"/></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Multiple business E1 <input type="checkbox"/></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Ceased business E2 <input type="checkbox"/></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Commenced business E3 <input type="checkbox"/></td> </tr> </table> | | Resident C1 <input type="checkbox"/> | Cooperative D1 <input type="checkbox"/> | Pooled development fund D5 <input type="checkbox"/> | Private D9 <input type="checkbox"/> | Non-resident C2 <input type="checkbox"/> | Non-profit D3 <input type="checkbox"/> | Limited partnership D6 <input type="checkbox"/> | Public D10 <input type="checkbox"/> | Non-resident permanent estab. C3 <input type="checkbox"/> | Strata title D4 <input type="checkbox"/> | Corporate unit trust D7 <input type="checkbox"/> | Consolidated head company Z1 <input type="checkbox"/> | | | Public trading trust D8 <input type="checkbox"/> | Consolidated subsidiary member Z2 <input type="checkbox"/> | | | | Multiple business E1 <input type="checkbox"/> | | | | Ceased business E2 <input type="checkbox"/> | | | | Commenced business E3 <input type="checkbox"/> |
| Resident C1 <input type="checkbox"/> | Cooperative D1 <input type="checkbox"/> | Pooled development fund D5 <input type="checkbox"/> | Private D9 <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-resident C2 <input type="checkbox"/> | Non-profit D3 <input type="checkbox"/> | Limited partnership D6 <input type="checkbox"/> | Public D10 <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-resident permanent estab. C3 <input type="checkbox"/> | Strata title D4 <input type="checkbox"/> | Corporate unit trust D7 <input type="checkbox"/> | Consolidated head company Z1 <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Public trading trust D8 <input type="checkbox"/> | Consolidated subsidiary member Z2 <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Multiple business E1 <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Ceased business E2 <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Commenced business E3 <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 Interposed entity election status If the company has made or is making one or more interposed entity elections from a day in the 2005–06 income year or an earlier income year, print the appropriate election status code for the company at F . If making one or more elections from a day in the 2005–06 income year, complete and attach the <i>Interposed entity election 2006</i> . | F | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 Simplified tax system (STS) elections – complete these labels if you are electing to enter the STS, you are continuing in the STS or you are exiting the STS | <table style="width: 100%; font-size: x-small;"> <tr> <td style="width: 50%; vertical-align: top;"> Entering or continuing – only complete this column if you are entering or continuing in the STS Are you eligible for the STS? G <input type="checkbox"/> Print Y for yes or leave blank. Are you electing to enter the STS? H <input type="checkbox"/> Print Y for yes or leave blank. OR Are you continuing in the STS? R <input type="checkbox"/> Print Y for yes or leave blank. Is your business grouped with another business? I <input type="checkbox"/> Print Y for yes or N for no or leave blank. </td> <td style="width: 50%; vertical-align: top;"> Exiting – only complete this column if you are exiting the STS Eligible but choosing to leave? S <input type="checkbox"/> Print Y for yes or leave blank. OR No longer eligible? T <input type="checkbox"/> Print Y for yes or leave blank. </td> </tr> </table> | | Entering or continuing – only complete this column if you are entering or continuing in the STS Are you eligible for the STS? G <input type="checkbox"/> Print Y for yes or leave blank. Are you electing to enter the STS? H <input type="checkbox"/> Print Y for yes or leave blank. OR Are you continuing in the STS? R <input type="checkbox"/> Print Y for yes or leave blank. Is your business grouped with another business? I <input type="checkbox"/> Print Y for yes or N for no or leave blank. | Exiting – only complete this column if you are exiting the STS Eligible but choosing to leave? S <input type="checkbox"/> Print Y for yes or leave blank. OR No longer eligible? T <input type="checkbox"/> Print Y for yes or leave blank. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Entering or continuing – only complete this column if you are entering or continuing in the STS Are you eligible for the STS? G <input type="checkbox"/> Print Y for yes or leave blank. Are you electing to enter the STS? H <input type="checkbox"/> Print Y for yes or leave blank. OR Are you continuing in the STS? R <input type="checkbox"/> Print Y for yes or leave blank. Is your business grouped with another business? I <input type="checkbox"/> Print Y for yes or N for no or leave blank. | Exiting – only complete this column if you are exiting the STS Eligible but choosing to leave? S <input type="checkbox"/> Print Y for yes or leave blank. OR No longer eligible? T <input type="checkbox"/> Print Y for yes or leave blank. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

COMPANY TAX RETURN, 2005–06 INCOME YEAR

Information statement To be completed by all companies**6 Calculation of total profit or loss****Income**

| | | | |
|---|----------|----------------------|-------------------------------|
| Gross payments subject to foreign resident withholding | B | <input type="text"/> | |
| Gross payments where ABN not quoted | A | <input type="text"/> | |
| Other sales of goods and services | C | <input type="text"/> | |
| Gross distribution from partnerships | D | <input type="text"/> | <input type="text"/> |
| Gross distribution from trusts | E | <input type="text"/> | <input type="text"/> |
| Gross interest | F | <input type="text"/> | |
| Gross rent and other leasing and hiring income | G | <input type="text"/> | |
| Total dividends | H | <input type="text"/> | |
| Fringe benefit employee contributions | I | <input type="text"/> | <input type="text"/> |
| Assessable government industry payments | Q | <input type="text"/> | <input type="text"/> |
| Unrealised gains on revaluation of assets to fair value | J | <input type="text"/> | |
| Other gross income | R | <input type="text"/> | <input type="text"/> |
| Total income | S | <input type="text"/> | <input type="text"/> F |

Expenses

| | | | |
|--|----------|----------------------|----------------------|
| Foreign resident withholding expenses | B | <input type="text"/> | |
| Cost of sales | A | <input type="text"/> | <input type="text"/> |
| Contractor, sub-contractor and commission expenses | C | <input type="text"/> | |
| Employee superannuation | D | <input type="text"/> | |
| Bad debts | E | <input type="text"/> | |
| Lease expenses within Australia | F | <input type="text"/> | |
| Lease expenses overseas | I | <input type="text"/> | |
| Rent expenses | H | <input type="text"/> | |
| Interest expenses within Australia | V | <input type="text"/> | |
| Interest expenses overseas | J | <input type="text"/> | |
| Royalty expenses within Australia | W | <input type="text"/> | |
| Royalty expenses overseas | U | <input type="text"/> | |
| Depreciation expenses | X | <input type="text"/> | <input type="text"/> |
| Motor vehicle expenses | Y | <input type="text"/> | |
| Repairs and maintenance | Z | <input type="text"/> | |
| Unrealised losses on revaluation of assets to fair value | G | <input type="text"/> | |
| All other expenses | S | <input type="text"/> | |
| Total expenses | Q | <input type="text"/> | <input type="text"/> |

Do you have a non-resident withholding payment or reporting obligation? See instructions.

Do you need to complete a Research and development tax concession schedule 2006?

Do you need to complete a Losses schedule 2006?

7 Reconciliation to taxable income or loss

Total profit or loss amount shown at **T** item 6

Did you have a CGT event during the year? **G** Print **Y** for yes or **N** for no.

Do you need to complete a CGT schedule 2006?

Also print **Y** for yes at **G** if the company received a distribution of a capital gain from a trust.

Add:

| | | |
|--|----------------------|-------------------------------|
| Net capital gain | A | <input type="text"/> |
| Non-deductible exempt income expenditure | U | <input type="text"/> |
| Franking credits | J | <input type="text"/> |
| Australian franking credits from a New Zealand company | C | <input type="text"/> |
| Other assessable income | B | <input type="text"/> |
| Non-deductible expenses | W | <input type="text"/> |
| Accounting expenditure in item 6 subject to R&D tax concession | D | <input type="text"/> |
| Subtotal | <input type="text"/> | <input type="text"/> F |

Less:

| | | |
|--|----------------------|----------------------|
| Section 46FA deductions for flow-on dividends | C | <input type="text"/> |
| Deduction for decline in value of depreciating assets | F | <input type="text"/> |
| Immediate deduction for capital expenditure | E | <input type="text"/> |
| Deduction for project pool | H | <input type="text"/> |
| Capital works deductions | I | <input type="text"/> |
| Section 40-880 deduction | Z | <input type="text"/> |
| R&D tax concession – not including label M | L | <input type="text"/> |
| Incremental R&D (additional 50%) deduction | M | <input type="text"/> |
| Landcare operations and deduction for decline in value of water facility | N | <input type="text"/> |
| Deduction for environmental protection expenses | O | <input type="text"/> |
| Offshore banking unit adjustment | P | <input type="text"/> |
| Exempt income | V | <input type="text"/> |
| Other income not included in assessable income | Q | <input type="text"/> |
| Other deductible expenses | X | <input type="text"/> |
| Tax losses deducted | R | <input type="text"/> |
| Tax losses transferred in – only applies to Australian branches of foreign banks | S | <input type="text"/> |
| Subtraction items subtotal | <input type="text"/> | <input type="text"/> |

Total profit or loss

Subtract **Total expenses** **Q** **T** **F**
from **Total income** **S**

Add:

R&D tax offset, if chosen **Y**
Taxable income or loss **T** **F**

COMPANY TAX RETURN, 2005–06 INCOME YEAR

8 Financial and other information

Functional currency translation rate **N**

Functional currency chosen **O**

Opening stock **A**

Purchases and other costs **S**

Closing stock **B** CODE

Trading stock election ☐ Print Y for yes or leave blank.

Trade debtors **C**

All current assets **D**

Total assets **E**

Trade creditors **F**

All current liabilities **G**

Total liabilities **H**

Total debt **J**

Commercial debt forgiveness **K**

Shareholders' funds **R** F

Franked dividends paid **J**

Unfranked dividends paid **K**

Franking account balance **M**

Balance of conduit foreign income **F**

Conduit foreign income distributed during income year **G**

Excess franking offsets **H**

Balance of unfranked non-portfolio dividend account at year end **L** CODE

Loans to shareholders and their associates **N** CODE

Intangible depreciating assets first deducted **Z**

Other depreciating assets first deducted **A**

Termination value of intangible depreciating assets **P**

Termination value of other depreciating assets **E** CODE

Total salary and wage expenses **D** CODE

Payments to associated persons **Q**

Net foreign income **R**

Tax spared foreign tax credits **S**

Do you need to complete a *Losses schedule 2006*? ☐ Attributed foreign income

Listed country **B**

Section 404 country **C**

Unlisted country **U**

Transferor trust **V**

Foreign investment fund income **W**

Foreign life policy **X**

Section 128F/128FA exempt interest paid **O**

Interest to financial institution exempt from withholding under a DTA **I**

DTA country **Y** F

9 STS depreciating assetsFor completion by STS taxpayers only. STS taxpayers are not required to complete a *Capital allowances schedule 2006*.

Deduction for low-cost assets (less than \$1,000) **A** **-00**

Deduction for general pool assets (less than 25 years) **B** **-00**

Deduction for long-life pool assets (25 years or more) **C** **-00**

10 Entrepreneurs tax offset

STS group turnover **D** **-00**

Net STS income **E** **-00** CODE

Entrepreneurs tax offset **F**

11 Losses information

Tax losses carried forward to later income years **U**

Net capital losses carried forward to later income years **V**

Complete and attach a *Consolidated groups losses schedule 2006* or a *Losses schedule 2006*, as applicable, if the sum of **U** and **V** is greater than \$100,000. Refer to the applicable schedule instructions for full details of who must complete the schedule.**12 Personal services income**Does your income include an individual's personal services income? **N** ☐ Print Y for yes or N for no. **F**If you printed Y at **N**, complete and attach a *Personal services income schedule 2006*.**13 Licensed clubs only**Percentage of non-member income **A** %**14 Life insurance companies and friendly societies only**

Complying superannuation class **B**

Gross taxable contributions **E**

Net capital gain – complying superannuation class **C**

Fees and charges **F**

Net capital gain – ordinary class **D**

15 Pooled development funds

Small and medium sized enterprises income **G**

Unregulated investment income **H**

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COMPANY TAX RETURN, 2005–06 INCOME YEAR

16 Retirement savings accounts (RSAs) providers only

Gross income of RSAs **R**

Gross taxable contributions of RSAs **W**

Total deductions from RSAs **T** Exempt income from RSAs **S** Net taxable income from RSAs **V** **17 Landcare and water facility tax offset**Landcare and water facility tax offset brought forward from prior years **K** **18 Internet trading**Did you sell any goods or services using the internet? **Q** ☐ Print **Y** for yes or **N** for no.

Overseas transactions or interests/thin capitalisation/foreign source income – the following questions must be answered. If you printed **Y** at items **20** or **21**, complete and attach a *Schedule 25A 2006*.

International related party dealings/transfer pricing

19 Did you have any transactions or dealings with international related parties (irrespective of whether they were on revenue or capital account)? Such transactions or dealings include the transfer of tangible or intangible property and any new or existing financial arrangements.

X ☐ Print **Y** for yes or **N** for no.

20 Was the aggregate amount of the transactions or dealings with international related parties (including the value of property transferred or the balance outstanding on any loans) greater than \$1 million?

Y ☐ Print **Y** for yes or **N** for no.**21 Overseas interests**

Did you have an overseas branch or a direct or indirect interest in a foreign trust, foreign company, controlled foreign entity, transferor trust, foreign investment fund or foreign life policy?

Z ☐ Print **Y** for yes or **N** for no.**22 Thin capitalisation**

Did the thin capitalisation provisions apply as outlined in the instructions and the *Guide to thin capitalisation*? If yes, complete the *Thin capitalisation schedule 2006*.

O ☐ Print **Y** for yes or **N** for no.**23 Foreign source income**

Was the amount of foreign tax credits paid or carried forward greater than \$100,000, **OR** was the amount of assessable foreign income greater than \$500,000?

