

Taxation statistics

2006–07

A summary of tax returns for the 2006–07 income year and other reported tax information for the 2007–08 financial year.



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PREFACE

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

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

Taxation statistics 2006–07 complements our *Annual Report 2007–08*, providing more detailed information about how we administer the tax, superannuation, excise and related systems, including details of collections and payments.

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 on the costs of compliance
- a new chapter on pay as you go withholding
- more-detailed HELP/HECS tables in the personal tax chapter
- detail on the reasons individuals provide when varying income tax withholding
- added details on beer strength and container size in the chapter on excise
- prescribed private fund data in the chapter on charities
- updated 10 year time series data, and in some cases an increase in the number of years to 15.

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

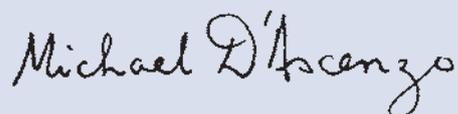
We are continuing our transition to a more comprehensive web publication – this year we have moved more of the statistics to the detailed tables, which are best accessed through our website www.ato.gov.au

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.

We have also responded to community requests by releasing a 1% individual unit record sample file, which will allow researchers to conduct more detailed analysis using de-identified personal tax information. Further information on how to access the file is available in the individual sample file chapter.

I am confident that these progressive improvements to *Taxation statistics* will make this publication even more useful and accessible.

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



Michael D'Ascenzo
Commissioner of Taxation



GENERAL NOTES

Data for *Taxation statistics 2006–07* was compiled before all processing for the 2006–07 income year and 2007–08 fringe benefits tax year was completed. Statistics in some chapters are sourced from 2007 annual income tax returns and associated schedules (such as the capital gains tax schedule 2006) that were processed by 31 October 2008. The statistics in these chapters are not necessarily complete and will continue to change as data from 2007 tax returns and schedules processed after 31 October 2008 is included. Caution should be exercised in comparing the detailed table statistics for the 2006–07 and prior income years. Better comparisons will be possible when *Taxation statistics 2007–08* is published. In that edition, the 2006–07 income year detailed table statistics will include data from returns processed up to 31 October 2009.

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
\$m	dollars are depicted in millions
('000)	thousand
no.	number

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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Taxation statistics
Revenue Analysis Branch
Governance and Government Relations
Australian Taxation Office
PO Box 900
Civic Square ACT 2608**

ABBREVIATIONS

ABN	Australian business number
ANZSIC	Australian and New Zealand Standard Industrial Classification
APRA	Australian Prudential Regulation Authority
ATO	Australian Taxation Office
CGT	Capital gains tax
DAFGS	Diesel and alternative fuels grants scheme
ETP	Eligible termination payment
FAO	Family assistance office
FBT	Fringe benefits tax
FTB	Family tax benefit
GST	Goods and services tax
HECS	Higher Education Contribution Scheme
LCT	Luxury car tax
PAYG	Pay as you go
PAYG(W)	Pay as you go withholding
PDF	Pooled development funds
PDV	Post, digital and visual effects production
PRRT	Petroleum resources rent tax
R&D	Research and development
SFSS	Student Financial Supplement Scheme
STS	Simplified tax system
TFN	Tax file number
VOLWARE	Volume weighted average realised
WET	Wine equalisation tax

CONTENTS

List of chapter tables	ix
List of figures and boxes	xiv
List of detailed tables on the CD-ROM	xv

01

SUMMARY OF AUSTRALIAN TAX STATISTICS 1

2007 tax returns	1
Industry profile	2
Income and net tax	3
Payments and transfers	4
Reported liabilities	5
Superannuation system	5
Source of chapter table statistics	6

02

PERSONAL TAX 8

Overview	8
Introduction	8
New features and information	9
Personal tax returns	9
Personal income	11
Rental income and deductions	13
Personal deductions	14
Net business income	16
Personal tax offsets and credits	19
Medicare	21
Personal net tax	21
Higher Education Loan Program (HELP)	23
Withholding tax	25
Tax return assessments	27
Source of personal tax statistics	28
List of personal tax detailed tables	28

03

COMPANIES AND PETROLEUM RESOURCE RENT TAX 33

Overview	33
Introduction	33
New features and information	33
Company returns	33
Company income	36
Company expenses	38
Company assets and liabilities	40
Company net tax	41
Petroleum resource rent tax	44
Source of company and PRRT statistics	45
List of company detailed tables	45

04

SUPERANNUATION FUNDS 48

Overview	48
Introduction	48
New features and information	48
Fund returns	49
Fund income	51
Fund deductions	54
Fund net tax	57
Source of fund statistics	59
List of fund detailed tables	59

05

PARTNERSHIPS

Overview	61
Introduction	61
New features and information	61
Partnership returns	61
Partnership income	63
Partnership business income	64
Partnership business expenses	66
Source of partnership statistics	67
List of partnership detailed tables	67

06

TRUSTS

Overview	69
Introduction	69
New features and information	69
Trust returns	70
Trust income	73
Trust business income	74
Trust business expenses	75
Trust assets and liabilities	76
Source of trust statistics	76
List of trust detailed tables	76

07

CAPITAL GAINS TAX

Overview	78
Introduction	78
New features and information	78
Net capital gains	79
Tax payable on net capital gains	80
Total capital gains	82
Capital losses	84
Capital gains discount	85
Small business capital gains tax concessions	85
Source of capital gains tax statistics	87
List of capital gains tax detailed tables	87

08

FRINGE BENEFITS TAX

Overview	88
Introduction	88
New features and information	88
Fringe benefits tax returns	89
Employees receiving fringe benefits	90
Fringe benefits tax payable	91
Fringe benefits tax rebates	93
Employee contributions	94
Source of fringe benefits tax statistics	96
List of fringe benefits tax detailed tables	96

09

PAYMENTS AND TRANSFERS THROUGH THE INCOME TAX SYSTEM

	97
Overview	97
Introduction	97
New features and information	97
First child tax offset	97
Family tax benefit	98
Private health insurance rebate	99
Research and development tax offset	100
Film and television tax offset	101
Source of payments and transfers statistics	101
List of payments and transfers detailed tables	101

10

CHARITIES AND DEDUCTIBLE GIFTS

	102
Overview	102
Introduction	102
New features and information	102
Tax concession charity	102
Deductible gift recipients	104
Prescribed private funds	105
Deductible gifts	106
Refundable franking credits	107
Source of charities and deductible gifts statistics	107
List of charities and deductible gifts detailed tables	107

11

INTERNATIONAL TAXATION

	108
Overview	108
Introduction	108
Individual foreign sourced income	109
Corporate foreign sourced income	109
Superannuation fund foreign sourced income	112
Partnership and trust foreign sourced income	112
Source of international Taxation statistics	112
List of international taxation detailed tables	112

12

GST AND OTHER TAXES

	113
Overview	113
Introduction	113
GST liabilities	113
Input tax credits	116
Wine equalisation tax	117
Luxury car tax	118
Source of GST and other taxes statistics	118
List of GST and other taxes detailed tables	118

13

EXCISE	119
Overview	119
Introduction	119
New features and information	119
Excise liabilities	119
Refined petroleum products	120
Crude oil	121
Tobacco	121
Alcohol	122
Source of excise statistics	122
List of excise detailed tables	122

14

FUEL SCHEMES	123
Overview	123
Introduction	123
New features and information	123
Fuel tax credits	123
Product stewardship for oil program	125
Cleaner fuels grants scheme	126
Source of fuel scheme statistics	127
List of fuel scheme detailed tables	127

15

SUPERANNUATION SYSTEM	128
Overview	128
Introduction	128
New features and information	128
Superannuation guarantee scheme	129
Superannuation holding accounts special account	129
Lost members register	130
Unclaimed superannuation monies	130
Self-managed superannuation funds	131
Superannuation co-contribution	132
Excess contributions tax	132
Superannuation surcharge	133
Source of superannuation statistics	133
List of superannuation detailed tables	133

16

PAY AS YOU GO WITHHOLDING	134
Overview	134
Introduction	134
New features and information	134
Pay as you go withholding	135
Pay as you go withholders	136
Type of withholder	137
Source of pay as you go withholding statistics	137
Detailed tables	137

17

COST OF TAXATION COMPLIANCE	138
Overview	138
Introduction	138
New features and information	138
Income tax returns	139
Business activity statement – quarterly lodgers	139
Fringe benefits tax returns	140
Cost of managing tax affairs	140
Source of cost of compliance statistics	141
List of cost of compliance detailed tables	141

18

INDUSTRY BENCHMARKS	142
Introduction	142
Financial ratios	142
Activity statement ratios	143
Exclusions and considerations	143
Source of industry benchmarks	143
List of financial ratios detailed tables	143
List of activity statement ratio detailed tables	144

19

INDIVIDUAL SAMPLE FILE	146
Introduction	146
Objectives	146
Accessing the file	146
Overview	146
Source of individual sample file	146
APPENDIX	
Annual tax return forms	147
Individual tax return, 2006–07 income year	147
Company tax return, 2006–07 income year	159
Partnership tax return, 2006–07 income year	165
Trust tax return, 2006–07 income year	173
Fund tax return, 2006–07 income year	181
Fringe benefits tax return, 2007–08 FBT year	189
GST annual return, 2007–08 financial year	193
GST information report, 2007–08 financial year	195
Application forms	196
Application for refund of franking credits	196
Schedules	198
Capital gains tax schedule, 2006–07 income year	198
Losses schedule, 2006–07 income year	202
Schedule 25A, 2006–07 income year	206
Activity statements	210
Business activity statement – Sample A	210
Business activity statement – Sample B	212
Instalment activity statement	214

LIST OF CHAPTER TABLES

01

SUMMARY OF AUSTRALIAN TAX STATISTICS

Table 1.1: Taxpayers, by entity, 2005–06 and 2006–07 income years	1
Table 1.2: Individuals lodging using <i>e-tax</i> , 2005–06 and 2006–07 income years	1
Table 1.3: Taxpayers, by entity and industry, 2006–07 income year	2
Table 1.4: Income, by entity, 2006–07 income year	4
Table 1.5: Payments and offsets, by type, 2005–06 and 2006–07 income years or 2006–07 and 2007–08 financial years	4
Table 1.6: Liabilities, 2006–07 and 2007–08 financial years	5

02

PERSONAL TAX

Table 2.1: Individuals' returns, 2005–06 and 2006–07 income years	10
Table 2.2: Individuals' total and taxable income, 2005–06 and 2006–07 income years	11
Table 2.3: Source of individuals' income, 2005–06 and 2006–07 income years	12
Table 2.4: Individuals' rental income and deductions, 2005–06 and 2006–07 income years	13
Table 2.5: Individuals' net rental income, by taxable income, 2006–07 income year	13
Table 2.6: Individuals with an interest in a rental property, 2005–06 and 2006–07 income years	14
Table 2.7: Individuals' deductions, by type, 2005–06 and 2006–07 income years	14
Table 2.8: Individuals' work-related expenses, 2005–06 and 2006–07 income years	15
Table 2.9: Individuals with net income from business operations, by industry, 2005–06 and 2006–07 income years	16
Table 2.10: Individuals with business income, by type, 2005–06 and 2006–07 income years	17
Table 2.11: Individuals' business expenses, by type, 2005–06 and 2006–07 income years	18

Table 2.12: Selected tax offsets and credits claimed/calculated by the ATO, 2005–06 and 2006–07 income years	19
Table 2.13: Medicare levy and Medicare levy surcharge, 2005–06 and 2006–07 income years	21
Table 2.14: Resident individuals' net tax payable, by taxable income, 2006–07 income year	22
Table 2.15: Non-resident individuals' net tax payable, by taxable income, 2006–07 income year	22
Table 2.16: HELP and SFSS debt required to be repaid, 2005–06 and 2006–07 income years	23
Table 2.17: Total HELP debt payable, 2005–06 and 2006–07 income years	23
Table 2.18: Activity relating to HELP debt between 1989 and 30 June 2007	24
Table 2.19: Number of individuals by status of HELP debt between 1989 and 30 June 2007	24
Table 2.20: Average time taken to make a repayment by repayment type for individuals who made a repayment between 1989 and 30 June 2007	24
Table 2.21: Tax withholding claimed by individuals on their income tax return, 2006–07 income year	25
Table 2.22: Reasons listed for variation on income tax withholding variation applications, 2006–07 income year	26
Table 2.23: Tax refund or debit assessment for individuals, 2005–06 and 2006–07 income years	27

03

COMPANIES AND PETROLEUM RESOURCE RENT TAX

Table 3.1: Companies, by taxable status, 2005–06 and 2006–07 income years	33
Table 3.2: Companies, by industry, 2005–06 and 2006–07 income years	34
Table 3.3: Companies, by company size, 2005–06 and 2006–07 income years	35
Table 3.4: Company income, by industry, 2005–06 and 2006–07 income years	36
Table 3.5: Company income, by source, 2005–06 and 2006–07 income years	37
Table 3.6: Company expenses, by industry, 2005–06 and 2006–07 income years	38

Table 3.7:	Company expenses, by type, 2005–06 and 2006–07 income years	39
Table 3.8:	Company assets and liabilities, by company size, 2005–06 and 2006–07 income years	40
Table 3.9:	Company net tax, by company size, 2005–06 and 2006–07 income years	41
Table 3.10:	Company net tax, by company type, 2006–07 income year	42
Table 3.11:	Taxable companies, by net tax, 2006–07 income year	42
Table 3.12:	Non-taxable companies, 2005–06 and 2006–07 income years	42
Table 3.13:	Non-taxable companies, by industry, 2005–06 and 2006–07 income years	43
Table 3.14:	Petroleum resource rent tax, 2006–07 and 2007–08 financial years	44

04

SUPERANNUATION FUNDS

Table 4.1:	Funds, by type, 2005–06 and 2006–07 income years	49
Table 4.2:	Funds, by industry, 2005–06 and 2006–07 income years	50
Table 4.3:	Funds, by size, 2005–06 and 2006–07 income years	51
Table 4.4:	Fund total income, by fund type, 2005–06 and 2006–07 income years	51
Table 4.5:	Fund total income, by industry, 2005–06 and 2006–07 income years	52
Table 4.6:	Fund income, by source, 2005–06 and 2006–07 income years	53
Table 4.7:	Fund total deductions, by fund type, 2005–06 and 2006–07 income years	54
Table 4.8:	Fund total deductions, by industry, 2005–06 and 2006–07 income years	55
Table 4.9:	Fund total deductions, by type, 2005–06 and 2006–07 income years	56
Table 4.10:	Fund net tax, by fund type, 2005–06 and 2006–07 income years	57
Table 4.11:	Fund net tax, by industry, 2005–06 and 2006–07 income years	58
Table 4.12:	Fund net tax, by fund size, 2005–06 and 2006–07 income years	59

05

PARTNERSHIPS

Table 5.1:	Partnerships, by size, 2005–06 and 2006–07 income years	61
Table 5.2:	Partnerships, by industry, 2005–06 and 2006–07 income years	62
Table 5.3:	Partnership selected income items, 2005–06 and 2006–07 income years	63
Table 5.4:	Partnership total business income, by industry, 2005–06 and 2006–07 income years	64
Table 5.5:	Partnership total business income, by partnership size, 2005–06 and 2006–07 income years	65
Table 5.6:	Partnership business expenses, by type, 2005–06 and 2006–07 income years	66

06

TRUSTS

Table 6.1:	Trusts, by type, 2005–06 and 2006–07 income years	70
Table 6.2:	Trusts, by industry, 2005–06 and 2006–07 income years	71
Table 6.3:	Trusts by size, 2005–06 and 2006–07 income years	72
Table 6.4:	Source of trusts' income, 2005–06 and 2006–07 income years	73
Table 6.5:	Trust total business income, by industry, 2005–06 and 2006–07 income years	74
Table 6.6:	Trust total business income, by trust size, 2005–06 and 2006–07 income years	75
Table 6.7:	Trust business expenses, by type, 2005–06 and 2006–07 income years	75
Table 6.8:	Trust total assets and liabilities, 2005–06 and 2006–07 income years	76

07

CAPITAL GAINS TAX

Table 7.1: Taxpayers with net capital gains, by entity, 2005–06 and 2006–07 income years	79
Table 7.2: Tax payable on net capital gains, by entity, 2006–07 income year	80
Table 7.3: Net capital gains and CGT of taxable individuals, by taxable income, 2006–07 income year	81
Table 7.4: Net capital gains and CGT of taxable companies, by company size, 2006–07 income year	81
Table 7.5: Net capital gains and CGT of taxable funds, by fund size, 2006–07 income year	81
Table 7.6: Total current year capital gains of taxable individuals, by source, 2005–06 and 2006–07 income years	82
Table 7.7: Total current year capital gains of taxable companies, by source, 2005–06 and 2006–07 income years	83
Table 7.8: Total current year capital gains of taxable funds, by source, 2005–06 and 2006–07 income years	83
Table 7.9: Capital losses, by entity, 2005–06 and 2006–07 income years	84
Table 7.10: General capital gains tax discount, by entity, 2005–06 and 2006–07 income year	85
Table 7.11: Small business capital gains tax concessions, by entity, 2005–06 and 2006–07 income years	85
Table 7.12: Total small business capital gains tax concessions, by industry, 2006–07 income year	86

08

FRINGE BENEFITS TAX

Table 8.1: FBT returns and FBT payable, by employer type and taxable status, 2006–07 and 2007–08 FBT years	89
Table 8.2: Number of employees receiving fringe benefits, by employer type, taxable status and broad industry, 2006–07 and 2007–08 FBT years	90
Table 8.3: FBT payable, by employer type, taxable status and broad industry, 2006–07 and 2007–08 FBT years	91
Table 8.4: Type 1 and 2 aggregate amounts, by employer type, taxable status and broad industry, 2007–08 FBT year	92
Table 8.5: FBT rebates claimed, by employer type, taxable status and broad industry, 2006–07 and 2007–08 FBT years	93
Table 8.6: Employee contributions to employers, by employer type, taxable status and broad industry, 2006–07 and 2007–08 FBT years	94
Table 8.7: Employee contributions to employers, by employer type, taxable status and type of contribution, 2006–07 and 2007–08 FBT years	95

09

PAYMENTS AND TRANSFERS THROUGH THE INCOME TAX SYSTEM

Table 9.1: First child tax offset claimed, 2005–06 and 2006–07 income years	97
Table 9.2: Family tax benefit claims, by type, 2005–06 and 2006–07 income years	98
Table 9.3: Family tax benefit entitlement claims, by family adjusted taxable income, 2006–07 income year	98
Table 9.4: Private health insurance rebate, by age, 2005–06 and 2006–07 income years	99
Table 9.5: Private health insurance rebate, by taxable income, 2006–07 income year	99
Table 9.6: Research and development tax offset, 2005–06 and 2006–07 income years	100
Table 9.7: Film and television tax offset, 2005–06 and 2006–07 income years	101

10

CHARITIES AND DEDUCTIBLE GIFTS

Table 10.1: Main charitable purpose of tax concession charities	103
Table 10.2: Entity type of tax concession charities	103
Table 10.3: Deductible gift recipients, by type	104
Table 10.4: Number of new and total prescribed private funds	105
Table 10.5: Donations to and distributions of prescribed private funds	105
Table 10.6: Individuals' gifts claimed, by amount claimed, for the 2005–06 and 2006–07 income years	106
Table 10.7: Individuals' gifts as a percentage of total income, for the 2006–07 income year	106
Table 10.8: Refundable franking credits, by amount refunded, 2006–07 and 2007–08 financial years	107

11

INTERNATIONAL TAXATION

Table 11.1: Individuals, by residency status and taxable income, 2005–06 and 2006–07 income years	109
Table 11.2: Individual foreign sourced income, by taxable income, 2005–06 and 2006–07 income years	109
Table 11.3: Companies' net foreign sourced income, by industry, 2005–06 and 2006–07 income years	110
Table 11.4: Selected company international tax labels, 2005–06 and 2006–07 income years	111
Table 11.5: Companies by residency status, 2005–06 and 2006–07 income years	111
Table 11.6: Superannuation fund foreign income, 2005–06 and 2006–07 income years	112
Table 11.7: Partnership other assessable foreign income, 2005–06 and 2006–07 income years	112
Table 11.8: Trust other assessable foreign income, 2005–06 and 2006–07 income years	112

12

GST AND OTHER TAXES

Table 12.1: Net GST liabilities, by industry, 2006–07 and 2007–08 financial years	114
Table 12.2: Net GST liabilities, by amount, 2006–07 and 2007–08 financial years	115
Table 12.3: GST, input tax credits and deferred GST liabilities on imports, by industry, 2007–08 financial year	116
Table 12.4: Wine Equalisation Tax (WET) liabilities, 2006–07 and 2007–08 financial years	117
Table 12.5: Luxury Car Tax (LCT) liabilities, 2006–07 and 2007–08 financial years	118

13

EXCISE

Table 13.1: Excise liabilities, by commodity, 2006–07 and 2007–08 financial years	119
Table 13.2: Quantities of petroleum products subject to excise, 2006–07 and 2007–08 financial years	120
Table 13.3: Quantities of crude oil subject to excise, 2006–07 and 2007–08 financial years	121
Table 13.4: Quantities of tobacco products subject to excise, 2006–07 and 2007–08 financial years	121
Table 13.5: Quantities of alcohol products subject to excise, 2006–07 and 2007–08 financial years	122

14

FUEL SCHEMES

Table 14.1: Fuel tax credits paid, by entity, 2006–07 and 2007–08 financial years	123
Table 14.2: Fuel tax credits paid, by industry, 2006–07 and 2007–08 financial years	124
Table 14.3: Fuel tax credits paid, 2006–07 and 2007–08 financial years	125
Table 14.4: Product stewardship for oil program payments, 2006–07 and 2007–08 financial years	125
Table 14.5: Cleaner fuels grants scheme payments, 2006–07 and 2007–08 financial years	126

15

SUPERANNUATION SYSTEM

Table 15.1: Superannuation guarantee charge collections and distributions, 2006–07 and 2007–08 financial years	129
Table 15.2: Individual account balances in the superannuation holding accounts special account, 2006–07 and 2007–08 financial years	129
Table 15.3: Lost members register accounts, 2006–07 to 2007–08 financial years	130
Table 15.4: Unclaimed superannuation, 2007–08 financial year	130
Table 15.5: Self-managed superannuation funds demographics 2006–07 and 2007–08 financial years	131
Table 15.6: Number of members in self-managed superannuation funds, 2005–06 and 2006–07 financial years	131
Table 15.7: Asset allocation across self-managed superannuation funds, 2005–06 to 2006–07 financial years	131

Table 15.8: Co-contribution entitlements determined and paid, 2006–07 and 2007–08 financial years	132
Table 15.9: Number of co-contribution entitlements determined and paid, by age and sex, 2007–08 financial year	132
Table 15.10: Surcharge assessments issued and net collections, 2006–07 and 2007–08 financial years	133

16

PAY AS YOU GO WITHHOLDING

Table 16.1: Pay as you go withholding liabilities, by industry, 2006–07 to 2007–08 financial years	135
Table 16.2: Pay as you go withholding liabilities, by entity, 2006–07 to 2007–08 financial years	136
Table 16.3: Pay as you go withholding liabilities, by type of withholder, 2006–07 to 2007–08 financial years	137

17

COST OF TAXATION COMPLIANCE

Table 17.1: Income tax return time box data – average time to complete form	139
Table 17.2: Business Activity Statement submitted quarterly by market segment – average time to complete form	139
Table 17.3: Fringe benefits tax form by market segment – average time to complete form	140
Table 17.4: Cost of managing tax affairs – individuals	140

LIST OF FIGURES AND BOXES

01

SUMMARY OF AUSTRALIAN TAX STATISTICS

Box 1.1:	Calculating net tax for individuals	3
Box 1.2:	Calculating net tax for companies	3
Box 1.3:	Calculating net tax for superannuation funds	3

02

PERSONAL TAX

Box 2.1:	Calculating net tax for individuals	21
Box 2.2:	Personal income tax rates for residents, 2006–07 income year	22
Box 2.3:	Personal income tax rates for non-residents, 2006–07 income year	22

03

COMPANIES AND PETROLEUM RESOURCE RENT TAX

Box 3.1:	Company size, by total income	35
Box 3.2:	Calculating net tax for companies	41
Box 3.3:	Non-taxable companies	42

04

SUPERANNUATION FUNDS

Box 4.1:	Fund size, by total income	50
Box 4.2:	Calculating net tax for funds	57

05

PARTNERSHIPS

Box 5.1:	Partnership size, by total business income	61
----------	--	----

06

TRUSTS

Box 6.1:	Trust size, by total business income	72
----------	--------------------------------------	----

07

CAPITAL GAINS TAX

Box 7.1:	Calculating tax on net capital gains	80
Box 7.2:	Entity size, by total income	81

08

FRINGE BENEFITS TAX

Box 8.1:	Calculating taxable status for fringe benefits tax	88
----------	--	----

12

GST AND OTHER TAXES

Box 12.1:	Calculating net GST liabilities	113
-----------	---------------------------------	-----

18

INDUSTRY BENCHMARKS

Box 18.1:	Financial ratios calculated	142
Box 18.2:	Activity statement ratios calculated	143

LIST OF DETAILED TABLES ON THE CD-ROM

02

PERSONAL TAX

Table 1:	Selected items, by sex and state/territory of residence, 2006–07 income year	28
Table 2:	Selected items, by state/territory/region, 2006–07 income year	28
Table 3:	Selected items, by state/territory and postcode, for taxable individuals, 2006–07 income year	29
Table 4:	Selected items for all individuals, by fine industry, 2006–07 income year	29
Table 5:	All items, by taxable income, 2006–07 income year	30
Table 6:	Number of individuals, by broad industry and state/territory/region, 2006–07 income year	30
Table 7:	Selected items for income years 1978–79 to 2006–07	30
Table 8:	Non-resident individuals: selected items, by taxable income, 2006–07 income year	30
Table 9:	One percentile distribution, by taxable income, 2006–07 income year	30
Table 10:	Selected items, by broad industry, 2006–07 income year	30
Table 11:	Selected items, by age, sex, taxable status and taxable income, 2006–07 income year	31
Table 12:	Selected items, by sex, marital status, state/territory and taxable income, 2006–07 income year	31
Table 13:	Selected items, by occupation code, 2006–07 income year	31
Table 14:	All items, by total income, 2006–07 income year	31
Table 15:	Taxpayers with business income, all items, by total business income, 2006–07 income year	32
Table 16:	Rental property schedules, by state of property, 2006–07 income year	32
Table 17:	Taxable income compared to total income, by ranges, 2006–07 income year	32

Table 18:	Individuals incurring a HELP debt posting during an income year by birth year range, 2005–06 and 2006–07 income year	32
Table 19:	HELP debt by age of debt since 1989 by 30 June 2007	32
Table 20:	Postcodes of individuals with a HELP debt since 1989 yet to be repaid by 30 June 2007	32

03

COMPANIES AND PETROLEUM RESOURCE RENT TAX

Table 1:	Selected items, by net tax and company type, 2006–07 income year	45
Table 2:	Selected items, by taxable income, taxable status, residential status and company type, 2006–07 income year	45
Table 3:	Number of companies and net tax, by balance date, 2006–07 income year	45
Table 4:	Selected items, by fine industry, 2006–07 income year	46
Table 5:	Selected items and financial ratios for medium to large companies, by broad industry, 2006–07 income year	46
Table 6:	Selected items, 1989–90 to 2006–07 income years	46
Table 7:	Selected items, by total income, taxable status, residential status and company type, 2006–07 income year	47
Table 8:	Selected items, by broad industry and total income, 2006–07 income year	47
Table 9:	Other selected items (items not included in Table 4), by fine industry, 2006–07 income year	47
Table 10:	Selected financial and other information, by company size, for non-membership period returns, 2006–07 income year	47
Table 11:	Petroleum resource rent tax statistics, 1999–2000 to 2007–08 financial years	47
Table 12:	Company tax return lodgment numbers and method by company size, 1989–1990 to 2006–07 income years	47

04

SUPERANNUATION FUNDS

Table 1:	Selected items, by net tax and fund status, 2006–07 income year	59
Table 2:	Selected items, by fund status and industry classification, 2006–07 income year	59
Table 3:	Selected items for income years 1996–97 to 2006–07	60
Table 4:	Selected items, by taxable income, 2006–07 income year	60
Table 5:	Number of funds and net tax, by balance date, 2006–07 income year	60
Table 6:	Selected items, by total income, 2006–07 income year	60

05

PARTNERSHIPS

Table 1:	Selected items, by net Australian income, 2006–07 income year	67
Table 2:	Selected items, by broad industry, 2006–07 income year	68
Table 3:	Selected items for income years 1989–90 to 2006–07	68
Table 4:	Selected items, by fine industry (amounts only), 2006–07 income year	68

06

TRUSTS

Table 1:	Selected items, by net Australian income, 2006–07 income year	76
Table 2:	Selected items, by broad industry, 2006–07 income year	76
Table 3:	Selected items for income years 1989–90 to 2006–07	77
Table 4:	Selected items, by fine industry (amounts only), 2006–07 income year	77

Table 5:	Trustee assessments: selected items, by taxable income and residential status, 2006–07 income year	77
----------	--	----

Table 6:	Selected items, by trust type (amounts only), 2006–07 income year	77
----------	---	----

07

CAPITAL GAINS TAX

Table 1:	Net capital gains subject to tax, 1989–90 to 2006–07 income years	87
Table 2:	Net capital gains subject to tax, by entity and taxable income, 2006–07 income year	87
Table 3:	Small business capital gains tax concessions, by entity, 2000–01 to 2006–07 income years	87
Table 4:	Net capital gains, by entity, by range of net capital gain, 1989–90 to 2006–07 income years	87

08

FRINGE BENEFITS TAX

Table 1:	FBT payable, by employer type, and taxable status, 1997–98 to 2007–08 FBT years	96
Table 2:	FBT payable and FBT rebate, by employer type, taxable status and broad industry, 2007–08 FBT year	96
Table 3:	Number of FBT payers and value of benefit, by employer type, taxable status, type of benefit and broad industry, 2007–08 FBT year	96
Table 4:	Employee contributions, by employer type, taxable status, type of benefit and broad industry, 2007–08 FBT year	96
Table 5:	Cars—statutory employee contributions, by employer type, and taxable status, 1997–98 to 2007–08 FBT years	96
Table 6:	Selected items, by employer type, and taxable status, 1997–98 to 2007–08 FBT years	96
Table 7:	Fringe benefits, by employer type, taxable status, and benefit type, 1997–98 to 2007–08 FBT years	96

09

PAYMENTS AND TRANSFERS THROUGH THE INCOME TAX SYSTEM

Table 1: Family tax benefits claims, by type, 2001–02 to 2006–07 income years	101
---	-----

10

CHARITIES AND DEDUCTIBLE GIFTS

Table 1: Refundable franking credits for endorsed income tax exempt entities and deductible gift recipients, 2001–02 to 2007–08 financial years	107
Table 2: Individuals' gifts claimed, by state and amount claimed, for the 2005–06 and 2006–07 income years	107
Table 3: Individuals' gifts as a percentage of total income, for the 2006–07 income year	107

11

INTERNATIONAL TAXATION

Table 1: Selected international items, 1989–90 to 2006–07 income years	112
--	-----

12

GST AND OTHER TAXES

Table 1: Selected GST, WET and LCT items, 2000–01 to 2007–08 financial years	118
--	-----

13

EXCISE

Table 1: Excise collections, 1996–97 to 2007–08 financial years	122
Table 2: Quantities of alcohol products subject to excise, 2003–04 to 2007–08 financial years	122

14

FUEL SCHEMES

Table 1: Fuel tax credits scheme – quantity and value of claims paid, by industry, 2006–07 and 2007–08 financial years	127
Table 2: Energy grants credits scheme (off-road credits) – quantity and value of claims paid, by industry, 1996–97 to 2007–08 financial years	127
Table 3: Energy grants credits scheme (on-road credits) – quantity and value of claims paid, by industry, 2000–01 to 2007–08 financial years	127
Table 4: Fuel sales grants scheme – quantity and value of claims paid, 2000–01 to 2006–07 financial years	127
Table 5: Product stewardship for oil program – quantity and value of benefits paid, 2001–02 to 2007–08 financial years	127
Table 6: Cleaner fuels grants scheme – number of claims and value of benefits paid, 2003–04 to 2007–08 financial years	127

15

SUPERANNUATION SYSTEM

Table 1:	Superannuation holding accounts special account, 2000–01 to 2007–08 financial years	133
Table 2:	Selected self-managed superannuation funds demographics, 1999–2000 to 2007–08 financial years	133
Table 3:	Postcodes of beneficiaries of superannuation co-contributions, 2007–08 financial year	133

16

PAY AS YOU GO WITHHOLDING

Table 1:	PAYG withholding, by entity 2000–01 to 2007–08 financial years	137
Table 2:	PAYG withholding, by industry, 2000–01 to 2007–08 financial years	137

17

COST OF TAXATION COMPLIANCE

Table 1:	Taxation return forms, cost of compliance data for 1989–99 to 2006–07 income year	141
----------	---	-----

18

INDUSTRY BENCHMARKS**Financial ratio detailed tables**

Table IN1:	Individual financial ratios, by business status, 2006–07 income year	143
Table IN2:	Individual financial ratios, by total business income, 2006–07 income year	143
Table CO1:	Company financial ratios, by business status, 2006–07 income year	144
Table CO2:	Company financial ratios, by total income, 2006–07 income year	144
Table PA1:	Partnership financial ratios, by business status, 2006–07 income year	144
Table PA2:	Partnership financial ratios, by total business income, 2006–07 income year	144
Table TR1:	Trust financial ratios, by business status, 2006–07 income year	144
Table TR2:	Trust financial ratios, by total business income, 2006–07 income year	144

Activity statement ratio detailed tables

Table INAS1:	Individual activity statement ratios, by fine industry and business status, 2006–07 income year	144
Table INAS2:	Individual activity statement ratios, by fine industry and level of sales, 2006–07 income year	144
Table COAS1:	Company activity statement ratios, by fine industry and business status, 2006–07 income year	145
Table COAS2:	Company activity statement ratios, by fine industry and level of sales, 2006–07 income year	145
Table PAAS1:	Partnership activity statement ratios, by fine industry and business status, 2006–07 income year	145
Table PAAS2:	Partnership activity statement ratios, by fine industry and level of sales, 2006–07 income year	145
Table TRAS1:	Trust activity statement ratios, by fine industry and business status, 2006–07 income year	145
Table TRAS2:	Trust activity statement ratios, by fine industry and level of sales, 2006–07 income year	145

Welcome to the latest edition of *Taxation statistics*, the Australian Taxation Office's (ATO's) 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 ATO is to manage and shape tax, excise and superannuation systems that fund services for Australians. The ATO 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 2006–07 presents an overview of:

- 2007 income tax returns for individuals, companies, superannuation funds, partnerships and trusts
- payments and transfers made through the income tax system relating to the 2006–07 income year
- reported liabilities for goods and services tax (GST) and excise, payments for fuel schemes, and fringe benefits tax returns for the 2007–08 financial year
- the superannuation system, capital gains tax, the international tax system and charities and deductible gifts
- debts and repayments relating to the Higher Education Loan Programme (HELP)
- pay as you go withholding (PAYGW) liabilities reported by entities, and
- the cost of tax compliance based on the reported time taken to prepare and lodge return forms and activity statements by individuals and businesses.

2007 TAX RETURNS

OVERVIEW

For the 2006–07 income year:

- 13.9 million returns were lodged, an increase of 2.9% from 2005–06
- individual returns represented 84.9% of all returns lodged
- superannuation funds experienced the largest growth in the number of returns lodged, with an increase of 12.6% from 2005–06, and
- the proportion of individuals lodging returns using *e-tax* increased to 15.8%

For the 2007–08 financial year, 2.6% fewer fringe benefits tax returns were lodged than in 2006–07.

Table 1.1: Taxpayers¹, by entity, 2005–06 and 2006–07 income years

Entity	2005–06 ²		2006–07 ²	
	No.	%	No.	%
Individual	11,510,959	85.2	11,799,231	84.9
Company	728,196	5.4	750,277	5.4
Partnership	415,279	3.1	419,246	3.0
Trust	569,593	4.2	609,915	4.4
Superannuation fund	285,784	2.1	321,700	2.3
Total	13,509,811	100.0	13,900,369	100.0

¹ Includes residents and non-residents.

² Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

Table 1.2: Individuals lodging using *e-tax*, 2005–06 and 2006–07 income years

Method of lodging	2005–06 ¹		2006–07 ¹	
	No.	%	No.	%
<i>e-tax</i>	1,541,360	13.4	1,859,070	15.8
Agent and other	9,969,599	86.6	9,940,161	84.2
Total	11,510,959	100.0	11,799,231	100.0

¹ Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

INDUSTRY PROFILE

OVERVIEW

For the 2006–07 income year:

- 59.9% of individuals were salary and wage earners
- 14.1% of companies were in the rental, hiring and real estate services industry
- 26.1% of partnerships were in the agriculture, forestry and fishing industry, and
- 17.9% 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 that carry out similar economic activities. Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 codes have been used for most chapters.

Table 1.3: Taxpayers¹, by entity and industry, 2006–07 income year

Industry ²	Individuals No.	Companies No.	Partnerships No.	Trusts No.
Salary and wage earners	7,062,183	0	0	0
Investment income recipients ³	220,461	0	16	2,352
Agriculture, forestry and fishing	155,229	17,304	109,438	25,845
Mining	5,402	4,107	618	836
Manufacturing	84,087	39,230	15,436	13,184
Electricity, gas, water and waste services	4,766	2,085	861	723
Construction	458,968	90,545	65,206	41,993
Wholesale trade	32,304	39,825	8,593	10,847
Retail trade	121,727	43,293	31,774	24,971
Accommodation and food services	45,448	20,403	21,033	15,716
Transport, postal and warehousing	169,929	32,670	18,916	11,779
Information media and telecommunications	21,405	8,609	1,432	1,680
Financial and insurance services	600,500	100,678	4,934	93,343
Rental, hiring and real estate services	105,721	105,433	49,588	109,086
Professional, scientific and technical services	353,178	102,411	17,470	37,130
Administrative and support services	197,046	23,226	14,491	12,675
Public administration and safety	17,509	3,246	711	883
Education and training	73,871	6,909	2,767	2,096
Health care and social assistance	140,846	27,242	4,718	13,640
Arts and recreation services	112,257	6,881	4,515	2,711
Other services	161,989	25,744	20,312	12,680
Other	1,654,405	50,436	26,417	175,745
Total	11,799,231	750,277	419,246	609,915

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 losses from a business, partnership or trust on their returns.

INCOME AND NET TAX

OVERVIEW

For the 2006–07 income year¹:

- individuals accounted for 19.6% of total income, 59.3% of taxable income and 62.4% of net tax
- companies accounted for 75.2% of total income, 28.1% of taxable income and 31.9% of net tax, and
- superannuation funds accounted for 5.2% of total income, 12.6% of taxable income and 5.8% of net tax.

¹ We recommend you exercise caution 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 individuals

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 tax</i> ³

- 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, the 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.

Box 1.2: Calculating net tax for companies¹

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 ²
<i>gives</i>	<i>Taxable income or loss</i> (calculation item A)
apply	Relevant tax rate ³
<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 payable</i> ⁴
subtract	Other refundable credits (calculation item Z)
<i>gives</i>	<i>Net tax</i>

- 1 Items in brackets refer to company tax return labels.
- 2 Adjustments made for items where the tax treatment differs from the company's accounting treatment.
- 3 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.
- 4 Located below calculation item G on the calculation statement of the company tax return form.

Box 1.3: Calculating net tax for superannuation funds¹

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) ²
apply	Superannuation fund type specific tax rate
<i>gives</i>	<i>Gross tax</i> (calculation item B) ²
subtract	Foreign tax credits and rebates/tax offsets
<i>gives</i>	<i>Tax payable</i>
subtract	Refundable franking credits (item Q) ²
<i>gives</i>	<i>Net tax</i>

- 1 Items in brackets refer to fund tax return labels.
- 2 Item refers to the income tax calculations and information statement of the fund tax return.

Table 1.4: Income, by entity, 2006–07 income year¹

Entity	Total income \$m	Taxable income \$m	Net tax \$m
Individual ²	533,874	501,183	113,932
Company ³	2,044,069	237,905	58,189
Superannuation fund	141,456	106,272	10,503
Total⁴	2,719,399	845,360	182,624

1 Based on 2007 annual income tax returns processed up to 31 October 2008.
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 income year:

- transfers providing assistance to families and individuals totalled more than \$2.4 billion, growing from \$2.3 billion in 2005–06
- the research and development tax offset grew to \$306 million, a 11.7% increase from 2005–06, and
- over \$81 million in film and television tax offsets was claimed, a 710% increase from 2005–06.

For the 2007–08 financial year, the fuel tax credit scheme paid out the largest benefit, totalling \$4.7 billion.

For the 2007–08 income year, 1.3 million individuals were paid a superannuation co-contribution, with an average payment of \$883.

The ATO pays out around \$9.1 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, 2005–06 and 2006–07 income years or 2006–07 and 2007–08 financial years

Payment/offset type	Income year	
	2005–06 ¹ \$m	2006–07 ¹ \$m
Family tax benefit	1,897	2,092
First child tax offset	246	182
Private health insurance tax offset	174	174
Research and development tax offset	274	306
Film and television tax offset	10	81
	Financial year	
	2006–07 \$m	2007–08 \$m
Fuel tax credits	4,309	4,703
Cleaner fuel grants scheme	92	115
Product stewardship for oil program	32	36
Superannuation co-contributions determined and paid	1,858	1,153
Superannuation guarantee charge collections	238	288

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

REPORTED LIABILITIES

OVERVIEW

For the 2007–08 financial year:

- fringe benefits tax collections totalled \$3.4 billion, a decrease of 0.6% from 2006–07
- GST liabilities reached \$41.8 billion, an increase of 5.3% from 2006–07
- excise liabilities were \$23.5 billion, an increase of 2.4% from 2006–07 liabilities
- liabilities from wine equalisation tax were \$644 million, a 0.2% decrease from 2006–07, and
- luxury car tax liabilities came to \$447 million, an increase of 20.5% from 2006–07.

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

Table 1.6: Liabilities, 2006–07 and 2007–08 financial years

Liability	2006–07 \$m	2007–08 \$m
Fringe benefits tax ¹	3,416	3,394
Goods and services tax ²	39,686	41,792
Excise ²	22,943	23,503
Wine equalisation tax ²	645	644
Luxury car tax ²	371	447

1 Data for the 2006–07 and 2007–08 fringe benefits tax (FBT) years includes data from FBT returns processed up to 31 October 2007 and 31 October 2008 respectively.

2 Processed liabilities at 31 October 2008, by amount sent to the ATO.

SUPERANNUATION SYSTEM

OVERVIEW

During the 2007–08 financial year:

- there were 387,936 self-managed superannuation funds, with a total of 746,318 members
- 256,044 individuals were liable for the superannuation surcharge, totalling \$143 million, and
- 973,684 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 ATO 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 2006, 2007 and 2008 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 in PDF file format from the attached CD-ROM or from the online version of this publication on our website.

This publication is a source of tax statistics, but it is not the source of all the statistics the ATO 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 ATO.

Chapter	Source of statistics	Processed dates
Personal tax	2007 individual tax returns	1 July 2007 to 31 October 2008
	2006 individual tax returns	1 July 2006 to 31 October 2007
	2007 individual rental property schedule	1 July 2007 to 31 October 2008
	2006 individual rental property schedule	1 July 2006 to 31 October 2007
	Higher Education Loan Program accounts	As at 30 June 2006 and 30 June 2007
Company tax and petroleum resource rent tax	2007 company tax returns	1 July 2007 to 31 October 2008
	2006 company tax returns	1 July 2006 to 31 October 2007
	2008 petroleum resource rent tax return and instalment statements	1 July 2007 to 31 October 2008
	2007 petroleum resource rent tax return and instalment statements	1 July 2006 to 31 October 2007
Superannuation funds	2007 superannuation fund tax returns	1 July 2007 to 31 October 2008
	2006 superannuation fund tax returns	1 July 2006 to 31 October 2007
Partnerships	2007 partnership tax returns	1 July 2007 to 31 October 2008
	2006 partnership tax returns	1 July 2006 to 31 October 2007
Trusts	2007 trust tax returns	1 July 2007 to 31 October 2008
	2006 trust tax returns	1 July 2006 to 31 October 2007
Capital gains tax	2007 capital gains tax schedules	1 July 2007 to 31 October 2008
	2006 capital gains tax schedules	1 July 2006 to 31 October 2007
	2007 individual tax returns	1 July 2007 to 31 October 2008
	2006 individual tax returns	1 July 2006 to 31 October 2007
	2007 company tax returns	1 July 2007 to 31 October 2008
	2006 company tax returns	1 July 2006 to 31 October 2007
	2007 superannuation fund tax returns	1 July 2007 to 31 October 2008
	2006 superannuation fund tax returns	1 July 2006 to 31 October 2007
Fringe benefits tax	2008 fringe benefits tax returns	1 April 2007 to 31 October 2008
	2007 fringe benefits tax returns	1 April 2006 to 31 October 2007
Payments and transfers through the tax system	2007 individual tax returns	1 July 2007 to 31 October 2008
	2007 company tax returns	1 July 2007 to 31 October 2008
	2006 individual tax returns	1 July 2006 to 31 October 2007
	2006 company tax returns	1 July 2006 to 31 October 2007

Chapter	Source of statistics	Processed dates
Charities and deductible gifts	2007 individual tax returns	1 July 2007 to 31 October 2008
	2006 individual tax returns	1 July 2006 to 31 October 2007
	Tax concession charity and deductible gift recipient status application forms	As at 31 October 2008
	Applications for a refund of franking credits	1 July 2006 to 30 June 2007 1 July 2007 to 30 June 2008
	2008 prescribed private fund information return	1 July 2006 to 31 October 2008
	2007 prescribed private fund information return	1 July 2007 to 31 October 2008
International tax	2007 individual tax returns	1 July 2007 to 31 October 2008
	2006 individual tax returns	1 July 2006 to 31 October 2007
	2007 company tax returns	1 July 2007 to 31 October 2008
	2006 company tax returns	1 July 2006 to 31 October 2007
	2007 partnership tax returns	1 July 2007 to 31 October 2008
	2006 partnership tax returns	1 July 2006 to 31 October 2007
	2007 trust tax returns	1 July 2007 to 31 October 2008
	2006 trust tax returns	1 July 2006 to 31 October 2007
	2007 superannuation fund tax returns	1 July 2007 to 31 October 2008
2006 superannuation fund tax returns	1 July 2006 to 31 October 2007	
GST and other taxes	2008 GST annual returns	1 July 2007 to 31 October 2008
	2008 business activity statements	1 July 2007 to 31 October 2008
	2007 business activity statements	1 July 2006 to 31 October 2007
	Australian Customs Service	
Excise	2008 excise return forms	1 July 2007 to 31 October 2008
	2007 excise return forms	1 July 2006 to 31 October 2007
Fuel schemes	Energy grant credits scheme claim forms	1 July 2007 to 30 June 2008
Superannuation system	Australian Prudential Regulation Authority Publications	June 2008 and 2007
	2007 superannuation fund tax returns	1 July 2007 to 31 October 2008
	Australian Business Register	As at 30 June 2008
Pay as you go withholding	2008 business activity statements	1 July 2007 to 31 October 2008
	2007 business activity statements	1 July 2006 to 31 October 2007
Cost of compliance	2007 individual tax returns	1 July 2007 to 31 October 2008
	2006 individual tax returns	1 July 2006 to 31 October 2007
	2007 business activity statements	1 July 2006 to 31 October 2007
	2006 business activity statements	1 July 2005 to 31 October 2006
	2007 fringe benefits tax returns	1 April 2006 to 31 October 2007
Industry benchmarks	2007 individual, company, partnership and trust tax returns	1 July 2007 to 31 October 2008
	2007 GST annual returns	1 July 2006 to 31 October 2007
	2007 business activity statements	1 July 2006 to 31 October 2007

OVERVIEW

For the 2006–07 income year:

- 11.8 million individuals lodged income tax returns
- tax agents submitted 72.5% (8.5 million) of tax returns, and 15.8% (1.9 million) were submitted using *e-tax*
- individuals declared total income of \$533.9 billion, including \$378.8 billion in salary and wages, an increase of 10.5% and 8.0% respectively over 2005–06
- individuals claimed \$34.1 billion in total deductions, an increase of 26.2% over 2005–06, including \$14.2 billion in work-related expenses
- individuals claimed net rental income of –\$6.4 billion, including \$27.3 billion in rental deductions
- there were 9.2 million individuals entitled to tax offsets and credits totalling \$19.0 billion, an increase of 26.2% in the number of individuals and an increase of 14.8% in the value of tax offsets and credits individuals were entitled to when compared with 2005–06
- individuals had taxable income of \$501.2 billion, an increase of 9.6% over 2005–06, and net tax payable of \$113.9 billion, plus \$0.9 billion payable for higher education loan debt repayments
- individuals declared \$109.3 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 \$10.9 billion in refundable tax offsets and credits, an increase of 24% over 2005–06, and
- individuals had \$18.8 billion refunded or otherwise paid out after they lodged their income tax return, and \$13.5 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 lodgment 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 or business losses.

NEW FEATURES AND INFORMATION

Statistics for the 2006–07 income year reported in this chapter may have been affected by:

- personal income tax cuts
- the increase in the low income tax offset from \$235 in 2005–06 to \$600 in 2006–07
- the abolition of the part-year tax-free threshold for individuals who ceased full-time education for the first time
- changes to the tax treatment of foreign income and some capital gains for temporary residents
- an increase in the amount you can claim for contributions to registered political parties, independent candidates and members from \$100 to \$1,500, and
- the entitlement to claim a tax offset if you have to pay the Medicare levy surcharge as a result of you or your spouse receiving a lump sum payment in arrears.

The following tables have been added to this chapter, providing information on:

- total Higher Education Loan Program (HELP) debt by state and gender, 2005–06 and 2006–07 income years (Table 2.17)
- activity relating to HELP debt since 1989 to 30 June 2007 (Table 2.18)
- number of individuals by status of HELP debt between 1989 and 30 June 2007 (Table 2.19)
- average time taken to make a repayment relating to HELP debt by repayment type for individuals who made a repayment between 1989 and 30 June 2007 (Table 2.20)
- tax withholding claimed by individuals on their income tax return, 2006–07 income year (Table 2.21)
- reasons listed for variation on income tax withholding variation applications, 2006–07 income year (Table 2.22)
- individuals incurring a HELP debt posting during an income year broken down by birth year groups, 2005–06 and 2006–07 income years (detailed table 18)
- HELP debt by age of debt, incurred from 1989 to 30 June 2007, yet to be repaid by 30 June 2007 (detailed table 19), and
- HELP debt, incurred from 1989 to 30 June 2007, by postcode, yet to be repaid in full by 30 June 2007.

PERSONAL TAX RETURNS

For the 2006–07 income year, 11.8 million individuals lodged returns. These individuals represented 56.1% of the total estimated Australian population of 21.0 million as at 30 June 2007 (Australian Bureau of Statistics, *Australian demographic statistics*, June 2007, Cat. No. 3101.0).

Lodgment of individuals' tax returns grew by 2.5% for the 2006–07 income year.

Individuals most commonly chose a tax agent to lodge their income tax return (72.5%). The proportion of returns lodged by tax agents decreased by 0.4%. Lodgments by *e-tax* grew by 20.6% to 1.9 million.

Lodgments via *e-tax* (15.8%) overtook paper and telephone lodgments (11.8% or 1.4 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 60 and 74. Not including the 'other' state grouping, the Australian Capital Territory had the highest proportion of people lodging returns using *e-tax* (27.8%), while Victoria had the lowest (13.6%).

Table 2.1: Individuals' returns, 2005–06 and 2006–07 income years

	2005–06 ¹			2006–07 ¹		
	e-tax	Agent and other ²	Total	e-tax	Agent and other ²	Total
By method of lodging						
Agent	0	8,386,431	8,386,431	0	8,549,760	8,549,760
Self-preparer	1,541,360	1,583,168	3,124,528	1,859,070	1,390,401	3,249,471
Total	1,541,360	9,969,599	11,510,959	1,859,070	9,940,161	11,799,231
By tax status						
Taxable	1,255,074	8,153,179	9,408,253	1,447,952	7,858,192	9,306,144
Non-taxable	286,286	1,816,420	2,102,706	411,118	2,081,969	2,493,087
Total	1,541,360	9,969,599	11,510,959	1,859,070	9,940,161	11,799,231
By sex						
Male	766,113	5,183,378	5,949,491	915,699	5,177,147	6,092,846
Female	775,247	4,786,221	5,561,468	943,371	4,763,014	5,706,385
Total	1,541,360	9,969,599	11,510,959	1,859,070	9,940,161	11,799,231
By state						
NSW	476,279	3,256,775	3,733,054	576,981	3,222,923	3,799,904
VIC	326,057	2,537,376	2,863,433	397,659	2,529,171	2,926,830
QLD	344,837	1,934,921	2,279,758	413,839	1,947,849	2,361,688
WA	172,427	1,005,395	1,177,822	206,991	1,019,171	1,226,162
SA	118,345	750,341	868,686	142,404	740,617	883,021
TAS	34,829	232,215	267,044	41,973	229,576	271,549
ACT	52,104	159,726	211,830	60,523	156,914	217,437
NT	14,181	86,653	100,834	16,022	87,725	103,747
Other	2,301	6,197	8,498	2,678	6,215	8,893
Total	1,541,360	9,969,599	11,510,959	1,859,070	9,940,161	11,799,231
By age						
<18	73,897	207,542	281,439	86,529	203,151	289,680
18–24	426,684	1,123,073	1,549,757	510,678	1,078,809	1,589,487
25–29	250,371	902,294	1,152,665	305,494	890,099	1,195,593
30–34	188,134	1,033,884	1,222,018	220,750	987,079	1,207,829
35–39	143,896	1,089,310	1,233,206	178,401	1,099,033	1,277,434
40–44	122,756	1,104,976	1,227,732	145,215	1,079,812	1,225,027
45–49	112,157	1,086,502	1,198,659	135,707	1,093,858	1,229,565
50–54	91,400	970,594	1,061,994	109,904	977,515	1,087,419
55–59	66,170	880,589	946,759	79,557	871,370	950,927
60–64	34,517	604,392	638,909	46,014	656,818	702,832
65–69	14,804	363,527	378,331	19,678	380,619	400,297
70–74	7,130	225,780	232,910	9,217	234,020	243,237
75 or more	9,444	377,136	386,580	11,926	387,978	399,904
Total	1,541,360	9,969,599	11,510,959	1,859,070	9,940,161	11,799,231

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

2 'Other' includes self-prepared paper returns and self-prepared telephone lodgments.

PERSONAL INCOME

For the 2006–07 income year, individuals had total income of \$533.9 billion and taxable income of \$501.2 billion. The average total income for all individuals increased by 7.6% to \$45,781, while the average taxable income for all individuals increased by 6.8% to \$43,658 for the 2006–07 income year.

The average taxable income increased for both men and women by 6.8% and 6.9% respectively. The average taxable income was \$51,613 for men and \$35,007 for women. The gap between male and female average taxable income has continued to increase, and now stands at \$16,606.

Table 2.2: Individuals' total and taxable income, 2005–06 and 2006–07 income years

Income	2005–06 ^{1, 3}		2006–07 ¹	
	No.	\$m ²	No.	\$m ²
Total income	11,352,174	483,076	11,661,480	533,874
Male	5,927,830	299,141	6,071,252	329,329
Female	5,424,344	183,935	5,590,228	204,545
Taxable income	11,181,714	457,202	11,479,726	501,183
Male	5,841,877	282,382	5,980,254	308,661
Female	5,339,837	174,821	5,499,472	192,522

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

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

3 Data for 2005–06 has changed from the data reported in *Taxation statistics 2005–06* as the field being extracted is now the taxable income as calculated by the ATO rather than the taxable income reported by individuals on their tax return.

Salary and wages was the most common type of income reported in 2005–06 and 2006–07, with 78.6% of individuals reporting income from this source in 2006–07. Salary and wages represented 72.6% and 70.9% of total income respectively for each year. The average amount of salary and wages paid to an individual increased by 4.7% to \$41,333 in 2006–07.

Net capital gains continued to grow strongly in 2006–07, increasing by 55.5%. This growth follows on from the 30.6% growth in 2005–06. The driver for growth in 2006–07 was both an increase in the size of net capital gains per individual and an increase in the number of individuals realising net capital gains. This differs from 2005–06 when the overall driver of growth was the increase in the size of net capital gains per individual. The strength of the share market was reflected in the growth of gross dividends and franking credits, which grew by 23.5% and 23.6% respectively in 2006–07.

Table 2.3: Source of individuals' income, 2005–06 and 2006–07 income years

Source of income ¹	2005–06 ²		2006–07 ²	
	No.	\$m	No.	\$m
Salary and wages	8,886,656	350,665	9,163,528	378,755
Net partnership and trust distributions	2,114,426	30,110	2,136,923	33,846
Net capital gains	1,193,781	16,213	1,366,655	25,212
Gross dividends	3,002,486	15,331	3,023,473	18,936
Net business income	978,640	15,369	1,013,259	17,161
Other pensions/annuities (non-government)	615,421	14,491	648,168	16,561
Gross interest	4,356,221	9,607	4,779,412	11,295
Franking credits	2,960,789	6,291	2,978,306	7,776
Allowances, benefits, earnings and tips	2,049,273	5,825	2,018,437	6,225
Commonwealth of Australia pensions and allowances	724,124	5,276	720,989	5,447
Eligible termination payments – other than excessive component	309,210	6,348	296,123	5,417
Commonwealth of Australia benefits and payments	921,612	4,296	892,597	4,219
Lump sum payments – assessable in full (amount A)	149,101	1,536	139,868	1,537
Net personal services income	82,346	1,336	87,889	1,469
Other foreign income	927,390	1,186	959,688	1,465
Other income category 1 ³	79,936	972	92,410	1,295
Other income category 2 ⁴	116,011	1,007	116,255	1,124
Less total deferred losses	143,719	985	147,635	1,120
Foreign employment and pension or annuity income without an undeducted purchase price	61,347	654	61,737	702
Foreign pension or annuity income with an undeducted purchase price	59,574	434	58,890	443
Attributed personal services income	6,331	170	6,725	196
Eligible termination payments – excessive component	602	36	546	42
Attributed foreign income	34,554	27	12,069	34
Life insurance bonuses	2,264	12	2,206	19
Lump sum payments – 5% assessable (5% of amount B)	18,896	10	17,340	9
Australian franking credits from a New Zealand company	8,599	1	6,294	1
Net farm management withdrawals or deposits	24,088	–24	23,839	–61
Net rent	1,561,630	–5,089	1,610,561	–6,372
Total⁵	11,352,174	483,076	11,661,480	533,874

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

2 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

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

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

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 ATO during assessment. Totals may differ from the sum of the components due to rounding.

RENTAL INCOME AND DEDUCTIONS

For the 2005–06 and 2006–07 income years, rental deductions were by far the highest value deduction claimed, and were greater than total rental income, resulting in negative net rental income. In 2006–07 the gap between rental income and deductions grew by 25.2% while the number of individuals with net rental income increased by 3.1%. For 2006–07, 67.9% of individuals with net rental income had a taxable loss (net rental income less than zero) from their rental property.

Of individuals declaring net rental income, 79.2% claimed rental interest deductions. These interest deductions were 16.4% (\$2,274 million) higher in 2006–07.

Table 2.4: Individuals' rental income and deductions, 2005–06 and 2006–07 income years

Rental income/deductions	No.	2005–06 ¹		2006–07 ¹	
		No.	\$m	No.	\$m
Gross rental income	1,545,310	19,160	1,592,636	20,911	
Less rental interest deductions	1,231,694	13,830	1,276,185	16,104	
capital works deductions	518,568	1,091	559,603	1,226	
other rental deductions	1,548,327	9,328	1,596,344	9,953	
Net rental income²	1,561,630	-5,089	1,610,561	-6,372	

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 the components due to rounding.

Over half of individuals with net rental income (51.5%) had a taxable income between \$25,000 and \$75,000.

Table 2.5: Individuals' net rental income, by taxable income, 2006–07 income year

Taxable income	Net rental income less than \$0		Net rental income greater than or equal to \$0		Total	
	No.	\$m	No.	\$m	No.	\$m
\$6,000 or less	101,493	-1,128	38,885	144	140,378	-984
\$6,001–\$25,000	169,971	-1,333	131,074	768	301,045	-565
\$25,001–\$75,000	584,748	-4,725	244,042	1,628	828,790	-3,098
\$75,001–\$150,000	186,305	-1,954	76,858	714	263,163	-1,240
\$150,001 or more	50,831	-994	26,354	508	77,185	-485
Total¹	1,093,348	-10,134	517,213	3,763	1,610,561	-6,372

1 Totals may differ from the sum of the 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, bought 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 and 2006–07 income years

Property interests	2005–06	2006–07
	No.	No.
1	1,081,067	1,118,260
2	272,677	281,944
3	82,283	85,193
4	29,738	31,227
5	12,082	12,740
6 or more	12,442	13,348
Total	1,490,289	1,542,712

A detailed table (Table 16) 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 2.8% for the 2006–07 income year, yet the value of deductions claimed increased by 26.2%, 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 2006–07 income year claiming one or more work-related deductions. While 72.9% or 8.4 million individuals used a tax agent to lodge their 2005–06 income tax return, only 5.3 million claimed deductions for the cost of managing their tax affairs on their 2006–07 income tax return. Non-employer sponsored superannuation contributions made by individuals who are predominantly self-employed, increased by 107.9% in 2006–07.

Table 2.7: Individuals' deductions, by type, 2005–06 and 2006–07 income years

Type of deduction	No.	2005–06 ¹	No.	2006–07 ¹
		\$m		\$m
Work-related expenses	7,404,299	13,067	7,611,926	14,166
Non-employer sponsored superannuation	203,233	3,879	252,423	8,063
Interest and dividends	912,589	2,726	929,745	3,553
Undeducted purchase price of Australian pension or annuity	370,895	3,128	400,206	3,550
Gifts or donations	4,195,908	1,556	4,282,968	1,885
Cost of managing tax affairs	5,219,831	1,312	5,284,948	1,428
Low-value pool	221,145	106	237,919	107
Undeducted purchase price of foreign pension or annuity	49,688	50	49,162	50
Film industry incentives	916	11	894	14
Election expenses	2,562	6	2,158	6
Project pool	749	3	862	4
Other	434,044	1,190	469,316	1,301
Total²	9,263,945	27,034	9,521,828	34,127
Prior-year losses	74,812	1,057	82,837	1,178

¹ Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

² Components do not add to the total number of taxpayers claiming deductions as taxpayers may claim more than one type of deduction. 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 2.8% for the 2006–07 income year, with an increase of 8.4% 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, 2005–06 and 2006–07 income years

Work-related expense	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
Motor vehicle (car) total²	2,428,406	5,190	2,529,548	5,680
Cents per kilometre	2,093,694	2,947	2,195,086	3,344
Log book	245,346	2,008	251,847	2,103
12% of original value	30,062	139	29,977	142
1/3 of actual expenses	9,485	28	9,981	31
Not stated	49,819	67	42,657	61
Clothing (uniform) total²	5,113,106	1,212	5,319,266	1,281
Compulsory	2,415,840	553	2,562,334	590
Protective	1,802,035	452	1,832,991	472
Occupation specific	384,775	106	412,998	115
Non-compulsory	315,782	60	342,931	66
Not stated	194,674	42	168,012	38
Self-education total²	512,038	834	510,679	866
Direct connection with employment	395,522	659	403,161	696
Improve skill or income of current employment	65,474	127	63,999	128
Other direct connection	10,666	15	9,321	13
Not stated	40,376	34	34,198	29
Other travel	714,449	1,126	766,856	1,235
Other work-related expenses	5,630,475	4,704	5,796,859	5,104
Total work-related expenses²	7,404,299	13,067	7,611,926	14,166

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 the components due to rounding.

NET BUSINESS INCOME

For the 2006–07 income year, more than 1.8 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 2005–06 to 2006–07 (0.2% decrease). There was a 2.7% 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, 2005–06 and 2006–07 income years

Industry ²	2005–06 ³		2006–07 ³	
	Net business income No.	Net business losses No.	Net business income No.	Net business losses No.
Agriculture, forestry and fishing	49,081	53,890	45,044	58,553
Mining	1,346	511	1,209	500
Manufacturing	28,912	9,189	28,426	8,784
Electricity, gas, water and waste services	1,535	393	1,480	356
Construction	184,222	20,273	188,311	20,716
Wholesale trade	9,718	5,047	9,613	4,803
Retail trade	33,209	18,102	33,105	17,135
Accommodation and food services	13,022	6,467	13,125	6,215
Transport, postal and warehousing	62,856	8,141	63,292	7,971
Information media and telecommunications	6,013	2,412	5,953	2,319
Financial and insurance services	217,509	42,103	199,389	44,056
Rental, hiring and real estate services	21,706	9,913	21,249	9,713
Professional, scientific and technical services	104,875	26,880	105,264	27,109
Administrative and support services	55,353	9,906	56,857	10,000
Public administration and safety	3,850	901	3,814	844
Education and training	23,947	6,505	24,098	6,404
Health care and social assistance	60,147	10,664	61,346	10,970
Arts and recreation services	29,865	14,642	30,505	14,368
Other services	54,866	15,892	56,079	15,964
No industry stated	350,375	176,775	361,628	183,835
Total	1,312,407	438,606	1,309,787	450,615

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, distributions from partnerships primary production, distributions from partnerships non-primary production, distributions from trusts primary production and net farm management withdrawals less deposits. Distributions from trusts non-primary production generally comprises income from investments, and thus has not been included in identifying taxpayers with net business income.

2 The industry groups are classified based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 Business Register codes.

3 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

There was a 6.6% increase in income from business operations in 2006–07, with the growth mainly driven by the 7.7% increase in other business income.

Table 2.10: Individuals with business income, by type, 2005–06 and 2006–07 income years

Type of income	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
Gross payments where ABN not quoted	3,418	112	3,149	98
Gross payments subject to foreign resident withholding	216	13	297	12
Gross payments – voluntary agreement	9,835	353	8,879	336
Gross payments – labour hire or other specified payments	6,631	149	6,320	149
Assessable government industry payments	22,320	296	25,283	306
Other business income	906,987	80,653	938,964	86,894
<i>Total business income</i> ²	<i>927,149</i>	<i>81,577</i>	<i>958,489</i>	<i>87,795</i>
Other business type income ³	619,714	14,304	585,207	14,397
Total income from business operations⁴	1,504,895	95,881	1,503,011	102,192

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 distributions from partnerships primary production, distributions from partnerships non-primary production, distributions from trusts primary production and net farm management withdrawals less deposits. Distributions 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 the components due to rounding.

Individuals claimed business expenses worth \$70.1 billion in 2006–07, an increase of 6.7% from 2005–06. Cost of sales was the largest expense claimed, accounting for 47.1% of total business expenses. When comparing the number of individuals who declared total business income and the number who claimed business expenses, there were 21,426 more claimants for expenses than taxpayers who declared business income.

Table 2.11: Individuals' business expenses, by type, 2005–06 and 2006–07 income years

Type of expense	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
Cost of sales	243,482	30,812	244,439	32,990
Other expenses	905,022	22,111	932,241	23,373
Motor vehicle	646,391	3,088	658,329	3,213
External labour	108,223	2,400	110,356	2,587
Depreciation	579,014	2,240	588,438	2,362
Rent	163,094	1,954	165,440	2,087
Interest	223,369	1,486	227,436	1,724
Repairs and maintenance	268,671	701	265,332	723
Superannuation	73,699	538	74,925	668
Lease expenses	39,174	325	37,464	329
Bad debts	8,586	40	8,412	41
Foreign resident withholding expenses	49	1	53	1
Total^{2,3}	949,760	65,696	979,915	70,097
<i>Salary and wages in expenses⁴</i>	<i>75,078</i>	<i>3,092</i>	<i>74,646</i>	<i>3,280</i>

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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. Totals may differ from the sum of the 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 2007 *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, they 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 2006–07 income year, total tax offsets and credits increased by 22.8% from 2005–06. The 26.0% 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. Another significant contributing factor was the increase in value of the low income tax offset in 2006–07. This increased the number of individuals eligible for this offset by increasing both the minimum and maximum thresholds for eligibility as well as increasing the value of the offset available.

The superannuation contribution, annuity and pension offset increased 20.5% during 2006–07. This is in line with superannuation pensions paid to individuals increasing by 14.3% during 2006–07.

Table 2.12: Selected tax offsets and credits claimed/calculated by the ATO, 2005–06 and 2006–07 income years

Type of tax offset and credit	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
Tax offsets claimed on return				
Refundable				
Total franking credits ²	3,335,666	8,357	3,370,186	10,526
Private health insurance rebate	269,943	174	263,378	174
Non-refundable				
Superannuation contribution, annuity and pension tax offset	407,422	988	442,441	1,191
Spouse tax offset	352,213	445	354,301	465
Medical expenses tax offset	601,255	367	667,160	421
30% child care tax rebate	394,553	306	395,177	359
Zone or overseas forces tax offset	534,592	223	552,870	234
Parent/parent in-law/invalid relative tax offset	24,731	33	29,238	43
Superannuation contributions on behalf of spouse tax offset	35,187	15	25,958	11
Landcare and water tax offset brought forward from previous year tax offset ³	97	..	133	..
Other tax offsets	3,087	8	2,815	8
Total⁷	4,827,557	10,916	4,931,839	13,431

Table 2.12: Selected tax offsets and credits claimed/calculated by the ATO, 2005–06 and 2006–07 income years *continued*

Type of tax offset and credit	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
Selected tax offsets calculated by the ATO				
Refundable				
Baby bonus ⁴ tax offset	369,560	246	313,583	182
Non-refundable				
Low income tax offset	3,314,047	621	5,392,848	2,251
Termination payment tax offset	240,615	1,907	203,424	1,386
Senior Australians tax offset	585,158	1,045	622,553	1,116
Mature age worker tax offset	1,163,984	500	1,193,228	510
Pension or pensioner tax offset	302,041	448	294,396	459
Entrepreneurs' tax offset	230,550	119	314,164	156
Commonwealth of Australia benefits and allowances tax offset ⁵	289,461	128	279,009	130
Averaging tax offset	84,286	99	73,472	87
Life assurance (insurance) bonus tax offset	2,264	4	2,206	6
Total⁷	5,282,437	5,117	6,863,196	6,282
Selected credits claimed				
Foreign tax credits	796,922	202	807,336	220
Section 100(2) ⁶ credits	2,476	10	2,422	15
Total⁷	735,739	212	740,972	235
<p>1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively</p> <p>2 The 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 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>5 Also referred to as 'beneficiary tax offset'.</p> <p>6 The total share of credits for tax paid by a trustee.</p> <p>7 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. Totals may differ from the sum of the components due to rounding.</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 may be 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 115,488 individuals were liable for the Medicare levy surcharge in 2006–07, an increase of 24.8%.

Table 2.13: Medicare levy and Medicare levy surcharge, 2005–06 and 2006–07 income years

	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
Medicare levy	7,833,149	6,121	8,052,351	6,688
Medicare levy surcharge	465,327	289	580,815	365

¹ Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 2006–07 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>	<i>Net tax</i> ³

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) and the section 100(2) credit.

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

In the 2006–07 income year, a total of 9.3 million taxpayers (both Australian residents and non-residents for tax purposes) were liable for \$113.9 billion in net tax, with an average net tax payable of \$12,241 (tables 2.14, 2.15). Residents were liable for \$113.6 billion (99.7%) of the net tax payable, while non-residents were liable for \$0.3 billion.

The tax-free threshold for Australian residents remained at \$6,000 in 2006–07. Where a taxpayer's residency status changes, the threshold is apportioned in accordance with the month during the year when they cease to be a resident, or in the case of an immigrant when they commence residency. Taxpayers who cease full-time education no longer have the tax-free threshold apportioned. They are now assessed for tax with the full tax-free threshold in the income year they cease full-time education.