P ☐ Print **Y** for yes or **N** for no.**24 Transactions with specified countries**

Did you directly or indirectly send to, or receive from, one of the countries specified in the instructions, any funds or property, **OR**

Do you have the ability or expectation, to control, whether directly or indirectly, the disposition of any funds, property, assets or investments located in, or located elsewhere but controlled or managed from one of those countries?

I ☐ Print **Y** for yes or **N** for no.**F****Calculation statement**Foreign tax credits **D** :Franking deficit tax offset **E** :PAYG instalments raised **T** :Credit for interest on early payments – amount of interest **V** :Credit for tax withheld – foreign resident withholding **I** .00Credit for tax withheld where ABN not quoted **W** .00Tax withheld from interest/investments **Y** :R&D tax offset **U** :Other refundable credits **Z** :**Less:****Less:****Add:****Less:**Taxable or net income **A** .00Gross tax **B** :Rebates/tax offsets **C** :Tax assessed **F** :Total of **D** and **E** **G** :Tax payable **H** :Section 102AAM interest **H** :Total of **T, V, I, W, Y, U** and **Z** **R** :Total amount of tax payable (+) or refundable (–) **S** : **F****Tax agent's declaration**I,

declare that this tax return has been prepared in accordance with information supplied by the taxpayer, that the taxpayer has given me a declaration stating that the information provided to me is true and correct and that the taxpayer has authorised me to lodge the tax return.

Agent's signature

Date

Day Month Year

Client's reference

Contact name

Agent's telephone number

Area code Number

Agent's reference number

Declaration

I declare that the information in this tax return is true and correct.

Date

Day Month Year Hours taken to prepare and complete this tax return **J** **F**

Public officer's signature

Title

Public officer's name

Daytime contact number


Area code Number **F****F**

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PARTNERSHIP TAX RETURN, 2005–06 INCOME YEAR

| | | |
|---|--|--|
|  <p>Australian Government Australian Taxation Office</p> | <h2 style="margin: 0;">Partnership tax return</h2> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> <div style="border: 1px solid black; padding: 2px;">Day Month Year</div> <div style="font-size: 24px;">to</div> <div style="border: 1px solid black; padding: 2px;">Day Month Year</div> </div> <p style="margin: 0;">or specify period if part year or approved substitute period</p> | <h1 style="margin: 0;">2006</h1> |
| <p>Notes to help you prepare this tax return are provided in the <i>Partnership and trust tax return instructions 2006</i> (the instructions), available from the Tax Office.</p> | <p>Tax file number (TFN)</p> <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> | <p>Have you attached any 'other attachments'? <input style="width: 40px;" type="checkbox"/></p> |
| <p>Name of partnership and Australian business number (ABN)</p> <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> <div style="display: flex; justify-content: space-between; border: 1px solid black; padding: 2px;"> ABN <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> </div> | | |
| <p>Previous name of partnership If the partnership name has changed, print the previous name exactly as shown on the last tax return lodged.</p> <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> | | |
| <p>Current postal address If the address has not changed, print it exactly as shown on the last tax return lodged.</p> <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> <div style="display: flex; justify-content: space-between; border: 1px solid black; padding: 2px;"> Suburb or town State Postcode </div> <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> | | |
| <p>Postal address on previous tax return If the address has changed, print your previous address exactly as shown on the last tax return lodged.</p> <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> <div style="display: flex; justify-content: space-between; border: 1px solid black; padding: 2px;"> Suburb or town State Postcode </div> <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> | | |
| <p>Full name of the partner to whom notices should be sent</p> <ul style="list-style-type: none"> If the partner is an individual, print details here. If the partner is a company or trust, print details here including ABN. | <p>Title – for example, Mr, Mrs, Ms, Miss</p> <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> <p>Surname or family name Given names</p> <div style="display: flex; justify-content: space-between; border: 1px solid black; padding: 2px;"> <div style="border: 1px solid black; width: 45%; height: 1.2em;"></div> <div style="border: 1px solid black; width: 50%; height: 1.2em;"></div> </div> <p>Name</p> <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> <div style="display: flex; justify-content: space-between; border: 1px solid black; padding: 2px;"> ABN <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> </div> | |
| <p>Interposed entity election status If the partners have made or are making one or more interposed entity elections from a day in the 2005–06 income year or an earlier income year, print the appropriate election status code for the partnership. If making one or more elections from a day in the 2005–06 or 2004–05 income year, complete and attach the <i>Interposed entity election 2006</i>. <input style="width: 30px;" type="checkbox"/></p> | | |
| <p>TFN of former partnership If the partnership arose as a result of a reconstitution</p> <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> | <p>Final tax return <input style="width: 40px;" type="checkbox"/></p> | |
| <p>Important: Before making this declaration check to ensure that all income has been disclosed and the tax return is true and correct in every detail. If you are in doubt about any aspect of the tax return, place all the facts before the Tax Office. The income tax law imposes heavy penalties for false or misleading statements in tax returns.</p> | | |
| <p>Declaration: I declare that the information in this tax return is true and correct.</p> | | |
| <p>Hours taken to prepare and complete this tax return <div style="border: 1px solid black; width: 40px; height: 1.2em;"></div></p> | <p>Signature <div style="border: 1px solid black; width: 150px; height: 1.2em;"></div></p> | <p>Date <div style="display: flex; justify-content: space-between; border: 1px solid black; padding: 2px;"> Day Month Year </div></p> |
| <p>This declaration and all attached documents must be signed by a partner.</p> | | |
| <p>Tax agent's declaration I, <div style="border: 1px solid black; width: 400px; height: 1.2em;"></div></p> <p>declare that this tax return has been prepared in accordance with information supplied by the taxpayer, that the taxpayer has given me a declaration stating that the information provided to me is true and correct and that the taxpayer has authorised me to lodge the tax return.</p> | | |
| <p>Agent's signature <div style="border: 1px solid black; width: 150px; height: 1.2em;"></div></p> | <p>Date <div style="display: flex; justify-content: space-between; border: 1px solid black; padding: 2px;"> Day Month Year </div></p> | <p>Client's reference <div style="border: 1px solid black; width: 150px; height: 1.2em;"></div></p> |
| <p>Contact name <div style="border: 1px solid black; width: 150px; height: 1.2em;"></div></p> | <p>Agent's telephone number <div style="display: flex; justify-content: space-between; border: 1px solid black; padding: 2px;"> Area code <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> </div></p> | <p>Agent's reference number <div style="border: 1px solid black; width: 100px; height: 1.2em;"></div></p> |
| <p>Office use only</p> <p>Indics X F</p> | | |
| <p>NAT 0659–6.2006 IN CONFIDENCE when completed PAGE 1</p> | | |

PARTNERSHIP TAX RETURN, 2005–06 INCOME YEAR

| | | | | |
|--|---|---|---|---|
| 1 Description of main business activity | | | Industry code A <input type="text"/> | |
| | | | Codes have changed for 2006 | |
| 2 Status of business – print X at label B1 , B2 or B3 , whichever is the first applicable option, or leave blank. | | | | |
| Multiple business B1 <input type="checkbox"/> | Ceased business B2 <input type="checkbox"/> | Commenced business B3 <input type="checkbox"/> | | |
| Consolidation status – print X at label Z2 if applicable | | Consolidated subsidiary member Z2 <input type="checkbox"/> | | |
| 3 Simplified tax system (STS) elections – complete these labels if you are electing to enter the STS, you are continuing in the STS or you are exiting the STS. | | | | |
| Entering or continuing – only complete this column if you are entering or continuing in the STS. | | Exiting – only complete this column if you are exiting the STS. | | |
| Are you eligible for the STS? G <input type="checkbox"/> Print Y for yes or leave blank. | | Eligible but choosing to leave? S <input type="checkbox"/> Print Y for yes or leave blank. | | |
| Are you electing to enter the STS? H <input type="checkbox"/> Print Y for yes or leave blank. | | OR | | |
| Are you continuing in the STS? R <input type="checkbox"/> Print Y for yes or leave blank. | | No longer eligible? T <input type="checkbox"/> Print Y for yes or leave blank. | | |
| Is your business grouped with another business? I <input type="checkbox"/> Print Y for yes or N for no or leave blank. | | | | |
| 4 Did you sell any goods or services using the internet? | | | | Q <input type="checkbox"/> Print Y for yes or N for no. F |
| Income excluding foreign income | | | | |
| 5 Business income and expenses | | | | |
| | Primary production | Non-primary production | Totals | |
| Gross payments where ABN not quoted | C <input type="text"/> .00 | D <input type="text"/> .00 | <input type="text"/> .00 | |
| Gross payments subject to foreign resident withholding | A <input type="text"/> .00 | B <input type="text"/> .00 | <input type="text"/> .00 | |
| Assessable government industry payments | E <input type="text"/> .00 / <input type="text"/> CODE | F <input type="text"/> .00 / <input type="text"/> CODE | <input type="text"/> .00 | |
| Other business income | G <input type="text"/> .00 / <input type="text"/> | H <input type="text"/> .00 / <input type="text"/> | <input type="text"/> .00 / <input type="text"/> F | |
| Total business income | <input type="text"/> .00 / <input type="text"/> | <input type="text"/> .00 / <input type="text"/> | <input type="text"/> .00 / <input type="text"/> | |
| Expenses | | | | |
| Foreign resident withholding expenses | <input type="text"/> .00 | <input type="text"/> .00 | P <input type="text"/> .00 | |
| Contractor, sub-contractor and commission expenses | <input type="text"/> .00 | <input type="text"/> .00 | C <input type="text"/> .00 | |
| Superannuation expenses | <input type="text"/> .00 | <input type="text"/> .00 | D <input type="text"/> .00 | |
| Cost of sales | <input type="text"/> .00 / <input type="text"/> | <input type="text"/> .00 / <input type="text"/> | E <input type="text"/> .00 / <input type="text"/> | |
| Bad debts | <input type="text"/> .00 | <input type="text"/> .00 | F <input type="text"/> .00 | |
| Lease expenses | <input type="text"/> .00 | <input type="text"/> .00 | G <input type="text"/> .00 | |
| Rent expenses | <input type="text"/> .00 | <input type="text"/> .00 | H <input type="text"/> .00 | |
| Total interest expenses | <input type="text"/> .00 | <input type="text"/> .00 | I <input type="text"/> .00 | |
| Total royalty expenses | <input type="text"/> .00 | <input type="text"/> .00 | J <input type="text"/> .00 | |
| Depreciation expenses | <input type="text"/> .00 | <input type="text"/> .00 | K <input type="text"/> .00 / <input type="text"/> CODE | |
| Motor vehicle expenses | <input type="text"/> .00 | <input type="text"/> .00 | L <input type="text"/> .00 / <input type="text"/> CODE | |
| Repairs and maintenance | <input type="text"/> .00 | <input type="text"/> .00 | M <input type="text"/> .00 | |
| All other expenses | <input type="text"/> .00 | <input type="text"/> .00 | N <input type="text"/> .00 | |
| Total expenses – labels P to N | <input type="text"/> .00 / <input type="text"/> | <input type="text"/> .00 / <input type="text"/> | O <input type="text"/> .00 / <input type="text"/> | |
| Reconciliation items | | | | |
| Add: Income reconciliation adjustments | <input type="text"/> .00 / <input type="text"/> | <input type="text"/> .00 / <input type="text"/> | A <input type="text"/> .00 / <input type="text"/> | |
| Add: Expense reconciliation adjustments | <input type="text"/> .00 / <input type="text"/> | <input type="text"/> .00 / <input type="text"/> | B <input type="text"/> .00 / <input type="text"/> | |
| Net income or loss from business | Q <input type="text"/> .00 / <input type="text"/> | R <input type="text"/> .00 / <input type="text"/> | S <input type="text"/> .00 / <input type="text"/> | |

PARTNERSHIP TAX RETURN, 2005–06 INCOME YEAR

| | | | |
|----------|---------------------|---|----------|
| 6 | Tax withheld | Tax withheld where ABN not quoted T <input style="width: 100px;" type="text" value="00"/> | F |
| | | Credit for tax withheld – foreign resident withholding U <input style="width: 100px;" type="text" value="00"/> | |

| | | | |
|----------|--------------------------------|---|--|
| 8 | Partnerships and trusts | | |
| | Primary production | Distribution from partnerships A <input style="width: 100px;" type="text" value="00"/> / <input style="width: 20px;" type="text"/> | |
| | | Distribution from trusts Z <input style="width: 100px;" type="text" value="00"/> / <input style="width: 20px;" type="text"/> | |
| | | Deductions relating to distribution in labels A and Z S <input style="width: 100px;" type="text" value="00"/> | |
| | | Net primary production distribution <input style="width: 100px;" type="text" value="00"/> / <input style="width: 20px;" type="text"/> | |
| | Non-primary production | Distribution from partnerships, less foreign income B <input style="width: 100px;" type="text" value="00"/> / <input style="width: 20px;" type="text"/> | |
| | | Distribution from trusts, less net capital gain and foreign income R <input style="width: 100px;" type="text" value="00"/> / <input style="width: 20px;" type="text"/> | |
| | | Deductions relating to distribution in labels B and R T <input style="width: 100px;" type="text" value="00"/> | |
| | | Net non-primary production distribution <input style="width: 100px;" type="text" value="00"/> / <input style="width: 20px;" type="text"/> | |

Distributions of foreign income must be included at item 19 or 20.

| | | |
|-------------------------------------|---|--|
| Share of credits from income | Share of credit for tax withheld where ABN not quoted C <input style="width: 100px;" type="text" value="00"/> | |
| | Share of franking credit from franked dividends D <input style="width: 100px;" type="text"/> | |
| | Share of credit for TFN amounts withheld from interest and dividends E <input style="width: 100px;" type="text"/> | |
| | Share of credit for tax withheld from foreign resident withholding U <input style="width: 100px;" type="text" value="00"/> | |

| | | | |
|----------|-------------|--|--|
| 9 | Rent | Gross rent F <input style="width: 100px;" type="text" value="00"/> | |
| | | Interest deductions G <input style="width: 100px;" type="text" value="00"/> | |
| | | Capital works deductions X <input style="width: 100px;" type="text" value="00"/> | |
| | | Other rental deductions H <input style="width: 100px;" type="text" value="00"/> | |
| | | Net rent <input style="width: 100px;" type="text" value="00"/> / <input style="width: 20px;" type="text"/> | |

| | | |
|-----------|--|--|
| 10 | Gross interest – including Australian Government loan interest | J <input style="width: 100px;" type="text" value="00"/> |
| | TFN amounts withheld from gross interest I <input style="width: 100px;" type="text"/> | |

| | | | |
|-----------|------------------|---|--|
| 11 | Dividends | Unfranked amount K <input style="width: 100px;" type="text" value="00"/> | |
| | | Franked amount L <input style="width: 100px;" type="text" value="00"/> | |
| | | Franking credit M <input style="width: 100px;" type="text" value="00"/> | |
| | | TFN amounts withheld from dividends N <input style="width: 100px;" type="text"/> | |

| | | |
|-----------|---|--|
| 12 | Other Australian income – give details | |
| | Type of income <input style="width: 400px;" type="text"/> | O <input style="width: 100px;" type="text" value="00"/> / <input style="width: 20px;" type="text"/> |

| | | |
|-----------|-------------------------------|---|
| 13 | Total of items 5 to 12 | Add the <input style="width: 20px;" type="text"/> boxes <input style="width: 100px;" type="text" value="00"/> / <input style="width: 20px;" type="text"/> |
|-----------|-------------------------------|---|

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PARTNERSHIP TAX RETURN, 2005–06 INCOME YEAR

Deductions

14 Deductions relating to Australian investment income

P .00

15 Other deductions – show only deductions not claimable at any other item

Name of each item of deduction.

Amount

.00

.00

Q .00

16 Total of items 14 and 15

 .00

17 Net Australian income or loss

Subtract item 16 from item 13.

\$.00 / F

Foreign income

19 Attributed foreign income

Did you have either a direct or indirect interest in a foreign trust, controlled foreign company or transferor trust?

S ☐ Print Y for yes or N for no.

Listed country

M .00

Section 404 country

U .00

Did you have an interest in a foreign investment fund (FIF) or a foreign life assurance policy (FLP)?

T ☐ Print Y for yes or N for no.

Unlisted country

X .00

FIF/FLP income

Y .00

If you printed Y at label S or T, complete and attach a Schedule 25A 2006.

20 Other assessable foreign source income – other than income shown at item 19

Gross

B .00

Net

V .00

Foreign tax credits

Z

Also include at label D, Australian franking credits from a New Zealand company that you have received indirectly through a partnership or trust distribution.

Australian franking credits from a New Zealand company

D .00

21 Total net income or loss

Total of items 17 to 20 – add the boxes

 .00 /

Overseas transactions

26 Overseas transactions

Was the aggregate amount of your transactions or dealings with international related parties (including the value of any property/service transferred or the balance of any loans) greater than \$1 million?

W ☐ Print Y for yes or N for no.

If you printed Y at label W, complete and attach a Schedule 25A 2006.

Transactions with specified countries

Did you directly or indirectly send to, or receive from, one of the countries specified in the instructions, any funds or property or

Do you have the ability or expectation to control, whether directly or indirectly, the disposition of any funds, property, assets or investments located in, or located elsewhere but controlled or managed from one of those countries?

C ☐ Print Y for yes or N for no.

There is not a schedule to be completed for 'Transactions with specified countries'.

PARTNERSHIP TAX RETURN, 2005–06 INCOME YEAR

28 Personal services income

If you printed **Y** at label **N**, complete and attach a *Personal services income schedule 2006*.

Does your income include an individual's personal services income?

N ☐

Print **Y** for yes or **N** for no.

F

Key financial information

29 All current assets **F** .00

32 Total liabilities **J** .00

30 Total assets **G** .00

33 Proprietors' funds **K** .00 /

31 All current liabilities **I** .00

Business and professional items

The following information must be filled in for all partnerships carrying on a business.

34 Business name of main business

35 Business address of main business

| | | |
|----------------------|-------|-------------------|
| <input type="text"/> | | |
| <input type="text"/> | | |
| Suburb or town | State | Postcode A |

36 Opening stock **C** .00

46 Termination value of other depreciating assets **W** .00

37 Purchases and other costs **B** .00

47 Deduction for project pool **P** .00

38 Closing stock **D** .00 CODE

48 Section 40-880 deduction **X** .00

39 Trade debtors **E** .00

49 Fringe benefit employee contributions **T** .00

40 Trade creditors **H** .00

50 Interest expenses overseas **Q** .00

41 Total salary and wage expenses **L** .00 CODE

51 Royalty expenses overseas **R** .00

42 Payments to associated persons **M** .00

53 Deduction for environmental protection expenses **V** .00

43 Intangible depreciating assets first deducted **N** .00

55 Trading stock election ☐ Print **Y** for yes or leave blank.

44 Other depreciating assets first deducted **U** .00

45 Termination value of intangible depreciating assets **O** .00

For completion by STS taxpayers only. STS taxpayers are not required to complete a *Capital allowances schedule 2006*.

56 STS depreciating assets

Deduction for low cost assets (less than \$1,000)

A .00

Deduction for general pool assets (less than 25 years)

B .00

Deduction for long life pool assets (25 years or more)

C .00

57 Entrepreneurs tax offset

STS group turnover

D .00

Net STS income

E .00

F


TAXATION STATISTICS 2005-06

Note: It is not an offence not to quote a TFN. However, TFNs help the Tax Office to correctly identify each partner's tax records. The Tax Office is authorised by the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997* to ask for information in this tax return. We need this information to help us administer the taxation laws. We may give this information to other government agencies authorised to ask law – for example, the Australian Bureau of Statistics and the Reserve Bank of Australia.

Important
if any partner 18 years of age or older at 30 June 2006 does not have real and effective control over their share of income, print their name(s).

IN CONFIDENCE when completed

TRUST TAX RETURN, 2005–06 INCOME YEAR

| | | |
|---|--|--|
|  <p>Australian Government Australian Taxation Office</p> | <h2 style="margin: 0;">Trust tax return</h2> <div style="display: flex; justify-content: space-around; align-items: center;"> <div> Day Month Year <input style="width: 20px;" type="text"/> / <input style="width: 20px;" type="text"/> / <input style="width: 20px;" type="text"/> </div> to <div> Day Month Year <input style="width: 20px;" type="text"/> / <input style="width: 20px;" type="text"/> / <input style="width: 20px;" type="text"/> </div> </div> <p style="margin-top: 5px;">or specify period if part year or approved substitute period</p> | <h1 style="margin: 0;">2006</h1> |
| <p><small>Notes to help you prepare this tax return are provided in the <i>Partnership and trust tax return instructions 2006</i> (the instructions), available from the Tax Office.</small></p> | <div style="display: flex; justify-content: space-between;"> <div> Tax file number (TFN) <input style="width: 100px;" type="text"/> </div> <div> Have you attached any 'other attachments'? <input style="width: 50px;" type="text"/> </div> </div> | |
| Name of trust and Australian business number (ABN) <input style="width: 100%;" type="text"/> | <div style="display: flex; justify-content: space-between;"> <div> Previous name of trust <small>If the trust name has changed, print the previous name exactly as shown on the last notice of assessment or the last tax return lodged.</small> </div> <div> ABN <input style="width: 100%;" type="text"/> </div> </div> | |
| Current postal address <small>If the address has not changed, print it exactly as shown on the last notice of assessment or the last tax return lodged.</small> | <input style="width: 100%;" type="text"/> <div style="display: flex; justify-content: space-between;"> <div>Suburb or town</div> <div>State <input style="width: 20px;" type="text"/></div> <div>Postcode <input style="width: 20px;" type="text"/></div> </div> <div>Country – if not Australia <input style="width: 100px;" type="text"/></div> | |
| Postal address on previous tax return <small>If the address has changed, print your previous address exactly as shown on the last notice of assessment or the last tax return lodged.</small> | <input style="width: 100%;" type="text"/> <div style="display: flex; justify-content: space-between;"> <div>Suburb or town</div> <div>State <input style="width: 20px;" type="text"/></div> <div>Postcode <input style="width: 20px;" type="text"/></div> </div> <div>Country – if not Australia <input style="width: 100px;" type="text"/></div> | |
| Full name of the trustee to whom notices should be sent <ul style="list-style-type: none"> If the trustee is an individual, print details here. If the trustee is a company, print details here including ABN. | <div> Title – for example, Mr, Mrs, Ms, Miss <input style="width: 100%;" type="text"/> </div> <div style="display: flex; justify-content: space-between;"> <div> Surname or family name <input style="width: 100%;" type="text"/> </div> <div> Given names <input style="width: 100%;" type="text"/> </div> </div> <div> Name <input style="width: 100%;" type="text"/> </div> <div style="display: flex; justify-content: space-between;"> <div> ABN <input style="width: 100%;" type="text"/> </div> </div> | |
| Daytime contact telephone number | <div style="display: flex; justify-content: space-between;"> <div> Area code <input style="width: 20px;" type="text"/> </div> <div> Telephone number <input style="width: 100px;" type="text"/> </div> </div> | |
| Family trust/Interposed entity election status <small>If the trustee(s) has/have made or is/are making or revoking a family trust election and/or made or is/are making one or more interposed entity elections for the 2005–06 income year or an earlier income year, print the appropriate election status code for the trust. If making one or more elections or revoking a family trust election for the 2005–06 income year, complete and attach the <i>Family trust election and/or family trust revocation 2006</i> and/or the <i>Interposed entity election 2006</i>.</small> | | |
| Type of trust <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div> Print the code representing the type of trust. <input style="width: 50px;" type="text"/> </div> <div> Print X if also an item 1.5 charitable trust in section 50–5 of ITAA 1997. <input style="width: 50px;" type="text"/> </div> <div> If code D, write the date of death. <div style="display: flex; justify-content: space-around;"> <div>Day <input style="width: 20px;" type="text"/></div> <div>Month <input style="width: 20px;" type="text"/></div> <div>Year <input style="width: 20px;" type="text"/></div> </div> </div> </div> | | |
| Is any tax payable by the trustee? <input style="width: 50px;" type="text"/> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div> Print Y for yes or N for no. </div> <div> Final tax return <input style="width: 50px;" type="text"/> </div> </div> | | |
| Electronic funds transfer (EFT) Do you want to use EFT for your refund this year? <input style="width: 50px;" type="text"/> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div> Print Y for yes or N for no. </div> <div> If you printed Y, complete the account details – do not provide details if they are the same as last year. </div> </div> <div style="display: flex; justify-content: space-between;"> <div> BSB number <small>Must be six digits</small> <input style="width: 100px;" type="text"/> </div> <div> Account number <input style="width: 100px;" type="text"/> </div> </div> <div> Account name <input style="width: 100%;" type="text"/> </div> | | |
| Important: Before making this declaration check to ensure that all income has been disclosed and the tax return is true and correct in every detail. If you are in doubt about any aspect of the tax return, place all the facts before the Tax Office. The income tax law imposes heavy penalties for false or misleading statements in tax returns. This declaration and all attached documents must be signed by a trustee or public officer. | | |
| Declaration: I declare that the information in this tax return is true and correct. <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div> Hours taken to prepare and complete this tax return <input style="width: 50px;" type="text"/> </div> <div> Signature <input style="width: 150px;" type="text"/> </div> <div> Date <div style="display: flex; justify-content: space-around;"> <div>Day <input style="width: 20px;" type="text"/></div> <div>Month <input style="width: 20px;" type="text"/></div> <div>Year <input style="width: 20px;" type="text"/></div> </div> </div> </div> | | |
| Tax agent's declaration I, <input style="width: 100%;" type="text"/> | | |
| <small>declare that this tax return has been prepared in accordance with information supplied by the taxpayer, that the taxpayer has given me a declaration stating that the information provided to me is true and correct and that the taxpayer has authorised me to lodge the tax return.</small> | | |
| Agent's signature <input style="width: 100%;" type="text"/> | Date <div style="display: flex; justify-content: space-around;"> <div>Day <input style="width: 20px;" type="text"/></div> <div>Month <input style="width: 20px;" type="text"/></div> <div>Year <input style="width: 20px;" type="text"/></div> </div> | Client's reference <input style="width: 100%;" type="text"/> |
| Contact name <input style="width: 100%;" type="text"/> | Agent's telephone number <div style="display: flex; justify-content: space-between;"> <div>Area code <input style="width: 20px;" type="text"/></div> <div>Telephone number <input style="width: 100px;" type="text"/></div> </div> | Agent's reference number <input style="width: 100%;" type="text"/> |
| Office use only Indics X <input style="width: 50px;" type="text"/> | | F |
| <div style="display: flex; justify-content: space-between;"> <div>NAT 0660–6.2006</div> <div>IN CONFIDENCE when completed</div> <div>PAGE 1</div> </div> | | |

TRUST TAX RETURN, 2005–06 INCOME YEAR

1 Description of main business activity

 Industry code **A**
 Codes have changed for 2006
2 Status of business – print X at label **B1**, **B2** or **B3**, whichever is the first applicable option, or leave blank.Multiple business **B1** ☐Ceased business **B2** ☐Commenced business **B3** ☐Consolidation status – print X at label **Z2** if applicableConsolidated subsidiary member **Z2** ☐**3 Simplified tax system (STS) elections** – complete these labels if you are electing to enter the STS, you are continuing in the STS or you are exiting the STS.