Box 2.2: Personal income tax rates for residents, 2006–07 income year

Taxable income	Tax payable
\$0–\$6,000	0% or \$0
\$6,001–\$25,000	Nil plus 15 cents for each \$1 over \$6,000
\$25,001–\$75,000	\$2,850 plus 30 cents for each \$1 over \$25,000
\$75,001–\$150,000	\$17,850 plus 40 cents for each \$1 over \$75,000
\$150,001 or more	\$47,850 plus 45 cents for each \$1 over \$150,000

Table 2.14: Resident individuals' net tax payable, by taxable income, 2006–07 income year

Taxable income	Taxpayers ¹		Net tax payable	
	No.	%	\$m	%
\$6,000 or less	7,835	0.1	2	0.0
\$6,001–\$25,000	2,053,837	22.2	2,435	2.1
\$25,001–\$75,000	5,902,167	63.7	52,531	46.2
\$75,001–\$150,000	1,065,080	11.5	29,258	25.8
\$150,001 or more	234,495	2.5	29,393	25.9
Total²	9,263,414	100.0	113,620	100.0

1 The 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 the components due to rounding.

Box 2.3: Personal income tax rates for non-residents, 2006–07 income year

Taxable income	Tax payable
\$0–\$25,000	29 cents for each \$1
\$25,001–\$75,000	\$7,250 plus 30 cents for each \$1 over \$25,000
\$75,001–\$150,000	\$22,250 plus 40 cents for each \$1 over \$75,000
\$150,001 or more	\$52,250 plus 45 cents for each \$1 over \$150,000

Table 2.15: Non-resident individuals' net tax payable, by taxable income, 2006–07 income year

Taxable income	Taxpayers ¹		Net tax payable	
	No.	%	\$m	%
\$25,000 or less	35,550	83.2	60	19.2
\$25,001–\$75,000	5,086	11.9	63	20.2
\$75,001–\$150,000	1,330	3.1	44	14.1
\$150,001 or more	764	1.8	145	46.5
Total²	42,730	100.0	312	100.0

1 The 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 the components due to rounding.

HIGHER EDUCATION LOAN PROGRAM

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 Higher Education Loan Program (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 2006–07 income year, the minimum level was \$36,185, whereas in 2005–06 the minimum level was \$35,001. While there was a 7.2% increase in the number of individuals required to make HELP repayments, the amount required to be repaid increased by 15.6%, reflecting the progressive nature of the repayment schedule.

The 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 that operated between 1993 and 2003, called the Student Financial Supplement Scheme (SFSS), allowed certain students access to loans with similar terms and conditions to those available via 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 \$38,149 for the 2006–07 income year. Repayments are withheld from refunds as necessary.

Table 2.16: HELP and SFSS debt required to be repaid, 2005–06 and 2006–07 income years

Debt	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
HELP assessment debt	280,255	750	300,464	867
SFSS debt	41,312	62	52,352	80

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

The total HELP debt payable is the amount of debt raised since 1989 that had not been repaid by the end of 2005–06 and 2006–07. Total HELP debt payable grew by 13.0% from 2005–06 to 2006–07, with the number of people who have a total HELP debt growing by 5.2%. In 2006–07, the Australian Capital Territory had the highest average debt payable with \$12,246 payable on average. The lowest average debt payable, excluding the 'other' state grouping, was in the Northern Territory with an average debt payable of \$9,422.

Table 2.17: Total HELP¹ debt, 2005–06 and 2006–07 income years

	2005–06 ²		2006–07 ²	
	No.	\$m	No.	\$m
Female				
NSW	195,164	1,935	207,510	2,216
VIC	185,682	1,924	195,826	2,172
QLD	142,601	1,412	151,250	1,608
SA	49,277	489	52,361	555
WA	68,364	668	72,254	760
TAS	14,974	144	15,837	161
NT	7,036	62	7,206	66
ACT	16,804	185	17,116	202
Overseas/not stated/other	18,225	152	18,201	158
Total³	698,127	6,970	737,561	7,898
Male				
NSW	140,352	1,555	148,275	1,778
VIC	130,412	1,512	136,353	1,701
QLD	93,272	1,022	97,525	1,150
SA	33,716	377	35,732	427
WA	46,782	518	48,668	581
TAS	10,241	110	10,792	123
NT	3,860	37	3,887	38
ACT	13,180	159	13,383	172
Overseas/not stated/other	15,490	140	15,289	143
Total³	487,305	5,429	509,904	6,113
Total³	1,185,432	12,398	1,247,465	14,011

1 From 1 January 2005 a new suite of loans under the Higher Education Loan Program (HELP), replaced the four schemes that were offered under the *Higher Education Funding Act 1988*. On 1 June 2006, accumulated HECS debts became accumulated HELP debts. The address used to derive the state/territory is the most current address we have on file. This may be different from the address during these financial years.

2 Data for the 2005–06 and 2006–07 financial years does not include nil balances.

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

Tables 2.18, 2.19 and 2.20 do not include people who had a Commonwealth supported place but did not have a debt because they paid their HELP fees upfront. HELP debt imposed on individuals for university study since 1989 reached \$19.5 billion in 2006–07, with 2.1 million individuals taking advantage of the HELP scheme by the end of 2006–07. Of all individuals within the HELP scheme, 17.8% have made a voluntary repayment and 60.0% have made a compulsory repayment.

Table 2.18: Activity relating to HELP debt between 1989 and 30 June 2007

Activity relating to HELP debt since 1989	No.	\$m
Debt incurred ³	2,138,091	19,524
Indexation	2,033,062	2,611
Compulsory repayments made	1,282,170	-6,506
Voluntary repayments made	379,817	-1,379
Voluntary repayment bonuses ²	343,170	-190
Write-off	9,004	-42
Other accounting adjustments	33,031	-7
Net HELP debt¹	2,138,091	14,011

1 Components do not add to the total number of taxpayers as taxpayers may have had more than one activity relating to their account. Totals may differ from the sum of the components due to rounding.

2 The bonus for voluntary repayments was introduced on 1 January 1996. A bonus of 15% of the voluntary repayment was given for voluntary repayments of \$500 or more. The bonus was reduced to 10% of the voluntary repayment from 1 January 2005.

3 HELP debt incurred refers to an amount of HELP debt posted to an individual's HELP debt. Each semester's debt is posted as one amount. During an income year an individual can incur a HELP debt in either one or two semesters.

Of the 2.1 million individuals who have or previously had a HELP debt, 41.2% have paid off their debt, while 34.8% are yet to make their first repayment.

Table 2.19: Number of individuals by status of HELP debt between 1989 and 30 June 2007

Status of HELP debt	No.	%
Paid off	881,770	41.2
Written off	8,856	0.4
Paying off	502,989	23.5
No repayments made	744,476	34.8
Total¹	2,138,091	100.0

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

Individuals who finished repaying their HELP debt by 30 June 2007 took 7.5 years on average to repay their debt. For those individuals that have made a compulsory repayment, the average time for an individual to make their first compulsory repayment was 4.9 years.

Table 2.20: Average time taken in years to make a repayment by repayment type for individuals who made a repayment between 1989 and 30 June 2007

	Days	Years
Average time to make first compulsory repayment ¹	1,789	4.9
Average time to make first voluntary repayment ²	2,485	6.8
Average time to repay debt (for those that repay) ³	2,729	7.5

1 Average time to make first compulsory repayment is calculated by taking the first date a compulsory repayment posting was recorded for an individual and subtracting the date a debt posting was first recorded for the same individual.

2 Average time to make first voluntary repayment is calculated by taking the first date a voluntary repayment posting was recorded for an individual and subtracting the date a debt posting was first recorded for the same individual.

3 Average time to repay debt (for those who repay) is calculated by taking the last posting date on an individual's account which causes the debt to be paid and subtracting the date a debt posting was first recorded for the same individual.

WITHHOLDING TAX

Withholding tax is an amount withheld by a payer which is paid to the ATO in the name of the payee. For many payments it is compulsory for tax to be withheld by the payer, but in some circumstances individuals can choose whether to have tax withheld from a payment for them or to vary the amount withheld by lodging an application to do so.

Of all individuals who lodged a tax return in the 2006–07 income year, 86.8% of them claimed withholding tax to a total value of \$109.3 billion. Of the individuals who claimed to have tax withheld, most (92.1%) claimed tax withheld on income declared on the second page of their income tax returns, while 13.9% had net tax of less than zero due to refundable credits and offsets.

Table 2.21: Tax withholding claimed by individuals on their income tax return, 2006–07 income year

Type of withholding	Non-taxable		Taxable ¹		Total ²	
	No	\$m ³	No	\$m	No	\$m
Income						
Total tax withheld ⁴	1,298,022	1,211	8,140,370	95,359	9,438,392	96,570
TFN amounts withheld from gross interest	39,241	10	165,840	57	205,081	67
TFN amounts withheld from dividends	7,547	1	48,447	6	55,994	6
Partnerships and trusts						
Credit for tax withheld where ABN not quoted	636	..	2,935	3	3,571	3
Credit for TFN amounts withheld from interest, dividends, trusts	9,890	5	59,170	46	69,060	52
Share of credit for tax paid by trustee	514	4	1,908	10	2,422	15
Share of credit foreign resident withholding	690	..	3,175	2	3,865	2
Personal services income						
Tax withheld – voluntary agreement	478	1	5,234	40	5,712	40
Tax withheld where ABN not quoted	101	..	771	2	872	2
Tax withheld – labour hire or other	2,586	2	22,914	109	25,500	111
Net income or loss from business						
Tax withheld – voluntary	702	2	7,463	64	8,165	66
Tax withheld where ABN not quoted	156	..	841	2	997	2
Tax withheld – labour or other	492	1	3,936	25	4,428	25
Tax withheld – foreign resident withholding	40	..	174	3	214	3
Other income						
Credit for PAYG income tax instalments	104,195	315	1,260,517	12,010	1,364,712	12,325
Tax withheld – lump sum payments in arrears	267	..	2,330	10	2,597	11
Total tax withheld²	1,419,837	1,552	8,822,900	107,748	10,242,737	109,300

1 Taxable individuals are individuals whose net tax was greater than zero.

2 Components do not add to the total number of taxpayers as taxpayers may have claimed more than one type of withholding. Totals may differ from the sum of the components due to rounding.

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

4 Total tax withheld is the label on page 2 of the individual income tax return which is the sum of the tax withheld boxes on that page.

Of individuals lodging an application to vary their income tax withholding, a majority (72.7%) listed negatively geared real estate as one of their reasons for requesting a variation. The next most commonly listed reason was allowances, with 27.0% of individuals citing this reason.

Table 2.22: Reasons listed for variation on income tax withholding variation applications, 2006–07 income year

Reasons for Variation	No.
Negatively geared real estate	47,068
Allowances	17,490
Allowable deductions	3,738
Other negative gearing: other	1,248
Other negative gearing: bonds/shares/managed funds/infrastructure	1,204
Two or more employers: general	983
Taxable income is below the tax-free threshold	954
Other investments	693
Other reasons: excess tax instalment deductions, entitled to tax credit	451
Prior-year losses	349
Real estate – owned by a trust	289
Commission sales	156
Higher Education Loan Programme	115
Mobile certificate	67
Superannuation	31
Director's fees	20
Student Financial Supplement Scheme	9
Total¹	64,748

¹ Components do not add to the total number of taxpayers as taxpayers are able to list up to four reasons to vary their income tax withholding.

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 2006–07 income year, 79.9% of individuals received a refund which compared to 79.0% for the prior year.

Table 2.23: Tax refund or debit assessment for individuals, 2005–06 and 2006–07 income years

Refund/debit	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
Refund of \$10,000 or more	164,157	-3,338	185,303	-3,821
Refund between \$8,000 and \$9,999	89,217	-794	98,091	-873
Refund between \$6,000 and \$7,999	181,104	-1,244	199,391	-1,369
Refund between \$4,000 and \$5,999	439,293	-2,121	518,027	-2,493
Refund between \$2,000 and \$3,999	1,458,646	-4,072	1,718,035	-4,795
Refund between \$1 and \$1,999	6,766,087	-5,039	6,710,885	-5,486
Total refunds²	9,098,504	-16,607	9,429,732	-18,837
No refund or debit	438,279	0	485,748	0
Debit between \$1 and \$2,000	1,192,921	777	1,055,392	725
Debit between \$2,001 and \$4,000	288,372	824	285,944	818
Debit between \$4,001 and \$6,000	145,850	716	146,910	723
Debit between \$6,001 and \$8,000	87,253	604	92,528	641
Debit between \$8,001 and \$10,000	57,419	513	62,061	555
Debit of \$10,001 or more	202,361	7,708	240,916	10,058
Total debits²	1,974,176	11,142	1,883,751	13,519
Total²	11,510,959	-5,465	11,799,231	-5,317

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

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

SOURCE OF PERSONAL TAX STATISTICS

The statistics in this chapter are sourced from 2006 and 2007 individual income tax returns processed by 31 October 2007 and 31 October 2008 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. The statistics relating to HELP debt in this chapter are sourced from HELP debt transactions from 1989 to 30 June 2007. We recommend you exercise caution 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 2005–06 income years to include returns processed by 31 October 2008. These statistics cannot be compared to those in previous editions of *Taxation statistics*.

A copy of the individual return form is in the appendix. It may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of *Taxation statistics* on our 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 our website. The tables may be viewed or downloaded in PDF or Excel files.

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, 2006–07 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, and the 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, 2006–07 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, 2006–07 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. This part 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, 2006–07 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: ATO calculated and miscellaneous items** – contains data on ATO calculated items such as HELP assessment debt, Medicare levy surcharge, net tax and balance payable or refundable. This part 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 ATO 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 ATO 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, 2006–07 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 ATO 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: ATO calculated and miscellaneous items** – contains data on ATO calculated items such as HELP assessment debt, Medicare levy surcharge, net tax and balance payable or refundable. This part 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 ATO 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 ATO 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, 2006–07 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 1978–79 to 2006–07

This table shows the number of records and amounts for selected items from the individual tax return (including items calculated by the ATO) for all income years between 1978–79 and 2006–07.

Table 8: Non-resident individuals: selected items, by taxable income, 2006–07 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, 2006–07 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, 2006–07 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, 2006–07 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 broken down 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, 2006–07 income year

This table shows the number of single and married male, female and total personal taxpayers, classified by state or territory and broken down 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: Selected items, by occupation code, 2006–07 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 classified by salary and wage occupation codes. In addition, the number of non-taxable individuals classified by occupation code is shown. The occupation codes are based on information provided on the individual tax return.

Table 14: All items, by total income, 2006–07 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 ATO based on information provided on the return. Taxpayers and the data are broken down by total income.

- **Part A: ATO calculated and miscellaneous items** – contains data on ATO calculated items such as HELP assessment debt, Medicare levy surcharge, net tax and balance payable or refundable. This part 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 ATO 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 ATO 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, 2006–07 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 ATO, based on information provided on the return. Taxpayers and the data are broken down by total business income.

The statistics in the table refer only to taxpayers who had business income or losses. These are taxpayers who declared primary or non-primary production business income or losses 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: ATO calculated and miscellaneous items** – contains data on ATO calculated items such as HELP assessment debt, Medicare levy surcharge, net tax and balance payable or refundable. This part 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 ATO 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 returns (items T1–T15 on pages 3 and 8) and other tax offsets calculated by the ATO 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, 2006–07 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, 2006–07 income year

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

Table 18: Individuals incurring a HELP debt posting during an income year by birth year range, 2005–06 and 2006–07 income year

This table shows the number of individuals who incurred a HELP debt posting by birth year range during the 2005–06 and 2006–07 income year. It also shows the total value of the debt postings raised and the value of payments made for these individuals.

Table 19: HELP debt by age of debt, incurred from 1989 to 30 June 2007, yet to be repaid by 30 June 2007

This table shows the number of individuals who have a debt by the end of the 2006–07 income year and the sum of their debt by the age of the debt in years.

Table 20: HELP debt incurred from 1989 to 30 June 2007, by postcode, yet to be repaid in full by 30 June 2007

This table shows the number of individuals who have a debt by 30 June 2007 and the sum of their debt by postcode.

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

❗ Page numbers refer to the 2007 individual income tax return form used by tax agents on behalf of their clients. A copy of this form is in the appendix.

OVERVIEW

For the 2006–07 income year:

- 750,277 companies lodged returns, a 3.0% increase from 2005–06
- companies reported total income of \$2,044 billion, a 13.4% increase from 2005–06
- total company expenses were \$1,819 billion, a 12.9% increase from 2005–06
- companies were liable for \$58 billion in net tax, a 21.8% increase from 2005–06, and
- total assets controlled by companies were \$5,220 billion, a 15.8% increase from 2005–06.

For the 2007–08 financial year:

- petroleum resource rent tax totalled \$1.9 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

Chapter tables 3.3, 3.8 and 3.9 include a new segment for company size by total income. There are now six segments: loss/nil, micro, small, medium, large and very large.

COMPANY RETURNS

For the 2006–07 income year, a total of 750,277 companies lodged returns, a 3.0% increase on the number lodging for 2005–06.

Table 3.1: Companies, by taxable status, 2005–06 and 2006–07 income years

Taxable status	2005–06 ¹		2006–07 ¹	
	No.	%	No.	%
Non-taxable companies	409,966	56.3	424,310	56.6
Taxable companies ²	318,230	43.7	325,967	43.4
Total³	728,196	100.0	750,277	100.0

¹ Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

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

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

In the 2006–07 income year, 14.1% of total companies operated in the rental, hiring and real estate services industry, followed by 13.6% in the professional, scientific and technical 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 2005–06 and 2006–07.

Table 3.2: Companies¹, by industry, 2005–06 and 2006–07 income years

Industry ²	2005–06 ³		2006–07 ³	
	No.	%	No.	%
Agriculture, forestry and fishing	17,333	2.4	17,304	2.3
Mining	3,880	0.5	4,107	0.5
Manufacturing	39,245	5.4	39,230	5.2
Electricity, gas, water and waste services	1,998	0.3	2,085	0.3
Construction	87,366	12.0	90,545	12.1
Wholesale trade	39,106	5.4	39,825	5.3
Retail trade	42,536	5.8	43,293	5.8
Accommodation and food services	20,023	2.7	20,403	2.7
Transport, postal and warehousing	31,651	4.3	32,670	4.4
Information media and telecommunications	8,428	1.2	8,609	1.1
Financial and insurance services	102,830	14.1	100,678	13.4
Rental, hiring and real estate services	103,728	14.2	105,433	14.1
Professional, scientific and technical services	100,482	13.8	102,411	13.6
Administrative and support services	22,281	3.1	23,226	3.1
Public administration and safety	3,177	0.4	3,246	0.4
Education and training	6,644	0.9	6,909	0.9
Health care and social assistance	26,690	3.7	27,242	3.6
Arts and recreation services	6,828	0.9	6,881	0.9
Other services	25,255	3.5	25,744	3.4
Other ⁴	38,715	5.3	50,436	6.7
Total⁵	728,196	100.0	750,277	100.0

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

2 The industry groups are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 codes on the Australian Business Register.

3 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 the 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 3 of the 2007 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 to or more than \$10 million but less than \$100 million.

Large companies have a total income equal to or more than \$100 million but less than \$250 million.

Very large companies have a total income equal to or more than \$250 million.

In terms of company size, 78.4% of companies were classified as micro companies in the 2006–07 income year, while very large companies accounted for 0.1% of the total number of companies. These proportions remained consistent across 2005–06 and 2006–07.

Table 3.3: Companies¹, by company size, 2005–06 and 2006–07 income years

Company size	2005–06 ²		2006–07 ²	
	No.	%	No.	%
Loss/nil	94,746	13.0	100,776	13.4
Micro	576,626	79.2	588,332	78.4
Small	44,055	6.0	47,221	6.3
Medium	11,148	1.5	12,115	1.6
Large	885	0.1	1,007	0.1
Very large	736	0.1	826	0.1
Total³	728,196	100.0	750,277	100.0

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

2 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

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

COMPANY INCOME

For the 2006–07 income year, companies reported total income of \$2,044 billion, an increase of 13.4% from 2005–06. The financial and insurance services sector income represented 34.3% of all total company income. In dollar terms, this industry recorded the largest increase in income at around \$99 billion. Electricity, gas, water and waste services recorded the largest year on year income growth at 51.2%.

Table 3.4: Company income, by industry, 2005–06 and 2006–07 income years

Industry ¹	2005–06 ²		2006–07 ²	
	\$m	%	\$m	%
Agriculture, forestry and fishing	25,852	1.4	25,991	1.3
Mining	99,539	5.5	130,224	6.4
Manufacturing	199,672	11.1	219,802	10.8
Electricity, gas, water and waste services	11,415	0.6	17,264	0.8
Construction	102,680	5.7	121,657	6.0
Wholesale trade	205,990	11.4	223,695	10.9
Retail trade	180,827	10.0	190,976	9.3
Accommodation and food services	23,474	1.3	24,862	1.2
Transport, postal and warehousing	69,742	3.9	78,630	3.8
Information media and telecommunications	36,601	2.0	43,446	2.1
Financial and insurance services	601,668	33.4	700,997	34.3
Rental, hiring and real estate services	64,030	3.6	66,911	3.3
Professional, scientific and technical services	73,069	4.1	88,543	4.3
Administrative and support services	33,454	1.9	37,854	1.9
Public administration and safety	3,571	0.2	3,695	0.2
Education and training	3,095	0.2	3,458	0.2
Health care and social assistance	15,557	0.9	17,731	0.9
Arts and recreation services	10,634	0.6	10,705	0.5
Other services	18,332	1.0	19,972	1.0
Other ³	23,355	1.3	17,658	0.9
Total⁴	1,802,559	100.0	2,044,069	100.0

1 The industry groups are based on the ANZSIC 2006 codes on the Australian Business Register.

2 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 the components due to rounding.

For the 2006–07 income year, 70.5% of company income was derived from sales of goods and services. The largest growth in company income from any one source was from gross dividends, with 47.0% growth for 2006–07.

Table 3.5: Company income, by source, 2005–06 and 2006–07 income years

Source of income	No.	2005–06 ¹		2006–07 ¹	
			\$m	No.	\$m
Sales of goods and services	271,285	1,308,516	274,624	1,441,664	
Other gross income	308,790	259,152	317,074	312,587	
Gross interest	375,749	136,663	390,666	171,629	
Gross rent/leasing/hiring	66,354	27,640	66,276	29,379	
Gross dividends	59,269	26,044	59,315	38,272	
Gross distribution from trusts	69,258	25,722	69,770	30,128	
Unrealised gains on revaluation of assets to fair value	1,373	12,358	1,733	13,839	
Gross distribution from partnerships	11,858	3,344	11,637	3,048	
Assessable government industry payments	25,319	2,193	28,578	2,496	
Fringe benefit employee contributions	62,417	416	63,664	452	
Gross payments subject to foreign resident withholding	609	363	670	487	
Gross payments where ABN not quoted	242	148	262	88	
Total²	635,188	1,802,559	651,194	2,044,069	

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 the components due to rounding.

COMPANY EXPENSES

For the 2006–07 income year, company expenses totalled \$1,819.3 billion, an increase of 12.9% from 2005–06.

The financial and insurance services sector expenses represented 31.7% of all total company expenses. In dollar terms, this industry recorded the largest increase in expenses at around \$91 billion. Electricity, gas, water and waste services recorded the largest year on year expense growth at 55.6%.

Table 3.6: Company expenses, by industry, 2005–06 and 2006–07 income years

Industry ¹	2005–06 ²		2006–07 ²	
	\$m	%	\$m	%
Agriculture, forestry and fishing	24,456	1.5	24,796	1.4
Mining	80,777	5.0	102,246	5.6
Manufacturing	178,559	11.1	195,725	10.8
Electricity, gas, water and waste services	10,368	0.6	16,131	0.9
Construction	95,493	5.9	110,273	6.1
Wholesale trade	196,874	12.2	213,377	11.7
Retail trade	174,629	10.8	184,348	10.1
Accommodation and food services	22,328	1.4	23,336	1.3
Transport, postal and warehousing	66,330	4.1	74,196	4.1
Information media and telecommunications	31,125	1.9	37,397	2.1
Financial and insurance services	511,101	31.7	601,741	33.1
Rental, hiring and real estate services	55,754	3.5	58,412	3.2
Professional, scientific and technical services	67,225	4.2	79,838	4.4
Administrative and support services	31,927	2.0	36,046	2.0
Public administration and safety	3,326	0.2	3,325	0.2
Education and training	2,930	0.2	3,183	0.2
Health care and social assistance	14,439	0.9	16,173	0.9
Arts and recreation services	9,323	0.6	9,352	0.5
Other services	17,214	1.1	18,701	1.0
Other ³	17,827	1.1	10,735	0.6
Total⁴	1,612,007	100.0	1,819,332	100.0

1 The industry groups are based on the ANZSIC 2006 codes on the Australian Business Register.

2 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 the components due to rounding.

For the 2006–07 income year, 47.8% of total company expenses were related to the cost of sales. The largest growth in company expenses from any one source was from bad debts, with 148.7% growth for 2006–07. The financial and insurance services sector accounted for 83.1% of the total bad debt expense of all companies.

Table 3.7: Company expenses, by type, 2005–06 and 2006–07 income years

Type of expense	No.	2005–06 ¹		2006–07 ¹	
			\$m	No.	\$m
Cost of sales	230,508	799,889	233,522	869,290	
Other expenses	644,922	484,095	661,630	562,632	
Interest expenses – Australia	288,931	96,063	299,353	121,838	
External labour	133,710	62,110	137,130	69,549	
Depreciation	423,214	44,347	430,753	49,075	
Rent	214,052	25,678	218,329	28,035	
Interest expenses – overseas	9,016	26,627	8,349	33,336	
Employee superannuation	315,502	20,845	323,642	24,749	
Repairs and maintenance	278,896	14,894	278,497	15,904	
Motor vehicle	323,553	9,368	329,024	9,801	
Unrealised losses on revaluation of assets to fair value	2,400	9,118	2,296	9,052	
Lease expenses – Australia	63,990	6,369	61,709	7,532	
Bad debts	38,856	3,287	38,693	8,176	
Royalty expenses – Australia	5,328	5,233	5,389	5,773	
Royalty expenses – overseas	1,432	3,652	1,388	4,280	
Lease expenses – overseas	1,378	414	1,233	281	
Foreign resident withholding expenses	67	17	100	29	
Total²	653,667	1,612,007	670,843	1,819,332	

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 the 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 2006–07 income year, companies reported total assets of \$5,220.5 billion. This represents an increase of some \$710.5 billion, or 15.8%, compared to 2005–06. Total company liabilities rose in 2006–07 with an additional \$557.4 billion reported, an increase of 16.0%.

Table 3.8: Company¹ assets and liabilities, by company size, 2005–06 and 2006–07 income years

Company size	2005–06 ²				2006–07 ²			
	Total liabilities		Total assets		Total liabilities		Total assets	
	\$m	%	\$m	%	\$m	%	\$m	%
Loss/nil	17,735	0.5	27,174	0.6	20,217	0.5	37,143	0.7
Micro	164,707	4.7	302,373	6.7	164,062	4.1	302,865	5.8
Small	103,237	3.0	174,909	3.9	109,917	2.7	191,813	3.7
Medium	268,429	7.7	403,373	8.9	308,655	7.6	458,225	8.8
Large	188,590	5.4	250,095	5.5	232,730	5.8	310,946	6.0
Very large	2,746,956	78.7	3,352,122	74.3	3,211,431	79.4	3,919,500	75.1
Total³	3,489,653	100.0	4,510,045	100.0	4,047,012	100.0	5,220,493	100.0

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

2 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

3 Totals may differ from the sum of the 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	Total profit or loss (item – 6T)
add or subtract	Extraordinary items and reconciliation items ²
<i>gives</i>	<i>Taxable income or loss (calculated item A)</i>
apply	Relevant tax rate ³
<i>gives</i>	<i>Gross tax (calculated item B)</i>
subtract	Rebates/tax offsets, foreign tax credits, franking deficit tax offset (calculated items C, D and E)
<i>gives</i>	<i>Tax payable⁴</i>
subtract	Other refundable credits (calculated item Z)
<i>gives</i>	<i>Net tax</i>
<p>1 Items in brackets refer to company tax return labels.</p> <p>2 Adjustments made for items where the tax treatment differs from the company's accounting treatment.</p> <p>3 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.</p> <p>4 Located below calculation item G on the company income tax return form.</p>	

Companies were liable for \$58.3 billion in net tax for the 2006–07 income year, a 21.8% increase from 2005–06. This increase was due in part to strong performances in the mining and financial sectors. Very large companies accounted for 0.2% of the total number of taxable companies, but were liable for 60.3% of total company net tax. Conversely, the micro company segment represented the largest proportion of total company numbers, accounting for 86.3% of companies but paying 11.1% of the total net tax due.

Table 3.9: Company net tax¹, by company size, 2005–06 and 2006–07 income years

Company size	2005–06 ²		2006–07 ²	
	No.	\$m	No.	\$m
Loss/nil	394	78	475	163
Micro	277,253	5,882	281,285	6,456
Small	31,015	4,704	33,601	5,517
Medium	8,333	6,325	9,162	7,574
Large	672	2,825	778	3,444
Very large	563	28,007	666	35,118
Total ³	318,230	47,822	325,967	58,271

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

2 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

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

In the 2006–07 income year public companies accounted for \$37.2 billion (63.9%) of total net tax but represented only 1.2% of the number of taxable companies. Private companies accounted for \$20.5 billion (35.1%) of total net tax, but represented 87.3% of taxable companies.

Table 3.10: Company net tax, by company type, 2006–07 income year

Company type	Taxable companies		Average net tax ¹	
	No.	Net tax \$m ²	\$	
Public company	3,791	37,245	9,824,561	
Private company	284,587	20,461	71,897	
Public trading trust	120	271	2,257,983	
Limited partnership	461	162	350,632	
Cooperative	1,037	85	81,686	
Strata title	35,209	18	513	
Corporate unit trust	52	16	315,608	
Non-profit organisation	665	7	10,048	
Pooled development fund	12	4	348,431	
Other	33	2	70,864	
Total³	325,967	58,271	178,763	

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 the components due to rounding.

In the 2006–07 income year, 1.2% of taxable companies were each liable for \$1 million or more in net tax, and in aggregate they were liable for 77.7% of total company net tax.

Table 3.11: Taxable companies, by net tax, 2006–07 income year

Net tax	Taxable companies		Net tax	
	No.	%	\$m	%
\$1–\$9,999	174,065	53.4	472	0.8
\$10,000–\$49,999	90,111	27.6	2,147	3.7
\$50,000–\$99,999	25,776	7.9	1,823	3.1
\$100,000–\$499,999	28,257	8.7	5,877	10.1
\$500,000–\$999,999	3,853	1.2	2,680	4.6
\$1,000,000 or more	3,905	1.2	45,272	77.7
Total¹	325,967	100.0	58,271	100.0

1 Totals may differ from the sum of the 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. The 2007 company tax return includes a list of possible reconciliation items.

In the 2006–07 income year, the number of non-taxable companies increased by 3.5% from the previous year. Companies with zero profit and nil total income had the largest increase at 9.0%.

Table 3.12: Non-taxable companies¹, 2005–06 and 2006–07 income years

Non-taxable companies	2005–06 ²		2006–07 ²	
	No.	%	No.	%
Trading at a loss	242,826	59.2	247,701	58.4
Zero profit, nil total income	53,020	12.9	57,802	13.6
Zero profit with total income	19,292	4.7	20,692	4.9
Trading profit offset by reconciliation	84,710	20.7	88,215	20.8
Trading profit offset by other credits	10,118	2.5	9,900	2.3
Total	409,966	100.0	424,310	100.0

1 Non-taxable companies are defined as companies with net tax less than or equal to \$0.
2 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

Accommodation and food services had the highest proportion of non-taxable companies to total companies within its industry at 68.2%. Industry proportions remained largely consistent across 2005–06 and 2006–07.

Table 3.13: Non-taxable companies¹, by industry, 2005–06 and 2006–07 income years

Industry ²	2005–06 ³		2006–07 ³	
	Non-taxable No.	Percentage of total companies %	Non-taxable No.	Percentage of total companies %
Agriculture, forestry and fishing	11,068	63.9	11,339	65.5
Mining	2,640	68.1	2,751	67.0
Manufacturing	21,644	55.2	21,887	55.8
Electricity, gas, water and waste Services	1,157	57.9	1,213	58.2
Construction	49,879	57.1	52,303	57.8
Wholesale trade	22,126	56.6	22,854	57.4
Retail trade	25,647	60.3	26,316	60.8
Accommodation and food services	13,598	67.9	13,905	68.2
Transport, postal and warehousing	19,742	62.4	20,168	61.7
Information media and telecommunications	5,580	66.2	5,709	66.3
Financial and insurance services	52,824	51.4	51,994	51.6
Rental, hiring and real estate services	50,368	48.6	49,360	46.8
Professional, scientific and technical services	58,442	58.2	59,989	58.6
Administrative and support services	12,706	57.0	13,177	56.7
Public administration and safety	1,941	61.1	1,977	60.9
Education and training	4,296	64.7	4,454	64.5
Health care and social assistance	14,960	56.1	15,624	57.4
Arts and recreation services	4,510	66.1	4,600	66.9
Other services	14,825	58.7	15,261	59.3
Other ⁴	22,013	56.9	29,429	58.3
Total⁵	409,966	56.3	424,310	56.6

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

2 The industry groups are based on the ANZSIC 2006 codes on the Australian Business Register.

3 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 the 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 ATO 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 2007–08 financial year petroleum resource rent tax increased 9.9% to total around \$1.9 billion. The increase was due in part to higher commodity prices and the effect of legislative changes on 2006–07 net collections. (From 1 July 2006 taxpayers transfer and deduct transferable exploration expenditure when calculating their quarterly instalment payments whereas in prior years this expenditure was deducted at the end of the tax year). There was also an increase in new taxpayer lodgments reflecting new and existing field activity. The majority of new taxpayers did not have a PRRT liability due to large expenditures incurred.

Table 3.14: Petroleum resource rent tax, 2006–07 and 2007–08 financial years

PRRT	2006–07 ¹	2007–08
	No.	No.
Number of taxpayers	42	57
	\$m	\$m
Assessable receipts	9,005	11,481
Expenditure – class 2 general ²	4,862	7,843
Expenditure – class 2 exploration ³	318	959
Expenditure – other	380	231
<i>Expenditure – total</i>	<i>5,560</i>	<i>9,033</i>
Transferred expenditure – section 45a ⁴	356	546
Transferred expenditure – section 45b ⁵	637	586
<i>Transferred expenditure – total</i>	<i>993</i>	<i>1,132</i>
Taxable profit	4,419	4,858
Carry forward expenditure	1,967	3,542
Total PRRT paid on taxable profit	1,768	1,943

1 2006–07 class 2's and other expenditure amounts corrected to re-align to their relevant category.
2 General project operating expenditure (drilling plant and equipment, pipelines and wage costs) incurred on or after 1 July 1990.
3 Project exploration expenditure (exploration and appraisal drilling) incurred on or after 1 July 1990.
4 Exploration expenditure incurred on or after 1 July 1990 transferred from other petroleum projects of a taxpayer.
5 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 2006 and 2007 company income tax returns processed by 31 October 2007 and 31 October 2008 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 petroleum resource rent tax statistics were sourced from petroleum resource rent tax instalment statements and the petroleum resource rent tax returns for the 2007 and 2008 financial years. These statements were processed by 31 October 2007 and 31 October 2008 respectively.

Statistics in the detailed tables have been updated for the 1989–90 to 2006–07 income years to include returns processed by 31 October 2008. 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 in PDF file format from the attached CD-ROM or from the online version of *Taxation statistics* on our 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 our website. The tables may be viewed or downloaded in Adobe Acrobat (PDF) or Microsoft Excel (XLS).

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, 2006–07 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, 2006–07 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 3 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 3 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 3 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 4 of the company return.
- **Part E: Calculation statement items** – contains labels from item 9 ‘STS depreciating assets’ and item 11 ‘Losses information’ on page 4, and tax offset label item 17 ‘Landcare and water facility offset’ on page 5 and the ‘Calculation statement’ on page 6 of the company return.

ⓘ In order to meet privacy regulations, statistics for some items may not be included in these tables.

Table 3: Number of companies and net tax, by balance date, 2006–07 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, 2006–07 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 3 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 3 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 3 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 4 of the company return.
- **Part E: Calculation statement items** – contains labels from item 9 ‘STS depreciating assets’ and item 11 ‘Losses information’ on page 4, and tax offset label item 17 ‘Landcare and water facility tax offset’ on page 5 and the ‘Calculation statement’ on page 6 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 company size, for non-membership period returns’).

Table 5: Selected items and financial ratios for medium to large companies, by broad industry, 2006–07 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, 1979–80 to 2006–07 income years

This table shows selected items from the company tax return for income years 1979–80 to 2006–07. 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, 2006–07 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 3 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 3 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 3 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 4 of the company return.
- **Part E: Calculation statement items** – contains labels from item 9 ‘STS depreciating assets’ and item 11 ‘Losses information’ on page 4, and tax offset label item 17 ‘Landcare and water facility tax offset’ on page 5 and the ‘Calculation statement’ on page 6 of the company return.