Entering or continuing – only complete this column if you are entering or continuing in the STS.

Are you eligible for the STS? **G** ☐ Print Y for yes or leave blank.Are you electing to enter the STS? **H** ☐ Print Y for yes or leave blank.

OR

Are you continuing in the STS? **R** ☐ Print Y for yes or leave blank.Is your business grouped with another business? **I** ☐ Print Y for yes or N for no or leave blank.

Exiting – only complete this column if you are exiting the STS.

Eligible but choosing to leave? **S** ☐ Print Y for yes or leave blank.

OR

No longer eligible? **T** ☐ Print Y for yes or leave blank.**4 Did you sell any goods or services using the internet?****Q** ☐ Print Y for yes or N for no. **F****Income excluding foreign income****5 Business income and expenses**

| | Primary production | Non-primary production | Totals |
|--|---|---|--|
| Gross payments where ABN not quoted | C <input type="text"/> .00 | D <input type="text"/> .00 | <input type="text"/> .00 |
| Gross payments subject to foreign resident withholding | A <input type="text"/> .00 | B <input type="text"/> .00 | <input type="text"/> .00 |
| Assessable government industry payments | E <input type="text"/> .00 / <input type="text"/> CODE | F <input type="text"/> .00 / <input type="text"/> CODE | <input type="text"/> .00 |
| Other business income | G <input type="text"/> .00 / <input type="text"/> | H <input type="text"/> .00 / <input type="text"/> | <input type="text"/> .00 / <input type="text"/> F |
| Total business income | <input type="text"/> .00 / <input type="text"/> | <input type="text"/> .00 / <input type="text"/> | <input type="text"/> .00 / <input type="text"/> |

Expenses

| | | | |
|--|---|---|---|
| Foreign resident withholding expenses | <input type="text"/> .00 | <input type="text"/> .00 | P <input type="text"/> .00 |
| Contractor, sub-contractor and commission expenses | <input type="text"/> .00 | <input type="text"/> .00 | C <input type="text"/> .00 |
| Superannuation expenses | <input type="text"/> .00 | <input type="text"/> .00 | D <input type="text"/> .00 |
| Cost of sales | <input type="text"/> .00 / <input type="text"/> | <input type="text"/> .00 / <input type="text"/> | E <input type="text"/> .00 / <input type="text"/> |
| Bad debts | <input type="text"/> .00 | <input type="text"/> .00 | F <input type="text"/> .00 |
| Lease expenses | <input type="text"/> .00 | <input type="text"/> .00 | G <input type="text"/> .00 |
| Rent expenses | <input type="text"/> .00 | <input type="text"/> .00 | H <input type="text"/> .00 |
| Total interest expenses | <input type="text"/> .00 | <input type="text"/> .00 | I <input type="text"/> .00 |
| Total royalty expenses | <input type="text"/> .00 | <input type="text"/> .00 | J <input type="text"/> .00 |
| Depreciation expenses | <input type="text"/> .00 | <input type="text"/> .00 | K <input type="text"/> .00 / <input type="text"/> CODE |
| Motor vehicle expenses | <input type="text"/> .00 | <input type="text"/> .00 | L <input type="text"/> .00 |
| Repairs and maintenance | <input type="text"/> .00 | <input type="text"/> .00 | M <input type="text"/> .00 |
| All other expenses | <input type="text"/> .00 | <input type="text"/> .00 | N <input type="text"/> .00 |
| Total expenses – labels P to N | <input type="text"/> .00 / <input type="text"/> | <input type="text"/> .00 / <input type="text"/> | O <input type="text"/> .00 / <input type="text"/> |

Reconciliation items

| | | | |
|---|--|--|--|
| Add: Income reconciliation adjustments | <input type="text"/> .00 / <input type="text"/> | <input type="text"/> .00 / <input type="text"/> | A <input type="text"/> .00 / <input type="text"/> |
| Add: Expense reconciliation adjustments | <input type="text"/> .00 / <input type="text"/> | <input type="text"/> .00 / <input type="text"/> | B <input type="text"/> .00 / <input type="text"/> |
| Net income or loss from business | Q <input type="text"/> .00 / <input type="text"/> | R <input type="text"/> .00 / <input type="text"/> | S <input type="text"/> .00 / <input type="text"/> |

TRUST TAX RETURN, 2005–06 INCOME YEAR

| | | | |
|---|---|-----|----------|
| 6 Tax withheld | Tax withheld where ABN not quoted T | .00 | |
| | Credit for tax withheld – foreign resident withholding U | .00 | |
| <hr/> | | | |
| 7 Credit for interest on early payments – amount of interest | W | | F |
| <hr/> | | | |
| 8 Partnerships and trusts | | | |
| Primary production | | | |
| Distribution from partnerships A | | .00 | |
| Distribution from trusts Z | | .00 | |
| Deductions relating to distribution in labels A and Z S | | .00 | |
| | Net primary production distribution | | .00 |
| Non-primary production | | | |
| Distribution from partnerships, less foreign income B | | .00 | |
| Distribution from trusts, less net capital gain and foreign income R | | .00 | |
| Deductions relating to distribution in labels B and R T | | .00 | |
| | Net non-primary production distribution | | .00 |
| Distributions of net capital gains (including net foreign capital gains) must be included at item 18. Distributions of foreign income must be included at item 19 or 20. | | | |
| Share of credits from income | | | |
| Share of credit for tax withheld where ABN not quoted C | | .00 | |
| Share of franking credit from franked dividends D | | | |
| Share of credit for TFN amounts withheld from interest and dividends E | | | |
| Share of credit for tax withheld from foreign resident withholding U | | .00 | |
| <hr/> | | | |
| 9 Rent | | | |
| Gross rent F | | .00 | |
| Interest deductions G | | .00 | |
| Capital works deductions X | | .00 | |
| Other rental deductions H | | .00 | |
| | Net rent | | .00 |
| <hr/> | | | |
| 10 Gross interest – including Australian Government loan interest | J | | .00 |
| TFN amounts withheld from gross interest I | | | |
| <hr/> | | | |
| 11 Dividends | | | |
| Unfranked amount K | | .00 | |
| Franked amount L | | .00 | |
| Franking credit M | | .00 | |
| TFN amounts withheld from dividends N | | | |
| <hr/> | | | |
| 12 Other Australian income – give details | | | |
| Excepted net income | | .00 | |
| Type of income | | | |
| | | .00 | |
| <hr/> | | | |
| 13 Total of items 5 to 12 | Add the boxes | | .00 |

TRUST TAX RETURN, 2005–06 INCOME YEAR

Deductions

14 Deductions relating to Australian investment income

P .00

15 Other deductions – show only deductions not claimable at any other item

Name of each item of deduction

Amount

.00

.00

Q .00

16 Total of items 14 and 15

 .00

17 Net Australian income or loss – other than capital gains

Subtract item 16 from item 13.

\$.00 F

18 Capital gains

Do you need to complete a *Capital gains tax (CGT) schedule 2006*?Did you have a CGT event during the year? **G** ☐Print **Y** for yes or **N** for no.

Net capital gain

A .00Also print **Y** at label **G** if the trust received a distribution of a capital gain from a trust.

Foreign income

19 Attributed foreign income

Did you have either a direct or indirect interest in a foreign trust, controlled foreign company or transferor trust?

S ☐Print **Y** for yes or **N** for no.

Listed country

M .00

Did you have an interest in a foreign investment fund (FIF) or a foreign life assurance policy (FLP)?

T ☐Print **Y** for yes or **N** for no.

Section 404 country

U .00

Unlisted country

X .00If you printed **Y** at labels **S** or **T**, complete and attach a *Schedule 25A 2006*.
Do you need to complete a *Losses schedule 2006*?

FIF/FLP income

Y .00

20 Other assessable foreign source income – other than income shown at item 19

Do you need to complete a *Losses schedule 2006*?

Gross

B .00

Net

V .00

Foreign tax credits

Z Also include at label **D** Australian franking credits from a New Zealand company that you have received indirectly through a partnership or trust distribution.

Australian franking credits from a New Zealand company

D .00

21 Total of items 17 to 20

Add the ☐ boxes .00

22 Tax losses deducted

C .00

23 Total net income or loss

Subtract item 22 from item 21.

 .00 F

24 Losses information

A *Losses schedule 2006* must also be completed and attached if the sum of labels **U** and **V** is greater than \$100,000 or if the trust has a foreign loss or if the trust is a listed widely held trust and failed the majority ownership test for a loss.

Tax losses carried forward to later income years

U .00

Net capital losses carried forward to later income years

V .00

25 Landcare and water facility tax offset

Landcare and water facility tax offset brought forward from prior years

G .00

Overseas transactions

26 Overseas transactions

Was the aggregate amount of your transactions or dealings with international related parties (including the value of any property/service transferred or the balance of any loans) greater than \$1 million?

W ☐Print **Y** for yes or **N** for no.If you printed **Y** at label **W**, complete and attach a *Schedule 25A 2006*.

Was any beneficiary who was not a resident of Australia at any time during the income year, 'presently entitled' to a share of the income of the trust?

A ☐Print **Y** for yes or **N** for no.If you printed **Y** at label **A**, attach the information requested in the instructions.

Amount of tax spared foreign tax credits

Q .00

Transactions with specified countries

Did you directly or indirectly send to, or receive from, one of the countries specified in the instructions, any funds or property or

Do you have the ability or expectation to control, whether directly or indirectly, the disposition of any funds, property, assets or investments located in, or located elsewhere but controlled or managed from one of those countries?

C ☐Print **Y** for yes or **N** for no.

There is not a schedule to be completed for 'Transactions with specified countries'.

Interest

Section 128FA exempt interest paid

D .00

Interest to financial institution exempt from withholding under a DTA

I .00

DTA country

Y

TRUST TAX RETURN, 2005–06 INCOME YEAR

28 Personal services income

If you printed Y at label **N**, complete and attach a *Personal services income schedule 2006*.

Does your income include an individual's personal services income? **N** ☐ Print Y for yes or N for no.

F

Key financial information

29 All current assets **F** .0032 Total liabilities **J** .0030 Total assets **G** .0033 Proprietors' funds **K** .00 / 31 All current liabilities **I** .00

Business and professional items

The following information must be filled in for all trusts carrying on a business.

34 Business name of main business

35 Business address of main business

 Suburb or town State Postcode **A**
36 Opening stock **C** .0046 Termination value of other depreciating assets **W** .0037 Purchases and other costs **B** .0047 Deduction for project pool **P** .0038 Closing stock **D** .00 / CODE48 Section 40-880 deduction **X** .0039 Trade debtors **E** .0049 Fringe benefit employee contributions **T** .0040 Trade creditors **H** .0050 Interest expenses overseas **Q** .0041 Total salary and wage expenses **L** .00 / CODE51 Royalty expenses overseas **R** .0042 Payments to associated persons **M** .0052 Landcare operations and deduction for decline in value of water facility **S** .0043 Intangible depreciating assets first deducted **N** .0053 Deduction for environmental protection expenses **V** .0044 Other depreciating assets first deducted **U** .0054 Unpaid present entitlement to a private company **Y** .00 / CODE45 Termination value of intangible depreciating assets **O** .0055 Trading stock election ☐ Print Y for yes or leave blank. F

For completion by STS taxpayers only. STS taxpayers are not required to complete a *Capital allowances schedule 2006*.

56 STS depreciating assets Deduction for low cost assets (less than \$1,000) **A** .00

Deduction for general pool assets (less than 25 years) **B** .00

Deduction for long life pool assets (25 years or more) **C** .00

57 Entrepreneurs tax offset STS group turnover **D** .00

Net STS income **E** .00

F

58 Medicare levy reduction or exemption

Spouse's 2005–06 taxable income – if nil write '0' **A** .00

Full 1.5% levy exemption – number of days **C** / CODE

Number of dependent children and students **B**

Half 1.5% levy exemption – number of days **D**

F

Medicare levy surcharge and private health insurance tax offset
 If the trust is liable for the Medicare levy surcharge or entitled to the private health insurance tax offset, refer to the instructions.

TAXATION STATISTICS 2005-06

For closely held trusts: Is a beneficiary named at item 59 a trustee beneficiary?

Ultimate beneficiary schedule needs to be lodged.

| Beneficiary 1 | Beneficiary 2 | Beneficiary 3 |
|--|--|--|
| Name in full of beneficiary and TFN or postal address: | Name in full of beneficiary and TFN or postal address: | Name in full of beneficiary and TFN or postal address: |
| | | |
| | | |
| | | |
| TFN | TFN | TFN |

Note: It is not an offence not to quote a TFN. However, TFNs help the Tax Office to correctly identify each beneficiary's tax records. The Tax Office is authorised by the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997* to ask for information in this tax return. We need this information to help administer the tax laws.

Income to which no beneficiary is presently entitled and in which no beneficiary has an indefeasible vested interest, and the trustee's share of credit for tax deducted.

| Date of birth | | Day | | Month | | Year | |
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Items 60 and 61 must be answered for all trusts – if you answer yes to any of these questions, print Yes in the 'other attachments' box on page 1 of this tax return.

Was any beneficiary in this trust, who was under a legal disability on 30 June 2006, also presently entitled to a share of the income of another trust?

☐ Print **Y** for yes


is presently entitled. Print **NIL** if applicable
 If yes, state the amount of income derived outside Australia to which no beneficiary

§

PAGE 6

IN CONFIDENCE when completed

FUND TAX RETURN, 2005–06 INCOME YEAR

| | | |
|---|---|---|
|  <p>Australian Government Australian Taxation Office</p> | <p>Fund income tax and regulatory return</p> <div style="display: flex; justify-content: center; align-items: center;"> <div style="border: 1px solid black; padding: 2px;"> Day Month Year </div> to <div style="border: 1px solid black; padding: 2px;"> Day Month Year </div> </div> <p>or specify period if part year or approved substitute period</p> | <p>2006</p> |
| <p>Notes to help you prepare this tax return are provided in the <i>Fund income tax and regulatory return instructions 2006</i> (the instructions), available from the Tax Office.</p> | | |
| Tax file number (TFN) | <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> | |
| Name of fund or trust | <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> | |
| Australian business number (ABN) | <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> | |
| Previous name of fund or trust <small>If the fund or trust name has changed, print it exactly as shown on the last notice of assessment or the last tax return lodged.</small> | <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> | |
| Current postal address <small>If the address has not changed, print it exactly as shown on the last notice of assessment or the last tax return lodged.</small> | <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> <div style="display: flex; justify-content: space-between; font-size: 0.8em;"> Suburb or town State Postcode </div> | |
| Postal address on previous tax return <small>If the address has changed, print it exactly as shown on the last notice of assessment or the last tax return lodged.</small> | <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> <div style="display: flex; justify-content: space-between; font-size: 0.8em;"> Suburb or town State Postcode </div> | |
| Email address <small>If applicable</small> | <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> | |
| Name of trustee <small>If the trustee is a company, print details here including ABN.</small> | <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> | |
| <small>If the trustee is an individual, print details here.</small> | <div style="display: flex; justify-content: space-between;"> <div style="width: 20%;"> ABN </div> <div style="width: 60%;"> <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> </div> <div style="width: 20%;"> Title </div> </div> <div style="border: 1px solid black; width: 100%; height: 1.2em; margin-top: 2px;"></div> | |
| Family name | <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> | |
| First given name | <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> | |
| Other given names | <div style="border: 1px solid black; width: 100%; height: 1.2em;"></div> | |
| Hours taken to prepare and complete this tax return | <div style="display: flex; align-items: center;"> <div style="border: 1px solid black; width: 1.2em; height: 1.2em; margin-right: 5px; text-align: center; line-height: 1.2em;">J</div> <div style="border: 1px solid black; width: 40px; height: 1.2em;"></div> </div> | Business postcode <div style="border: 1px solid black; width: 60px; height: 1.2em;"></div> |
| Was the fund or trust wound up during the year? | <div style="display: flex; align-items: center;"> <div style="border: 1px solid black; width: 1.2em; height: 1.2em; margin-right: 5px; text-align: center; line-height: 1.2em;">K</div> <div style="border: 1px solid black; width: 20px; height: 1.2em;"></div> </div> <div style="font-size: 0.8em; margin-top: 2px;"> Print Y for yes or N for no. </div> | Date wound up <div style="display: flex; align-items: center;"> <div style="border: 1px solid black; width: 1.2em; height: 1.2em; margin-right: 5px; text-align: center; line-height: 1.2em;">L</div> <div style="border: 1px solid black; padding: 2px;"> Day Month Year </div> </div> |

FUND TAX RETURN, 2005–06 INCOME YEAR

| | |
|---|--|
| 1 Superannuation fund number | <div style="border: 1px solid black; padding: 2px;"> A </div> |
| 2 Date of establishment of fund or trust | <div style="border: 1px solid black; padding: 2px;"> B <div style="display: flex; justify-content: space-between; border-bottom: 1px solid black; margin-bottom: 5px;"> Day Month Year </div> <div style="display: flex; justify-content: space-between;"> </div> </div> |
| 3 Status of fund or trust – print X in the applicable boxes. | <div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> Resident C1 <input type="checkbox"/> Non-resident C2 <input type="checkbox"/> </div> <div style="width: 50%;"> Superannuation fund D1 <input type="checkbox"/> Approved deposit fund D2 <input type="checkbox"/> </div> <div style="width: 50%;"> Pooled superannuation fund trust D3 <input type="checkbox"/> </div> <div style="width: 50%;"> Membership industry classification E1 <input type="checkbox"/> <input type="checkbox"/> </div> </div> |
| 4 Type of fund or trust – print X in the applicable box. | <div style="display: flex; flex-wrap: wrap;"> <div style="width: 25%;"> Self-managed superannuation fund (Tax Office regulated) H1 <input type="checkbox"/> Small APRA fund H2 <input type="checkbox"/> </div> <div style="width: 25%;"> Public offer or retail H3 <input type="checkbox"/> Industry or award H4 <input type="checkbox"/> </div> <div style="width: 25%;"> Employer sponsored or corporate H5 <input type="checkbox"/> Public sector fund H6 <input type="checkbox"/> </div> <div style="width: 25%;"> Non-regulated H7 <input type="checkbox"/> Other H8 <input type="checkbox"/> </div> </div> <div style="text-align: right; margin-top: -40px;">F</div> |
| 5 Family trust/Interposed entity election status If the trust or fund has made or is making a family trust election and/or made or is making one or more interposed entity elections for the 2005–06 income year or an earlier income year, print the appropriate election status code for the fund or trust in the box at the right of label I . If making one or more elections or revoking a family trust election for the 2005–06 income year, complete and attach the <i>Family trust election and/or family trust revocation 2006</i> and/or the <i>Interposed entity election 2006</i> . | <div style="border: 1px solid black; padding: 2px; display: inline-block; width: 100px;"> I </div> <div style="text-align: right; margin-top: -40px;">F</div> |
| 6 Is the fund or trust complying in accordance with section 45, 47 or 48 of the <i>Superannuation Industry (Supervision) Act 1993</i>? | <div style="border: 1px solid black; padding: 2px; display: inline-block; width: 100px;"> F </div> <div style="margin-left: 10px;"> Print Y for yes or N for no. </div> <div style="text-align: right; margin-top: -40px;">F</div> |

Income tax calculation and information statement

| | |
|---|--|
| 8 Calculation statement | |
| <div style="margin-bottom: 10px;"> Foreign tax credits <div style="border: 1px solid black; padding: 2px; display: inline-block;"> D </div> </div> <div> Rebates/tax offsets <div style="border: 1px solid black; padding: 2px; display: inline-block;"> C </div> </div> | <div style="margin-bottom: 10px;"> Taxable income A .00 </div> <div> Gross tax B . </div> |
| <div style="display: flex; align-items: center;"> <div style="border-left: 1px solid black; height: 40px; margin-right: 5px;"></div> <div style="margin-left: 5px;"> Less: </div> </div> | <div style="display: flex; align-items: center;"> Total of labels D and C G . </div> <div style="margin-top: 10px;"> Tax payable F . </div> |
| | |
| <div style="margin-bottom: 10px;"> Credit for interest on early payments – amount of interest <div style="border: 1px solid black; padding: 2px; display: inline-block;"> V </div> </div> <div> Credit for tax withheld where ABN/TFN not quoted <div style="border: 1px solid black; padding: 2px; display: inline-block;"> M </div> </div> <div style="margin-top: 10px;"> Credit for tax withheld – foreign resident withholding <div style="border: 1px solid black; padding: 2px; display: inline-block;"> E </div> </div> <div style="margin-top: 10px;"> Refundable franking credits <div style="border: 1px solid black; padding: 2px; display: inline-block;"> Q </div> </div> | <div style="margin-bottom: 10px;"> Add: </div> <div style="margin-bottom: 10px;"> Section 102AAM interest charge H . </div> <div> Less: </div> <div style="margin-top: 10px;"> Total of labels V, M, E and Q R . </div> <div style="margin-top: 10px;"> Subtotal S . </div> <div style="margin-top: 10px;"> Less: </div> <div style="margin-top: 10px;"> PAYG instalments raised T . </div> <div style="margin-top: 10px;"> Total amount of tax payable (+) or refundable (–) S . F </div> |

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FUND TAX RETURN, 2005–06 INCOME YEAR

Fund income tax and regulatory return 2006

Tax file number

Notes: 1 Ensure that pages 3 to 6 are completed and inserted.

2 To help the Tax Office to collate and maintain your information, please complete the Tax file number blocks above and on page 1.

Page 2

Page 7

Page 4

Page 5

Information statement – to be completed by all entities

9a Income

Did you have a CGT event during the year?

G

Print Y for yes or N for no.

Net capital gain

A

-00

Do you need to complete a CGT schedule 2006?

Gross rent and other leasing and hiring income

B

-00

Also print Y at label G if the fund received a distribution of a capital gain from a trust.

Gross interest

C

-00

Unfranked amount

D

-00

Franked amount

J

-00

Franking credit

K

-00

Gross foreign income

I

-00

Do you need to complete a Losses schedule 2006?

Net foreign income

E

-00

Australian franking credits from a New Zealand company

N

-00

Gross taxable employer contributions

F

-00

Gross taxable employee or depositor contributions

M

-00

Assessable amounts received from non-resident superannuation funds

P

-00

Net private company dividends and other excessive non-arm's length income

H

-00

Sections 288A and 288B net previous income

W

-00

Gross distribution from partnerships

V

-00

Gross payments where ABN not quoted

L

-00

Gross payments subject to foreign resident withholding

O

-00

Gross distribution from trusts

X

-00

CODE

Other income

R

-00

Total of above labels excluding label I

S

-00

F

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PAGE 3

TAXATION STATISTICS 2005–06

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FUND TAX RETURN, 2005–06 INCOME YEAR

Information statement – to be completed by all entities**9b Deductions**

| | | | |
|---|----------|--|-----|
| Interest expenses within Australia | A | | .00 |
| Interest expenses overseas | B | | .00 |
| Foreign resident withholding expenses | H | | .00 |
| Total salary and wage expenses | C | | .00 |
| Capital works deductions | Q | | .00 |
| Deduction for decline in value of depreciating assets | W | | .00 |
| Group life and disability premiums | J | | .00 |
| Management/administration expenses | K | | .00 |
| Investment expenses | L | | .00 |
| Other deductions | D | | .00 |
| Transfer of taxable contributions | E | | .00 |
| Tax losses deducted | F | | .00 |
| Exempt current pension income | G | | .00 |
| Taxable income or loss | T | | .00 |

Add labels **A** to **G** above and deduct total from **S** on page 3.

CODE
/

F

F

10 Losses information

If the total of labels **U** + **V** is greater than \$100,000, complete and attach a *Losses schedule 2006*.

| | | | |
|--|----------|--|-----|
| Tax losses carried forward to later income years | U | | .00 |
| Net capital losses carried forward to later income years | V | | .00 |

A *Losses schedule 2006* must also be completed and attached if the fund has a foreign loss. Refer to the instructions.

11 Other information

| | | | |
|--|---------------------|----------|-----|
| Intangible depreciating assets first deducted | A | | .00 |
| Other depreciating assets first deducted | U | | .00 |
| Termination value of intangible depreciating assets | B | | .00 |
| Termination value of other depreciating assets | W | | .00 |
| Total investments | Q | | .00 |
| Number of members | R | | |
| Number of payments received from non-resident superannuation funds | S | | |
| Exempt section 274(7) contributions | M | | .00 |
| Exempt section 275B contributions | N | | .00 |
| Attributed foreign income Do you need to complete a <i>Losses schedule 2006</i> ? | Listed country | O | .00 |
| | Section 404 country | L | .00 |
| | Unlisted country | J | .00 |
| | FIF/FLP income | P | .00 |
| Tax spared foreign tax credits | K | | .00 |

12 Entrepreneurs tax offset

| | | | |
|---|----------|--|-----|
| STS group turnover | D | | .00 |
| Net STS income from partnership or trust distribution | E | | .00 |
| Entrepreneurs tax offset | F | | . |

13 Landcare and water facility tax offset

| | | | |
|---|----------|--|-----|
| Landcare and water facility tax offset brought forward from prior years | B | | .00 |
|---|----------|--|-----|

FUND TAX RETURN, 2005–06 INCOME YEAR

14 Internet transactions

Did the fund have dealings – including purchases and sales of assets or borrowings – on the internet?

☒Print **Y** for yes
or **N** for no.**Overseas transactions or interest/thin capitalisation/foreign source income****The following questions must be answered** – print **Y** for yes or **N** for no at questions 15 to 24.If you print **Y** at item 16 or 17, complete and attach a *Schedule 25A 2006*.**International related party dealings/transfer pricing**

- 15**
- Did you have any transactions or dealings with international related parties (irrespective of whether they were on revenue or capital account)? Such transactions or dealings include the transfer of tangible or intangible property and any new or existing financial arrangements.

☒

- 16**
- Was the aggregate amount of the transactions or dealings with international related parties (including the value of property transferred or the balance outstanding on any loans) greater than \$1 million?

☒**17 Overseas interests**

Did you have an overseas branch or a direct or indirect interest in a foreign trust, controlled foreign entity, transferor trust, foreign investment fund or foreign life policy?

☒**18 Thin capitalisation**Did the thin capitalisation provisions apply as outlined in the instructions and the *Guide to thin capitalisation*? If yes, complete the *Thin capitalisation schedule 2006*.☒**19 Foreign source income**Was the amount of foreign tax credits paid or carried forward greater than \$100,000 **OR**
Was the amount of assessable foreign income greater than \$500,000?☒**20 Transactions with specified countries**Did you directly or indirectly send to, or receive from, one of the countries specified in the instructions, any funds or property **OR**

Do you have the ability or expectation to control, whether directly or indirectly, the disposition of any funds, property, assets or investments located in, or located elsewhere but controlled or managed from, one of those countries?

☒**F****21 Exempt current pension income**If the fund has claimed an amount of exempt current pension income in respect of any pensions **NOT prescribed by Income Tax Regulations**, has the trustee obtained the relevant actuary's certificate or certificates required by section 273A, 273B or 283 as a condition of exemption?☐**22 Death or disability deduction**

Is the fund or trust claiming a deduction for premiums for death or disability cover under section 279 that requires an actuary's certificate to be obtained?