ⓘ In order to meet privacy regulations, statistics for some items may not be included in these tables.

Table 8: Selected items, by broad industry and total income, 2006–07 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 (items not included in Table 4), by fine industry, 2006–07 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 broad 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.

ⓘ In order to meet privacy regulations, statistics for some items may not be included in this table.

Table 10: Selected financial and other information, by company size, for non-membership period returns, 2006–07 income year

This table details selected labels from item 8 ‘Financial and other information’ on page 4 of the company return for subsidiary companies (non-membership period returns) that were members of a consolidated group at any time during the 2006–07 income year.

Table 11: Petroleum resource rent tax statistics, 1999–00 to 2007–08 financial years

This table details selected items reported in the petroleum resource rent tax returns for the 1999–00 to 2007–08 financial years processed by 31 October of each year.

Table 12: Company tax return lodgment numbers and method by company size, 1989–90 to 2006–07 income years

This table details company tax return lodgment numbers and method (paper and electronic) by company size for the 1989–90 to 2006–07 income years. Electronic lodgment services first became available to companies in 1993–94.

OVERVIEW

For the 2006–07 income year:

- 321,700 funds lodged returns, a 12.6% increase from 2005–06
- funds reported total income of \$141.5 billion, a 37.5% increase from 2005–06
- total fund deductions were \$35.2 billion, a 22.0% increase from 2005–06, and
- funds were liable for \$10.5 billion in net tax, a 56.7% increase from 2005–06.

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 Australian Prudential Regulation Authority funds (APRA 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 ATO. 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, refer to chapter 15.

NEW FEATURES AND INFORMATION

Statistics for the 2006–07 income year reported in this chapter may have been affected by the following changes:

- a transitional non-concessional contribution cap of \$1 million of undeducted contributions applied to members for the period 10 May 2006 to 30 June 2007, and
- section 275B *Income Tax Assessment Act 1936* has been amended to ensure that funding credits can only be applied to reduce tax on contributions that are used to fund liabilities that accrued prior to 1 July 1988.

FUND RETURNS

For the 2006–07 income year, 321,700 funds lodged returns in Australia, a 12.6% increase from 2005–06. Self-managed superannuation funds were the most common type of fund, accounting for 97.8% of total funds. Self-managed funds grew by 13.3% reflecting the changes to superannuation announced in the 2006–07 federal budget. Self-managed funds were the only fund type to experience growth, all other fund types as a group decreased by 12.1%.

Table 4.1: Funds, by type, 2005–06 and 2006–07 income years

Fund type	2005–06 ¹		2006–07 ¹	
	No.	%	No.	%
Self-managed superannuation fund	277,811	97.2	314,691	97.8
Small Australian Prudential Regulatory Authority fund	6,577	2.3	5,883	1.8
Large fund types ²				
Corporate fund	515	0.2	328	0.1
Industry fund	62	0.0	58	0.0
Retail fund	299	0.1	259	0.1
Public sector fund	39	0.0	36	0.0
<i>Total large fund types</i>	<i>915</i>	<i>0.3</i>	<i>681</i>	<i>0.2</i>
Non-regulated fund	336	0.1	325	0.1
Other ³	145	0.1	120	0.0
Total⁴	285,784	100.0	321,700	100.0

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

2 This term should not be confused with 'large funds', which refers to funds with income of more than \$100 million but less than \$250 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 the 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 2006–07, 66.8% 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 2006–07, growing by 17.8%. The majority of this growth was from newly created self-managed funds.

Table 4.2: Funds, by industry, 2005–06 and 2006–07 income years

Industry ¹	2005–06 ²		2006–07 ²	
	No.	%	No.	%
Building and construction	19,482	6.8	20,231	6.3
Electricity, gas and water	1,251	0.4	1,299	0.4
Entertainment, recreation, hotels, personal services and restaurants	8,720	3.1	9,097	2.8
Finance, insurance, real estate and business services	182,351	63.8	214,781	66.8
Government	715	0.3	817	0.3
Health, education, welfare and community services	18,985	6.6	19,590	6.1
Manufacturing	7,791	2.7	7,795	2.4
Mining	1,730	0.6	1,884	0.6
Primary production	13,835	4.8	14,795	4.6
Transport, storage and communications	6,811	2.4	6,966	2.2
Wholesale and retail trade	21,682	7.6	22,076	6.9
Other ³	2,431	0.9	2,369	0.7
Total⁴	285,784	100.0	321,700	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 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 the 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 4 of the 2007 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 equal to or more than \$10 million but less than \$100 million

Large funds have a total income equal to or more than \$100 million but less than \$250 million

Very large funds have a total income equal to or more than \$250 million.

Micro funds accounted for 95.6% of the total number of funds in 2006–07. Small, medium, large and very large funds accounted for less than 0.3% of the total number of funds, while 4.1% of funds had total income equal to or less than \$0. The number of funds in a loss/nil position almost doubled from 2005–06 to 2006–07. Most of these were self-managed funds, with a 79.5% increase in self-managed funds in a loss/nil position from 2005–06 to 2006–07.

Table 4.3: Funds, by size, 2005–06 and 2006–07 income years

Fund size	2005–06 ¹		2006–07 ¹	
	No.	%	No.	%
Loss/nil	7,368	2.6	13,136	4.1
Micro	277,731	97.2	307,652	95.6
Small	341	0.1	557	0.2
Medium	214	0.1	213	0.1
Large	56	0.0	56	0.0
Very large	74	0.0	86	0.0
Total²	285,784	100.0	321,700	100.0

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.
2 Totals may differ from the sum of the components due to rounding.

FUND INCOME

For the 2006–07 income year, funds reported total income of \$141.5 billion, a 37.5% increase from 2005–06. Although retail funds represented less than 0.1% of funds, they accounted for 32.5% of total fund income. Self-managed superannuation fund income grew by 53.4% which was attributed to a combination of population and income growth.

Table 4.4: Fund total income, by fund type, 2005–06 and 2006–07 income years

Fund type	2005–06 ¹		2006–07 ¹	
	\$m	%	\$m	%
Self-managed superannuation fund	22,609	22.0	34,674	24.5
Small Australian Prudential Regulatory Authority fund	316	0.3	373	0.3
Large fund types				
Corporate fund	10,256	10.0	12,300	8.7
Industry fund	22,570	21.9	25,525	18.0
Retail fund	29,808	29.0	46,037	32.5
Public sector fund	14,024	13.6	17,155	12.1
<i>Total large fund types²</i>	<i>76,658</i>	<i>74.5</i>	<i>101,017</i>	<i>71.4</i>
Non-regulated fund	35	0.0	8	0.0
Other ³	3,289	3.2	5,384	3.8
Total⁴	102,907	100.0	141,456	100.0

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.
2 This term should not be confused with 'large funds', which refers to funds with income of more than \$100 million but less than \$250 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 the components due to rounding.

The finance, insurance, real estate and business services industry generated 40.4% of total fund income and represented 66.8% of the total number of funds in 2006–07. Income growth was strong across all industries, including building and construction (33.5%), mining (36.3%) and transport, storage and communications (36.9%).

Table 4.5: Fund total income, by industry, 2005–06 and 2006–07 income years

Industry ¹	2005–06 ²		2006–07 ²	
	\$m	%	\$m	%
Building and construction	3,406	3.3	4,545	3.2
Electricity, gas and water	1,656	1.6	2,080	1.5
Entertainment, recreation, hotels, personal services and restaurants	2,183	2.1	2,965	2.1
Finance, insurance, real estate and business services	41,498	40.3	57,116	40.4
Government	14,850	14.4	19,069	13.5
Health, education, welfare and community services	9,938	9.7	12,984	9.2
Manufacturing	9,060	8.8	12,028	8.5
Mining	1,557	1.5	2,123	1.5
Primary production	1,742	1.7	1,743	1.2
Transport, storage and communications	3,917	3.8	5,364	3.8
Wholesale and retail trade	5,999	5.8	7,499	5.3
Other ³	7,101	6.9	13,941	9.9
Total⁴	102,907	100.0	141,456	100.0

1 Fund industry groupings are different from the 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 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 the components due to rounding.

The total income of funds increased by 37.5% from 2005–06 to 2006–07, while the number for funds reporting total income grew by 10.8%. The main income source for funds was contributions from employers, which grew by 22.1% in 2006–07 and accounted for 39.2% of total income. Employee contributions were a stand out and grew by 106.8% and accounted for almost 7% of total income. Net capital gains grew by 46.0% in 2006–07 as a result of 26.5% more funds realising larger capital gains. Net capital gains accounted for 20.7% of fund income.

Table 4.6: Fund income, by source, 2005–06 and 2006–07 income years

Source of income	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
Employer contributions	161,637	45,394	176,360	55,447
Net capital gains	123,560	20,039	156,349	29,265
Distributions from trusts	155,870	11,629	172,150	15,106
Employee contributions	41,403	4,502	65,160	9,311
Dividends franked	182,914	6,318	198,373	8,087
Net foreign income	130,145	3,632	146,923	7,779
Gross interest	253,398	3,829	278,242	4,797
Franking credits	182,938	2,667	198,389	3,474
Gross rents	42,466	1,365	47,146	1,579
Dividends unfranked	132,133	711	144,939	679
Distributions from partnerships	3,132	84	3,423	100
Assessable amounts from non-resident superannuation funds	105	7	126	20
Australian franking credits from a New Zealand company	631	2	553	10
Net non-arms length income	57	2	47	3
Gross payments where Australian Business Number not quoted ²	102	..	136	..
Net previous income ²	8	..	11	..
Gross payments subject to foreign resident withholding ²	315	..	231	..
Other income	32,983	2,725	37,263	5,798
Total³	278,443	102,907	308,593	141,456

¹ Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

² ‘..’ means rounded to zero but not zero.

³ Components do not add to the total number of taxpayers as taxpayers may declare more than one income source. Totals may differ from the sum of the components due to rounding.

FUND DEDUCTIONS

Total deductions for the 2006–07 income year were \$35.2 billion, a 22.0% increase from 2005–06. Self-managed superannuation funds' deductions grew by 47.6%, driven partly by the spike in self-managed superannuation fund numbers. Retail funds recorded an increase in deductions of 24.6% from 2005–06 to 2006–07.

Table 4.7: Fund total deductions, by fund type, 2005–06 and 2006–07 income years

Fund type	2005–06 ¹		2006–07 ¹	
	\$m	%	\$m	%
Self-managed superannuation fund	5,222	18.1	7,709	21.9
Small Australian Prudential Regulatory Authority fund	125	0.4	135	0.4
Large fund types				
Corporate fund	1,246	4.3	1,345	3.8
Industry fund	2,365	8.2	2,610	7.4
Retail fund	14,120	48.9	17,591	49.9
Public sector fund	5,645	19.5	5,736	16.3
<i>Total large fund types²</i>	<i>23,376</i>	<i>80.9</i>	<i>27,282</i>	<i>77.4</i>
Non-regulated fund	4	0.0	4	0.0
Other ³	165	0.6	120	0.3
Total⁴	28,892	100.0	35,250	100.0

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 the 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. All industry groups recorded strong growth in deductions, except for primary production which remained steady.

Table 4.8: Fund total deductions, by industry, 2005–06 and 2006–07 income years

Industry	2005–06 ¹		2006–07 ¹	
	\$m	%	\$m	%
Building and construction	558	1.9	692	2.0
Electricity, gas and water	166	0.6	195	0.6
Entertainment, recreation, hotels, personal services and restaurants	260	0.9	335	1.0
Finance, insurance, real estate and business services	16,175	56.0	19,941	56.6
Government	6,059	21.0	6,375	18.1
Health, education, welfare and community services	1,150	4.0	1,451	4.1
Manufacturing	2,170	7.5	2,696	7.6
Mining	182	0.6	212	0.6
Primary production	291	1.0	291	0.8
Transport, storage and communications	403	1.4	442	1.3
Wholesale and retail trade	660	2.3	832	2.4
Other ²	818	2.8	1,788	5.1
Total³	28,892	100.0	35,250	100.0

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.
2 Includes funds that nominated 'other' on their tax return, approved deposit funds and pooled superannuation trusts.
3 Totals may differ from the sum of the components due to rounding.

Exempt pension income was the most significant fund deduction for 2006–07, accounting for 37.5% or \$13.2 billion of total deductions. This represented a 32.9% increase from 2005–06. The other significant deduction was the transfer of taxable contributions which accounted for 36.1% or \$11.7 billion of total deductions. This deduction generally reflects the move of existing money in industry or retail funds to self-managed superannuation funds.

Table 4.9: Total fund deductions, by type, 2005–06 and 2006–07 income years

Type of deduction	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
Exempt current pension income	45,982	9,942	55,390	13,213
Transfer of taxable contributions	96	9,746	79	11,654
Management/administration expenses	220,670	2,708	244,284	3,227
Group life and disability premiums	36,334	2,692	39,540	3,074
Investment expenses	70,649	1,853	81,055	1,903
Depreciation deducted	18,656	76	20,026	79
Losses recouped ²	6,956	50	6,535	71
Total salary and wage expenses	123	68	131	67
Interest expenses – Australia	16,066	31	20,771	43
Capital works deductions	5,757	34	6,071	36
Interest expenses – overseas ³	211	..	254	..
Foreign resident withholding expenses ³	5	..	9	..
Other deductions	76,605	1,692	74,611	1,881
Total^{4,5}	272,583	28,892	297,499	35,250

¹ Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

² Also referred to as 'tax losses deducted'.

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

⁴ Taxpayers can claim more than one type of deduction.

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

FUND NET TAX

For the 2006–07 income year, total fund net tax increased by 56.7% to \$10.5 billion. Industry funds accounted for 24.2% or \$2.5 billion of the total net tax payable, a 20.1% increase from 2005–06. Self-managed superannuation funds' net tax grew by 79.8% to be \$2.3 billion, representing 21.5% of total fund net tax.

Table 4.10: Fund net tax, by fund type, 2005–06 and 2006–07 income years

Fund type	No.	2005–06 ¹		2006–07 ¹	
			\$m	No.	\$m
Self-managed superannuation fund	261,086	1,257	291,648	2,260	
Small APRA fund	6,421	–1	5,690	5	
Large fund types					
Corporate fund	456	968	294	1,246	
Industry fund	61	2,120	57	2,545	
Retail fund	237	1,432	204	2,858	
Public sector fund	36	544	33	963	
<i>Total large fund types</i>	790	5,064	588	7,612	
Non-regulated fund	151	14	120	2	
Other	109	368	90	624	
Total²	268,557	6,701	298,136	10,503	

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.
2 Totals may differ from the sum of the components due to rounding.

Box 4.2: Calculating net tax for funds¹

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>	<i>Net tax</i>

1 Items in brackets refer to fund tax return labels.

The finance, insurance, real estate and business services industry was liable for \$3.5 billion or 33.8% of fund net tax in 2006–07 and grew by 62.6% over 2005–06. A high proportion of self-managed superannuation funds classify themselves into this industry. All industry types have recorded very strong growth in net tax, except for primary production which grew by 6.6%.

Table 4.11: Fund net tax, by industry, 2005–06 and 2006–07 income years

Industry ¹	2005–06 ²		2006–07 ²	
	No.	\$m	No.	\$m
Building and construction	18,223	296	18,783	390
Electricity, gas and water	1,177	139	1,217	199
Entertainment, recreation, hotels, personal services and restaurants	7,980	202	8,267	283
Finance, insurance, real estate and business services	171,120	2,182	198,447	3,548
Government	674	587	755	1,093
Health, education, welfare and community services	18,293	939	18,692	1,251
Manufacturing	7,363	626	7,330	937
Mining	1,633	152	1,771	227
Primary production	13,079	139	13,742	148
Transport, storage and communications	6,346	344	6,439	538
Wholesale and retail trade	20,480	531	20,596	675
Other	2,189	564	2,097	1,213
Total³	268,557	6,701	298,136	10,503

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 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

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

All fund sizes experienced growth in net tax during 2006–07, with overall growth of 56.7% or 3.8 billion. Net tax paid by very large funds increased by 69.8% or \$2.7 billion, with much of the increase driven by retail funds which represented more than 50% or \$1.4 billion of the increase. Overall, very large funds were liable for 63.2% of net tax in 2006–07, compared with 58.3% in 2005–06. Micro funds increased by 73.5% or \$937 million, driven primarily by increases in income and numbers of self-managed superannuation funds.

Table 4.12: Fund net tax, by fund size, 2005–06 and 2006–07 income years

Fund size	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
Loss/nil ²	48	..	55	..
Micro	267,862	1,274	297,208	2,211
Small	330	88	546	111
Medium	198	685	196	701
Large	50	745	51	842
Very large	69	3,909	80	6,639
Total³	268,557	6,701	298,136	10,503

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.
2 ‘..’ means rounded to zero but not zero.
3 Totals may differ from the sum of the components due to rounding.

SOURCE OF FUND STATISTICS

The statistics in this chapter are sourced from 2006 and 2007 fund income tax returns processed by 31 October 2007 and 31 October 2008 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 1989–90 to 2006–07 income years to include returns processed by 31 October 2008. These statistics cannot be compared to those in previous editions of *Taxation statistics*.

A copy of the fund income tax return form is in the appendix. It may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of *Taxation statistics* on our 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 our website. The tables may be viewed or downloaded in 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, 2006–07 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, 2006–07 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 3 of the fund tax return.
- **Part B: Income items** – contains income labels from item 9a ‘Income’ on page 4 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 5 of the fund tax return.
- **Part D: Other information** – contains labels from item 11 ‘Other information’ on page 5 of the fund tax return.

ⓘ In order to meet privacy regulations, statistics for some items may not be included in the tables.

Table 3: Selected items for income years 1988–89 to 2006–07

This table shows selected items from the fund tax return for income years 1988–89 to 2006–07. The number of records and amounts for most items are shown.

Table 4: Selected items, by taxable income, 2006–07 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 3 of the fund tax return.
- **Part B: Income items** – contains income labels from item 9a ‘Income’ on page 4 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 5 of the fund tax return.
- **Part D: Other information** – contains labels from item 11 ‘Other information’ on page 5 of the fund tax return

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

Table 5: Number of funds and net tax, by balance date, 2006–07 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, 2006–07 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 3 of the fund tax return.
- **Part B: Income items** – contains income labels from item 9a ‘Income’ on page 4 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 5 of the fund tax return.
- **Part D: Other information** – contains labels from item 11 ‘Other information’ on page 5 of the fund tax return.

❗ Page numbers refer to the 2007 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.

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

OVERVIEW

For the 2006–07 income year:

- 419,246 partnerships lodged returns, a 1.0% increase from 2005–06
- the largest proportion of partnerships were in the agriculture, forestry and fishing industry at 26.1%
- partnerships reported total business income of \$146.5 billion, a 27.7% increase from 2005–06, and
- total partnership expenses were \$129.7 billion, a 28.9% increase from 2005–06.

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

Statistics for the 2006–07 income year reported in this chapter may have been affected by an allowance to claim a deduction for gifts/contributions to political parties or independent members/candidates for Australian parliament or legislative assembly. This deduction is limited to a maximum of \$1,500 per annum per partnership.

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 4 of the 2007 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 income equal to or more than \$1 but less than \$2 million.

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

Medium partnerships have a total income equal to or more than \$10 million but less than \$100 million.

Large partnerships have a total income equal to or more than \$100 million but less than \$250 million.

Very large partnerships have a total income equal to or more than \$250 million.

For the 2006–07 income year, a total of 419,246 partnerships lodged returns, a 1.0% increase from 2005–06. This is the first increase in partnership lodgments in many years. Micro partnerships were the most common type of partnership, accounting for 80.8% of the total number of partnerships.

Table 5.1: Partnerships, by size, 2005–06 and 2006–07 income years

Partnership size	2005–06 ¹		2006–07 ¹	
	No.	%	No.	%
Loss	282	0.1	338	0.1
Nil	68,511	16.5	72,453	17.3
Micro	339,720	81.8	338,798	80.8
Small	6,101	1.5	6,756	1.6
Medium	632	0.2	832	0.2
Large	21	0.0	42	0.0
Very large	12	0.0	27	0.0
Total²	415,279	100.0	419,246	100.0

¹ Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

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

The proportion of partnerships across all industries remained stable from 2005–06 to 2006–07. The agriculture, forestry and fishing industry had the largest proportion of partnerships at 26.1%. This was followed by the construction industry at 15.6% and the rental, hiring and real estate services industry at 11.8%.

Table 5.2: Partnerships, by industry, 2005–06 and 2006–07 income years

Industry ¹	2005–06 ²		2006–07 ²	
	No.	%	No.	%
Agriculture, forestry and fishing	109,757	26.4	109,438	26.1
Mining	625	0.2	618	0.1
Manufacturing	15,583	3.8	15,436	3.7
Electricity, gas, water and waste services	839	0.2	861	0.2
Construction	64,984	15.6	65,206	15.6
Wholesale trade	8,638	2.1	8,593	2.0
Retail trade	31,829	7.7	31,774	7.6
Accommodation and food services	21,273	5.1	21,033	5.0
Transport, postal and warehousing	19,419	4.7	18,916	4.5
Information media and telecommunications	1,412	0.3	1,432	0.3
Financial and insurance services	4,844	1.2	4,934	1.2
Rental, hiring and real estate services ³	47,947	11.5	49,604	11.8
Professional, scientific and technical services	17,045	4.1	17,470	4.2
Administrative and support services	14,273	3.4	14,491	3.5
Public administration and safety	693	0.2	711	0.2
Education and training	2,722	0.7	2,767	0.7
Health care and social assistance	4,597	1.1	4,718	1.1
Arts and recreation	4,481	1.1	4,515	1.1
Other services	20,530	4.9	20,312	4.8
Other ⁴	23,788	5.7	26,417	6.3
Total⁵	415,279	100	419,246	100

1 The industry groups are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 codes.

2 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 the components due to rounding.

PARTNERSHIP INCOME

Partnerships receive income from a variety of sources. The total net income or loss of partnerships increased by 18.4% in 2006–07. The majority of partnerships (85.1%) have reported net business income, which is the major source of income for partnerships, accounting for 84.7% of their total net income. Net non-primary production distributions had the highest growth in 2006–07, with an increase of 49.4%.

Table 5.3: Partnership selected income items, 2005–06 and 2006–07 income years

Selected income items	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
Net business income	353,621	14,132	355,344	17,388
Net primary production distributions from partnerships or trusts	1,538	22	1,445	15
Net non-primary production distributions from partnerships or trusts	10,383	253	9,993	378
Net rent	72,193	1,411	73,362	1,452
Gross interest	129,615	1,197	127,513	860
Gross (or total) dividends	37,122	251	35,327	340
Imputation credit	34,219	95	31,893	132
Other Australian income	4,264	131	4,292	180
Less deductions relating to Australian investment income	5,675	73	5,682	106
Less other deductions	14,193	158	15,089	236
Attributed foreign income ²	53	..	29	38
Net other assessable foreign source income	3,694	74	3,638	90
Australian franking credits from a New Zealand company ²	47	..	43	..
Total net income or loss³	404,119	17,335	407,563	20,532

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

2 ‘..’ means rounded to zero but not zero.

3 The dollar amount totals may differ from the sum of the components due to rounding.

PARTNERSHIP BUSINESS INCOME

Overall, the number of partnerships that reported total business income in 2006–07 remained steady with only relatively minor changes in each industry. Partnerships reported total business income of \$146.5 billion for the 2006–07 income year. This represented 27.7% increase on 2005–06 figures and was led by large percentage increases in the mining, manufacturing, arts and recreation industries.

Total business income for manufacturing partnerships has grown significantly. This is mainly due to some partnership returns not being available when the 2005–06 data was produced. The partnership detailed table 3 will contain more up-to-date information on partnership tax return information for 2005–06 and prior income years.

Table 5.4: Partnership total business income, by industry, 2005–06 and 2006–07 income years

Industry ¹	2005–06 ²		2006–07 ²	
	No.	\$m	No.	\$m
Agriculture, forestry and fishing	102,099	21,657	101,160	21,385
Mining	562	589	550	1,065
Manufacturing	14,863	4,817	14,639	17,288
Electricity, gas, water and waste services	812	2,082	827	4,498
Construction	60,102	17,909	59,621	20,041
Wholesale trade	8,112	5,763	8,039	6,761
Retail trade	30,453	19,512	30,142	21,035
Accommodation and food services	19,773	5,956	19,370	6,392
Transport, postal and warehousing	18,522	4,010	17,936	4,784
Information media and telecommunications	1,312	2,928	1,293	3,803
Financial and insurance services	2,840	1,588	2,895	1,976
Rental, hiring and real estate services ³	15,681	4,517	16,035	5,434
Professional, scientific and technical services	15,839	11,305	16,071	16,546
Administrative and support services	13,814	1,704	13,978	1,876
Public administration and safety	636	136	649	169
Education and training	2,604	250	2,594	256
Health care and social assistance	4,297	2,860	4,397	3,134
Arts and recreation	4,223	898	4,230	2,672
Other services	19,615	3,725	19,288	3,854
Other ⁴	10,609	2,495	13,079	3,544
Total⁵	346,768	114,701	346,793	146,514

1 The industry groups are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 codes.

2 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 the components due to rounding.

Micro partnerships continued to represent the largest proportion of total business income in both the 2005–06 and 2006–07 income years. Large and medium sized partnerships experienced large percentage increases in both numbers and reported income.

Table 5.5: Partnership total business income, by partnership size, 2005–06 and 2006–07 income years

Partnership size	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
Loss	282	-7	338	-12
Micro	339,720	65,404	338,798	66,113
Small	6,101	23,028	6,756	25,561
Medium	632	14,128	832	19,908
Large	21	3,288	42	6,440
Very large	12	8,860	27	28,504
Total²	346,768	114,701	346,793	146,514

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

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

PARTNERSHIP BUSINESS EXPENSES

For the 2006–07 income year, partnerships reported total business expenses of \$129.7 billion, a 28.9% increase from 2005–06. The increase in expenses is consistent with the 27.7% increase recorded for total business income. The most significant expense claimed was the cost of sales, which accounted for 43.4% of all partnership expenses, followed by ‘other expenses’ at 36.7%.

Table 5.6: Partnership business expenses, by type, 2005–06 and 2006–07 income years

Type of expense	2005–06 ¹		2006–07 ¹	
	No. ²	\$m	No. ²	\$m
Cost of sales	187,487	39,196	186,981	56,239
External labour	90,248	4,004	88,767	5,849
Interest	192,923	4,142	192,548	5,277
Depreciation	308,053	4,436	306,490	4,892
Rent	92,124	2,606	91,388	2,917
Repairs and maintenance	229,888	2,059	226,898	2,178
Motor vehicle	255,815	2,118	254,152	2,143
Superannuation	81,676	852	80,452	1,055
Royalty expenses	2,448	595	2,327	858
Lease expenses	29,150	463	27,672	565
Bad debts	8,545	120	8,505	119
Foreign resident withholding expenses ³	0	0	11	..
Other expenses	348,946	40,009	349,817	47,587
Total⁴	355,573	100,599	356,992	129,679

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 ‘..’ means rounded to zero but not zero.

4. The dollar amount totals may differ from the sum of the components due to rounding.

SOURCE OF PARTNERSHIP STATISTICS

The statistics in this chapter are sourced from 2006 and 2007 partnership tax returns processed by 31 October 2007 and 31 October 2008 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 1997–98 to 2005–06 income years have been updated to include returns processed by 31 October 2008. These statistics cannot be compared to those in previous editions of *Taxation statistics*.

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

LIST OF PARTNERSHIP DETAILED TABLES

The following partnership return detailed tables are on the attached CD-ROM and included in the online version of this publication on our 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 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, 2006–07 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 3 of the partnership return.
- **Part B: Other income and expense items** – contains labels from items 6–12 on pages 3–4 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 5 of the partnership return.
- **Part D: Key financial information and business and professional items** – contains items 29–33 from the ‘Key financial information’ section and items 36–57 from the ‘Business and professional items’ section on pages 6–7 of the partnership return.

Table 2: Selected items, by broad industry, 2006–07 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 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 3 of the partnership return.
- **Part B: Other income and expense items** – contains labels from items 6–12 on pages 3–4 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 5 of the partnership return.
- **Part D: Key financial information and business and professional items** – contains items 29–33 from the 'Key financial information' section and items 36–57 from the 'Business and professional items' section on pages 6–7 of the partnership return.

Table 3: Selected items for income years 1989–90 to 2006–07

This table shows selected items from the partnership return for income years 1997–98 to 2006–07. Most items display the number of records and amounts.

Table 4: Selected items, by fine industry (amounts only), 2006–07 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 3 of the partnership return.
- **Part B: Other income and expense items** – contains labels from items 6–12 on pages 3–4 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 5 of the partnership return.
- **Part D: Key financial information and business and professional items** – contains items 29–33 from the 'Key financial information' section and items 36–57 from the 'Business and professional items' section on pages 6–7 of the partnership return.

OVERVIEW

For the 2006–07 income year:

- 609,915 trusts lodged returns, a 7.1% increase from 2005–06
- 111,438 trusts had income in the rental, hiring and real estate services industry, representing the largest proportion at 18.3% of all trusts
- trusts reported total business income of \$270.7 billion, a 9.9% increase from 2005–06, and
- total trust business expenses were \$245.1 billion, a 9.3% increase from 2005–06.

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 legal taxable entity and generally 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 types of beneficiaries (such as those beneficiaries who are under a legal disability). That is, broadly speaking, 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

For the 2006–07 income year, there were no significant return form changes that affected the statistics reported in this chapter.

Chapter tables 6.3 and 6.6 record a new segment for trust size by total income. There are now six segments; loss/nil, micro, small, medium, large and very large.

TRUST RETURNS

For the 2006–07 income year, a total of 609,915 trusts lodged returns, representing a 7.1% increase from 2005–06. A total of 461,073 discretionary trusts lodged an income tax return for the 2006–07 income year representing 75.6% of all trusts – 238,008 or 51.6% of these trusts have investment as their main source of income while 186,105 come from trading and 36,960 from service-management.

Table 6.1: Trusts, by type, 2005–06 and 2006–07 income years

Type ¹	2005–06 ¹		2006–07 ¹	
	No.	%.	No.	%
Discretionary trust – main source from investment	219,266	38.5	238,008	39.0
Discretionary trust – main source from trading	171,937	30.2	186,105	30.5
Unit trust	70,741	12.4	73,818	12.1
Deceased estate	40,995	7.2	42,386	6.9
Discretionary trust – main source from service-management	36,329	6.4	36,960	6.1
Other fixed trust	17,899	3.1	18,493	3.0
Hybrid trust	6,276	1.1	7,625	1.3
Public unit trust – unlisted	3,920	0.7	4,255	0.7
Other ²	1,257	0.2	1,192	0.2
Cash management unit trust	533	0.1	572	0.1
Public unit trust – listed	440	0.1	501	0.1
Total³	569,593	100.0	609,915	100.0

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 the components due to rounding.

For the 2006–07 income year the rental, hiring and real estate services industry had the largest proportion of trusts at 18.3%. The financial and insurance services industry was next largest with 15.3% of trusts.

Table 6.2: Trusts, by industry, 2005–06 and 2006–07 income years

Industry ¹	2005–06 ²		2006–07 ²	
	No.	%.	No.	%
Agriculture, forestry and fishing	25,110	4.4	25,846	4.2
Mining	783	0.1	836	0.1
Manufacturing	12,634	2.2	13,184	2.2
Electricity, gas, water and waste services	670	0.1	723	0.1
Construction	38,061	6.7	41,993	6.9
Wholesale trade	10,264	1.8	10,847	1.8
Retail trade	23,485	4.1	24,971	4.1
Accommodation and food services	14,666	2.6	15,716	2.6
Transport, postal and warehousing	10,991	1.9	11,779	1.9
Information media and telecommunications	1,584	0.3	1,680	0.3
Financial and insurance services	93,038	16.3	93,343	15.3
Rental, hiring and real estate services ³	105,535	18.5	111,438	18.3
Professional, scientific and technical services	35,212	6.2	37,130	6.1
Administrative and support services	12,208	2.1	12,675	2.1
Public administration and safety	782	0.1	883	0.1
Education and training	1,874	0.3	2,096	0.3
Health care and social assistance	12,860	2.3	13,640	2.2
Arts and recreation	2,520	0.4	2,711	0.4
Other services	11,823	2.1	12,680	2.1
Other ⁴	155,493	27.3	175,744	28.8
Total⁵	569,593	100.0	609,915	100.0

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

2 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

3 'Investment income recipients' statistics, previously reported in *Taxation statistics 2005–06* and all other previous year editions, are now included in this category.

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 the components due to rounding.

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 3 of the 2007 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 equal to or more than \$10 million but less than \$100 million.

Large trusts have a total business income equal to or more than \$100 million but less than \$250 million.

Very large trusts have a total business income equal to or more than \$250 million.

In 2006–07, nil trusts were the most common, accounting for 58.6% of the total number of trusts. Trusts of this size have no business income, and are likely to be earning income from investment activities.

Table 6.3: Trusts, by size, 2005–06 and 2006–07 income years

Trust size	2005–06 ¹		2006–07 ¹	
	No	%	No	%
Loss	546	0.1	584	0.1
Nil	331,956	58.3	357,279	58.6
Micro	217,711	38.2	230,888	37.9
Small	16,167	2.8	17,558	2.9
Medium	3,055	0.5	3,436	0.6
Large	119	0.0	129	0.0
Very large	39	0.0	41	0.0
Total²	569,593	100.0	609,915	100.0

¹ Data for 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

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

TRUST INCOME

Trusts receive income from a variety of sources. Total net income reported by trusts increased by 38.7% in 2006–07. Net capital gains were the main contributor to this growth with an additional \$23.4 billion (a 63.8% increase on the prior year) being realised. The two most common types of income reported by trusts were gross interest (49.5%) and net business income (47.4%).

Table 6.4: Source of trusts' income, 2005–06 and 2006–07 income years

Selected income items	No.	2005–06 ¹		2006–07 ¹	
			\$m	No.	\$m
Net business income	254,970	13,995	272,533	16,268	
Net primary production distributions from partnerships or trusts	8,956	381	8,746	364	
Net non-primary production distributions from partnerships or trusts	165,198	32,362	176,689	39,609	
Net rent	111,136	5,978	117,596	6,230	
Gross interest	267,223	22,495	284,161	27,433	
Gross (or total) dividends	120,553	16,115	128,305	19,884	
Imputation credit	116,890	6,271	124,313	7,648	
Other Australian income	18,979	4,746	20,648	8,304	
Less deductions relating to Australian investment income	64,277	6,591	67,424	7,655	
Less other deductions	125,848	6,587	136,632	9,390	
Net capital gains	86,051	36,716	102,474	60,129	
Attributed foreign income	1,254	255	866	666	
Net other assessable foreign source income	55,544	9,886	60,522	19,141	
Australian franking credits from a New Zealand company	588	3	355	1	
Total net income or loss^{2,3}	537,896	136,025	574,612	188,633	
Prior-year tax losses deducted	51,936	2,684	55,506	3,058	

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.
2 Prior to tax losses being deducted.
3 Number totals do not add to the taxpayer number components as taxpayers may include more than one type of income in their tax returns. Totals may differ from the sum of the 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 2006–07 income year, trusts reported total business income of \$270.7 billion, a 9.9% increase from 2005–06. The arts and recreation industry had the greatest increase in total business income of 26.2%.

Table 6.5: Trust total business income, by industry, 2005–06 and 2006–07 income years

Industry ¹	2005–06 ²		2006–07 ²	
	No.	\$m	No.	\$m
Agriculture, forestry and fishing	20,795	12,636	21,253	13,101
Mining	609	1,584	645	1,568
Manufacturing	11,188	19,247	11,565	20,200
Electricity, gas, water and waste services	576	704	616	724
Construction	29,490	27,241	32,369	31,130
Wholesale trade	8,931	27,085	9,338	29,029
Retail trade	20,194	46,416	21,176	50,110
Accommodation and food services	11,786	11,743	12,428	12,251
Transport, postal and warehousing	9,781	7,947	10,436	9,027
Information media and telecommunications	1,284	717	1,358	826
Financial and insurance services	22,009	31,425	22,328	35,798
Rental, hiring and real estate services ³	29,129	16,879	30,976	19,378
Professional, scientific and technical services	27,207	15,455	28,301	16,744
Administrative and support services	10,115	8,219	10,361	8,721
Public administration and safety	545	1,582	601	445
Education and training	1,665	535	1,837	636
Health care and social assistance	10,732	6,102	11,137	6,990
Arts and recreation	2,027	926	2,177	1,168
Other services	9,526	4,733	10,203	5,447
Other ⁴	10,048	5,156	13,531	7,448
Total⁵	237,637	246,331	252,636	270,742

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

2 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

3 'Investment income recipients' statistics, previously reported in *Taxation statistics 2005–06* and all other previous year editions, are now included in this category.