☐

If so, has the fund or trust obtained the relevant certificate?

☐**23 Transfer of taxable contributions**

Has the fund or trust, with the consent of the transferee, transferred taxable contributions under section 275 to a life assurance company or pooled superannuation trust?

☐

If so, show the names of the transferee or transferees, the ABN of each transferee and the amount of contributions transferred to each.

Name Amount **ABN** Name Amount **ABN** **24 Payments to contributing employers and associates**

Has the fund or trust made a payment or transferred a benefit that is included in the assessable income of the recipient under section 82AAQ?

☐

FUND TAX RETURN, 2005–06 INCOME YEAR

Regulatory information for self-managed superannuation funds

Only self-managed superannuation funds are to complete the remaining questions.

All other funds go to page 8 and complete the trustee declaration and the tax agent's certificate (if applicable).

25 Fund's auditor details

Auditor's name and professional body membership number

Title

Family name

First given name

Auditor's professional body membership number

Name of organisation

Postal address

 Suburb or town State Postcode
Telephone

Area code Number

26 Which professional body does the auditor belong to?

CODE

27 Did the fund comply with all relevant SIS requirements?

☐ Print **Y** for yes
or **N** for no.

FUND TAX RETURN, 2005–06 INCOME YEAR

Financial information – all assets and earnings of the fund must be included in question 28a or 28b**28a Managed investments**

| | Earnings Show net realised gains/losses only | Asset values |
|------------------------------------|---|-----------------------------------|
| Life insurance policies A | <input type="text"/> .00 / <input type="text"/> | M <input type="text"/> .00 |
| Other managed investments B | <input type="text"/> .00 / <input type="text"/> | N <input type="text"/> .00 |

28b Direct investments

| | | |
|--|---|-----------------------------------|
| Overseas assets C | <input type="text"/> .00 / <input type="text"/> | O <input type="text"/> .00 |
| Real property D | <input type="text"/> .00 / <input type="text"/> | P <input type="text"/> .00 |
| Other property E | <input type="text"/> .00 / <input type="text"/> | Q <input type="text"/> .00 |
| Listed shares and equities F | <input type="text"/> .00 / <input type="text"/> | R <input type="text"/> .00 |
| Unlisted shares and equities G | <input type="text"/> .00 / <input type="text"/> | S <input type="text"/> .00 |
| Public trusts H | <input type="text"/> .00 / <input type="text"/> | T <input type="text"/> .00 |
| Other trusts I | <input type="text"/> .00 / <input type="text"/> | U <input type="text"/> .00 |
| Cash, debt securities and term deposits J | <input type="text"/> .00 / <input type="text"/> | V <input type="text"/> .00 |
| Loans K | <input type="text"/> .00 / <input type="text"/> | W <input type="text"/> .00 |
| Other L | <input type="text"/> .00 / <input type="text"/> | X <input type="text"/> .00 |

F

29 In-house and related party assets

| | Earnings | Asset values |
|-----------------------------------|---|-----------------------------------|
| In-house A | <input type="text"/> .00 / <input type="text"/> | C <input type="text"/> .00 |
| Related party investment B | <input type="text"/> .00 / <input type="text"/> | D <input type="text"/> .00 |

30 Value of leased assets

| | |
|------------------------------|--------------------------|
| In-house E | <input type="text"/> .00 |
| Other related party F | <input type="text"/> .00 |
| Non-related party G | <input type="text"/> .00 |

31 Has the fund acquired assets (other than exempt assets) from a related party?
H ☐ Print **Y** for yes
or **N** for no.

F

32 Liability information

| | |
|--------------------------------|--------------------------|
| Members' entitlements A | <input type="text"/> .00 |
| Borrowings B | <input type="text"/> .00 |
| Other liabilities C | <input type="text"/> .00 |

FUND TAX RETURN, 2005–06 INCOME YEAR**33 Fund expenditure**Benefit payments **D** -00Outward rollovers and transfers **E** -00Administration and investment expenses **F** -00Other expenses **G** -00 / **34 Contribution information**Non-taxable contributions **H** -00Inward rollovers and transfers **I** -00 **F****Trustee declaration:** I declare that the information in this tax return is true and correct.

Trustee's signature

Date

| Day | Month | Year |
|----------------------|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> |

This declaration and all attached documents must be signed by a trustee.

Trustee's contact name

Trustee's telephone

Area code

Number

Tax agent's declaration**I,**

declare that this tax return has been prepared in accordance with information supplied by the trustee, that the trustee has given me a declaration stating that the information provided to me is true and correct and that the trustee has authorised me to lodge the tax return.

Agent's signature

Date

| Day | Month | Year |
|----------------------|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> |

Agent's telephone

Area code

Number

Client's reference

Contact name

Agent's reference
number**F**

1 April 2006 to 31 March 2007

| | | | | | | | | | | | | | | |
|---|---|---|---|---|--|---|---|--|--|--|--|--|--|--|
| S | M | I | T | H | | S | T | | | | | | | |
|---|---|---|---|---|--|---|---|--|--|--|--|--|--|--|

■ Place ☒ in ALL relevant boxes.

1 Tax file number (TFN)

① It is not an offence not to quote your TFN but not quoting it may increase the risk of administrative error and/or delay this return. If you do not have a TFN, refer to *How to complete your 2007 fringe benefits tax return* (NAT 2376) for more information.

2 Australian business number (ABN) (if applicable)

Title: Mr Mrs Miss Ms Other

Surname or family name

[illegible]

Given name/s

[illegible]

OR

NON-INDIVIDUAL (company, partnership, trust etc)

Name of corporate trustee/senior partner

[illegible][illegible]

Title: Mr Mrs Miss Ms Other

Surname or family name

[illegible]

Given name/s

[illegible]

OR

NON-INDIVIDUAL (company, partnership, trust etc)[illegible][illegible][illegible][illegible]

Each side of each flag is 100 cm long. Date of survey: _____

Suburb/town/locality

State/territory

(Australia only)

Postcode

(Australia only)

Country if outside Australia


Country if outside Australia

TAXATION STATISTICS 2005-06

➤ Provide the name, daytime contact phone number and email address (if applicable) of the person we can contact, if needed, regarding the information in this return.

10 Number of employees receiving fringe benefits during the period 1 April 2006 to 31 March 2007

11 Hours taken to prepare and complete this form

 Refer to *How to complete your 2007 fringe benefits tax return* (NAT 2376) for more information. Do not include tax agent's time.

hours

12 Do you expect to lodge an FBT return for 2007–08 or future years? No ☐ Yes ☐

➤ Refer to *How to complete your 2007 fringe benefits tax return* (NAT 2376) for more information.

13 Calculated fringe benefits taxable amounts (whole dollars only)

| | | | | | | | | | | | | | | |
|---|---|--|---|--|---|--|---------------|--|---|--|---|--|---|---|
| A | Type 1 aggregate amount \$ | | , | | , | | x 2.0647 = \$ | | , | | , | | . | A |
| B | Type 2 aggregate amount \$ | | , | | , | | x 1.8692 = \$ | | , | | , | | . | B |
| C | Aggregate non-exempt amount (hospitals, ambulances, public benevolent institutions and health promotion charities only) or \$ | | , | | , | | | | , | | , | | . | C |

14 Fringe benefits taxable amount (A + B) or C \$.

15 Amount of tax payable (46.5% of item 14 amount) \$, , .

➤ If you are not a rebatable employer, go to question 18 Sub-total.

16 Aggregate non-rebatable amount \$, , .

 Refer to *How to complete your 2007 fringe benefits tax return* (NAT 2376) for more information.

17 Amount of rebate: 48% of (item 15 amount less item 16 amount) \$. . .

18 Sub-total (item 15 amount less item 17 amount) \$ [][] [][] [][] [][] [][] [][] . [][]

19 Less instalment amounts reported on activity statements \$, , . ☒

 Refer to *How to complete your 2007 fringe benefits tax return* (NAT 2376) for more information.

20 **Payment due** ➔ Send this amount with your payment advice \$, , .

21 Credit due to you

FRINGE BENEFITS TAX RETURN, 2006–07 FBT YEAR

22 Details of fringe benefits provided

| Type of benefits provided (1 April 2006 to 31 March 2007) | Number | WHOLE DOLLARS ONLY | | | |
|---|----------|-------------------------|---------------------------|-------------------------|---|
| | | Gross taxable value (a) | Employee contribution (b) | Value of reductions (c) | Taxable value of benefits (a) – (b) – (c) |
| Cars using the statutory formula | A | | | | •X |
| Cars using the operating cost method | B | | | | •X |
| Loans granted | C | | | | •X |
| Debt waiver | D | | | | •X |
| Expense payments | E | | | | •X |
| Housing – units of accommodation provided | F | | | | •X |
| Employees receiving living-away-from-home allowance (show total paid including exempt components) | G | | | | •X |
| Airline transport (airlines and travel agents only) | H | | | | •X |
| Board | J | | | | •X |
| Property | K | | | | •X |
| Income tax exempt body – entertainment | L | | | | •X |
| Other benefits (residual) | M | | | | •X |
| Car parking | N | | | | •X |
| Meal entertainment | P | | | | •X |

Declarations

Before you sign this form

Please check that you have provided accurate and complete information.

Penalties

Please be aware that penalties may be imposed for giving false or misleading information.

Privacy

The Australian Taxation Office is authorised by the *Fringe Benefits Tax (Assessment) Act 1986* and the *Taxation Administration Act 1953* to ask for information on this return. We need this information to help us to administer the taxation laws. We may give this information to other government agencies authorised in taxation law – for example, the Australian Bureau of Statistics and the Reserve Bank of Australia

23 Tax agent's declaration

I declare that this return has been prepared in accordance with information supplied by my client, that my client has given me a declaration stating that the information provided to me is true and correct and that my client has authorised me to lodge the return.

Name of tax agent

Signature of tax agent*

Tax agent registration number

Date

 / /

* Where the tax agent is a partnership or a company, this declaration must be signed in the name of the partnership or company by a person who is registered as a nominee of that partnership or company.

24 Employer's declaration – where the employer lodges the return

I declare that the information in this return is true and correct.

Name of employer

Signature of employer*

Date

 / /

* Proprietor, partner, public officer, trustee or, for government departments and authorities, the delegated officer.

☐ This return will not be regarded as having been lodged unless the appropriate declaration has been signed by the tax agent or the employer.

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- Calculate your GST on sales (1A) and GST on purchases (1B) for the period shown on the front of this form using information from your accounts or by using the GST calculation sheet. Complete 1A & 1B
- If you have a wine equalisation tax obligation, complete 1C & 1D (if appropriate)
- If you have a luxury car tax obligation, complete 1E & 1F (if appropriate)
- If you are a GST instalment payer, add up the amounts at G21 (or G23 if you varied your instalment amount) on your activity statement(s) for the period shown on the front of this form. Write the amount at 1H
- Calculate and complete 2A & 2B
- Complete the 'Payment or refund' section

Amounts you owe the Tax Office

[illegible][illegible]

Amounts the Tax Office owes you

Luxury car tax refundable **1F** \$ [][] . [][] . [][] ¢[illegible]

1B + 1D + 1F + 1H 2B \$

Is 2A more than 2B?
(indicate with X)

☐ Yes, then write the result of **2A minus 2B** at 9. This amount is payable to the Tax Office.

☐ No, then write the result of **2B minus 2A** at 9. **This amount is refundable to you** (or offset against any other tax debt you have).

[illegible]

❗ Do not use symbols such as +, −, /, \$

Declaration I declare that the information given on this form is true and correct, and that I am authorised to make this declaration. The tax invoice requirements have been met.

Signature

Date / /

Please return this completed form to

| HRS | | MINS | |
|-----|--|------|--|
| | | | |

Please estimate the time taken to complete this form. Include the time taken to collect any information.

Activity statement instructions are available from www.ato.gov.au or can be ordered by phoning 13 28 66. The Tax Office is authorised by the tax laws to collect this information to administer those laws and may pass information to other government agencies. More information about privacy and access to your tax information is available from www.ato.gov.au



Australian Government
Australian Taxation Office



46470404

Document ID

ARN

When completing this form, please

- use a **BLACK** pen only (to help with processing)
- leave boxes blank if not applicable (do not use N/A, NIL)
- show whole dollars only (do not show cents)
- do not use symbols such as +, -, /, \$

Contact person who completed the form

Contact phone number

You chose to calculate GST quarterly and report annually (Option 2) in at least one quarter during the year.

You now need to complete this form to report the following GST information for the period shown at the top of this form.

You must return this form by

- Complete the boxes (G2, G3, G10 & G11) that apply to your business using information from your accounts or by using the GST calculation sheet
- You must report amounts for the entire period shown at the top of this form

GST accounting method

[illegible]Other GST-free sales **G3** \$.00[illegible][illegible]

Declaration I declare that the information given on this form is true and correct, and that I am authorised to make this declaration. The tax invoice requirements have been met.

Signature

Date / /

Please return this completed form to

HRS MINS

Please estimate the time taken to complete this form. Include the time taken to collect any information.

Activity statement instructions are available from www.ato.gov.au or can be ordered by phoning 13 28 66. The Tax Office is authorised by the tax laws to collect this information to administer those laws and may pass information to other government agencies. More information about privacy and access to your tax information is available from www.ato.gov.au



Australian Government
Australian Taxation Office

NAT 4647-4.2004

APPENDIX: APPLICATION FORMS

APPLICATION FOR REFUND OF FRANKING CREDITS



Australian Government
Australian Taxation Office

Application for refund of franking credits Endorsed income tax exempt entities and deductible gift recipients – 1 July 2005 to 30 June 2006



- Please do not use correction fluid or tape.
- Print neatly in BLOCK LETTERS with a black or blue pen only.

Australian business number

Tax file number

Name of organisation

Postal address

(for service of notices)

Suburb or town

State

Postcode

Changed postal address
(for service of notices)

Suburb or town

State

Postcode

Franked dividend,
trust distribution and
franking credit details
– do not show cents

Total of franked dividends plus trust distributions

A , , ·×

Total of franking credits

B , , ·×

Declaration

Please read and sign the declaration after completing the application.

I declare that the organisation is endorsed by the Commissioner of Taxation as either an income tax exempt charity, an income tax exempt fund or a deductible gift recipient and is entitled to the refund of franking credits claimed on this application. I further declare that all the information I have provided in this application is true and correct. I understand the law imposes heavy penalties for providing false or misleading information.

Authorised
person's
signature

Date / /

Authorised person's name

Position held

Tax agent number

Daytime contact phone number

Time taken to complete this form

We estimate this application should take you 40 minutes to complete.
If it took more or less, please provide the time taken here. minutes

Do NOT send application form if not applying for a refund.

Send this application form to: Australian Taxation Office,
PO Box 1130,
PENRITH NSW 2740

The Sydney Charity received a distribution statement from Teleco Ltd. The statement showed a franked amount of \$41.00 and a franking credit of \$17.57.

❗ This is just one example of a statement. There are many different formats.

■ **SDW Managed Fund** – this distribution statement shows a total trust distribution of \$132.00 and an imputation credit of \$56.57.

Step 1 Add up the franked amounts from its distribution statements, and the total distribution amounts from its distribution statements from a trust or managed fund. The unfranked amount does not form part of this calculation.

Step 2 Transfer this total amount to **label A**. Do not show cents.

Step 3 Add up the franking credits from its distribution statements, and the franking credits from its distribution statements from a trust or managed fund.

Step 4 Transfer this total franking credit amount to **label B**. Do not show cents.

**Franked dividend,
trust distribution and
franking credit details**
– do not show cents

Total of franked dividends plus trust distributions
A [] , [] [] [] , [] [] [] . ×

Total of franking credits
B [] . [] [] [] , [] [] 7 4 . ×

CAPITAL GAINS TAX SCHEDULE, 2005-06 INCOME YEAR

Capital gains tax (CGT) schedule

Use in conjunction with company, trust or fund income tax return. For instructions on how to complete this schedule refer to the publication *Guide to capital gains tax*.

Print neatly in BLOCK LETTERS with a black or blue ballpoint pen only. Do not use correction fluid or tape. Print one letter or number in each box.



Tax file number (TFN)

[illegible]

Australian business number (ABN)

Signature as prescribed in tax return

Part A Capital gains from CGT assets and CGT events

Non-active assets

Capital gains – indexation method

[illegible]

Capital gains – discount method

[illegible]

Other capital gains

| | | | | | | | | |
|---|--|--|--|--|--|--|--|-----|
| C | | | | | | | | .80 |
| F | | | | | | | | .80 |
| I | | | | | | | | .80 |
| L | | | | | | | | .80 |

Active assets

[illegible][illegible]

| | | | | | | | | |
|---|--|--|--|--|--|--|--|-----|
| O | | | | | | | | .00 |
| R | | | | | | | | .00 |
| U | | | | | | | | .00 |

Add amounts at **A** to **S** above and write the total at **V** below.

Add amounts at **B** to **T** above and write the total at **W** below.

Add amounts at **C** to **U** above and write the total at **X** below.

[illegible][illegible][illegible]

NAT 3423—6.2006

IN CONFIDENCE when completed

PAGE 1

CAPITAL GAINS TAX SCHEDULE, 2005-06 INCOME YEAR

Part B Current year capital losses (CYCL) from CGT assets and CGT events – other than capital losses from collectables

A Shares and units
(in unit trusts)

B Real estate

C Other CGT assets and
any other CGT events

Add amounts at **A** to **C** above and write the
total at **D** below.

D Total current year
capital losses (CYCL)

Part D Applying capital losses against current year capital gains

[illegible]

| | Current year capital losses applied | Prior year net capital losses applied |
|---|-------------------------------------|---------------------------------------|
| 1. Capital loss carryover from prior year | 0 | 0 |
| 2. Current year capital losses | 100 | 0 |
| 3. Total capital losses | 100 | 0 |
| 4. Capital loss carryover to next year | 0 | 0 |
| 5. Total capital losses applied | 100 | 0 |

[illegible]

For companies required to lodge a *Losses schedule 2006*, the amount at **P** must equal the corresponding amount on their losses schedule.

Part E Current year capital gains (CYCG) after applying capital losses

| | Capital gains – indexation method | | | | | | | | | | Capital gains – discount method | | | | | | | | | | Other capital gains | | | | | | | | | |
|-------------------|-----------------------------------|--|--|----|--|--|--|--|--|--|---------------------------------|--|--|--|--|--|--|--|--|--|---------------------|--|--|--|--|--|--|--|--|--|
| Non-active assets | A | | | | | | | | | | B | | | | | | | | | | C | | | | | | | | | |
| Active assets | D | | | | | | | | | | E | | | | | | | | | | F | | | | | | | | | |
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www.ato.gov.au

L

Capital gains – discount method

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Capital gains – discount method

[illegible]

[illegible][illegible]

Add amounts at **H** and **I** and write the total at **V** on your tax return.

[illegible]

[illegible]

| | | | | | |
|--|----------|----------------------|--------------------------|----------------------|--------------------------|
| Rollover chosen? | A | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| Print X in the appropriate box. | | | | | |
| Original interests cost base | B | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Replacement interests market value | C | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Cash and other considerations | D | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |

L

Taxpayer TFN of original entity

G

[illegible]

Number of options/rights etc issued

[illegible]

First element
of cost base of
interests acquired

| Joint choice for rollover | Yes | No | Print X in the appropriate box |
|---|-------------------------------------|--------------------------|--------------------------------|
| 1. Do you have any other IRA or annuity that you want to roll over into the IRA or annuity you are rolling over from? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| 2. Do you have any other IRA or annuity that you want to roll over into the IRA or annuity you are rolling over from? | <input type="checkbox"/> | <input type="checkbox"/> | |

Cost base – significant common stakeholder interests acquired

[illegible]

1

Yes

N

Print **X** in the appropriate box.

1

No


Print **X** in the appropriate box.

L

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LOSSES SCHEDULE, 2005-06 INCOME YEAR



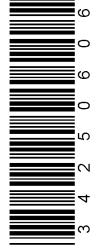
Australian Government
Australian Taxation Office

Losses schedule

Companies and trusts that do not join consolidated groups should complete and attach this schedule to their 2006 tax return.
Superannuation funds should complete and attach this schedule to their 2006 tax return.

Print neatly in BLOCK LETTERS with a black or blue ballpoint pen only.
Print one letter or number in each box. Do not use correction fluid or tape.

2006



Notes to help you prepare this schedule are provided in the Losses schedule instructions 2006, available from the Tax Office.

Tax file number (TFN)

Name of entity

Australian business number (ABN)

Signature as prescribed in tax return

Part A Losses carried forward to the 2006–07 income year – excludes foreign source losses and film losses

1 Tax losses carried forward to later income years

| Year of loss | |
|------------------------------------|-------------------|
| 2005–06 | B <div></div> .00 |
| 2004–05 | C <div></div> .00 |
| 2003–04 | D <div></div> .00 |
| 2002–03 | E <div></div> .00 |
| 2001–02 | F <div></div> .00 |
| 2000–2001 and earlier income years | G <div></div> .00 |
| Total | U <div></div> .00 |

Transfer the amount at U to the corresponding label on your tax return.

2 Net capital losses carried forward to later income years

| Year of loss | |
|------------------------------------|---------------------|
| 2005–06 | H <div></div> .00 |
| 2004–05 | I <div></div> .00 |
| 2003–04 | J <div></div> .00 |
| 2002–03 | K <div></div> .00 |
| 2001–02 | L <div></div> .00 |
| 2000–2001 and earlier income years | M <div></div> .00 |
| Total | V <div></div> .00 F |

Transfer the amount at V to the corresponding label on your tax return.

NAT 3425-6.2006

IN CONFIDENCE when completed

PAGE 1

Complete item **3 of Part B** if a loss is being carried forward to later income years and the same business test has to be satisfied in relation to that loss.

Do not complete items **1, 2 or 4 of Part B** if, in the 2005–06 income year, no loss has been claimed as a deduction or, in the case of companies, losses have not been transferred in or out.

Note: If the entity has deducted, transferred in or transferred out (as applicable) in the 2005–06 income year a loss incurred in any of the listed years, print **X** in the **Yes** or **No** box to indicate whether the entity has satisfied the continuity of majority ownership test in respect of that loss.

| | | | | |
|---------------------------|----------|------------------------------|-----------------------------|--|
| 2005-06 | A | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Print X in the appropriate box. |
| 2004-05 | B | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Print X in the appropriate box. |
| 2003-04 | C | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Print X in the appropriate box. |
| 2002-03 | D | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Print X in the appropriate box. |
| 2001-02 | E | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Print X in the appropriate box. |
| and earlier some years | F | Yes <input type="checkbox"/> | No <input type="checkbox"/> | Print X in the appropriate box. |

Net capital losses H [][][][][][][][][][][] .00

Net capital losses J [][][][][][][][][][][] .00

Is the company required to calculate its taxable income or tax loss for the year under Subdivision 165-B or its net capital gain or net capital loss for the year under Subdivision 165-CB of the *Income Tax Assessment Act 1997* (ITAA 1997)?

K Yes ☐ No ☐ Print **X** in the appropriate box.

Note: These questions relate to the operation of Subdivision 165-CC of ITAA 1997.

Has a changeover time occurred in relation to the company after 1.00pm by legal time in the Australian Capital Territory on 11 November 1999?

L Yes ☐ No ☐ Print **X** in the appropriate box.

If you printed **X** in the **No** box at **L**, do not complete **M**, **N** or **O**.

At the changeover time did the company satisfy the maximum net asset value test under section 152-15 of ITAA 1997?

M Yes ☐ No ☐ Print **X** in the appropriate box.

If you printed **X** in the **No** box at **M**, has the company determined it had an unrealised net loss at the changeover time?

N Yes ☐ No ☐ Print **X** in the appropriate box.

If you printed **X** in the **Yes** box at **N**, what was the amount of unrealised net loss calculated under section 165-115E of ITAA 1997?

00000000.00

[illegible]

1 Prior year foreign source losses deducted
– excludes losses of controlled foreign companies (CFCs)

Interest income A [] [] [] [] [] [] [] [] [] [] .00

[illegible]

Offshore banking income C .00

[illegible]

- excludes losses of CFCs

Interest income E [][][][][][][][][] .00

[illegible][illegible]

All other foreign source income **H**

- excludes losses of CFCs

Interest income | [] [] [] [] [] [] [] [] [] [] .00

Modified passive income **J** [] [] [] [] [] [] [] [] [] [] .00

Offshore banking income **K** [][][][][][][][][][]-00

All other foreign source income L [] [] [] [] [] [] [] [] [] [] .00

Prior year CFC losses deducted M .00

[illegible][illegible]