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 the components due to rounding.

For the 2006–07 income year, medium sized trusts accounted for 30.3% of all trust total business income. This segment also recorded an increase of 14.4% in its total business income from 2005–06.

Table 6.6: Trust total business income, by trust size, 2005–06 and 2006–07 income years

Trust size	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
Loss	546	–29	584	–317
Nil	331,956	0	357,279	0
Micro	217,711	70,211	230,888	75,103
Small	16,167	65,395	17,558	71,344
Medium	3,055	71,683	3,436	82,011
Large	119	16,638	129	18,750
Very large	39	22,433	41	23,849
Total²	569,593	246,331	609,915	270,742

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.
2 Totals may differ from the sum of the components due to rounding.

TRUST BUSINESS EXPENSES

For the 2006–07 income year, total business expenses for trusts were \$245.1 billion, a 9.3% increase from 2005–06. The most significant expense claimed was the cost of sales, which accounted for 49.6% of all trust expenses.

Table 6.7: Trust business expenses, by type, 2005–06 and 2006–07 income years

Type of expense	2005–06 ¹		2006–07 ¹	
	No. ²	\$m	No. ²	\$m
Cost of sales	101,560	112,951	107,601	121,650
Interest	149,551	12,553	160,460	16,523
External labour	56,741	6,512	60,341	7,116
Rent	88,562	5,743	93,267	6,426
Depreciation	194,754	4,867	206,441	5,340
Superannuation	122,073	4,698	127,185	5,791
Motor vehicle	141,702	2,398	150,822	2,542
Repairs and maintenance	140,675	2,228	146,638	2,363
Lease expenses	27,158	843	26,928	886
Royalty expenses	3,104	331	3,132	385
Bad debts	13,189	224	13,722	218
Foreign resident withholding expenses	77	22	20	6
Other expenses	249,626	70,908	266,909	75,806
Total³	254,515	224,278	272,121	245,052

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 the components due to rounding.

TRUST ASSETS AND LIABILITIES

For the 2006–07 income year, the total value of assets held by trusts increased by 23.0% over 2005–06 while the total value of their liabilities increased by 45.2%.

Table 6.8: Trust total assets and liabilities, 2005–06 and 2006–07 income years

	2005–06 ¹		2006–07 ¹	
	No. ²	\$m	No. ²	\$m
Total assets	370,311	1,940,454	397,128	2,386,773
Total liabilities	353,276	743,887	378,098	1,079,896

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

2 Components do not add to the total number of taxpayers as taxpayers may have both total assets and total liabilities declared on their tax returns.

SOURCE OF TRUST STATISTICS

The statistics in this chapter are sourced from 2006 and 2007 trust income tax returns processed by 31 October 2007 and 31 October 2008 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 1997–98 to 2006–07 income years have been updated to include returns processed by 31 October 2008. These statistics cannot be compared to those in previous editions of *Taxation statistics*.

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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, 2006–07 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 3 of the trust return.
- **Part B: Other income and expense items** – contains labels from items 6–12 on pages 3 and 4 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 5 of the trust return.
- **Part D: Key financial information and business and professional items** – contains items 29–33 from the ‘Key financial information’ section on page 6 and items 36–55 from the ‘Business and professional items’ section on page 7 of the trust return.

Table 2: Selected items, by broad industry, 2006–07 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 3 of the trust return.
- **Part B: Other income and expense items** – contains labels from items 6–12 on pages 3 and 4 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 5 of the trust return.
- **Part D: Key financial information and business and professional items** – contains items 29–33 from the ‘Key financial information’ section on page 6 and items 36–55 from the ‘Business and professional items’ section on page 7 of the trust return.

Table 3: Selected items for income years 1989–90 to 2006–07

This table shows selected items from the trust return for income years 1989–90 to 2006–07, including number and dollar amounts.

Table 4: Selected items, by fine industry (amounts only), 2006–07 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 3 of the trust return.
- **Part B: Other income and expense items** – contains labels from items 6–12 on pages 3 and 4 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 5 of the trust return.
- **Part D: Key financial information and business and professional items** – contains items 29–33 from the 'Key financial information' section on page 6 and items 36–55 from the 'Business and professional items' section on page 7 of the trust return.

Table 5: Trustee assessments: selected items, by taxable income and residential status, 2006–07 income year

This table shows the number of records and amounts for selected return items from the individual tax return of assessed trustees. The trustees assessed and the 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), 2006–07 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 3 of the trust return.
- **Part B: Other income and expense items** – contains labels from items 6–12 on pages 3 and 4 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 5 of the trust return.
- **Part D: Key financial information and business and professional items** – contains items 29–33 from the 'Key financial information' section on page 6 and items 36–55 from the 'Business and professional items' section on page 7 of the trust return.

! Page numbers refer to the 2007 trust tax return 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 2006–07 income year:

- net capital gains totalled \$78.4 billion, a 53.8% increase
- net capital gains were reported by 1,366,655 individuals, 31,350 companies and 156,349 funds
- capital gains tax (CGT) payable on the net capital gains of taxable individuals, companies and funds was estimated to be \$17.3 billion, a 52.0% increase
- 802,199 taxable individuals, companies and funds declared \$122.9 billion in total current year capital gains on their CGT schedules, a 42.1% increase
- approximately 61.4% (\$75.5 billion) of these total capital gains were sourced from share transactions, and
- 26,548 individuals and 3,772 companies claimed small business CGT concessions worth \$2.4 billion and \$1.0 billion respectively, a 56.9% and 43.5% increase.

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. Respective rates of tax apply to a net capital gain.

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 that cost over \$500, (for example, jewellery), and
- personal use assets that cost over \$10,000.

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.

NEW FEATURES AND INFORMATION

Statistics for the 2006–07 income year reported in this chapter may have been affected by the following changes to the law:

- The extension of the scope of the marriage breakdown CGT rollover for the CGT events that happened after 12 December 2006.
- The narrowing of the range of assets on which a foreign resident is subject to Australian CGT for the CGT events that happened on or after 12 December 2006.
- The exclusion of certain capital gains and capital losses made by temporary residents (to mirror the treatment of non-residents) for CGT events that happened on or after 1 July 2006.
- The extension of rollover on the disposal of CGT assets compulsorily acquired by a private acquirer under a statutory power.
- The changes made to the small business CGT concessions. These changes:
 - affect the maximum net asset value test, the active asset test, the 15 year exemption, the retirement exemption, the small business rollover and how the concessions apply to partners in a partnership, and the deceased estate of a person who would have qualified for the concessions had they not died.
 - replace the controlling individual 50% test with a significant individual 20% test.
- The extension of the employee share scheme and CGT rules to include stapled securities.

NET CAPITAL GAINS

From the 2005–06 to 2006–07 income years, there was an overall increase of 15.6% in the number of entities with net capital gains reported on their income tax returns, and an increase of 53.8% in the amount of net capital gains. Funds recorded the largest increase in net capital gains (\$9.2 billion) and companies had the largest percentage increase of 62.5%.

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

Table 7.1: Taxpayers with net capital gains, by entity, 2005–06 and 2006–07 income years

Entity	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
Individual				
Taxable ²	1,019,615	15,472	1,148,440	23,966
Non-taxable	174,166	741	218,215	1,246
<i>Individual total</i> ³	<i>1,193,781</i>	<i>16,213</i>	<i>1,366,655</i>	<i>25,212</i>
Company				
Taxable ²	18,844	13,468	21,944	22,247
Non-taxable	8,243	1,251	9,406	1,677
<i>Company total</i> ³	<i>27,087</i>	<i>14,719</i>	<i>31,350</i>	<i>23,925</i>
Fund				
Taxable ²	90,496	17,922	115,681	25,880
Non-taxable	33,064	2,117	40,668	3,384
<i>Fund total</i> ³	<i>123,560</i>	<i>20,039</i>	<i>156,349</i>	<i>29,265</i>
Total³	1,344,428	50,971	1,554,354	78,401

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.
2 Taxable taxpayers are taxpayers with net tax greater than \$0.
3 Totals may differ from the sum of the components due to rounding.

TAX PAYABLE ON NET CAPITAL GAINS

Australia does not have a separate capital gains tax system. A net capital gain is added to the taxpayer's other assessable income and taxed at the applicable tax rates for that taxpayer.

The tax on capital gains reported in this chapter is an estimate of the tax that is required to be paid based on using an average tax rate approach.

Box 7.1: Calculating tax on net capital gains

Tax on capital gains is calculated as:	
	Net tax ¹
divided by	Taxable income
<i>gives</i>	<i>Average tax rate</i>
times	Net capital gain
<i>gives</i>	<i>Tax on net capital gains²</i>
<p>1 Net tax as defined in boxes 2.1, 3.1 and 4.1 for individuals, companies and superannuation funds respectively.</p> <p>2 This part of the calculation cannot result in an amount of less than \$0.</p>	

For the 2006–07 income year, an estimated \$17.3 billion in capital gains tax was payable by taxable entities on net capital gains totalling \$72.1 billion. Taxable individuals accounted for 43.5% of tax on 33.2% of net capital gains, while taxable companies accounted for 34.0% of tax on 30.9% of net capital gains, and taxable funds accounted for 22.4% of tax on 35.9% of net capital gains.

When comparing taxable entities with net capital gains to the total population for each entity, only 9.7% of individuals, 2.9% of companies and 36.0% of funds were taxable and had a net capital gain for 2006–07.

Table 7.2: Tax payable on capital gains, by entity, 2006–07 income year

Entity	All taxpayers	Taxable taxpayers with net capital gain ¹	Net capital gains	Tax on net capital gains ²
	No.	No.	\$m	\$m
Individual	11,799,231	1,148,440	23,966	7,551
Company	750,277	21,944	22,247	5,906
Fund	321,700	115,681	25,880	3,892
Total³	12,871,208	1,286,065	72,093	17,348

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 the 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 2006–07, 57.3% had a taxable income of between \$25,001 and \$75,000 inclusive. They accounted for 25.1% of total net capital gains and were liable for 15.4% of the tax on net capital gains. Those with a taxable income of \$150,001 or more accounted for 7.9% of the total number of individuals, and accounted for 48.4% of net capital gains and 64.0% of the tax on net capital gains.

Table 7.3: Net capital gains and CGT of taxable individuals, by taxable income, 2006–07 income year

Taxable income	Taxpayers ¹ No.	Net capital gains \$m	Tax on net capital gains \$m
\$6,000 or less	4,407	21	3
\$6,001–\$25,000	156,755	1,197	81
\$25,001–\$75,000	658,150	6,018	1,163
\$75,001–\$150,000	238,926	5,126	1,473
\$150,001 or more	90,202	11,603	4,831
Total²	1,148,440	23,966	7,551

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

Box 7.2: 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 equal to or more than \$10 million but less than \$100 million.

Large entities have a total income equal to or more than \$100 million but less than \$250 million.

Very large entities have a total income equal to or more than \$250 million.

Micro companies represented 85.0% of taxable companies with net capital gains for 2006–07, and accounted for 13.9% of the total net capital gains and 15.7% of the total tax payable. Very large companies accounted for only 0.8% of the total number of companies, but accounted for 62.0% of the total net capital gains and 57.0% of the total tax payable.

Table 7.4: Net capital gains and CGT of taxable companies¹, by company size, 2006–07 income year

Company size	Companies No.	Net capital gains \$m	Tax on net capital gains \$m
Loss/nil	373	388	116
Micro	18,658	3,091	927
Small	1,947	1,620	485
Medium	703	2,503	751
Large	96	859	258
Very large	167	13,787	3,368
Total²	21,944	22,247	5,906

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

As with companies, the majority of taxable funds with net capital gains (99.5%) in 2006–07 were in the micro segment. Yet these funds accounted for only 15.7% of total net capital gains and were liable for only 15.7% of the total tax payable on net capital gains. Very large funds, which represented 0.1% of all funds, accounted for 65.5% of total net capital gains and 65.3% of the total tax payable.

Table 7.5: Net capital gains and CGT of taxable funds¹, by fund size, 2006–07 income year

Fund size	Funds No.	Net capital gains \$m	Tax on net capital gains \$m
Loss/nil	0	0	0
Micro	115,114	4,055	610
Small	283	420	63
Medium	161	2,075	320
Large	48	2,385	358
Very large	75	16,946	2,542
Total²	115,681	25,880	3,892

1 Refers to funds with net tax payable greater than \$0.
2 Totals may differ from the sum of the 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 2006–07 income year, 801,519 taxable entities (individuals, companies and funds) declared \$122.9 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 a unit trust)
- real estate
- other CGT assets and other CGT events, and
- collectables.

For 2006–07, taxable individuals, companies and funds had approximately 61.4% (\$75.5 billion) of total current year capital gains sourced from shares. Real estate accounted for 15.5% (\$19.0 billion) of total current year capital gains, collectables accounted for 0.1% (\$77 million) of total current year capital gains, while other assets accounted for 23.1% (\$28.3 billion).

For 2005–06 and 2006–07, only 52.3% and 59.9% respectively of taxable individuals with a net capital gain completed a CGT schedule. The value of total capital gains reported by individuals increased by 46.6%. The number of individuals realising a capital gain from shares increase by 45.2%, with the associated gains increasing by 72.9%.

Table 7.6: Total current year capital gains of taxable individuals¹, by source, 2005–06 and 2006–07 income years

Source of gains ²	2005–06 ³		2006–07 ³	
	No.	\$m	No.	\$m
Shares	300,503	11,807	436,395	20,415
Real estate	138,411	11,300	152,056	15,061
Other assets ⁴	178,315	8,735	214,918	11,196
Collectables	925	48	1,120	67
Total⁵	533,719	31,890	688,415	46,739

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 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 the components due to rounding.

For the 2005–06 and 2006–07 income years, 82.8% and 91.2% of taxable companies with a net capital gain completed a CGT schedule. These companies reported a 48.4% increase in gains from shares in 2006–07, and these gains represented 70.4% of total capital gains by companies.

Table 7.7: Total current year capital gains of taxable companies¹, by source, 2005–06 and 2006–07 income years

Source of gains ²	2005–06 ³		2006–07 ³	
	No.	\$m	No.	\$m
Shares	9,352	14,534	11,994	21,562
Real estate	2,983	2,719	3,355	3,433
Other assets ⁴	5,645	3,041	7,726	5,613
Collectables	29	15	33	3
Total⁵	15,596	20,309	20,010	30,612

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 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 the components due to rounding.

For 2005–06 and 2006–07, 76.9% and 80.5% respectively of taxable 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 (73.5% or \$33.5 billion). At the same time, there was an increase in the proportion of capital gains coming from other assets from 21.7% (\$7.4 billion) in 2005–06 to 25.3% (\$11.5 billion) in 2006–07.

Table 7.8: Total current year capital gains of taxable funds¹, by source, 2005–06 and 2006–07 income years

Source of gains ²	2005–06 ³		2006–07 ³	
	No.	\$m	No.	\$m
Shares	59,349	26,431	82,298	33,481
Real estate	3,043	393	3,201	529
Other assets ⁴	21,862	7,425	26,802	11,539
Collectables	132	3	174	6
Total⁵	69,571	34,253	93,094	45,555

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 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 the 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 2006–07 income year, 321,110 entities reported current year capital losses of \$20.0 billion. Losses of \$20.4 billion, including losses from before 2006–07, were used to offset 2006–07 capital gains. In total, funds claimed most of the losses, 55.3% (\$11.2 billion).

From 2005–06 to 2006–07 the amount of capital losses reported by companies decreased by 15.2%, while there was a decrease of 11.6% in the amount of capital losses companies applied against current year gains but an increase of 12.9% in the number of companies applying capital losses against current year gains. Individuals and funds had an increase in current year capital losses of 9.0% and 12.4% respectively, as well as an increase in the amount of capital losses being applied against current year gains of 10.6% and 5.4% respectively.

Table 7.9: Capital losses, by entity, 2005–06 and 2006–07 income years

Entity	2005–06 ¹				2006–07 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	167,753	2,129	209,095	2,252	203,183	2,285	243,236	2,459
Non-taxable	20,964	347	25,551	253	29,201	414	34,117	313
<i>Individual total</i> ³	<i>188,717</i>	<i>2,476</i>	<i>234,646</i>	<i>2,505</i>	<i>232,384</i>	<i>2,699</i>	<i>277,353</i>	<i>2,772</i>
Company ⁴								
Taxable ²	6,231	5,988	6,864	6,424	6,828	4,230	7,753	5,195
Non-taxable	3,927	2,057	3,281	767	4,239	2,593	3,698	1,161
<i>Company total</i> ³	<i>10,158</i>	<i>8,045</i>	<i>10,145</i>	<i>7,191</i>	<i>11,067</i>	<i>6,822</i>	<i>11,451</i>	<i>6,356</i>
Fund								
Taxable ²	39,342	7,328	43,746	8,529	51,820	8,127	55,929	8,944
Non-taxable	19,670	1,976	21,499	2,176	25,839	2,331	27,447	2,337
<i>Fund total</i> ³	<i>59,012</i>	<i>9,304</i>	<i>65,245</i>	<i>10,705</i>	<i>77,659</i>	<i>10,459</i>	<i>83,376</i>	<i>11,281</i>
Total	257,887	19,825	310,036	20,400	321,110	19,980	372,180	20,408

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 the components due to rounding.

4 A significant error on the CGT schedule of a non-taxable company for the 2005–06 income year has been identified and corrected for this edition of *Taxation statistics*.

CAPITAL GAINS DISCOUNT

After applying capital losses to total capital gains, individuals and complying superannuation funds are able to claim the general capital gains tax discount for assets they have held for at least 12 months. Individuals get a 50% discount and complying superannuation funds get a 33⅓% discount.

As the general discount is applied to capital gains after applying capital losses, the general movement in the number of individuals and superannuation funds using it and the amount of gains that are concessionaly treated will be in alignment with the general movement in total capital gains by these same individuals and superannuation funds.

For the 2006–07 income year, there has been an increase of 34.9% in the number of individuals claiming the discount, and an increase of 54.9% in the amount claimed. For funds, there has been an increase of 40.2% in the number claiming the discount and an increase in the amount claimed of 43.6%.

Table 7.10: General capital gains tax discount, by entity, 2005–06 and 2006–07 income years

Entity	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
Individuals	494,409	14,329	666,742	22,200
Funds	74,443	8,500	104,354	12,208
Total	568,852	22,829	771,096	34,408

¹ Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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). Use of these concessions is reported on the capital gains tax schedule.

For the 2006–07 income year, 26,548 individuals claimed small business capital gains tax concessions to the value of \$2.4 billion, an increase of 56.7% from 2005–06. Most individuals claiming these concessions (91.2%) 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 \$289,267.

Table 7.11: Small business capital gains tax concessions, by entity, 2005–06 and 2006–07 income years

Concession	2005–06 ¹				2006–07 ¹			
	Individuals		Companies		Individuals		Companies	
	No.	\$m	No.	\$m	No.	\$m	No.	\$m
Small business 15 year exemption	483	110	135	57	764	221	207	118
Small business active asset reduction	20,339	766	2,649	347	24,220	1,141	2,746	423
Small business retirement exemption	6,824	408	802	191	10,057	715	1,264	352
Small business rollover	4,161	247	533	103	4,676	321	519	112
Total²	22,109	1,530	3,328	697	26,548	2,398	3,772	1,005

¹ Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively, for those entities that completed a schedule.

² Components do not add up to the total number of individuals and companies as individuals and companies may claim more than one small business capital gains tax concession. Totals may differ from the sum of the 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 industry, 2006–07 income year

Industry ¹	Individuals		2006–07 ² Companies	
	No.	\$m	No.	\$m
Agriculture, forestry and fishing	1,924	262	152	48
Mining	26	1	12	5
Manufacturing	257	14	274	89
Electricity, gas, water and waste services	16	1	15	5
Construction	555	30	264	67
Wholesale trade	143	12	241	78
Retail trade	843	98	528	109
Accommodation and food services	623	33	387	91
Transport, postal and warehousing	475	22	223	37
Information media and telecommunications	33	2	28	10
Financial and insurance services	6,376	583	280	83
Rental, hiring and real estate services	1,029	132	396	126
Professional, scientific and technical services	823	77	300	82
Administrative and support services	353	14	90	25
Public administration and safety	23	1	13	2
Education and training	116	4	31	5
Health care and social assistance	551	58	210	68
Arts and recreation services	143	10	47	15
Other services	617	19	200	36
Other/not stated	704	85	9	2
No ANZSIC	10,918	938	72	22
Total³	26,548	2,398	3,772	1,005

1 The industry groups are classified based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) 2006 Business Register codes.

2 Data for the 2006–07 income year includes data processed up to 31 October 2008, for those entities that completed a schedule.

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

SOURCE OF CAPITAL GAINS TAX STATISTICS

Statistics in this chapter are sourced from 2006 and 2007 income tax returns for individuals, companies, trusts and funds, and from 2006 and 2007 CGT schedules completed by individual, company and fund taxpayers, processed by 31 October 2007 and 31 October 2008 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 individual, company and fund taxpayers have to complete CGT schedules, the statistics sourced from the schedules do not represent all individual, company and fund taxpayers.

Statistics reported in the detailed tables for companies and funds have been updated for the 1989–90 to 2005–06 income years to include returns processed by 31 October 2008 (where possible). Statistics reported in the detailed tables for individuals have been updated for the 2001–02 to 2005–06 income years to include returns processed by 31 October 2008. These statistics cannot be compared to those in previous editions of *Taxation statistics*.

A copy of the CGT schedule is in the appendix. It may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of *Taxation statistics* on our 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 our website. The tables may be viewed or downloaded as PDF or Excel files.

- Table 1: Net capital gains subject to tax, 1989–90 to 2006–07 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 1989–90 to 2006–07.
- Table 2: Net capital gains subject to tax, by entity and taxable income, 2006–07 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.
- Table 3: Small business capital gains tax concessions, by entity, 2000–01 to 2006–07 income years**
This table shows the number of individuals and companies that have claimed any of the small business capital gains tax concessions for the income years 2000–01 to 2006–07 inclusive.
- Table 4: Net capital gains, by entity, by range of net capital gain, 1996–97 to 2006–07 income years**
This table shows the number of individuals, companies and funds that had a net capital gain, broken down by the size of their net capital gain for the income years 1996–97 to 2006–07 inclusive.

OVERVIEW

For the 2007–08 fringe benefits tax (FBT) year:

- FBT payable¹ was \$377.2 million for Australian Government departments, a 3.5% increase from 2006–07
- FBT payable¹ was \$3.4 billion for other employers, a 1.0% decrease from 2006–07
- FBT rebates of \$95.3 million for other employers were claimed, about the same amount as 2006–07, and
- employee contributions to Australian government departments were \$188 million, an increase of 8.1% from 2006–07, while employee contributions to other employers were \$643 million, an increase of 23.7% from 2006–07.

¹ FBT payable refers to the 'Amount of tax payable' reported on the fringe benefit return (item 15).

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 2007–08 FBT year remained unchanged from the previous year at 46.5%.

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 2007–08 FBT year runs from 1 April 2007 to 31 March 2008. 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 2007–08 FBT year.

NEW FEATURES AND INFORMATION

Statistics reported for the 2007–08 FBT year may have been affected by FBT returns that had been processed but were not yet available for selection in generating this year's *Taxation statistics* publication.

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

- statistics for Australian Government departments
- inclusion of non-taxable details for other employers
- new time-series detailed tables for the attached CD-ROM and online version.

Box 8.1: Calculating taxable status for fringe benefits tax¹

Taxable status is calculated as:	
	Amount of tax payable (item 15)
less	Amount of rebate (item 17)
gives	Sub-total (item 18)
<i>Taxable</i>	where the sub-total is greater than zero
<i>Non-taxable</i>	where the sub-total is zero or less
¹ Items in brackets refer to fringe benefit return labels	

FBT RETURNS

Overall there was a 2.6% decrease in FBT returns. This could be attributed to a decline in the number of returns lodged and FBT returns that were not available for selection for this year's publication.

For the 2007–08 FBT year, 54,366 FBT returns were lodged by entities that paid FBT, a 3.9% decrease from 2006–07. This decline could be partially explained by some entities changing status from taxable to non-taxable.

Table 8.1: FBT returns and FBT payable, by employer type and taxable status, 2006–07 and 2007–08 FBT years

Employer type	2006–07 ¹		2007–08 ¹	
	No.	\$m	No.	\$m
Australian Government departments	118	364	119	377
Other employers				
Taxable	56,588	3,416	54,366	3,394
Non-taxable	12,835	0	13,264	0
<i>Total</i>	<i>69,423</i>	<i>3,416</i>	<i>67,630</i>	<i>3,394</i>
Total²	69,541	3,781	67,749	3,772

1 Data for the 2006–07 and 2007–08 FBT years includes data from FBT returns processed up to 31 October 2007 and 31 October 2008 respectively.

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

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. For taxable employers, there was a decrease of 2.5% in the number of employees receiving fringe benefits from 2006–07, with the largest fall coming in the public administration and safety industry where there was a decrease of 64,430 employees. Transport, postal and warehousing registered the largest increase of around 58,104 employees in receipt of fringe benefits.

Table 8.2: Number of employees receiving fringe benefits, by employer type, taxable status and broad industry¹, 2006–07 and 2007–08 FBT years

Employer type	2006–07 ² No.	2007–08 ² No.
Australian Government departments	33,049	38,038
Other employers		
Taxable		
Agriculture, forestry and fishing	7,623	6,641
Mining	47,067	50,317
Manufacturing	149,088	134,862
Electricity, gas and water supply	24,491	23,827
Construction	39,053	45,187
Wholesale trade	111,115	102,333
Retail trade	72,788	68,399
Accommodation and food services	19,904	18,816
Transport, postal and warehousing	76,044	134,148
Information media and telecommunications	26,807	34,727
Financial and insurance services	173,872	144,383
Rental, hiring and real estate services	23,126	24,237
Professional, scientific and technical services	113,696	126,553
Administrative and support services	56,844	45,443
Public administration and safety	220,938	156,508
Education and training	37,912	38,464
Health care and social assistance	178,892	183,151
Arts and recreation services	24,885	25,327
Other services	36,314	36,231
Other ³	30,185	34,091
<i>Industry total</i>	<i>1,470,644</i>	<i>1,433,645</i>
Non-taxable	16,786	18,262
Total	1,520,479	1,489,945

1 The industry groups are classified based on the Australian and New Zealand Standard Industry Classification (ANZSIC 2006) system.

2 Data for the 2006–07 and 2007–08 FBT years includes data from FBT returns processed up to 31 October 2007 and 31 October 2008 respectively.

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

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 for taxable employers decreased by 0.6% from \$3.42 billion in the 2006–07 FBT year to \$3.39 billion in 2007–08.

For taxable employers in 2007–08, the public administration and safety industry had the largest average FBT payable of \$222,010. It was closely followed by the mining industry with average FBT payable of \$200,800.

The professional, scientific and technical services industry had the most payers, accounting for 16.5% of taxable other employers. It was closely followed by the wholesale trade industry at 12.6% and the manufacturing industry at 12.1%.

Table 8.3: FBT payable¹, by employer type, taxable status and broad industry², 2006–07 and 2007–08 FBT years

Employer type	2006–07 ³		2007–08 ³	
	No.	\$m	No.	\$m
Australian Government departments	118	364	119	377
Other employers				
Taxable				
Agriculture, forestry and fishing	1,061	23	996	23
Mining	929	179	977	196
Manufacturing	6,935	505	6,570	477
Electricity, gas and water supply	321	48	342	49
Construction	3,964	133	3,870	140
Wholesale trade	7,128	422	6,877	410
Retail trade	4,204	187	3,888	185
Accommodation and food services	1,547	43	1,476	41
Transport, postal and warehousing	1,609	137	1,590	130
Information media and telecommunications	1,094	129	1,030	121
Financial and insurance services	3,827	446	3,654	411
Rental, hiring and real estate services	2,212	67	2,114	80
Professional, scientific and technical services	9,511	341	8,970	347
Administrative and support services	2,377	132	2,345	139
Public administration and safety	1,077	201	1,022	227
Education and training	1,971	144	1,984	144
Health care and social assistance	2,999	84	2,811	77
Arts and recreation services	671	41	653	41
Other services	2,288	93	2,211	89
Other ⁴	863	62	986	67
<i>Industry total⁵</i>	<i>56,588</i>	<i>3,416</i>	<i>54,366</i>	<i>3,394</i>
Non-taxable	12,835	0	13,264	0
Total⁵	69,541	3,781	67,749	3,772

1 Refers to FBT payable calculated before rebates were deducted.

2 The industry groups are classified based on the Australian and New Zealand Standard Industry Classification (ANZSIC 2006) system.

3 Data for the 2006–07 and 2007–08 FBT years relates to processing of FBT returns up to 31 October 2007 and 31 October 2008, respectively.

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

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

The fringe benefits received by employees fall into two general categories according to whether or not the benefit 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.

Each industry has more type 1 benefits than type 2 benefits. Overall, the value of type 1 benefits accounted for 75.9% of all benefits for taxable employers.

Table 8.4: Type 1 and 2 aggregate amounts, by employer type, taxable status and broad industry¹, 2007–08 FBT year

Employer type	2007–08 ²			
	Type 1 aggregate amount ³		Type 2 aggregate amount ⁴	
	No.	\$m	No.	\$m
Australian Government departments	118	90	87	335
Other employers				
Taxable				
Agriculture, forestry and fishing	867	19	368	5
Mining	938	122	452	90
Manufacturing	6,357	417	2,118	88
Electricity, gas and water supply	337	47	137	6
Construction	3,698	121	949	28
Wholesale trade	6,662	361	2,045	72
Retail trade	3,752	167	1,180	29
Accommodation and food services	1,291	28	640	16
Transport, postal and warehousing	1,529	116	522	22
Information media and telecommunications	1,002	103	380	25
Financial and insurance services	3,385	302	1,303	139
Rental, hiring and real estate services	1,959	65	571	20
Professional, scientific and technical services	8,534	287	2,337	81
Administrative and support services	2,200	121	664	24
Public administration and safety	982	167	485	48
Education and training	1,832	79	1,093	77
Health care and social assistance	2,074	26	481	18
Arts and recreation services	581	26	292	18
Other services	1,929	61	795	32
Other ⁵	900	56	322	15
<i>Industry total⁶</i>	<i>50,809</i>	<i>2,692</i>	<i>17,134</i>	<i>854</i>
Non-taxable	0	0	0	0
Total⁶	50,927	2,782	17,221	1,188

1 The industry groups are classified based on the Australian and New Zealand Standard Industry Classification (ANZSIC 2006) system.

2 Data for 2007–08 relates to processing of FBT returns up to 31 October 2008.

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 taxable employers who did not state their industry.

6 Totals may differ from the sum of the 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%.

For the 2007–08 FBT year, FBT rebates remained relatively stable at \$95.3 million. The industry with the largest number of taxable employers claiming a rebate was education and training at 39.9%. Wholesale trade had the highest average rebate claimed of \$44,881.

Table 8.5: FBT rebates claimed, by employer type, taxable status and broad industry¹, 2006–07 and 2007–08 FBT years

Employer type	2006–07 ²		2007–08 ²	
	No.	\$m	No.	\$m
Australian Government departments	0	0	0	0
Other employers				
Taxable				
Agriculture, forestry and fishing	24	0.2	22	0.2
Manufacturing	10	0.1	16	0.2
Construction	13	0.1	10	0.1
Wholesale trade	15	0.7	22	1.0
Retail trade	11	0.1	13	0.1
Accommodation and food services	293	4.8	284	4.6
Transport, postal and warehousing	5	0.2	9	0.2
Information media and telecommunications	31	0.6	31	0.5
Financial and insurance services	33	0.9	29	0.8
Rental, hiring and real estate services	14	0.2	10	0
Professional, scientific and technical services	206	3.4	194	3.2
Administrative and support services	130	2.7	132	3.1
Public administration and safety	32	0.4	32	0.4
Education and training	1,459	43.6	1,475	43.4
Health care and social assistance	115	1.7	112	1.5
Arts and recreation services	291	10.9	307	11.0
Other services	924	23.6	901	23.8
Other ³	97	1.1	97	1.1
<i>Industry total⁴</i>	3,703	95.3	3,696	95.3
Non-taxable	0	0	0	0
Total⁴	3,703	95.3	3,696	95.3

1 The industry groups are classified based on the Australian and New Zealand Standard Industry Classification (ANZSIC 2006) system.

2 Data for the 2006–07 and 2007–08 FBT years includes data from FBT returns processed up to 31 October 2007 and 31 October 2008 respectively.

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

4 Totals may differ from the sum of the 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 2007–08 FBT year, employers had to report employee contributions for motor vehicles, expense payments, housing, airline transport, board, property, car parking and other benefits.

For taxable employers in the 2007–08 FBT year, contributions increased or remained stable in all industries except for the financial and insurance services industry. Overall, contributions have increased by 27.0% and have been steadily increasing over the past few years as more employees are using employee contributions to reduce the taxable value of their fringe benefits.

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 contain statistics on fringe benefit employee contributions for the 2006–07 FBT year.

Table 8.6: Employee contributions to employers, by employer type, taxable status and broad industry¹, 2006–07 and 2007–08 FBT years

Employer type	2006–07 ²		2007–08 ²	
	Employers	\$m	Employers	\$m
Australian Government departments	95	174	101	188
Other employers				
Taxable				
Agriculture, forestry and fishing	209	2	201	3
Mining	211	17	237	54
Manufacturing	1,607	57	1,607	71
Electricity, gas and water supply	104	6	121	10
Construction	826	12	841	13
Wholesale trade	1,545	40	1,538	44
Retail trade	1,232	30	1,184	32
Accommodation and food services	306	4	284	5
Transport, postal and warehousing	384	23	393	27
Information media and telecommunications	233	7	229	15
Financial and insurance services	895	33	842	32
Rental, hiring and real estate services	483	6	469	6
Professional, scientific and technical services	2,164	36	2,177	45
Administrative and support services	615	9	629	13
Public administration and safety	642	112	621	129
Education and training	621	26	616	32
Health care and social assistance	545	15	519	22
Arts and recreation services	141	3	131	4
Other services	504	7	506	8
Other ³	200	6	231	8
<i>Industry total⁴</i>	<i>13,467</i>	<i>452</i>	<i>13,376</i>	<i>574</i>
Non-taxable	9,544	68	9,653	69
Total⁴	23,106	694	23,130	830

¹ The industry groups are classified based on the Australian and New Zealand Standard Industry Classification (ANZSIC 2006) system.

² Data for the 2006–07 and 2007–08 FBT years includes data from FBT returns processed up to 31 October 2007 and 31 October 2008 respectively.

³ Includes FBT employee contributions where the industry was not stated.

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

Employee contributions towards car fringe benefits for which the taxable value was calculated using the statutory formula ('Cars-statutory') have been the most popular type of contribution and represented 74.5% of the total \$574 million of employee contributions to taxable employers for 2007–08. This has maintained the upwards trend over the past few years (see detailed table 5).

Table 8.7: Employee contributions to employers, by employer type, taxable status and type of contribution, 2006–07 and 2007–08 FBT years

Employer type	2006–07 ¹		2007–08 ¹	
	Employers	\$m	Employers	\$m
Australian Government departments	95	174	101	188
Other employers				
Taxable				
Cars-statutory	10,225	337	10,245	428
Cars-operating cost	3,438	20	3,384	21
Expense payments	1,378	26	1,309	19
Housing	520	15	515	17
Airline transport	58	14	66	15
Board	27	2	27	4
Property	217	8	195	37
Other benefits	602	23	563	23
Car parking	309	7	334	9
<i>Contribution total^{2,3}</i>	<i>13,467</i>	<i>452</i>	<i>13,376</i>	<i>574</i>
Non-taxable	9,544	68	9,653	69
Total³	23,106	694	23,130	830

1 Data for the 2006–07 and 2007–08 FBT years includes data from FBT returns processed up to 31 October 2007 and 31 October 2008 respectively.
2 Components do not add to total as employers may report more than one type of contribution.
3 Totals may differ from the sum of the components due to rounding.

SOURCE OF FBT STATISTICS

The statistics in this chapter are sourced from 2007 and 2008 FBT returns processed by 31 October 2007 and 31 October 2008 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 2007–08 FBT years to include returns processed by 31 October 2008. These statistics cannot be compared to those in previous editions of *Taxation statistics*.

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

LIST OF FBT DETAILED TABLES¹

The following fringe benefits tax detailed tables are on the attached CD-ROM and included in the online version of this publication on our 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 2008 FBT return.

To find out whether a particular item is included in a detailed table, refer to the fringe benefits 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: FBT payable, by employer type and taxable status, 1997–98 to 2007–08 FBT years

This time series¹ table shows grades of FBT payable, by employer type and taxable status, for the 1997–98 to 2007–08 FBT years.

Table 2: FBT payable and FBT rebate, by employer type, taxable status and broad industry, 2007–08 FBT year

This table shows FBT payable, FBT rebate claimed and net FBT payable, by employer type, taxable status and broad industry groupings, for the 2007–08 FBT year.

Table 3: Number of FBT payers and value of benefits, by employer type, taxable status, type of benefits and broad industry, 2007–08 FBT year

This table shows the number of FBT payers and the value of benefits, by employer type, taxable status and broad industry groupings, that provided different types of benefits, for the 2007–08 FBT year.

Table 4: Employee contributions, by employer type, taxable status, type of benefit and broad industry, 2007–08 FBT year

This table shows amounts of employee contributions that entities (companies, partnerships, trusts, individuals and others) – classified by employer type, taxable status and 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 2007–08 FBT year.

Table 5: Cars-statutory employee contributions, by employer type and taxable status, 1997–98 to 2007–08 FBT years

This time series¹ table shows grades of cars-statutory employee contributions, by employer type and taxable status, for the 1997–98 to 2007–08 FBT years.

Table 6: Selected items, by employer type and taxable status, 1997–98 to 2007–08 FBT years

This time series¹ table shows selected items, by employer type and taxable status for the 1997–98 to 2007–08 FBT years.

Table 7: Fringe benefits, by employer type and taxable status and benefit type, 1997–98 to 2007–08 FBT years

This time series¹ table shows the number of FBT payers and the benefit value amounts, by employer type, taxable status and type of benefit, for the 1997–98 to 2007–08 FBT years.

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

¹ Includes FBT returns processed by 31 October 2008 and those returns processed within 1 April to 31 October of each FBT year.

OVERVIEW

For the 2006–07 income year:

- \$2.4 billion was paid in transfers through the tax system for the benefit of families and individuals, a 4.3% increase
- 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 \$3,125, and
- \$306 million in tax offsets were claimed in the research and development industry, an increase of 11.9% over the previous income year.

INTRODUCTION

This chapter provides information on payments and transfers, as reported on individual and company tax returns. 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. 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 ATO are fuel tax credits payments (see Chapter 14) and superannuation co-contribution payments (see Chapter 15).

NEW FEATURES AND INFORMATION

Statistics for the 2006–07 income year reported in this chapter may have been affected by the following change:

- From 1 July 2006, the family tax benefit Part A lower income threshold increased from \$33,361 to \$40,000. This means that families can continue to earn up to \$40,000 per income year and still receive the maximum amount of benefit.

Table 9.4 has been changed to show the age distribution of individuals claiming the private health insurance rebate through the ATO.

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 ATO administered first child tax offset.

For the 2006–07 income year, personal taxpayers claimed \$182 million in first child tax offsets. This represents an average of \$580 per claim and a decrease on the \$664 average for 2005–06. The number of individuals claiming the offset has decreased by 15.1%, in part due to individuals no longer meeting the income eligibility criteria.

Table 9.1: First child tax offset claimed, 2005–06 and 2006–07 income years

	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
Total	369,560	246	313,583	182

¹ Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

FAMILY TAX BENEFIT

The family tax benefit (FTB) commenced on 1 July 2000. It assists families with the cost of raising dependent children and is paid through the Family Assistance Office (FAO) or the ATO. 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 2006–07 income year increased by 5.3% and 7.0% respectively. The number of individuals receiving an entitlement or reconciliation credit increased by 3.0% and 4.3% respectively.

Table 9.2: Family tax benefit¹ claims, by type, 2005–06 and 2006–07 income years

Type of FTB claim	2005–06 ²		2006–07 ²	
	No.	\$m	No.	\$m
Entitlement ³	143,095	480	147,344	521
Reconciliation credit ⁴	741,547	1,484	773,346	1,655
Reconciliation debit ⁵	92,603	66	105,101	83
Consent debt ⁶	1,152	1	1,658	1

1 Includes FTB part A, FTB part B and the FTB part A and part B supplements, where applicable.
2 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 ATO.
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, 2006–07 income year

Family adjusted taxable income ¹	Taxpayers ²	FTB amount ³	Average
	No.	\$m	\$
<\$10,000	3,023	25.2	8,350
\$10,000 to <\$20,000	2,997	21.5	7,182
\$20,000 to <\$30,000	4,466	29.2	6,541
\$30,000 to <\$40,000	6,700	42.7	6,373
\$40,000 to <\$50,000	8,625	47.6	5,522
\$50,000 to <\$60,000	10,713	46.6	4,348
\$60,000 to <\$70,000	14,194	52.4	3,689
\$70,000 to <\$80,000	17,791	60.4	3,392
\$80,000 to <\$90,000	22,732	71.0	3,125
\$90,000 to <\$100,000	21,619	55.7	2,577
\$100,000 to <\$125,000	19,071	36.5	1,914
\$125,000 to <\$150,000	5,897	11.7	1,979
\$150,000 and over	9,526	20.2	2,116
Total⁴	147,354	520.7	3,533

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 the 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 ATO can only provide statistical data on the refundable tax offset claimed through individual tax returns.

For the 2006–07 income year, 263,378 taxpayers claimed a private health insurance rebate through the tax system, a decrease of 6,565 taxpayers (2.5%) from the previous year. However, the average rebate claimed per taxpayer increased from \$644 in 2005–06 to \$662 in 2006–07.

Taxpayers in the under 30s age group recorded a 6.9% increase in private health insurance rebates in contrast to taxpayers in the 30–59 age group where a 5.6% decrease was recorded.

Table 9.4: Private health insurance rebate, by age, 2005–06 and 2006–07 income years

	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
<18 ²	82	..	122	..
18–24	11,493	2	12,273	2
25–29	19,256	5	20,551	5
30–34	23,031	9	22,331	9
35–39	24,417	13	23,625	13
40–44	29,890	20	26,726	18
45–49	38,645	28	35,855	27
50–54	41,718	33	39,683	32
55–59	38,404	30	36,940	30
60–64	22,923	17	24,629	19
65–69	9,576	8	10,332	9
70–74	4,091	4	4,192	4
75 or more	6,417	5	6,119	5
Total	269,943	174	263,378	174

¹ Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

² '..' means rounded to zero, but not zero.

The highest proportion of taxpayers claiming a rebate through the tax system had a taxable income in the \$25,001 to \$75,000 range. Their average claim was \$626.

Table 9.5: Private health insurance rebate, by taxable income, 2006–07 income year

Taxable income	Taxpayers	Amount claimed
	No.	\$m
Up to \$6,000	6,154	3
\$6,001–\$25,000	28,943	14
\$25,001–\$75,000	152,490	95
\$75,001–\$150,000	62,434	50
\$150,001 or more	13,357	12
Total	263,378	174

RESEARCH AND DEVELOPMENT TAX OFFSET

Jointly administered by the Industry Research and Development Board (through AusIndustry) and the ATO, 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 2006–07 income year. The average claim was \$121,886, an increase on the 2005–06 average of \$115,763.

Table 9.6: Research and development tax offset, 2005–06 and 2006–07 income years

Industry ²	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
Agriculture, forestry and fishing	72	8	75	9
Mining	56	11	64	12
Manufacturing	495	51	522	55
Electricity, gas, water and waste services	19	3	15	2
Construction	54	5	66	6
Wholesale trade	135	15	158	17
Retail trade	52	5	63	7
Transport, postal and warehousing	16	2	18	2
Information media and telecommunications	77	9	79	11
Financial and insurance services	78	11	68	9
Rental, hiring and real estate services	36	3	51	4
Professional, scientific and technical services	1,085	130	1,112	145
Administrative and support services	41	5	44	6
Education and training	19	2	24	2
Health care and social assistance	22	3	25	3
Arts and recreation services	12	1	8	1
Other services	39	5	39	4
Other ³	55	7	80	9
Total⁴	2,363	274	2,511	306

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 the 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 the total of the company's qualifying Australian production expenditure on the film. 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:

- Where the company's qualifying Australian production expenditure on an eligible film is at least \$15 million but less than \$50 million, the tax offset is available where the qualifying Australian production expenditure is at least 70% of the film's total production expenditure.
- Where the company's qualifying Australian production expenditure is \$50 million or more, the tax offset is available regardless of the proportion of the film's total production percentage ratio.

In relation to an eligible film that is a television series, the tax offset is not available unless the average qualifying Australian production expenditure per hour of the series' duration is at least \$1 million.

From 8 May 2007, the 12.5% offset was not available to new productions of film and television. From that date an expanded scheme (producer offset; location offset; and post, digital and visual effects production (PDV) offset) applies to eligible film and television productions. There were no claims paid up to 31 October 2008 for the new schemes.

The offset is provided to the production company through its tax return. Any excess over other tax liabilities is refunded.

There was a significant increase in the amount of film and television tax offset paid for the 2006–07 income year. This was due to an increase in the number of films and television productions and higher average production costs than in the previous year.

Table 9.7: Film and television tax offset, 2005–06 and 2006–07 income years

	2005–06 ¹	2006–07 ¹
	\$m	\$m
Total	10	81

¹ Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

SOURCE OF PAYMENTS AND TRANSFERS STATISTICS

The statistics in this chapter are sourced from 2006 and 2007 individual and company income tax returns processed by 31 October 2007 and 31 October 2008 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 2006–07 income years to include returns processed by 31 October 2008. The statistics cannot be compared to those in previous editions of *Taxation statistics*.

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 our website 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 2006–07 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 2006–07 income years.

OVERVIEW

As at the end of October 2008, there were:

- 51,671 tax concession charities, a 2.1% increase, and
- 25,292 active deductible gift recipients, a 3.7% increase.

For the 2006–07 income year, individuals claimed \$1,885 million in deductible gifts, an increase of 21.1% on the previous year.

For the 2007–08 financial year, charities claimed \$373.3 million in refundable franking credits, an increase of 12.1% 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
- prescribed private funds donations and distributions, 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 ATO is also provided.

NEW FEATURES AND INFORMATION

This chapter has new information about prescribed private funds, including the number of registered prescribed private funds and the donations received and the distributions made by these funds.

Two new detailed tables have been included:

- Gifts claimed by individuals, by state and amount claimed, for the 2005–06 and 2006–07 income years
- Gifts claimed by individuals as a percentage of total income, for the 2006–07 income year.

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 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 may be entitled to seek endorsement from the ATO for the following concessions:

- 1 Income tax exemption – it is not required to pay income tax and is generally not required to lodge an income tax return.
- 2 Goods and services tax (GST) charity tax concessions – including being able to use cash rather than non-cash accounting for GST and enabling certain supplies to be GST-free or input-taxed rather than taxable.
- 3 Fringe benefits tax (FBT) rebate – certain charitable institutions are entitled to a rebate of FBT equal to 48% of the gross FBT payable, subject to a capping threshold.
- 4 FBT exemption – benefits provided by certain charitable institutions to their employees are exempt from 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.

The most common charitable purpose of charities is social and community welfare, which accounted for just under 45% of all tax concession charities and just under 92% of all tax exempt fringe benefits.

Table 10.1: Main charitable purpose¹ of tax concession charities²

Main charitable purpose	Number of tax concession charities	Income tax exempt charity	Fringe benefits tax exempt	Tax concessions	
				Fringe benefits tax rebatable	GST concession
Social and community welfare	23,230	23,147	9,438	11,102	22,916
Religion	11,825	11,811	814	10,965	11,590
Education	8,818	8,814	11	7,880	8,621
Health	1,827	1,812	3	1,128	1,739
Culture	1,386	1,385	0	399	1,313
Natural environment	466	465	0	389	441
Other	4,119	4,100	5	2,772	3,872
Total	51,671	51,534	10,271	34,635	50,492

1 As indicated on the application for endorsement as a tax concession charity or income tax exempt fund (NAT 10651-12.2007).

2 Active tax concession charities as at 31 October 2008.

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 our website www.ato.gov.au

Table 10.2: Entity type¹ of tax concession charities²

Entity type	No.
Charitable institution	35,892
Public benevolent institution	9,711
Charitable fund	5,237
Health promotion charity	715
Income tax-exempt fund	116
Total	51,671

1 As indicated on the application for endorsement as a tax concession charity or income tax exempt fund (NAT 10651-12.2007).

2 Active tax concession charities as at 31 October 2008.

DEDUCTIBLE GIFT RECIPIENTS

Deductible gift recipients are certain types of organisations that can receive tax deductible gifts. These organisations either need to be endorsed by the ATO, or to be specifically listed by name in the income tax law. To be endorsed by the ATO the organisation needs to fall within one of the deductible gift recipient general categories, and apply to the ATO for deductible gift recipient status.

The majority (99%) of deductible gift recipients are endorsed by the ATO.

Table 10.3: Deductible gift recipients¹, by type²

Deductible gift recipient type	No.
Public benevolent institutions	11,037
School or college building fund	4,457
Public library	1,605
Ancillary funds	1,511
Public fund on the register of cultural organisations	1,107
Health promotion charity	706
Prescribed private funds	578
Public museum	540
Public fund on the register of environmental organisations	447
Public hospital	363
Public fund for religious instruction in government schools	258
Scholarship fund	247
Government special school	199
Specifically listed in the Income Tax Assessment Act	182
Public art gallery	156
Overseas aid fund	155
Approved research institute	152
Public institution for research	100
Institution consisting of a public library, public museum and public art gallery or of any two of these bodies	96
Non-profit hospital	93
Public fund for public benevolent institutions	85
Public university	82
TAFE	77
Animal welfare charity	77
A public fund established and maintained for the purpose of providing money for the provision of public ambulance services	66
Residential educational institution	62
Other ³	854
Total	25,292

¹ Active deductible gift recipient status as at 31 October 2008.

² Type as identified on the application form for deductible gift recipient application form (NAT 2948-06.2007).

³ Other includes 21 other deductible gift recipient types.

PRESCRIBED PRIVATE FUNDS

A prescribed private fund is a trust (listed by name as a 'prescribed private fund' in the income tax regulation) to which businesses, families and individuals can make tax deductible donations. The fund may make distributions only to other deductible gift recipients that have been either endorsed by the ATO or are listed by name in the income tax law.

Table 10.4: Number of new and total prescribed private funds

	2006-07 ¹	2007-08 ¹
Number approved	125	159
Total approved	440	599

¹ Data for 2006-07 and 2007-08 income years includes data processed up to 31 October 2008.

The total number of prescribed private funds increased by 36.1% during the 2007-08 financial year.

Table 10.5: Donations to and distributions of prescribed private funds

	2006-07 ¹	2007-08 ¹
	\$m	\$m
Donations received	348	472
Distributions made		
Health	6	6
Education	12	8
Research	2	1
Welfare	22	30
Defence	0	0
Environment	6	7
Industry, trade and design	0	0
Family ²
International affairs	5	6
Sports and recreation ²
Philanthropic trusts	0	0
Cultural organisations	5	39
Fire and emergency organisations	0	0
Other	16	20
Total³	74	117
Closing value	850	1,234

¹ Data for 2006-07 and 2007-08 income year includes data processed up to 31 October 2008.

² ".." means rounded to zero but not zero.

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

Distributions from prescribed private funds increased 58.1% during the 2007-08 financial year, with distributions to cultural and welfare charities making up 33.3% and 25.4% of total distributions from these funds respectively.

DEDUCTIBLE GIFTS

While entities are able to make tax deductible donations to deductible gift recipients, these donations are only separately reported to the ATO on the individual 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 a gift or contribution as a deduction increased by 2.1% for the 2006–07 income year, while the amount claimed increased by 21.1%. Most of the increase in donations has come from individuals claiming deductions for more than \$25,000.

Table 10.6: Individuals' gifts claimed, by amount claimed, for the 2005–06 and 2006–07 income years¹

Amount of gifts claimed	2005–06		2006–07	
	No.	\$m	No.	\$m
\$1–\$25	1,104,113	16	1,067,209	16
\$26–\$50	793,222	33	805,437	33
\$51–\$250	1,315,658	165	1,346,677	169
\$251–\$1,000	783,324	391	835,798	418
\$1,001–\$5,000	173,546	331	196,408	378
\$5,001–\$10,000	15,897	108	19,020	130
\$10,001–\$25,000	6,930	102	8,400	123
More than \$25,000	3,218	410	4,019	617
Total²	4,195,908	1,556	4,282,968	1,885

¹ Data for 2005–06 and 2006–07 income year includes data processed up to 31 October 2007 and 31 October 2008 respectively.

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

For the 2006–07 income year 36.3% of individuals claimed a gift or contribution to a deductible gift recipient as a deduction in their income tax return. For 85.2% of these individuals, their contribution represented 1% or less of their total income.

Table 10.7: Individuals' gifts as a percentage¹ of total income, for the 2006–07 income year²

Gifts as a percentage of total income	Number	Gifts \$m
No gifts claimed	7,516,263	0
More than 0% to 0.25%	2,479,629	133
More than 0.25% to 0.5%	634,047	131
More than 0.5% to 0.75%	329,330	117
More than 0.75% to 1%	206,760	99
More than 1% to 2%	348,034	240
More than 2% to 3%	112,134	126
More than 3% to 4%	52,095	81
More than 4% to 5%	29,649	65
More than 5% to 6%	18,317	45
More than 6% to 7%	13,216	40
More than 7% to 8%	9,809	34
More than 8% to 9%	7,364	30
More than 9% to 10%	6,643	30
More than 10%	35,941	713
Total gifts	4,282,968	1,884

¹ The percentage is the gifts divided by total income multiplied by 100.

² Data for the 2006–07 income year includes data processed up to 31 October 2008.

More information on gifts claimed by individuals can be found in detailed tables 2 and 3.

REFUNDABLE FRANKING CREDITS

Franking credits attached to franked dividends received by endorsed income tax exempt entities, deductible gift recipients and public funds declared by the Treasurer to be developing country relief funds may be refundable, provided the eligibility criteria are met.

In June of each year, the ATO 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 ATO.

The value of refundable franking credits grew by 12.1% in 2007–08.

Table 10.8: Refundable franking credits, by amount refunded, 2006–07 and 2007–08 financial years¹

Amount paid	2006–07		2007–08	
	Claims	\$m	Claims	\$m
Under \$100,000	3,144	37.2	3,216	42.3
\$100,001–\$500,000	307	67.5	336	71.8
\$500,001–\$1,000,000	56	40.0	77	51.8
Over \$1,000,000	52	188.4	66	207.3
Total²	3,559	333.1	3,695	373.3

1 Claims processed during the financial year, 1 July to 30 June.
2 Totals may differ from the sum of the 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, 2006 and 2007 individual income tax returns processed by 31 October 2007 and 31 October 2008 respectively, and from applications for a refund of franking credits.

LIST OF CHARITIES AND DEDUCTIBLE GIFTS DETAILED TABLES

The following detailed tables are on the attached CD-ROM and included in the online version of this publication on our website. The tables may be viewed or downloaded in Adobe Acrobat (PDF) or Microsoft Excel (XLS) format.

Table 1: Refundable franking credits for endorsed income tax exempt entities and deductible gift recipients, 2001–02 to 2007–08 financial years

This table shows the number of claims and the value of franking credits claimed by charities for the 2001–02 to 2007–08 financial years.

Table 2: Individuals' gifts claimed, by state and amount claimed, for the 2005–06 and 2006–07 income years

This table shows the number of individual gifts claimed by the amount claimed broken down by state for the 2005–06 and 2006–07 income years.

Table 3: Individuals' gifts as a percentage of total income, for the 2006–07 income year

This table shows the number of individual gifts claimed by a percentage of total income broken down by state for the 2006–07 income year.

OVERVIEW

For the 2006–07 income year:

- 1,058,805 individuals lodged returns with foreign sourced income, a 2.7% increase from 2005–06
- individual foreign sourced income was \$2.9 billion, an increase of 18.7% from 2005–06
- corporate net foreign sourced income was \$8.7 billion, an increase of 37.7% from 2005–06, and
- superannuation funds net foreign sourced income was \$7.8 billion, an increase of 114.2% from 2005–06.

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 become involved in cross-border business and investment activities, and more people cross national borders to live and work.

INDIVIDUAL FOREIGN SOURCED INCOME

For the 2006–07 income year, a total of 63,709 non-residents lodged tax returns, an increase of 4.2% on 2005–06.

Table 11.1: Individuals, by residency status and taxable income, 2005–06 and 2006–07 income years

Taxable income	2005–06 ¹		2006–07 ¹	
	Resident No.	Non-resident No.	Resident No.	Non-resident No.
Less than \$0	125,934	16,509	133,639	17,926
\$0–\$24,999	4,481,997	37,482	4,362,063	37,629
\$25,000–49,999	3,901,801	3,804	3,966,008	4,088
\$50,000–\$74,999	1,860,595	1,511	1,963,608	1,711
\$75,000–\$99,999	581,600	655	690,694	828
\$100,000–\$199,999	393,985	790	493,872	1,038
\$200,000 or more	103,927	369	125,638	489
Total²	11,449,839	61,120	11,735,522	63,709

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

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

Individual foreign sourced income increased 18.7% to almost \$3 billion in 2006–07.

Table 11.2: Individual foreign source income, by taxable income, 2005–06 and 2006–07 income years

Taxable income	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
Less than \$0	8,065	33	8,953	49
\$0–\$24,999	336,351	491	309,518	519
\$25,000–49,999	301,670	545	312,475	620
\$50,000–\$74,999	193,327	316	197,278	409
\$75,000–\$99,999	82,972	193	96,404	229
\$100,000–\$199,999	77,902	332	96,589	413
\$200,000 or more	30,637	558	37,588	692
Total²	1,030,924	2,468	1,058,805	2,930

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

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

CORPORATE FOREIGN SOURCED INCOME

For the 2006–07 income year the net foreign source income of companies increased by \$2.3 billion or 37.7% due mainly to increases in foreign income being received by the finance and insurance services sector. Net foreign source income for this industry increased by \$2 billion from 2005–06 and represented 72.8% of all corporate net foreign sourced income.

Table 11.3: Companies' net foreign sourced income, by industry, 2005–06 and 2006–07 income years

Industry	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
Agriculture, forestry and fishing	389	14	392	16
Mining	68	143	73	66
Manufacturing	485	304	489	393
Electricity, gas, water and waste services	15	2	15	1
Construction	497	42	517	138
Wholesale trade	563	298	531	317
Retail trade	389	122	371	61
Accommodation and food services	171	16	185	43
Transport, postal and warehousing	194	270	235	370
Information media and telecommunications	220	76	226	96
Finance and insurance services	7,767	4,284	7,798	6,333
Rental, hiring and real estate services	1,423	112	1,459	147
Professional, scientific and technical services	1,723	342	1,692	445
Administrative and support services	217	42	215	63
Public administration and safety	26	4	27	10
Education and training	89	35	85	16
Health care and social assistance	250	11	271	11
Arts and recreational services	137	30	142	33
Other services	229	22	231	65
Other ³	1,422	148	1,660	76
Total⁴	16,274	6,318	16,614	8,699

1 The industry groups are based on the ANZSIC 2006 Business Register codes. This may produce variations in data values from *Taxation statistics 2005–06*.

2 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 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 the components due to rounding.

During the 2006–07 income year, overseas interest expenses increased by \$6.7 billion (or 25.2%) from 2005–06. The finance and insurance services sector accounted for 75% of the total overseas interest expense.

Table 11.4: Selected company international tax labels, 2005–06 and 2006–07 income years

Selected labels	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
Net foreign income	16,274	6,318	16,614	8,699
Gross payments subject to foreign resident withholding	609	363	670	487
Interest expenses overseas	9,016	26,627	8,349	33,336
Lease expenses overseas	1,378	414	1,233	281
Attributed foreign income				
Listed country	128	62	101	85
Section 404 country	126	260	139	487
Unlisted country	99	694	109	954

¹ Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

For the 2006–07 income year, the combined number of non-resident companies and permanent establishments continued to account for less than 1% of total companies.

Table 11.5: Companies by residency status, 2005–06 and 2006–07 income years

Residency status	2005–06 ¹	2006–07 ¹
	No.	No.
Resident	726,539	748,662
Non-resident	1,360	1,263
Permanent establishment ²	297	352
Total³	728,196	750,277

¹ Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

² In general a permanent establishment is a fixed place of business in one country at or through which a resident of another country carries on business. For a comprehensive definition refer to the definition in the *Income Tax Assessment Act 1936* or, where applicable, the appropriate Double Tax Agreement.

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

SUPERANNUATION FUND FOREIGN SOURCED INCOME

For the 2006–07 income year, net foreign income reported by superannuation funds increased by \$4.1 billion or 114.2%. Retail funds recorded the most significant increase in net foreign income. Retail and industry funds combined accounted for 51.6% of the total net foreign income of all funds.

Table 11.6: Superannuation fund foreign income, 2005–06 and 2006–07 income years

Selected labels	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
Gross foreign income	130,115	4,948	146,868	9,181
Net foreign income	130,145	3,632	146,923	7,779

¹ Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

PARTNERSHIP AND TRUST FOREIGN SOURCED INCOME

Net other assessable foreign income for partnerships increased by 21.7% to \$90 million for the 2006–07 income year. Professional, scientific and technical services partnerships accounted for 31.6% of the total net other assessable foreign income of all partnerships.

Table 11.7: Partnership other assessable foreign income, 2005–06 and 2006–07 income years

Selected labels	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
Gross other assessable foreign income	3,751	94	3,706	193
Net other assessable foreign income	3,694	74	3,638	90

¹ Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

Net other assessable foreign income for trusts increased by 93.6% to \$19.1 billion for the 2006–07 income year. Public unit trusts – unlisted accounted for 83.3% of the total net other assessable foreign income of all trusts.

Table 11.8: Trust other assessable foreign income, 2005–06 and 2006–07 income years

Selected labels	2005–06 ¹		2006–07 ¹	
	No.	\$m	No.	\$m
Gross other assessable foreign income	56,107	13,411	61,136	25,134
Net other assessable foreign income	55,544	9,886	60,522	19,141

¹ Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

SOURCE OF INTERNATIONAL TAXATION STATISTICS

The international tax statistics in this chapter are sourced from 2006 and 2007 individual, company, partnership, trust and superannuation fund income tax returns processed by 31 October 2007 and 31 October 2008 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 each of the individual, company, partnership, trust and superannuation return forms is in the appendix. They may be viewed or downloaded in PDF file from the attached CD-ROM or from the online version of *Taxation statistics* on our 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 our 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, 1989–90 to 2006–07 income years

This table shows selected items from the individual, company, partnership, trust and superannuation fund tax returns for income years 1989–90 to 2006–07. The number of records and amounts are shown.

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

OVERVIEW

For the 2007–08 financial year:

- total net goods and services tax (GST) liabilities (including Customs collections) were \$41.8 billion, an increase of 5.3% from 2006–07
- wine equalisation tax (WET) liabilities (including Customs collections) were \$644 million, a decrease of less than one percent from 2006–07, and
- luxury car tax (LCT) liabilities (including Customs collections) were \$447 million, an increase of 20.4% from 2006–07.

INTRODUCTION

This chapter provides a general description of the GST, WET and LCT. It reports liabilities incurred during the 2006–07 and 2007–08 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 ATO on behalf of the Australian Government, and is appropriated to the states and territories. The Australian Government funds the ATO 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.

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 GST¹**

If net GST is more than \$0, the net difference is payable to the ATO.

If net GST is less than \$0, the net difference can be claimed as a refund.

¹ Net GST can also be affected by increasing and decreasing adjustments.

For the 2007–08 financial year, net GST liabilities increased by 5.3% to \$41.8 billion. While the wholesale industry recorded a decrease of 22.2% in net GST liabilities from 2006–07, it remained the major contributor to GST in 2007–08 with \$9.4 billion. This industry accounted for 22.4% of all net GST liabilities. Rental, hiring and real estate services recorded significant growth in net GST liabilities from 2006–07 at 56.8%.

Table 12.1: Net GST liabilities^{1,2,3}, by industry, 2006–07 to 2007–08 financial years

Industry ⁴	2006–07		2007–08	
	No.	\$m	No.	\$m
Agriculture	198,103	–16	193,727	–66
Mining	6,695	–3,544	6,767	–3,750
Manufacturing	90,857	5,930	88,632	7,339
Electricity, gas and water	5,121	452	5,124	412
Construction	327,232	4,611	325,976	4,852
Wholesale	72,144	12,058	71,416	9,375
Retail	137,545	2,609	134,466	2,526
Accommodation, cafes and restaurants	76,248	2,483	75,494	2,537
Transport, postal and warehousing	127,676	2,111	127,918	1,977
Communication	16,294	1,994	16,185	2,245
Finance	116,722	4,532	122,022	5,824
Rental, hiring and real estate	195,046	2,172	197,174	3,406
Professional, scientific and safety	215,718	5,801	213,225	6,467
Administration and support services	70,041	2,553	69,777	2,822
Public administration	10,537	–7,793	10,147	–7,709
Education	31,961	112	31,661	71
Health and community services	87,154	–943	88,491	–1,643
Arts and recreational services	31,953	830	31,207	852
Other services	113,722	1,272	111,458	1,409
Unknown ⁵	42,052	–241	50,244	–90
<i>ATO GST liabilities</i>	<i>1,972,821</i>	<i>36,983</i>	<i>1,971,111</i>	<i>38,858</i>
Customs collections		2,703		2,934
Total net GST		39,686		41,792

1 Excludes penalties and interest on overpayments.

2 Data for 2006–07 and 2007–08 financial years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

3 Sales tax credits could no longer be deducted from gross GST payable to calculate net GST liabilities for either year.

4 Industry classifications are based on ANZSIC 2006 codes. Some recoding has been undertaken to better reflect the activities of certain clients.

5 Includes entities that did not state their industry and 'ATO use only' codes.

In the 2007–08 financial year, the number of entities with a net refund between \$1 and \$9,999 and net liability between \$0 to \$9,999 decreased – 2.1% and 3.2% respectively. The number of entities with a net GST liability over \$10 million increased by 10.4% from 2006–07, providing an additional \$2.9 billion in net GST liability for this range.

Net refunds for entities in the range \$5,000,000 to \$9,999,999 increased by 19.1% or \$449.0 million from 2006–07. This result was due in part to an 18.6% increase in the number of entities and 0.5% increase in the average refundable amount for entities compared to 2006–07.

Table 12.2: Net GST liabilities^{1,2,3}, by amount, 2006–07 to 2007–08 financial years

Net liability amount	2006–07		2007–08	
	No.	\$m	No.	\$m
\$–10,000,000 or more	425	–17,623	486	–20,072
\$–5,000,000–\$–9,999,999	334	–2,346	396	–2,795
\$–1,000,000–\$–4,999,999	1,875	–3,985	2,189	–4,524
\$–500,000–\$–999,999	2,080	–1,451	2,416	–1,688
\$–100,000–\$–499,999	16,819	–3,452	18,266	–3,780
\$–10,000–\$–99,999	104,081	–3,110	107,854	–3,240
\$–1 to \$–9,999	436,057	–939	426,878	–937
\$0 to \$9,999	940,970	3,319	910,513	3,291
\$10,000–\$99,999	411,575	11,603	438,478	12,421
\$100,000–\$499,999	47,222	9,484	51,323	10,294
\$500,000–\$999,999	5,458	3,764	5,941	4,090
\$1,000,000–\$4,999,999	4,600	9,415	4,939	10,161
\$5,000,000–\$9,999,999	649	4,469	708	4,907
\$10,000,000 or more	676	27,834	729	30,731
<i>ATO GST liabilities</i>	<i>1,972,821</i>	<i>36,983</i>	<i>1,971,116</i>	<i>38,859</i>
Customs collections ⁴		2,703		2,934
Total net GST		39,686		41,792

1 Excludes penalties and interest on overpayments.

2 Data for the 2006–07 and 2007–08 financial years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

3 Sales tax credits could no longer be deducted from gross GST payable to calculate net GST liabilities for either year.

4 The Australian Customs Service 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 makes an acquisition 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.

For the 2007–08 financial year, the wholesale industry recorded the largest input tax credit claims at \$25.5 billion accounting for 12.7% of all industry claims. Wholesale also recorded the largest deferred GST payments on imports at \$7.3 billion, accounting for 39.1% of all industry deferred payments.

Table 12.3: GST, input tax credits and deferred GST liabilities^{1,2} on imports, by industry, 2007–08 financial year

Industry ³	No.	Gross GST payable	Input tax credits	Deferred GST payments on imports	Net GST
		\$m	\$m	\$m	\$m
Agriculture	193,727	5,147	5,264	51	-66
Mining	6,767	5,909	10,985	1,326	-3,750
Manufacturing	88,632	26,940	24,409	4,809	7,339
Electricity, gas and water	5,124	6,994	6,637	55	412
Construction	325,976	21,982	17,366	236	4,852
Wholesale	71,416	27,621	25,577	7,331	9,375
Retail	134,466	25,874	24,569	1,222	2,526
Accommodation, cafes and restaurants	75,494	5,759	3,226	3	2,537
Transport, postal and warehousing	127,918	9,813	8,429	593	1,977
Communication	16,185	6,190	4,080	135	2,245
Finance	122,022	26,345	21,826	1,305	5,824
Rental, hiring and real estate	197,174	12,199	9,566	773	3,406
Professional, scientific and safety	213,225	15,840	9,763	389	6,467
Administration and support services	69,777	5,640	2,876	58	2,822
Public administration	10,147	2,998	10,821	115	-7,709
Education	31,661	1,975	1,969	65	71
Health and community services	88,491	2,269	3,930	18	-1,643
Arts and recreational services	31,207	2,211	1,365	7	852
Other services	111,458	4,656	3,314	67	1,409
Unknown ⁴	50,244	5,137	5,418	191	-90
<i>ATO GST liabilities</i>	<i>1,971,111</i>	<i>221,499</i>	<i>201,389</i>	<i>18,748</i>	<i>38,858</i>
Customs collections					2,934
Total					41,792

1 Excludes penalties and interest on overpayments.

2 Data for the 2007–08 financial year includes data processed up to 31 October 2008.

3 Industry groups are based on the Australian and new Zealand Standard Industrial Classification (ANZSIC) 2006 Business Register codes. 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 (WET). The WET 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 intended for private consumption.

The producer rebate scheme came into effect on 1 October 2004 replacing the cellar door rebate scheme. The producer rebate entitles producers to a rebate of 29% of the wholesale value of domestic wine sales and applications to own use. 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 years.

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 WET is paid.

For the 2007–08 financial year, the net WET remained consistent with 2006–07.

Table 12.4: Wine equalisation tax (WET) liabilities¹, 2006–07 and 2007–08 financial years

Net WET			2006–07			2007–08
	WET Payable	WET Refund	Net WET	WET Payable	WET Refund	Net WET
	\$m	\$m	\$m	\$m	\$m	\$m
Less than \$100,000	100	160	-60	103	180	-77
\$100,000–\$499,999	27	6	22	30	7	23
\$500,000–\$999,999	22	3	19	26	4	22
\$1,000,000–\$4,999,999	92	15	77	85	7	78
\$5,000,000 or more	591	15	576	601	20	581
<i>ATO WET liabilities</i>	832	199	633	845	220	627
Customs collections ²			12			17
Total³			645			644

1 Data for the 2006–07 and 2007–08 financial years includes processed liabilities at 31 October 2007 and 31 October 2008 respectively by amount sent to the ATO.

2 The Australian Customs Service collects wine equalisation tax on taxable importations.

3 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 the WET, LCT 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 LCT threshold following the removal of sales tax and the introduction of GST.

For the 2007–08 financial year, the LCT rate was 25% with a threshold of \$57,123. During the year there was a 20.4% increase in total LCT liabilities reflecting strong sales of new luxury cars.

Table 12.5: Luxury car tax (LCT) liabilities¹, 2006–07 and 2007–08 financial years

Amount paid	2006–07		2007–08	
	\$m	%	\$m	%
Less than \$100,000	15	4.1	13	2.9
\$100,000–\$499,999	34	9.3	45	10.1
\$500,000–\$999,999	18	5.0	28	6.3
\$1,000,000–\$4,999,999	158	42.9	137	30.8
\$5,000,000 or more	143	38.8	222	50.0
<i>ATO LCT liabilities</i>	<i>369</i>	<i>100.0</i>	<i>444</i>	<i>100</i>
Customs collections ²	2		3	
Total³	371		447	

1 Data for the 2006–07 and 2007–08 financial years includes processed liabilities at 31 October 2007 and 31 October 2008 respectively by amount sent to the ATO.