PAGE 3

LOSSES SCHEDULE, 2005-06 INCOME YEAR

BUSINESS ACTIVITY STATEMENT – SAMPLE A

NAT 4195-09 2006

TAXATION STATISTICS 2005-06

BUSINESS ACTIVITY STATEMENT – SAMPLE A

| PAYG income tax instalment | | Summary | |
|---|--|---|--|
| Only complete Option 1 OR 2 (indicate one choice with X) <input type="checkbox"/> Option 1: Pay a PAYG instalment amount quarterly <div style="text-align: center;"> T7 \$ </div> <p style="text-align: center; font-size: 0.8em;">Write the T7 amount at 5A in the Summary section OR if varying this amount, complete T8, T9, T4</p> <div style="display: flex; justify-content: space-between;"> <div>Estimated tax for the year T8 \$ </div> <div>Varied amount for the quarter T9 \$ </div> </div> <p style="text-align: center; font-size: 0.8em;">Write the T9 amount at 5A in the Summary section</p> <div style="display: flex; justify-content: space-between;"> <div>Reason code for variation T4 </div> </div> | | <p style="text-align: center; font-size: 0.8em;">If you are using GST Option 3 leave 1B, 1C, 1D, 1E, 1F blank</p> <p>Amounts you owe the Tax Office</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 40%;"> GST on sales or GST instalment Wine equalisation tax Luxury car tax PAYG tax withheld PAYG income tax instalment FBT instalment Deferred company/fund instalment </div> <div style="width: 55%;"> <div style="display: flex; justify-content: space-between;"> <div>1A</div> <div>\$ </div> </div> <div style="display: flex; justify-content: space-between;"> <div>1C</div> <div>\$ </div> </div> <div style="display: flex; justify-content: space-between;"> <div>1E</div> <div>\$ </div> </div> <div style="display: flex; justify-content: space-between;"> <div>4</div> <div>\$ </div> </div> <div style="display: flex; justify-content: space-between;"> <div>5A</div> <div>\$ </div> </div> <div style="display: flex; justify-content: space-between;"> <div>6A</div> <div>\$ </div> </div> <div style="display: flex; justify-content: space-between;"> <div>7</div> <div>\$ </div> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div>1A + 1C + 1E + 4 + 5A + 6A + 7</div> <div>8A \$ </div> </div> </div> | |
| OR <input type="checkbox"/> Option 2: Calculate PAYG instalment using income times rate <div style="display: flex; justify-content: space-between;"> <div>PAYG instalment income T1 \$ </div> <div>T2 %</div> </div> <p style="text-align: center; font-size: 0.8em;">OR</p> <div style="display: flex; justify-content: space-between;"> <div>New varied rate T3 %</div> <div>T11 \$ </div> </div> <p style="text-align: center; font-size: 0.8em;">Write the T11 amount at 5A in the Summary section</p> <div style="display: flex; justify-content: space-between;"> <div>Reason code for variation T4 </div> </div> | | <p>Amounts the Tax Office owes you</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 40%;"> GST on purchases Wine equalisation tax refundable Luxury car tax refundable Credit from PAYG income tax instalment variation Credit from FBT instalment variation </div> <div style="width: 55%;"> <div style="display: flex; justify-content: space-between;"> <div>1B</div> <div>\$ </div> </div> <div style="display: flex; justify-content: space-between;"> <div>1D</div> <div>\$ </div> </div> <div style="display: flex; justify-content: space-between;"> <div>1F</div> <div>\$ </div> </div> <div style="display: flex; justify-content: space-between;"> <div>5B</div> <div>\$ </div> </div> <div style="display: flex; justify-content: space-between;"> <div>6B</div> <div>\$ </div> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div>1B + 1D + 1F + 5B + 6B</div> <div>8B \$ </div> </div> </div> | |
| Fringe benefits tax (FBT) instalment <div style="text-align: center;"> F1 \$ </div> <p style="text-align: center; font-size: 0.8em;">Write the F1 amount at 6A in the Summary section OR if varying this amount, complete F2, F3, F4</p> <div style="display: flex; justify-content: space-between;"> <div>Estimated FBT for the year F2 \$ </div> <div>Varied amount for the quarter F3 \$ </div> </div> <p style="text-align: center; font-size: 0.8em;">Write the F3 amount at 6A in the Summary section</p> <div style="display: flex; justify-content: space-between;"> <div>Reason code for variation F4 </div> </div> | | <p>Payment or refund?</p> <p>Is 8A more than 8B? (indicate with X)</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 40%;"> <input type="checkbox"/> Yes, then write the result of 8A minus 8B at 9. This amount is payable to the Tax Office. </div> <div style="width: 55%;"> <input type="checkbox"/> No, then write the result of 8B minus 8A at 9. This amount is refundable to you (or offset against any other tax debt you have). </div> </div> <p style="text-align: center; font-size: 0.8em;">Your payment or refund amount</p> <div style="display: flex; justify-content: space-between;"> <div>9 \$ </div> <div> ! Do not use symbols such as +, -, /, \$ </div> </div> | |
| <p>Declaration I declare that the information given on this form is true and correct, and that I am authorised to make this declaration. The tax invoice requirements have been met.</p> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div>Signature _____</div> <div>Date / /</div> </div> | | <p>Please return this completed form to</p> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 10px;"> <div style="width: 40%;"></div> <div style="width: 55%; text-align: center;"> <div style="display: flex; justify-content: space-around; font-size: 0.8em;"> <div>HRS </div> <div>MINS </div> </div> <p style="font-size: 0.7em;">Please estimate the time taken to complete this form. Include the time taken to collect any information.</p> </div> </div> | |
| <p style="font-size: 0.8em;">Activity statement instructions are available from www.ato.gov.au or can be ordered by phoning 13 28 66. The Tax Office is authorised by the tax laws to collect this information to administer those laws and may pass information to other government agencies. More information about privacy and access to your tax information is available from www.ato.gov.au</p> | | | |
| <div style="text-align: center;"> Australian Government Australian Taxation Office </div> | | <div style="border: 1px solid black; height: 100px; width: 100%;"></div> | |

BUSINESS ACTIVITY STATEMENT – SAMPLE B


G

When completing this form, please

- use a BLACK pen only (to help with processing)
- leave boxes blank if not applicable (do not use N/A, NIL)
- show whole dollars only (do not show cents)
- do not use symbols such as +, -, /, \$

Office use only

☐ ☐


42350404

Business activity statement

Document ID

ABN

Form due on

Payment due on

GST accounting method

Contact phone number

Contact person who completed the form

PAYG income tax instalment

Complete Option 1 OR 2 (indicate one choice with an X)

☐ **Option 1: Pay a PAYG instalment amount quarterly**

T7 \$

Write the T7 amount at 5A in the Summary section over the page OR if varying this amount, complete T8, T9, T4

Estimated tax for the year T8 \$

Varied amount for the quarter T9 \$

Write the T9 amount at 5A in the Summary section over the page and then complete the other sections

Reason code for variation T4

OR

☐ **Option 2: Calculate PAYG instalment using income times rate**

PAYG instalment income T1 \$

T2 %

OR

New varied rate T3 %

T1 x T2 (or x T3) T11 \$

Write the T11 amount at 5A in the Summary section over the page and then complete the other sections

Reason code for variation T4

Goods and services tax (GST)

Total sales G1 \$

Does the amount shown at G1 include GST? (indicate with an X) ☐ Yes ☐ No

Export sales G2 \$

Other GST-free sales G3 \$


Capital purchases G10 \$

Non-capital purchases G11 \$

Report GST on sales at 1A and GST on purchases at 1B in the Summary section over the page and then complete the other sections

NAT 4235-09.2006

Methods of payment



BPAY: contact your financial institution to make this payment from your cheque or savings account. Quote biller code **75556** and your EFT code (shown on the front of the payment slip) as the customer reference number.

Direct credit: you can electronically transfer funds to the Tax Office's direct credit bank account using online banking facilities. Use BSB 093 003, Account number 316 385 and your EFT code. Phone **1800 815 886** for assistance if required.


Direct debit: have your payment deducted from your financial institution account (**not** credit cards). Phone **1800 802 308** for a direct debit request form and/or details.

Mail payments: mail the payment slip together with your cheque or money order using the envelope provided. Please do not use pins or staples. Do **not** send cash. See below for cheque information.

Post office: payments can be made at any post office by cash, cheque or EFTPOS (where available and subject to daily limits). A \$3,000 limit applies to cash payments. Your payment slip must be presented with your payment.

Cheques/money orders should be for amounts in Australian dollars and payable to 'Deputy Commissioner of Taxation'. Cheques should be crossed 'Not Negotiable'. **Payments cannot be made by credit card, or in person at any Tax Office branch or shopfront.**

BUSINESS ACTIVITY STATEMENT – SAMPLE B

| PAYG tax withheld | | Fringe benefits tax (FBT) instalment | |
|---|----|---|-------------------------|
| Total salary, wages and other payments | W1 | \$ | <input type="text"/> |
| Amount withheld from payments shown at W1 | W2 | \$ | <input type="text"/> |
| Amount withheld where no ABN is quoted | W4 | \$ | <input type="text"/> |
| Other amounts withheld (excluding any amount shown at W2 or W4) | W3 | \$ | <input type="text"/> |
| Total amounts withheld (W2 + W4 + W3) | W5 | \$ | <input type="text"/> |
| Write the W5 amount at 4 in the Summary section below | | | |
| | | F1 | \$ <input type="text"/> |
| Write the F1 amount at 6A in the Summary section below OR if varying this amount, complete F2, F3, F4 | | | |
| Estimated FBT for the year | F2 | \$ | <input type="text"/> |
| Varied amount for the quarter | F3 | \$ | <input type="text"/> |
| Write the F3 amount at 6A in the Summary section below | | | |
| Reason code for variation | F4 | <input type="text"/> | |
| Summary | | | |
| Amounts you owe the Tax Office | | Amounts the Tax Office owes you | |
| GST on sales | 1A | \$ | <input type="text"/> |
| Wine equalisation tax | 1C | \$ | <input type="text"/> |
| Luxury car tax | 1E | \$ | <input type="text"/> |
| PAYG tax withheld | 4 | \$ | <input type="text"/> |
| PAYG income tax instalment | 5A | \$ | <input type="text"/> |
| FBT instalment | 6A | \$ | <input type="text"/> |
| Deferred company/fund instalment | 7 | \$ | <input type="text"/> |
| 1A + 1C + 1E + 4 + 5A + 6A + 7 | 8A | \$ | <input type="text"/> |
| | | GST on purchases | 1B |
| | | Wine equalisation tax refundable | 1D |
| | | Luxury car tax refundable | 1F |
| | | Credit from PAYG income tax instalment variation | 5B |
| | | Credit from FBT instalment variation | 6B |
| | | 1B + 1D + 1F + 5B + 6B | 8B |
| <div style="display: flex; justify-content: space-between;"> <div> Payment or refund? Is 8A more than 8B? (indicate with X) <div style="display: flex; align-items: center;"> <input type="checkbox"/> Yes, then write the result of 8A minus 8B at 9. This amount is payable to the Tax Office. <input type="checkbox"/> No, then write the result of 8B minus 8A at 9. This amount is refundable to you (or offset against any other tax debt you have). </div> </div> <div> Your payment or refund amount 9 \$ <input type="text"/> <p>⚠ Do not use symbols such as +, -, /, \$</p> </div> </div> | | | |
| Declaration I declare that the information given on this form is true and correct, and that I am authorised to make this declaration. The tax invoice requirements have been met. Signature _____ Date ____/____/____ | | Please return this completed form to _____ <div style="display: flex; justify-content: space-around;"> <div>HRS <input type="text"/></div> <div>MINS <input type="text"/></div> </div> <p style="font-size: small;">Please estimate the time taken to complete this form. Include the time taken to collect any information.</p> | |
| Activity statement instructions are available from www.ato.gov.au or can be ordered by phoning 13 28 66. The Tax Office is authorised by the tax laws to collect this information to administer those laws and may pass information to other government agencies. More information about privacy and access to your tax information is available from www.ato.gov.au | | | |
|  Australian Government Australian Taxation Office | | | |


INSTALMENT ACTIVITY STATEMENT

J

When completing this form, please

- use a **BLACK** pen only (to help with processing)
- leave boxes blank if not applicable (do not use N/A, NIL)
- show whole dollars only (do not show cents)
- do not use symbols such as +, -, /, \$

Office use only
☐ ☐


41970404

Instalment activity statement

Document ID

Form due on

Payment due on

Contact phone number

Contact person who completed the form

PAYG income tax instalment

Complete Option 1 OR 2 (indicate one choice with an X)

☐ Option 1: Pay a PAYG instalment amount quarterly

T7 \$

Write the T7 amount at 5A in the Summary section over the page OR if varying this amount, complete T8, T9 and T4

Estimated tax for the year T8 \$

Varied amount for the quarter T9 \$

Write the T9 amount at 5A in the Summary section over the page and then complete the other sections

Reason code for variation T4

☐ OR

Option 2: Calculate PAYG instalment using income times rate

PAYG instalment income T1 \$

T2 %

OR

New varied rate T3 %

T1 x T2 (or x T3) T11 \$

Write the T11 amount at 5A in the Summary section over the page and then complete the other sections

Reason code for variation T4

PAYG tax withheld

Total salary, wages and other payments W1 \$

Amount withheld from payments shown at W1 W2 \$

Amount withheld where no ABN is quoted W4 \$

Other amounts withheld (excluding any amount shown at W2 or W4) W3 \$

Total amounts withheld (W2 + W4 + W3) W5 \$

Write the W5 amount at 4 in the Summary section over the page and then complete the other sections

Methods of payment



BPAY: contact your financial institution to make this payment from your cheque or savings account. Quote biller code **75556** and your EFT code (shown on the front of the payment slip) as the customer reference number.

Direct credit: you can electronically transfer funds to the Tax Office's direct credit bank account using online banking facilities. Use BSB 093 003, Account number 316 385 and your EFT code. Phone **1800 815 886** for assistance if required.

Direct debit: have your payment deducted from your financial institution account (**not** credit cards). Phone **1800 802 308** for a direct debit request form and/or details.

Mail payments: mail the payment slip together with your cheque or money order using the envelope provided. Please do not use pins or staples. Do **not** send cash. See below for cheque information.

Post office: payments can be made at any post office by cash, cheque or EFTPOS (where available and subject to daily limits). A \$3,000 limit applies to cash payments. Your payment slip must be presented with your payment.

Cheques/money orders should be for amounts in Australian dollars and payable to 'Deputy Commissioner of Taxation'. Cheques should be crossed 'Not Negotiable'. **Payments cannot be made by credit card, or in person at any Tax Office branch or shopfront.**

| | | |
|----|----|--|
| F1 | \$ | |
|----|----|--|

[illegible][illegible]

F3

Write the F3 amount at 6A in the Summary section below

Reason code for variation **F4**

Amounts you owe the Tax Office

PAYG tax withheld **4** \$ [][][][][][][][] .00

PAYG income tax instalment **5A** \$ [][][][][][][] .00

[illegible]

Deferred company/fund instalment **7** \$.

[illegible]

Amounts the Tax Office owes you

Credit from PAYG income tax instalment variation **5B** \$ [][][][][][][][] .00

Credit from FBT instalment variation **6B** \$ [][] [][] [][] [][] [][] [][] .00

5B + 6B **8B** \$

| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|

.00

Is 8A more than 8B?

(indicate with X)

☐ Yes, then write the result of **8A minus 8B** at 9. **This amount is payable to the Tax Office.**

☐ No, then write the result of **8B minus 8A** at 9. **This amount is refundable to you** (or offset against any other tax debt you have).

Your payment or refund amount[illegible]

❗ Do not use symbols such as +, -, /, \$

Declaration I declare that the information given on this form is true and correct, and that I am authorised to make this declaration.

Signature

Date / /

Please return this completed form to

| | | |
|-----|--|--|
| HRS | | |
|-----|--|--|

MINS

Please estimate the time taken to complete this form. Include the time taken to collect any information.

Activity statement instructions are available from www.ato.gov.au or can be ordered by phoning 13 28 66. The Tax Office is authorised by the tax laws to collect this information to administer those laws and may pass information to other government agencies. More information about privacy and access to your tax information is available from www.ato.gov.au



Australian Government
Australian Taxation Office

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