2 The Australian Customs Service collects luxury car tax on taxable importations.

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

SOURCE OF GST STATISTICS

The statistics in this chapter are sourced from 2007 and 2008 GST, WET and LCT liabilities reported on business activity statements, GST annual returns and information reports as at 31 October 2008. 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 in PDF file format from the attached CD-ROM or from the online version of *Taxation statistics* on our website at www.ato.gov.au

LIST OF GST DETAILED TABLES

The following detailed table on selected GST, WET and LCT items for the 2000–01 to 2007–08 financial years is on the attached CD-ROM and included in the online version of this publication on our website. The table may be viewed or downloaded in Adobe Acrobat (PDF) or Microsoft Excel (XLS) format.

Table 1: Selected GST, WET and LCT items, 2000–01 to 2007–08 financial years

This table shows selected GST, WET and LCT items for the 2000–01 to 2007–08 financial years.

OVERVIEW

For the 2007–08 financial year:

- total excise liabilities were \$23.5 billion, a 2.4% increase from 2006–07
- excise from refined petroleum products was \$14.6 billion
- excise for crude oil totalled \$386.0 million, a decrease of 27.8% from 2006–07
- excise from tobacco products was \$5.7 billion, a 5.0% increase from 2006–07, and
- excise from alcohol products was \$2.8 billion a 4.8% increase from 2006–07.

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 subject to the wine equalisation tax).

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 on crude oil is payable on production. The excise liability is calculated by applying marginal rates to the progressive production of crude oil and multiplying it by the volume weighted average realised (VOLWARE) price. The rate of excise applied varies according to when the oil deposit was discovered and first developed.

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 excisable products is up to 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 produced.

NEW FEATURES AND INFORMATION

In the 2007–08 year, large excise payers had 53 liability due dates as the year had 53 Mondays rather than the normal 52. This extra week of payments means the figures for 2007–08 are higher than they would have been under a normal 52 week year.

Statistics for this chapter are affected by the changes in the excise measures to increase the excise duty on other excisable beverages not exceeding 10% alcohol by volume to the same rate as for full strength spirits on and from 27 April 2008. 'Other excisable beverages' includes ready-to-drink alcoholic beverages.

Statistics for this chapter are not affected by changes announced by the government in the May 2008 budget to impose excise duty on condensate production from petroleum fields located in the North West Shelf Project area and onshore Australia. The government announced that condensate would be subject to excise at the same excise rate applicable to crude oil, applying to production after midnight (by legal time in the Australian Capital Territory) on 13 May 2008. The first condensate revenue is not anticipated to be collected until the end of January 2009 due to the transition provisions of the enabling legislation.

Table 13.5 has been expanded to show the different beer excise tariff categories based on alcohol content and container size.

EXCISE LIABILITIES

Excise liabilities for the 2007–08 financial year totalled \$23.5 billion, increasing by \$559.8 million or 2.4% from 2006–07.

Table 13.1: Excise liabilities, by commodity, 2006–07 and 2007–08 financial years

Commodity	2006–07 ¹		2007–08 ¹	
	\$m	%	\$m	%
Petroleum ²	14,305	62.4	14,613	62.2
Tobacco	5,387	23.5	5,657	24.1
Beer	1,836	8.0	1,888	8.0
Spirits	880	3.8	959	4.1
Crude oil	535	2.3	386	1.6
Total	22,943	100.0	23,503	100.0

¹ Data for the 2006–07 and 2007–08 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

² Data includes non-petroleum-based fuels.

The amount of duty for each commodity was relatively stable, with the exception of crude oil which decreased by \$148.6 million. The decrease reflects reduced oil production during 2007–08.

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. From July 2006, one rate of excise was applied for all fuels, except aviation fuel. This resulted in the excise rate increasing for fuel oil, kerosene and heating oil. Collections for fuel and heating oil decreased, while collections from kerosene increased.

Excise liabilities from petroleum products were \$14.6 billion in 2007–08, increasing from \$14.3 billion in 2006–07. The total quantity produced in 2007–08 increased by 3.9%, 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. Diesel increased by 4.6% in 2007–08 when compared to last year.

Table 13.2: Quantities of petroleum products subject to excise, 2006–07 and 2007–08 financial years

Product	2006–07 ¹		2007–08 ¹	
	Megalitres ²	Duty (\$m)	Megalitres ²	Duty (\$m)
Petrol – unleaded, leaded and lead replacement petroleum	19,049	7,266	18,029	6,877
Diesel	16,595	6,330	17,359	6,621
Other petroleum products				
Fuel oil	317	117	276	105
Heating oil	39	15 ⁶	38	14
Aviation gasoline	97	3	88	3
Aviation kerosene	2,430	70	2,583	74
Kerosene	36	14	45	17
Oils and greases	353	19	383	21
Other refined petroleum products	1,160	412	2,820	804
Total³	40,074	14,246	41,620	14,535
Non-petroleum-based fuels ⁴	155	59	203	77

1 Data for the 2006–07 and 2007–08 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

2 One mega litre equals one million litres.

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

4 Includes ethanol and biodiesel fuels.

5 Correction made from \$6 million reported in the *Taxation statistics 2005–06*.

CRUDE OIL

Excise duty is levied on onshore stabilised crude oil production. Excise duty is also levied on offshore stabilised crude oil production from fields within the North West Shelf Project area. Crude oil from offshore areas located outside the North West Shelf Project area is subject to petroleum resource rent tax.

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, intermediate or old. The excise-free threshold is currently 500 megalitres for new fields, 300 megalitres for intermediate fields and 200 megalitres for old 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 ATO.

The quantity of crude oil subject to excise for 2007–08 was 5,415 megalitres, a decrease of 4,222 megalitres from 2006–07. This reflects lower oil production.

Table 13.3: Quantities of crude oil subject to excise, 2006–07 and 2007–08 financial years

	2006–07		2007–08	
	Megalitres ¹	\$m	Megalitres ¹	\$m
Crude oil	9,637	535	5,415	386

¹ In calculating these figures, crude oil volumes from all fields were totalled, including those relevant production volumes that did not pay any excise during the period.

TOBACCO

Tobacco manufacturers in Australia pay excise duty on locally manufactured cigarettes and tobacco products. The duty rate for tobacco is levied 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 \$5.7 billion during 2007–08. The quantities of cigarettes subject to excise duty increased by 2.3% from the previous year to 22.4 billion sticks.

Table 13.4: Quantities of tobacco products subject to excise, 2006–07 and 2007–08 financial years

Tobacco	Unit	Quantity	2006–07 ¹		2007–08 ¹	
			Duty (\$m)	Quantity	Duty (\$m)	
Cigarettes	Million sticks	21,868	5,218	22,372	5,476	
Tobacco	Kilograms	570,000	170	592,509	181	
Total			5,388		5,657	

¹ Data for the 2006–07 and 2007–08 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

ALCOHOL

Manufacturers of alcohol not subject to wine equalisation tax have a responsibility 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 2007–08, excise liabilities from alcohol products increased by 4.8% from the previous year to \$2.9 billion.

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 manufactured in Australia are generally subject to excise duty, but under some circumstances the duty rate is free.

Duty collected for mid and full strength beers increased while duty for low strength beer decreased. Duty collected from the sale of ready-to-drink beverages also increased.

Table 13.5: Quantities of alcohol products subject to excise, 2006–07 and 2007–08 financial years

Alcohol	2006–07 ¹		2007–08 ¹	
	Megalitres ²	Duty (\$m)	Megalitres ²	Duty (\$m)
Beer				
Bottled beer – low strength	2.4	79	2.2	72
Bottled beer – mid strength	5.1	194	5.3	205
Bottled beer – full strength	33.1	1,254	33.4	1,298
Keg beer – low strength	0.7	4	0.6	4
Keg beer – mid strength	1.1	23	1.1	24
Keg beer – full strength	10.5	281	10.4	284
Non-commercial purposes ³	0.1	..	0.1	..
Spirits				
Other spirits	2.8	178	2.7	176
Brandy	0.5	31	0.5	31
Ready-to-drink beverages	17.7	671	18.0	752
Total⁴	75.0	2,716	74.2	2,847

1 Data for the 2006–07 and 2007–08 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.
2 One mega litre equals one million litres.
3 ‘..’ means rounded to zero but not zero.
4 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 2006–07 and 2007–08.

LIST OF EXCISE DETAILED TABLES

The following detailed tables on excise are on the attached CD-ROM and included in the online version of this publication on our website at www.ato.gov.au. The tables may be viewed or downloaded as PDF or Excel files.

Table 1: Excise collections, 1996–97 to 2007–08 financial years

This table shows excise from beer, spirits, tobacco, petroleum and crude oil for the 1996–97 to 2007–08 financial years.

Table 2: Quantities of alcohol products subject to excise, 2003–04 to 2007–08 financial years

This table shows excise from alcohol – beer and spirits – detailed by excise tariff categories for the 2003–04 to 2007–08 financial years.

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

OVERVIEW

For the 2007–08 financial year:

- total grants paid under the fuel tax credits scheme were \$4,703 million, a 9.1% increase over 2006–07
- total benefits paid under the product stewardship for oil program increased by 12.9% from 2006–07 to \$36 million, and
- grants totalling around \$115 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 ATO administers fuel schemes that 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 2007–08 financial year were:

- 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 2007–08 financial year.

NEW FEATURES AND INFORMATION

Statistics for the 2007–08 financial year reported in this chapter may have been affected by the following changes to the cleaner fuel grants scheme:

- claims for the premium unleaded petrol category which ceased on 31 December 2007, and
- claims for the ultra low sulphur diesel category which increased due to a full financial year of claims for the 2007–08 financial year. This category commenced 1 January 2007, meaning that only six months of claims were received for the 2006–07 financial year.

There were also changes to the product stewardship for oil program, where the additional benefit paid for category 5 and category 6 claims fell from 10.057 cents per litre to 6.7 cents per litre.

FUEL TAX CREDITS

Fuel tax credits 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 credit scheme has been substantially replaced with a single fuel tax credit for all fuels except alternative fuels.

Taxation statistics 2005–06 published the 2006–07 figures for fuel tax credits, including payments made under the fuel tax credits system and residual energy grants credits scheme payments. In *Taxation statistics 2006–07*, 2006–07 figures and 2007–08 figures only include payments made as fuel tax credits.

For the 2007–08 financial year, the amount of fuel tax credits paid was \$4,703 million, an increase of \$394 million or 9.1%. There were 618,734 fuel tax credit claims made during the 2007–08 financial year, an increase of 76,910 claims or 14.2%. The largest percentage increase in the amount paid for fuel tax credits was for trust entities – the amount paid increased by 11.5% and the number of claims by 18.4%.

Table 14.1: Fuel tax credits¹ paid, by entity, 2006–07 and 2007–08 financial years

Entity	2006–07		2007–08	
	No.	\$m	No.	\$m
Company	148,278	3,277	173,189	3,602
Partnership	217,007	395	237,964	411
Government	4,573	134	5,552	138
Individual	84,191	101	98,105	105
Other ²	87,757	401	103,924	447
Total³	541,824	4,309	618,734	4,703

¹ *Taxation statistics 2005–06* published the 2006–07 figures, including payments made under the fuel tax credits system and residual energy grants credits scheme payments. In this publication, 2006–07 figures and 2007–08 figures only include fuel tax credit payments. 2006–07 and 2007–08 payments processed as at 31 October 2007 and 31 October 2008 respectively.

² 'Other' includes trusts and superannuation funds.

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

When comparing the 2007–08 financial year to the 2006–07 financial year, the amount paid for fuel tax credits increased for most industries and the number of claims increased for all industries. The highest increase in claims was 28.7% in education and training, with 472 extra claims worth an extra \$1.6 million. The mining industry claims the highest amount of fuel tax credits. This industry had a 14.8% growth in the amount claimed and 15.5% growth in the number of claims lodged.

The mining industry contributed to 49.8% of the growth in the total amount claimed for all industries, but only contributed 1.1% of the overall growth in the number of claims. The industry contributing most to the overall growth in the number of claims was agriculture, forestry and fishing – the number of claims for this industry group grew by 29,116 (11.1%), representing 37.9% of the overall growth in the number of claims.

Table 14.2: Fuel tax credits¹ paid, by industry, 2006–07 and 2007–08 financial years

Industry ²	2006–07		2007–08	
	No. ³	\$m	No. ³	\$m
Agriculture, forestry and fishing	263,322	597	292,438	630
Mining	5,430	1,323	6,272	1,519
Manufacturing	16,476	249	20,129	276
Electricity, gas, water and waste services	5,510	118	6,759	125
Construction	42,470	188	54,399	227
Wholesale trade	17,277	72	20,304	80
Retail trade	12,090	21	14,249	23
Accommodation and food services	2,713	11	3,124	11
Transport, postal and warehousing	140,191	1,128	154,601	1,205
Information media and telecommunications	353	3	417	17
Financial and insurance services	2,689	165	3,188	170
Rental, hiring and real estate services	7,886	28	9,601	37
Professional, scientific and technical services	3,591	259	4,616	233
Administrative and support services	4,454	14	5,681	14
Public administration and safety	4,118	103	4,967	101
Education and training	1,643	2	2,115	4
Health care and social assistance	1,299	3	1,565	2
Arts and recreation services	1,676	3	2,071	3
Other services and other	8,636	21	12,240	26
Total⁴	541,824	4,309	618,734	4,703

¹ *Taxation statistics 2005–06* published the 2006–07 figures, including payments made under the fuel tax credits system and residual energy grants credits scheme payments. In this publication, 2006–07 figures and 2007–08 figures only include fuel tax credit payments. 2006–07 and 2007–08 payments processed as at 31 October 2007 and 31 October 2008 respectively.

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

³ Claims processed during the period may not necessarily relate to fuel purchased during the same period.

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

In the 2007–08 financial year, the amount of fuel tax credits paid increased across almost all of the payment ranges when compared to 2006–07. The largest percentage increase in the amount paid was 18.0% (or \$63.1 million more paid) in the \$500,000 – \$999,999 refundable range. The number of claims in this range grew by 19.8%, representing an extra 98 extra claims. There was a substantial decrease of 84.7% or \$311.0 million less fuel tax credits in the ‘payable (greater than \$0)’ – there was a 16.1% decrease in the number of claims (734 fewer claims) in this range.

Table 14.3: Fuel tax credits¹ paid, 2006–07 and 2007–08 financial years

Amount paid	2006–07		2007–08	
	No. ²	\$m	No. ²	\$m
Payable (greater than \$0)	4,569	367	3,835	56
\$0–\$29,999 refundable	525,557	1,213	602,356	1,310
\$30,000–\$69,999 refundable	6,394	284	6,699	295
\$70,000–\$99,999 refundable	1,488	124	1,534	127
\$100,000–\$499,999 refundable	2,720	594	3,102	660
\$500,000–\$999,999 refundable	494	351	592	414
\$1,000,000–\$4,999,999 refundable	496	1,022	519	1,104
\$5,000,000 refundable or more	106	1,087	97	878
Total³	541,824	4,309	618,734	4,703

1 *Taxation statistics 2005–06* published the 2006–07 figures including payments made under the fuel tax credits system and residual energy grants credits scheme payments. In this publication, 2006–07 figures and 2007–08 figures only include fuel tax credit payments. 2006–07 and 2007–08 payments processed as at 31 October 2007 and 31 October 2008 respectively.

2 Claims processed during the period may not necessarily relate to fuel purchased during the same period.

3 Totals may differ from the sum of the 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 ATO administers the program by collecting the oil levy and paying the benefit.

In the 2007–08 financial year, 695 claims and \$36 million in payments were made under the product stewardship for oil program. In 2007–08, the number of claims decreased by 2.0% whereas the value of claims increased by 12.9% when compared to the claims made during the prior year.

Table 14.4: Product stewardship for oil program payments, 2006–07 and 2007–08 financial years

		2006–07 ¹		2007–08 ¹	
No.	\$m	Litres claimed ('000)		No.	\$m
709	32	417,253		695	36
					527,970

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 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 that meets the fuel standard is eligible between 1 January 2007 and 31 December 2008.

In the 2007–08 financial year, the cleaner fuels grants scheme experienced an increase in the number of claims and the value of payments by 17.2% and 25.0% respectively, when compared to the last year.

The changes in the claims for each fuel type were mainly due to changes in what could be claimed. The number of claims and the value of payments for ultra low sulphur diesel increased by 137.9% and 171.4% respectively. However, the number of claims and the value of payments for premium unleaded petrol decreased by 32.7% and 42.9% respectively. With regard to biodiesel, the number of claims increased by 7.9% but the value of payments decreased by 34.3%.

Table 14.5: Cleaner fuels grants scheme payments, 2006–07 and 2007–08 financial years

Fuel	No.	\$m	2006–07 ^{1,2}		2007–08 ^{1,2}		
			No.	\$m	No.	\$m	
Biodiesel	631	29	Litres claimed ('000) 76,633		681	19	50,358
Premium unleaded petrol	303	35	3,142,815		204	20	1,784,110
Ultra low sulphur diesel	174	28	2,846,306		414	76	7,619,620
Total	1,108	92	6,065,754		1,299	115	9,454,089

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 2006–07 and 2007–08 grant payments processed as at 31 October 2007 and 31 October 2008 respectively.

SOURCE OF FUEL SCHEME 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 ATO's electronic commerce interface, the electronic lodgment service, or business activity statements.

LIST OF FUEL SCHEME 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 our website 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 and 2007–08 financial years

This table reports the number of claims, and the value of fuel tax credits claimed, by industry, for 2006–07 and 2007–08 financial years.

Table 2: Energy grants credits scheme (off-road credits) – quantity and value of claims paid, by industry, 1996–97 to 2007–08 financial years

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 2007–08 financial years.

Table 3: Energy grants credits scheme (on-road credits) – quantity and value of claims paid, by industry, 2000–01 to 2007–08 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 2007–08 financial years.

Table 4: Fuel sales grants scheme – quantity and value of claims paid, 2000–01 to 2007–08 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 the 2000–01 to 2007–08 financial years.

Table 5: Product stewardship for oil program – quantity and value of benefits paid, 2001–02 to 2007–08 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 2007–08 financial years.

Table 6: Cleaner fuels grants scheme – number of claims and value of benefits paid, 2003–04 to 2007–08 financial years

This table reports the number of claims/entities quantity of fuel and the value of benefits claimed under the cleaner fuels grants scheme. The statistics are for the 2003–04 to 2007–08 financial years.

OVERVIEW

During the 2007–08 financial year:

- the number of self-managed superannuation funds grew by 8.7% while the total value of assets held by these funds grew by an estimated 7.0%
- there were 1.3 million co-contribution entitlements determined and paid, totalling \$1.2 billion, and
- the lost members register continued to grow with the total value of lost accounts increasing by 8.4%, from \$11.9 billion on 30 June 2007 to \$12.9 billion on 30 June 2008.

An increasing number of Australians are directly affected by Australia's superannuation system tax regime. By 30 June 2008, approximately 93% of employees had some form of superannuation. There were:

- approximately 1.35 million registered employers
- 394,206 superannuation funds, and
- \$1,172 billion in total assets held by superannuation funds.

As at 30 June 2007, there were approximately 30.4 million member superannuation accounts. During the 2006–07 financial year there were:

- \$56.3 billion in member contributions
- \$64.7 billion in employer contributions, and
- \$41.1 billion in member benefit payments.

For information reported by superannuation funds for the 2006–07 income year, see Chapter 4.

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 ATO plays a major role in administering the compulsory and voluntary elements of the superannuation system. During the period covered by these statistics, the ATO 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
- unclaimed superannuation monies
- departing Australia superannuation payments
- the regulation of self-managed superannuation funds
- the co-contributions system
- excess contributions tax on individuals
- the superannuation contributions surcharge, and
- the termination payments surcharge.

NEW FEATURES AND INFORMATION

On 10 May 2006, a major reform of the superannuation system was announced. These measures saw a significant increase in personal contributions during the 2006–07 financial year.

In December 2006, the then Treasurer announced an additional measure to improve arrangements in respect to unclaimed superannuation. This additional measure came into effect from 1 July 2007 and required private sector funds to report and pay unclaimed superannuation to the ATO.

SUPERANNUATION GUARANTEE SCHEME

The superannuation guarantee scheme requires employers to provide the following to their employees:

- a prescribed minimum level of superannuation support for each eligible employee to a complying superannuation fund or retirement savings account, and
- a choice of superannuation fund that their entitlements are paid to.

Some employees are not eligible for superannuation guarantee contributions because of low salary or wages, age or hours of work.

Most employees can choose the fund they want employers to pay their superannuation contributions into. Employers must provide a *Standard choice form* (NAT 13080) to new employees, who are eligible to choose a superannuation fund, within 28 days of the day they start working. Once an employee chooses a fund, employers have two months to arrange to pay contributions into that fund.

Employers who fail to provide a minimum level of superannuation support (or to meet their 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 for each employee not fully covered of \$20 per employee per quarter.

The ATO 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 distributions, 2006–07 and 2007–08 financial years

	2006–07	2007–08
Superannuation guarantee	\$m	\$m
Charge collections	238	288
Entitlements distributed	209	323

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-contribution amounts.

At the end of the 2007–08 financial year, the total value of accounts in the special account was \$63.6 million. Some 192,087 accounts (or 37.1% of individual accounts) had balances of more than \$0, with an average value of \$320 per account. There were also 325,787 or 62.9% of accounts with a \$0 balance, representing account balances transferred to a superannuation fund or paid to an individual or inactive accounts transferred to consolidated revenue.

Deposits into the special account in 2007–08 totalled \$25.7 million. The majority of this money was a result of the transfer of unclaimed superannuation guarantee amounts, as well as some stale cheques and money returned from funds.

Transfers from the special account in 2007–08 totalled \$10.0 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, 2006–07 and 2007–08 financial years¹

Individual account balance	2006–07		2007–08	
	No.	\$m	No.	\$m
\$0	302,699	0	325,787	0
\$1–\$100	58,329	3	77,495	4
\$101–\$500	62,413	14	82,709	19
\$501–\$1,000	13,165	9	19,346	14
\$1,001 or more	7,887	16	12,537	25
Total of account balances more than \$0²	141,794	42	192,087	62

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 2006–07 was \$47.8 million and at the end of 2007–08 was \$63.6 million.

2 The total of account balances may not add to the sum of the components due to rounding.

LOST MEMBERS REGISTER

The ATO 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 2007–08 financial year, there were 6.4 million accounts on the lost members register, with a total value of \$12.9 billion. During the 2007–08 financial year, the ATO sent 2.2 million letters to members and reviewed over 290,000 accounts by phone with members. This led to the removal of about 256,000 lost accounts worth \$1.359 billion from the register, with a further 717,684 removed through other means. Despite the removal of these and other accounts, there was a net increase of 315,325 in the number of accounts, as approximately 1.3 million additional accounts were reported as 'lost'.

Table 15.3: Lost members register accounts, 2006–07 and 2007–08 financial years

Financial year	2006–07	2007–08
Accounts removed during the year (no.)	1,767,417	973,684
Accounts at 30 June (no.)	6,104,039	6,419,364
Closing value at 30 June (\$m)	11,900	12,900

UNCLAIMED SUPERANNUATION MONIES

In general terms, unclaimed superannuation monies are amounts which are payable, in respect of:

- members who have reached eligibility age (currently age 65) and whose accounts are inactive,
- non-member spouses who are entitled to a splittable payment, or
- members who have died and whose accounts are inactive; where the superannuation provider is unable to ensure that the money will be received by the person who is entitled to it. (Note "inactive accounts" is not the same definition as "inactive member" as defined for lost member.)

Before 1 July 2007, the ATO administered unclaimed superannuation payments solely on behalf of Australian Government superannuation funds. However, from 1 July 2007, private sector superannuation funds must now also report and pay unclaimed superannuation to the ATO rather than to the relevant state and territory authorities as was the situation previously.

State and territory government superannuation schemes may be required to report and pay unclaimed superannuation to the ATO, subject to relevant state and territory law. The unclaimed superannuation amount is held as administered revenue, pending payment to claimants.

Table 15.4: Unclaimed superannuation, 2007–08 financial year

Financial year	2007–08
	No.
Accounts at 30 June	5,900
Closing value at 30 June (\$m)	7.1

SELF-MANAGED SUPERANNUATION FUNDS

The ATO 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 now hold 31% of all assets in the Australian superannuation system, making them the largest sector in the superannuation industry.

At the end of 2007–08, there were 387,936 self-managed funds, with approximately 746,000 members. The majority (90%) of self-managed funds have one or two members. In 2007–08 approximately 33,250 new funds were registered, compared to around 46,000 in the previous financial year. The net growth in the number of self-managed funds was 8.7%, with a net growth in assets of 7.0%.

Table 15.5: Self-managed superannuation fund demographics, 2006–07 and 2007–08 financial years

Financial year	2006–07 ¹	2007–08
Funds (no.)	356,945	387,936
Members ² (no.)	684,577	746,318
Assets (\$m)	334,927	358,269

1 2006–07 figures have been updated. Assets rose due to the surge in member contributions in the 2006–07 financial year, following the superannuation simplification measures announced in the May 2006 budget.

2 Estimates based on ATO data.

Table 15.6: Number of members in self-managed superannuation funds, 2005–06 and 2006–07 financial years

Number of members	Proportion of funds (%)	
	2005–06	2006–07
1	20.2	20.7
2	69.2	69.2
3	5.3	5.0
4	5.3	5.1

Asset allocation only shifted slightly between 2005–06 and 2006–07, with the biggest increase seen in assets allocated to cash and term deposits (a 3.2% increase in assets allocated to this asset type). In the same time, the value of assets allocated to other trusts fell slightly with 1.8% of assets moved from this asset type.

Table 15.7: Asset allocation across self-managed superannuation funds, 2005–06 and 2006–07 financial years¹

Asset type	2005–06	2006–07
	%	%
Life insurance policies	0.1	0.1
Other managed funds	6.7	6.1
Overseas assets	0.7	0.7
Real property	10.5	10.6
Other property	0.4	0.3
Listed shares and equities	34.2	34.7
Unlisted shares and equities	1.7	1.5
Public trusts	11.4	10.4
Other trusts	9.0	7.2
Cash and term deposits	22.1	25.3
Loans	0.6	0.5
Other	2.6	2.6
Total²	100.0	100.0

1 2007–08 fund tax return information not available.

2 Total component percentages may not add to 100% due to rounding.

SUPERANNUATION CO-CONTRIBUTION

The superannuation co-contribution has operated since 1 July 2003. It is intended to help low and middle 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 2007, eligible persons with total income below \$28,980 received 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 \$28,980, phasing out at the higher income threshold of \$58,980. In 2007, the measure was also extended to eligible people who were self-employed. The income thresholds are indexed annually.

A co-contribution entitlement is determined and paid, generally to an individual's superannuation account, once the ATO 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 ATO after the end of the relevant income year, the payment of a co-contribution usually occurs in the following income year.

The number of co-contribution entitlements determined and paid in the 2007–08 financial year grew by 11.0% compared to the 2006–07 financial year.

Table 15.8: Co-contribution entitlements determined and paid, 2006–07 and 2007–08 financial years¹

Co-contribution	2006–07		2007–08	
	No.	\$m	No.	\$m
Total	1,177,211	1,858²	1,306,360	1,153

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.

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 Superannuation Laws Amendment (2007 Budget Co-contribution Measure) Act 2007.

During 2007–08, 60% of individuals who were paid co-contributions were female, and 31% of these women were aged between 46 and 55.

Table 15.9: Number of co-contribution entitlements determined and paid, by age and sex, 2007–08 financial year¹

Age range	Female No.	Male No.	Total No.
Under 21	29,327	37,350	66,677
21–25	51,407	46,515	97,922
26–30	51,056	37,222	88,278
31–35	69,659	41,374	111,033
36–40	85,394	46,291	131,685
41–45	108,335	57,019	165,354
46–50	119,975	63,884	183,859
51–55	124,187	69,039	193,226
56–60	100,835	70,475	171,310
61–65	39,502	41,623	81,125
66–70	6,718	9,173	15,891
Total	786,395	519,965	1,306,360

¹ Co-contribution entitlements determined and paid in 2007–08 relate to personal contributions made in the 2003–04, 2004–05, 2005–06 and 2006–07 income years.

EXCESS CONTRIBUTIONS TAX

From 1 July 2007, caps on superannuation contributions have replaced reasonable benefit limits. These are the concessional contributions cap and the non-concessional contributions cap. Excess contributions tax is levied on contributed amounts in excess of the caps.

As part of this reform, there was a limited opportunity to contribute up to \$1 million to superannuation between 10 May 2006 and 30 June 2007. This is likely to be reflected in a large increase in member contributions during this period.

The only assessments made during 2007–08 were those at the request of clients for the purpose of seeking the Commissioner's discretion to reallocate or disregard contributions.

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 date.

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 and net collections, 2006–07 and 2007–08 financial years¹

Surcharge assessments	2006–07		2007–08	
	No.	\$m	No.	\$m
Total	755,363	699	256,044	143

1 2006–07 and 2007–08 figures relate to surcharge assessments in respect of 2004–05 and previous years.

SOURCE OF SUPERANNUATION STATISTICS

The statistics in this chapter are sourced from the various superannuation systems, fund income tax and regulatory returns processed by 30 June 2008, and the Australian Business Register. 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 2008* and *Annual Superannuation Bulletin June 2007*.

Statistics reported in the self-managed superannuation funds tables have been updated for 2006–07 and prior years to incorporate data received and processed by 30 June 2008. These statistics cannot be compared to those in 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 in PDF file format from the attached CD-ROM or from the online version of *Taxation statistics* on our website at www.ato.gov.au

LIST OF SUPERANNUATION DETAILED TABLES

The following detailed tables are on the attached CD-ROM and included in the online version of this publication on our website. The tables may be viewed or downloaded in Adobe Acrobat (PDF) or Microsoft Excel (XLS).

Table 1: Superannuation holding accounts special account, 2000–01 to 2007–08 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 2007–08 financial years.

Table 2: Selected self-managed superannuation funds demographics, 1999–2000 to 2007–08 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 2007–08 financial years.

Table 3: Postcodes of beneficiaries of superannuation co-contributions, 2007–08 financial year

This table contains details of the state and postcodes of individuals who had a superannuation co-contribution both determined and paid during the 2007–08 financial year. Postcodes and state codes used to compile this information were obtained from income tax postal addresses.

OVERVIEW

In 2007–08:

- the ATO collected \$114.6 billion of pay as you go withholding revenue, an increase of 6.5% from 2006–07, and
- large pay as you go withholders accounted for 67.8% of all withholding.

INTRODUCTION

This chapter provides a general description of pay as you go withholding tax liabilities that are reported to the ATO by entities withholding amounts (income tax) from certain payments to other entities.

Pay as you go withholding applies generally to payments made, or non-cash benefits provided, on or after 1 July 2000. Payments and transactions subject to withholding are referred to as 'withholding payments'. These payments include: salaries, wages, allowances, bonuses or commissions paid to an employee, payments to company directors, return to work payments, pension or annuity payments, Centrelink or similar payments, non-cash payments that are not captured in the fringe benefits tax system, mining payments, natural resource payments and many others.

NEW FEATURES AND INFORMATION

This is the first time this chapter has been published in *Taxation statistics* since the 2003–04 publication.

Statistics in this chapter may have been affected by:

- changes to personal income tax rates for 2007–08, and
- changes to the taxation of pensions from superannuation funds as a result of the 'better super' reforms.

PAY AS YOU GO WITHHOLDING

The amount of pay as you go withholding from the mining sector increased by 16.8% during 2007–08. The finance sector had a 27.3% decrease in the number of entities withholding, and most of this decrease was due to many superannuation funds no longer needing to withhold for pensions paid to individuals aged over 60.

Table 16.1: Pay as you go withholding liabilities¹, by industry, 2006–07 to 2007–08 financial years²

Industry ³	2006–07		2007–08	
	No.	\$m	No.	\$m
Agriculture, forestry and fishing	60,020	1,169	57,189	1,170
Mining	3,339	3,749	3,475	4,378
Manufacturing	52,586	10,883	51,657	11,223
Electricity, gas, water and water services	2,435	1,286	2,485	1,439
Construction	115,612	6,930	118,098	7,935
Wholesale trade	38,936	5,997	38,712	6,325
Retail trade	77,549	5,776	77,045	5,991
Accommodation and food services	50,969	2,538	51,504	2,609
Transport, postal and warehousing	38,362	5,314	38,459	5,587
Information media and telecommunications	7,209	2,594	7,230	2,723
Financial and insurance services	52,816	11,487	38,397	12,176
Rental, hiring and real estate services	30,211	2,236	30,004	2,526
Professional, scientific and technical services	103,002	10,183	102,303	11,292
Administration and support services	33,915	6,231	33,800	6,915
Public administration and safety	5,062	14,193	5,083	14,328
Education and training	14,608	4,075	14,670	4,255
Healthcare and social assistance services	50,462	8,677	50,283	9,053
Arts and recreation services	11,335	944	11,405	974
Other services	59,639	2,760	59,916	2,913
No industry stated	6,545	580	10,005	777
Total pay as you go withholding	814,612	107,601	801,720	114,589

1 Pay as you go withholding is the sum of pay as you go withholding collections (including TFN and ABN withholding tax collections), mining withholding and non-resident withholding tax collections. All years include Higher Education Loan Program collections.

2 Data for 2006–07 and 2007–08 financial years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

3 Industry classifications are based on ANZSIC 2006 codes. Some recoding has been undertaken to better reflect the activities of certain clients.

PAY AS YOU GO WITHHOLDERS

The entity making the withholding payment is responsible for withholding amounts from payments to others and sending the amounts to the ATO. Entities are required to register for pay as you go withholding before they can withhold from any payments.

Pay as you go withholding liabilities reported by companies increased by 8.6% during 2007–08, with companies accounting for 70.6% of total pay as you go withholding. The number of superannuation funds withholding and the amount they withheld decreased by 66.3% and 45.3% respectively during 2007–08. This is a result of changes to the taxation treatment of pensions paid from superannuation funds under the better super reforms.

Table 16.2: Pay as you go withholding liabilities¹, by entity, 2006–07 to 2007–08 financial years²

Entity	2006–07		2007–08	
	No.	\$m	No.	\$m
Companies	439,138	74,456	440,077	80,873
Government	4,380	20,382	4,347	20,706
Trusts	149,202	8,636	153,900	9,202
Partnerships	107,279	2,405	102,636	2,475
Individuals	93,171	825	93,525	842
Superannuation funds	21,442	897	7,235	491
Total	814,612	107,601	801,720	114,589

1 Pay as you go withholding is the sum of pay as you go withholding collections (including TFN and ABN withholding tax collections), mining withholding and non-resident withholding tax collections. All years include Higher Education Loan Program collections.

2 Data for 2006–07 and 2007–08 financial years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

TYPE OF WITHHOLDER

Pay as you go withholding entities are classified into three types:

- **small withholders** – generally have total annual withholdings of up to \$25,000 and are required to report and send the amount withheld quarterly through their business activity statements
- **medium withholders** – generally have total annual withholdings of \$25,001 to \$1 million and are required to report and send the amount withheld monthly through their business activity statements, and
- **large withholders** – generally have total annual withholdings exceeding \$1 million. For these withholders, an amount withheld in any period commencing Saturday and ending Tuesday is payable on the Monday following the period, and an amount withheld in any period commencing Wednesday and ending Friday is payable on the Thursday following the period. Large withholders do not report or send the amounts withheld through their business activity statements. Instead, the ATO provides them with separate arrangements for notifying and sending amounts withheld.

Small withholders represent 65.5% of all entities engaged with pay as you go withholding, yet they only account for 5.2% of the actual withholding. Large withholders account for only 1.6% of all withholders but account for 67.8% of withholding.

Table 16.3: Pay as you go withholding liabilities¹, by type of withholder, 2006–07 to 2007–08 financial years²

Type of withholder	2006–07		2007–08	
	No.	\$m	No.	\$m
Large (weekly)	13,221	73,721	12,706	77,741
Medium (monthly)	266,727	28,590	264,041	30,841
Small (quarterly)	534,664	5,291	524,973	6,007
Total	814,612	107,601	801,720	114,589

¹ Pay as you go withholding is the sum of pay as you go withholding collections (including TFN and ABN withholding tax collections), mining withholding and non-resident withholding tax collections. All years include Higher Education Loan Program collections.

² Data for 2006–07 and 2007–08 financial years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

SOURCE OF PAY AS YOU GO WITHHOLDING STATISTICS

Statistics in this chapter are mainly sourced from activity statements, payment summaries and annual payment summary statements (lodged electronically or in paper form) for the 2006–07 and 2007–08 financial years processed at 31 October 2007 and 31 October 2008 respectively.

Copies of the *Business activity statement* and *Instalment activity statement* are in the appendix. Alternatively, they may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of this publication on our website at www.ato.gov.au

DETAILED TABLES

The following detailed tables on PAYG withholding collections are on the attached CD-ROM and included in the online version of this publication on our website. The tables may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS).

Table 1: PAYG withholding, by entity 2000–01 to 2007–08 financial years

This PAYG withholding amounts reported to the ATO broken down by entity for the 2000–01 to 2007–08 financial years.

Table 2: PAYG withholding, by industry, 2000–01 to 2007–08 financial years

This PAYG withholding amounts reported to the ATO from different industry groups for the 2000–01 to 2007–08 financial years.

OVERVIEW

For the 2006–07 income year:

- the average time taken to complete an income tax return was 5.9 hours
- the average time taken to complete a business activity statement was 2.0 hours
- it took an average of 12.4 hours to complete a fringe benefits tax return, and
- the average cost of managing tax affairs for an individual was \$268.20.

NEW FEATURES AND INFORMATION

This chapter has been introduced to present information and provide estimates on a component of the compliance costs of the Australian tax system. While this is one component, it is a significant and tangible component as many tax compliance activities are intended to ultimately feed into the preparation of these forms.

The chapter focuses on different tax and entity types. While this is the first year that this data has been included in the *Taxation statistics* publication, future editions will contain more detailed data as insights into cost of compliance related issues evolve.

INTRODUCTION

This chapter provides information on time-based cost of compliance data as reported on the major tax forms used by individuals and businesses. This includes the income tax returns for individuals, companies, trusts and partnerships; business activity statements (quarterly only) and the fringe benefits tax return. Data is extracted from the time-box label that is included on these forms. Taxpayers may use the time-box to record their estimate of the total time to complete the form in addition to time required for compilation of relevant information and record keeping.

The time-box label was introduced in the late 1990s and was required to be placed on all government forms that a business was required to complete. Recently, this mandatory element was removed, although key forms such as the business activity statement and tax return continue to use the time-box label.

There are two time-box labels:

- for simple forms, the label asks taxpayers to estimate the time taken to complete the form (in hours), and
- for complex forms, the label asks people to estimate the time taken to prepare for and complete the form (this label is used on the business activity statement and income tax return forms).

It is not compulsory for taxpayers to complete the time-box. As a result, the percentage of forms with this label completed is generally low. For example, the business activity statement forms generally have a completion percentage from 25% to 33%, but some forms have a much lower rate than this – between 5% and 10%.

INCOME TAX RETURNS

For the 2006–07 income year, approximately 146,000 entities submitted an income tax return where the time-box contained a value. The average time involved in completing an income tax return remained constant between 2005–06 and 2006–07.

Table 17.1: Income tax return time box data – average time¹ to complete form

			2005–06 ²		2006–07 ²	
	Number of taxpayers	Total hours	Hours per taxpayer	Number of taxpayers	Total hours	Hours per taxpayer
Company	30,838	229,870	7.5	29,728	220,771	7.4
Fund	10,720	68,427	6.4	12,292	72,621	5.9
Partnership	13,050	106,254	8.1	12,687	107,103	8.4
Trust	12,781	93,511	7.3	12,622	92,963	7.4
Individual ³	73,816	349,345	4.7	78,699	365,028	4.6
Total⁴	141,205	847,407	6.0	146,028	858,486	5.9

1 Large outlier values have been removed from data before average calculated.

2 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

3 Taxpayers who completed the individuals – business and professional items schedule only.

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

BUSINESS ACTIVITY STATEMENT – QUARTERLY LODGERS

For the 2006–07 income year, approximately 2.1 million business activity statement forms were submitted where the time-box contained a value. The average time involved in completing the business activity statement remained constant between 2005–06 and 2006–07.

Table 17.2: Business activity statement submitted quarterly by market segment – average time¹ to complete form

			2005–06 ²		2006–07 ²	
	Number of BAS taxpayers	Total hours to complete BAS	Hours per BAS form	Number of BAS taxpayers	Total hours to complete BAS	Hours per BAS form
Government	25	39	1.5	12	38	3.1
Not-for-profit	3,883	6,305	1.6	3,390	4,880	1.4
Individuals	59,383	25,017	0.4	49,563	19,920	0.4
Micro business	2,095,719	4,456,947	2.1	1,969,436	4,107,392	2.1
Small-medium business	106,014	234,720	2.2	106,004	229,077	2.2
Large business	8,492	8,944	1.1	8,257	8,347	1.0
Total³	2,273,515	4,731,972	2.1	2,136,666	4,369,690	2.0

1 Large outlier values have been removed from data before average calculated.

2 Data for 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

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

FRINGE BENEFITS TAX RETURNS

Fringe benefits tax is the tax paid by employers on a benefit provided to employees in place of, or additional to, salary and wages. The fringe benefit tax year runs from 1 April to 31 March each year. For the 2006–07 year, 15,650 fringe benefits tax forms were submitted containing an estimate of the time required to complete the form.

The average time to prepare a fringe benefits tax return was about 12.4 hours and this remained constant between 2005–06 and 2006–07. Micro businesses recorded the lowest hours per client to complete forms. These entities generally have limited situations where they provide a fringe benefit to employees. In contrast, large business and government recorded the largest hours per client reflecting their use of the fringe benefits tax system to provide benefits to large numbers of their employees.

The average time to complete a fringe benefits tax return is approximately twice that of an income tax return.

Table 17.3: Fringe benefits tax form by market segment – average time¹ to complete form

			2005–06 ²		2006–07 ²	
	Number of taxpayers	Total hours	Hours per taxpayer	Number of taxpayers	Total hours	Hours per taxpayer
Government	971	42,555	43.8	846	37,491	44.3
Not-for-profit	2,656	27,986	10.5	2,458	25,517	10.4
Micro business	4,440	15,103	3.4	3,839	15,940	4.2
Small medium business	7,795	71,270	9.1	7,102	70,357	9.9
Large business	1,679	58,324	34.7	1,405	45,453	32.4
Total³	17,541	215,238	12.3	15,650	194,758	12.4

1 Large outlier values have been removed from data before average calculated.

2 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

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

COST OF MANAGING TAX AFFAIRS

The cost of managing tax affairs is taken directly from the label on the individual tax return form. This label records expenses relating to preparing and lodging tax returns and activity statements and will include expenses such as tax agent fees and interest charges imposed by the ATO. This value will not include data from the tax return where the taxpayer has claimed the cost of managing tax affairs under an alternate label. For the 2006–07 income year, the cost of managing tax affairs for individuals increased by 6.7% from 2005–06.

Table 17.4: Cost of managing tax affairs – individuals

			2005–06 ¹		2006–07 ¹	
	Number of taxpayers	Total cost \$m	Average cost per taxpayer	Number of taxpayers	Total cost \$m	Average cost per taxpayer
Individuals	5,219,830	1,312	\$251.29	5,144,150	1,380	\$268.21

1 Data for the 2005–06 and 2006–07 income years includes data processed up to 31 October 2007 and 31 October 2008 respectively.

SOURCE OF COST OF COMPLIANCE STATISTICS

Time-based data is extracted from the time-box label which is on the major tax forms individual and business taxpayers are required to complete. While the data values shown are correct, the value recorded by taxpayers may not always be consistent due to their varying interpretations and calculation of time spent preparing and completing a tax return form.

Cost estimates are based on the income tax return label 'Cost of managing your tax affairs'. This label is only in the individual income tax return and captures the fees that individual taxpayers pay for preparing their income tax return. This label does not capture the fees that businesses pay to tax practitioners.

The statistics in this chapter are sourced from 2005–06 and 2006–07 income tax returns and business activity statements processed by 31 October 2007 and 31 October 2008 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.

Fringe benefits tax data is taken from 2005–06 and 2006–07 fringe benefits returns for the period 1 April to 31 March each year that were processed by 31 October 2008.

Statistics in the detailed tables have been updated for the 1998–99 to 2006–07 years to include data processed by 31 October 2008.

A copy of each of the tax return forms is in the appendix which may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of *Taxation statistics* on our website at www.ato.gov.au

LIST OF COST OF COMPLIANCE DETAILED TABLES

The following cost of compliance detailed table is on the attached CD-ROM and included in the online version of this publication on our website. The table may be viewed or downloaded in Adobe Acrobat (PDF) or Microsoft Excel (XLS) format.

The items referred to in the detailed table are items declared on the returns. A copy of each of the returns is in the appendix.

Table 1: Taxation return forms, cost of compliance data for 1998–99 to 2006–07 income year

This table shows cost of compliance data for business activity statements (quarterly only); and company, partnership, trust, fund, fringe benefits tax and individual return forms.

INTRODUCTION

In recent years the ATO 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 ATO 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.

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 ATO. 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 18.1: 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 ATO 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 18.2: 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)², divided by Total sales (G1)².

Net GST to sales ratio: GST on sales or GST instalment (1A)² minus GST on purchases (1B)², divided by Total sales (G1)².

¹ Calculated from *Business activity statement* labels.

² Activity statement labels.

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 2006–07 individual, company, partnership and trust income tax returns processed by 31 October 2008.

The goods and services tax (GST) and pay as you go withholding collections for the 2006–07 financial year used for calculating activity statement ratios are sourced from activity statements, annual GST returns and annual GST information reports.

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 ATO publication *Business industry codes 2008* (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, 2006–07 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. Therefore, industry ratios are calculated for commenced and established business entities.

Table IN2: Individual industry financial ratios, by total business income, 2006–07 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, 2006–07 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. Therefore, industry ratios are calculated for commenced and established business entities.

Table CO2: Company industry financial ratios, by total income, 2006–07 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, 2006–07 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. Therefore, industry ratios are calculated for commenced and established business entities.

Table PA2: Partnership industry financial ratios, by total business income, 2006–07 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, 2006–07 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. Therefore, industry ratios are calculated for commenced and established business entities.

Table TR2: Trust industry financial ratios, by total business income, 2006–07 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 2008*.

⚠ Ratios may not be available for all entities because there is insufficient data to calculate the ratios, there are data quality problems or the data cannot be shown for confidentiality reasons.

Table INAS1: Individual industry activity statement ratios, by business status, 2006–07 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 classified by business status – that is, commenced business (businesses that just started) and established business. Therefore, industry ratios are calculated for commenced and established business entities of all types.

Table INAS2: Individual industry activity statement ratios, by level of sales and profitability, 2006–07 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 – Activity statement) income groupings.

Table COAS1: Company industry activity statement ratios, by business status, 2006–07 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. Therefore, industry ratios are calculated for commenced and established business entities of all types.

Table COAS2: Company industry activity statement ratios, by level of sales and profitability, 2006–07 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 – Activity statement) income groupings.

Table PAAS1: Partnership industry activity statement ratios, by business status, 2006–07 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. Therefore, industry ratios are calculated for commenced and established business entities of all types.

Table PAAS2: Partnership industry activity statement ratios, by level of sales and profitability, 2006–07 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 – Activity statement) income groupings.

Table TRAS1: Trust industry activity statement ratios, by business status, 2006–07 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. Therefore, industry ratios are calculated for commenced and established business entities of all types.

Table TRAS2: Trust industry activity statement ratios, by level of sales and profitability, 2006–07 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 – Activity statement) income groupings.

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

INTRODUCTION

This year the ATO embarked on an ambitious project to produce and release a confidentialised 1% sample file containing individual tax return information. This was to satisfy the requirements of more advanced users of taxation data and further demonstrates the ATO's commitment to an open and transparent tax system.

The file is confidentialised in order to protect the identities of those contained in the file. This year we are releasing two sample files. A file for the 2005–06 income year based on data contained in *Taxation statistics 2005–06* and a file for the 2006–07 income year based on data in *Taxation statistics 2006–07*. Each year the file will be released in conjunction with the release of *Taxation statistics*.

OBJECTIVES

Meet demand in the tax community for information:

- Meet the data needs of many advanced users of taxation data by allowing them to source the information directly from the sample file rather than being limited to the publicly available data (in the taxation statistics) or by making requests to the ATO.
- Provide a more detailed range of data, including views of the data not previously published the ATO.

Allow for greater depth and breadth of information to be generated from researchers.

- Enable researchers to access data at a finer level than is currently available in the Taxation statistics publication
- Allow researchers to model the impact on individual taxpayers of changes to the tax system
- Allow researchers to conduct more detailed research and analysis, and
- Stimulate academic insight and findings, possibly previously not examined by the ATO.

Other benefits:

- Maximise the use of ATO data at minimal cost.
- Demonstrate greater accountability and openness on the part of the ATO.

ACCESSING THE FILE

The file may be accessed by anyone conducting legitimate research. An application for accessing the file can be obtained by emailing taxstats@ato.gov.au

OVERVIEW

Some key information about the 2005–06 and 2006–07 sample files:

- The files represent 1% of returns lodged by individuals.
- The 2005–06 file contains around 115,000 individual records. The 2006–07 file contains just over 118,000 individual records.
- The files contains 49 data items, including demographic information such as gender, marital status, year of birth (five year range), occupation code (one digit level) and a geographic region based on postcodes.
- The remainder of the data items are income, deduction, losses and some other indicators sourced from the individual tax return.

SOURCE OF INDIVIDUAL SAMPLE FILE

The data used to compile the 2005–06 unit record sample file has been sourced from the 2005–06 individual income tax returns processed by 31 October 2007. The 2006–07 unit record sample file has been sourced from the 2006–07 individual income tax returns processed by 31 October 2008.

APPENDIX: ANNUAL TAX RETURN FORMS

INDIVIDUAL TAX RETURN, 2006-07 INCOME YEAR



Australian Government
Australian Taxation Office

Individual tax return

1 July 2006 to 30 June 2007

2007

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? Print **Y** for yes or **N** for no.

Your name

Title – for example,
Mr, Mrs, Ms, Miss

Your sex

Print **X** in the
relevant box.

Male Female

Surname or family name

Given names

Has any part of your
name changed since
completing your last
tax return?

Print **Y** for yes
or **N** for no.

If you answered yes, print
previous surname.

Your postal address

Has your postal address
changed since completing
your last tax return?

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		

Your date of birth

If you were under 18 years of age
on 30 June 2007 you must
complete item **A1** on page 4 of
this tax return.

Day	Month	Year

Final tax return

If you know this is your
final tax return, print **FINAL**.

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.

BSB number
Must be six digits

Account number

Account name

F

INDIVIDUAL TAX RETURN, 2006–07 INCOME YEAR

Income

1 Salary or wages

Your main salary and wage occupation

Occupation code **X**

Payer's Australian business number

Tax withheld
(do not show cents)

 -00

Income
(do not show cents)

C -00

 -00

D -00

 -00

E -00

 -00

F -00

 -00

G -00

2 Allowances, earnings, tips, director's fees etc

 -00

K -00

3 Lump sum payments

 -00

Amount A in lump sum payments box **R** -00 /

 -00

5% of amount B in lump sum payments box **H** -00

4 Eligible termination payments (ETP)

Assessable amount (other than excessive component)

I -00

Excessive component

N -00

 -00

5 Australian Government allowances and payments like Newstart, youth allowance and austudy payment

 -00

A -00

6 Australian Government pensions and allowances

You must complete item T2 or T3 in Tax offsets on page 3.

 -00

B -00

7 Other Australian pensions or annuities – including superannuation pensions

Type

 -00

J -00

8 Attributed personal services income

 -00

O -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

L -00

11 Dividends

Unfranked amount

S -00

Franked amount

T -00

Tax file number amounts withheld from dividends

V

Franking credit

U -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.

-00 /

TOTAL INCOME OR LOSS

Add up the income amounts and deduct any loss amount in the boxes.

-00 /

INDIVIDUAL TAX RETURN, 2006–07 INCOME YEAR

Attach all requested attachments here. Do not attach PAYG payment summaries other than those for eligible termination payments (ETP).

Deductions

D1 Work related car expenses	A	<input type="text" value="0.00"/>	<input type="checkbox"/> CLAIM TYPE
D2 Work related travel expenses	B	<input type="text" value="0.00"/>	
D3 Work related uniform, occupation specific or protective clothing, laundry and dry cleaning expenses	C	<input type="text" value="0.00"/>	<input type="checkbox"/> CLAIM TYPE
D4 Work related self-education expenses	D	<input type="text" value="0.00"/>	<input type="checkbox"/> CLAIM TYPE
D5 Other work related expenses	E	<input type="text" value="0.00"/>	
D6 Low value pool deduction	K	<input type="text" value="0.00"/>	
D7 Interest and dividend deductions	I	<input type="text" value="0.00"/>	
D8 Gifts or donations	J	<input type="text" value="0.00"/>	
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 type="text" value="0.00"/>	
D10 Cost of managing tax affairs	M	<input type="text" value="0.00"/>	

D Only used by taxpayers completing the supplementary section

Transfer the amount from **TOTAL SUPPLEMENT DEDUCTIONS** on page 8 and write it here.

TOTAL DEDUCTIONS	Items D1 to D – add up the I boxes.	<input type="text" value="0.00"/>
SUBTOTAL	TOTAL INCOME OR LOSS less TOTAL DEDUCTIONS	<input type="text" value="0.00"/> <input type="checkbox"/> LOSS

Losses

L1 Tax losses of earlier income years	Primary production losses carried forward from earlier income years Q	<input type="text" value="0.00"/>	Primary production losses claimed this income year F	<input type="text" value="0.00"/>
	Non-primary production losses carried forward from earlier income years R	<input type="text" value="0.00"/>	Non-primary production losses claimed this income year Z	<input type="text" value="0.00"/>

TAXABLE INCOME OR LOSS	Subtract amounts at F and Z item L1 from amount at SUBTOTAL .	\$ <input type="text" value="0.00"/> <input type="checkbox"/> LOSS
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Tax offsets

T1 Spouse (without dependent child or student), child-housekeeper or housekeeper If you had a spouse during 2006–07 you must also complete Spouse details – married or de facto on page 5.	P	<input type="text" value="0.00"/>	<input type="checkbox"/> CLAIM TYPE
Child-housekeeper's separate net income V	<input type="text" value="0.00"/>		

T2 Senior Australians (includes age pensioners, service pensioners and self-funded retirees) If you had a spouse during 2006–07 you must also complete Spouse details – married or de facto on page 5.	N TAX OFFSET CODE <input type="checkbox"/>	Y VETERAN CODE <input type="checkbox"/>
--	---	--

If you completed item **T2 Senior Australians** above DO NOT complete this item.

T3 Pensioner If you had a spouse during 2006–07 you must also complete Spouse details – married or de facto on page 5.	O TAX OFFSET CODE <input type="checkbox"/>	T VETERAN CODE <input type="checkbox"/>
---	---	--

T4 Superannuation annuity and pension	S	<input type="text" value="0.00"/>
--	----------	-----------------------------------

T5 Private health insurance You must complete Private health insurance policy details on page 4.	G	<input type="text" value="0.00"/>	Amount of refundable tax offset not previously claimed by way of reduced private health insurance premiums
---	----------	-----------------------------------	--

T6 30% child care	Do you want to claim the 30% child care tax rebate? X <input type="checkbox"/>	Print Y for yes.
--------------------------	---	-------------------------

T7 Ongoing baby bonus claim First-time baby bonus claimants and all transferees must use the <i>Baby bonus instructions and claim 2007</i> .	Number of eligible days H <input type="text" value=""/>	<input type="text" value=""/>	CODE <input type="text" value=""/>
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T Only used by taxpayers completing the supplementary section

Transfer the amount from **TOTAL SUPPLEMENT TAX OFFSETS** on page 8 and write it here.

TOTAL TAX OFFSETS	Items T1 , T4 , T5 and T – add up the I boxes.	U <input type="text" value="0.00"/> F
--------------------------	---	---

INDIVIDUAL TAX RETURN, 2006–07 INCOME YEAR

Supplementary section

Income

Refer to *TaxPack 2007 supplement* before you complete item 12. If you are required to complete item 12 include deferred non-commercial business losses from a prior year at either **X** or **Y** as appropriate. Refer to *TaxPack 2007 supplement* for the relevant code.

12 Partnerships and trusts

Primary production

Distribution from partnerships **N** .00 /

Distribution from trusts **L** .00 /

Landcare operations and deduction for decline in value of water facility **I** .00

Other deductions relating to distribution **X** .00 / TYPE

Note: If you have a net loss from a partnership business activity, complete items **P3** and **P9** in the **Business and professional items** section of this tax return in addition to item 12.

Net primary production distribution .00 / LOSS

Non-primary production

Distribution from partnerships less foreign income **O** .00 /

Distribution from trusts less net capital gains and foreign income **U** .00 /

Landcare operations expenses **J** .00

Other deductions relating to distribution at **O** and **U** **Y** .00 / TYPE

Distributions of net capital gains (including net foreign capital gains) must be included at item 17 on page 7. Distributions of foreign income must be included at item 18 or 19 on page 7.

Net non-primary production distribution .00 / LOSS

Share of credits from income

Share of credit for tax withheld where Australian business number not quoted **P**

Share of franking credit from franked dividends **Q**

Share of credit for tax file number amounts withheld from interest, dividends and unit trust distributions **R**

Share of credit for tax paid by trustee **S**

Share of credit for amounts withheld from foreign resident withholding **A**

F

13 Personal services income (PSI)

Tax withheld – voluntary agreement **G** .00

Tax withheld where Australian business number not quoted **H**

Tax withheld – labour hire or other specified payments **J** .00

Net PSI – transferred from **A** item **P1** on page 9 .00 / LOSS

14 Net income or loss from business

Primary production – transferred from **Y** item **P8** on page 10 **B** .00 / LOSS

Non-primary production – transferred from **Z** item **P8** on page 10 **C** .00 / LOSS

If you show a loss at **B** or **C** you must complete item **P9** on page 11.

Tax withheld – voluntary agreement **D** .00

Tax withheld where Australian business number not quoted **W**

Tax withheld – foreign resident withholding **E**

Tax withheld – labour hire or other specified payments **F** .00

F

INDIVIDUAL TAX RETURN, 2006–07 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

Primary production deferred losses **I** .00

Non-primary production deferred losses **J** .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

Also include at **F** Australian franking credits from a New Zealand company that you have received indirectly through a partnership or trust distribution.

Other net foreign source income **M** .00

Australian franking credits from a New Zealand company **F** .00

Exempt foreign employment income **N** .00

Foreign tax credits **O** .00

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, 2006-07 INCOME YEAR

22 Other income

Type of income

Category 1 **Y** .00

Category 2 **V** .00

Tax withheld – lump sum payments in arrears **E** .00

Taxable professional income **Z** .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. .00 LOSS

Transfer this amount to **1** on page 2. ←

Deductions

D11 Australian film industry incentives **G** .00

D12 Deductible amount of undeducted purchase price of a foreign pension or annuity **Y** .00

D13 Personal superannuation contributions

Full name of fund Account number **H** .00

Fund Australian business number

Fund tax file number

D14 Deduction for project pool **D** .00

D15 Other deductions – not claimable at items D1 to D14

Description of claim

Election expenses **E** .00

Other deductions **J** .00

TOTAL SUPPLEMENT DEDUCTIONS Items D11 to D15 – add up the **G** boxes and transfer this amount to **D** on page 3. .00

Tax offsets

T8 Superannuation contributions on behalf of your spouse Contributions paid .00 **A** .00

You must also complete **Spouse details – married or de facto** on page 5.

T9 Zone or overseas forces **R** .00

T10 20% tax offset on net medical expenses over the threshold amount **X** .00

T11 Parent, spouse's parent or invalid relative **B** .00

T12 Landcare and water facility Landcare and water facility tax offset brought forward from earlier income years **T** .00

T13 Net income from working – supplementary section **M** .00 LOSS

Read the information on **T13** in *TaxPack 2007 supplement* before completing this item.

T14 Entrepreneurs tax offset

Simplified tax system group turnover **K** .00

Net simplified tax system income **N** .00 CODE

Read the information on **T14** in *TaxPack 2007 supplement* 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** .00 CLAIM TYPE **F**

TOTAL SUPPLEMENT TAX OFFSETS Items T8, T9, T10, T11, T12 and T15 – add up the **A** boxes. .00

Transfer this amount to **T** on page 3. ←

Adjustments

A3 Amount on which family trust distribution tax has been paid **X** .00

Read the information on **A3** in *TaxPack 2007 supplement* before completing this item.

Credit for interest on tax paid

C1 Credit for interest on early payments – amount of interest **L** **F**

PAGE 8 www.ato.gov.au

INDIVIDUAL TAX RETURN, 2006–07 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 2007* 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** .00
- PSI – where Australian business number not quoted **N** .00
- PSI – labour hire or other specified payments **O** .00
- PSI – other **J** .00
- Deductions for payments to associates for principal work **K** .00
- Total amount of other deductions against PSI **L** .00

Net 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

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

		State		Postcode	
Suburb or town	D				

P7 Did you sell any goods or services using the internet?

Q Print **Y** for yes or **N** for no.

INDIVIDUAL TAX RETURN, 2006-07 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="00"/>	D <input type="text" value="00"/>	<input type="text" value="00"/>
Gross payments subject to foreign resident withholding	A <input type="text" value="00"/>	B <input type="text" value="00"/>	<input type="text" value="00"/>
Gross payments – voluntary agreement	E <input type="text" value="00"/>	F <input type="text" value="00"/>	<input type="text" value="00"/>
Gross payments – labour hire or other specified payments	N <input type="text" value="00"/>	O <input type="text" value="00"/>	<input type="text" value="00"/>
Assessable government industry payments	G <input type="text" value="00"/> / <input type="text" value=""/>	H <input type="text" value="00"/> / <input type="text" value=""/>	<input type="text" value="00"/>
Other business income	I <input type="text" value="00"/> / <input type="text" value=""/>	J <input type="text" value="00"/> / <input type="text" value=""/>	<input type="text" value="00"/> / <input type="text" value=""/>
Total business income	<input type="text" value="00"/> / <input type="text" value=""/>	<input type="text" value="00"/> / <input type="text" value=""/>	<input type="text" value="00"/> / <input type="text" value=""/>
Expenses			
Opening stock	<input type="text" value="00"/>	<input type="text" value="00"/>	K <input type="text" value="00"/>
Purchases and other costs	<input type="text" value="00"/>	<input type="text" value="00"/>	L <input type="text" value="00"/>
Closing stock	<input type="text" value="00"/>	<input type="text" value="00"/>	M <input type="text" value="00"/> / <input type="text" value=""/>
Cost of sales (K + L – M)	<input type="text" value="00"/> / <input type="text" value=""/>	<input type="text" value="00"/> / <input type="text" value=""/>	<input type="text" value="00"/> / <input type="text" value=""/> F
Foreign resident withholding expenses	<input type="text" value="00"/>	<input type="text" value="00"/>	U <input type="text" value="00"/>
Contractor, subcontractor and commission expenses	<input type="text" value="00"/>	<input type="text" value="00"/>	F <input type="text" value="00"/>
Superannuation expenses	<input type="text" value="00"/>	<input type="text" value="00"/>	G <input type="text" value="00"/>
Bad debts	<input type="text" value="00"/>	<input type="text" value="00"/>	I <input type="text" value="00"/>
Lease expenses	<input type="text" value="00"/>	<input type="text" value="00"/>	J <input type="text" value="00"/>
Rent expenses	<input type="text" value="00"/>	<input type="text" value="00"/>	K <input type="text" value="00"/>
Interest expenses within Australia	<input type="text" value="00"/>	<input type="text" value="00"/>	Q <input type="text" value="00"/>
Interest expenses overseas	<input type="text" value="00"/>	<input type="text" value="00"/>	R <input type="text" value="00"/>
Depreciation expenses	<input type="text" value="00"/>	<input type="text" value="00"/>	M <input type="text" value="00"/> / <input type="text" value=""/> CODE
Motor vehicle expenses	<input type="text" value="00"/>	<input type="text" value="00"/>	N <input type="text" value="00"/> / <input type="text" value=""/> TYPE
Repairs and maintenance	<input type="text" value="00"/>	<input type="text" value="00"/>	O <input type="text" value="00"/>
All other expenses	<input type="text" value="00"/>	<input type="text" value="00"/>	P <input type="text" value="00"/>
Total expenses Add up the I boxes for each column.	S <input type="text" value="00"/> / <input type="text" value=""/>	T <input type="text" value="00"/> / <input type="text" value=""/>	<input type="text" value="00"/> / <input type="text" value=""/>
Reconciliation items			
Deduction for environmental protection expenses	<input type="text" value="00"/>	<input type="text" value="00"/>	V <input type="text" value="00"/>
Section 40-880 deduction	<input type="text" value="00"/>	<input type="text" value="00"/>	A <input type="text" value="00"/>
Business deduction for project pool	<input type="text" value="00"/>	<input type="text" value="00"/>	L <input type="text" value="00"/>
Landcare operations and business deduction for decline in value of water facility	<input type="text" value="00"/>	<input type="text" value="00"/>	W <input type="text" value="00"/>
Income reconciliation adjustments	<input type="text" value="00"/> / <input type="text" value=""/>	<input type="text" value="00"/> / <input type="text" value=""/>	X <input type="text" value="00"/> / <input type="text" value=""/>
Expense reconciliation adjustments	<input type="text" value="00"/> / <input type="text" value=""/>	<input type="text" value="00"/> / <input type="text" value=""/>	H <input type="text" value="00"/> / <input type="text" value=""/>
Net income or loss from business this year	B <input type="text" value="00"/> / <input type="text" value=""/>	C <input type="text" value="00"/> / <input type="text" value=""/>	<input type="text" value="00"/> / <input type="text" value=""/>
Deferred non-commercial business losses from a prior year	D <input type="text" value="00"/>	E <input type="text" value="00"/>	<input type="text" value="00"/>
Net income or loss from business	Y <input type="text" value="00"/> / <input type="text" value=""/>	Z <input type="text" value="00"/> / <input type="text" value=""/>	<input type="text" value="00"/> / <input type="text" value=""/> F
Transfer the amounts at Y and Z to item 14 on page 6.			

INDIVIDUAL TAX RETURN, 2006–07 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**

Type of loss **G** Reference for code 5 **C** Code **Y** Year / **A** Number

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**

Type of loss **M** Reference for code 5 **C** Code **Y** Year / **A** Number

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**

Type of loss **S** Reference for code 5 **C** Code **Y** Year / **A** Number

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 2007*.

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**

INDIVIDUAL TAX RETURN, 2006–07 INCOME YEAR

Family Assistance Office consent

You must read the information on family tax benefit (FTB) in *TaxPack 2007* before completing this section.

Complete the details below only if:

- you were the spouse of an FTB claimant, or the spouse of a child care benefit claimant on 30 June 2007 – 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 the FAO or expects to have a FAO debt for 2007 AND
- you expect to receive a tax refund for 2007 AND
- you consent to use part or all of your tax refund to repay your spouse's FAO debt.

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 2007 tax refund to repay any FAO debt of my spouse, whose details I have provided above. I have obtained my spouse's permission to quote their CRN.

Your signature Date

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

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 an amended 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 10 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. The Commissioner of Taxation, as Registrar of the Australian Business Register, may use the ABN and business details which you provide on this tax return to maintain the integrity of the register.

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 Client's reference

Contact name Agent's telephone number Agent's reference number

Area code Telephone number

COMPANY TAX RETURN, 2006–07 INCOME YEAR

 Australian Government Australian Taxation Office	<h2 style="margin: 0;">Company 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> to <div style="border: 1px solid black; padding: 2px;">Day Month Year</div> </div> <p style="font-size: small; margin-top: 5px;">Or specify period if part year or approved substitute period.</p>	2007						
Notes to help you prepare this tax return are in the <i>Company tax return instructions 2007</i> (the instructions), available from the Tax Office.	Tax file number (TFN) <input style="width: 100%;" type="text"/>	Is a payment due? <input style="width: 50px;" type="text"/> Is a refund due? <input style="width: 50px;" type="text"/>						
Name of company and Australian business number (ABN)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="height: 20px;"></td></tr> <tr><td style="text-align: right; font-size: x-small;">ABN</td></tr> <tr><td style="border: none;"></td></tr> </table>			ABN				
ABN								
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).	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="height: 20px;"></td></tr> <tr><td style="text-align: right; font-size: x-small;">ACN or ARBN*</td></tr> <tr><td style="border: none;"></td></tr> </table> <p style="font-size: x-small; margin-top: 5px;">* Cross out whichever is not applicable</p>			ACN or ARBN*				
ACN or ARBN*								
Current postal address If the address has not changed, print it exactly as shown on the last tax return lodged.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="border: none;"></td></tr> <tr> <td style="font-size: x-small;">Suburb or town</td> <td style="font-size: x-small;">State</td> <td style="font-size: x-small;">Postcode</td> </tr> </table>					Suburb or town	State	Postcode
Suburb or town	State	Postcode						
Postal address on previous tax return If the address has changed, print the previous address exactly as shown on the last tax return lodged.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="border: none;"></td></tr> <tr> <td style="font-size: x-small;">Suburb or town</td> <td style="font-size: x-small;">State</td> <td style="font-size: x-small;">Postcode</td> </tr> </table>					Suburb or town	State	Postcode
Suburb or town	State	Postcode						
Business address of main business	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="height: 20px;"></td></tr> <tr><td style="height: 20px;"></td></tr> <tr><td style="border: none;"></td></tr> <tr> <td style="font-size: x-small;">Suburb or town</td> <td style="font-size: x-small;">State</td> <td style="font-size: x-small;">Postcode</td> </tr> </table>					Suburb or town	State	Postcode
Suburb or town	State	Postcode						
Final tax return	<input style="width: 100px;" type="text"/>							
NAT 0656–6.2007	IN CONFIDENCE when completed	PAGE 1						

COMPANY TAX RETURN, 2006–07 INCOME YEAR

1 Ultimate holding company name and ABN or country code

	ABN or country code*
	* Cross out whichever is not applicable

Immediate holding company name and ABN

	ABN
--	-----

2 Description of main business activity

	Industry code B <input style="width: 40px;" type="text"/>	Percentage of foreign shareholding A <input style="width: 40px;" type="text"/> %
--	--	---

3 Status of company – print X in a box if applicable

Resident C1 <input type="checkbox"/>	Cooperative D1 <input type="checkbox"/>	Pooled development fund D5 <input type="checkbox"/>	Limited partnership D6 <input type="checkbox"/>	Corporate unit trust D7 <input type="checkbox"/>	Public trading trust D8 <input type="checkbox"/>	Private D9 <input type="checkbox"/>	Public D10 <input type="checkbox"/>	Multiple business E1 <input type="checkbox"/>
Non-resident C2 <input type="checkbox"/>	Non-profit D3 <input type="checkbox"/>	Strata title D4 <input type="checkbox"/>	Consolidated head company Z1 <input type="checkbox"/>	Consolidated subsidiary member Z2 <input type="checkbox"/>	Commenced business E3 <input type="checkbox"/>			
Non-resident permanent estab. C3 <input type="checkbox"/>								

4 Interposed entity election status
 If the company has made, or is making, one or more interposed entity elections, write the four-digit **income year specified** of the earliest election (for example, for the 2006–07 income year write 2007).

L

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

<p>Entering or continuing – only complete this column if you are entering or continuing in the STS</p> <p>Are you eligible for the STS? G <input type="checkbox"/> Print Y for yes or leave blank.</p> <p>Are you electing to enter the STS? H <input type="checkbox"/> Print Y for yes or leave blank.</p> <p style="text-align: center;">OR</p> <p>Are you continuing in the STS? R <input type="checkbox"/> Print Y for yes or leave blank.</p> <p>Is your business grouped with another business? I <input type="checkbox"/> Print Y for yes or N for no or leave blank.</p>	<p>Exiting – only complete this column if you are exiting the STS</p> <p>Eligible but choosing to leave? S <input type="checkbox"/> Print Y for yes or leave blank.</p> <p style="text-align: center;">OR</p> <p>No longer eligible? T <input type="checkbox"/> Print Y for yes or leave blank.</p> <p style="text-align: right;">F</p>
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PAGE 2 www.ato.gov.au

COMPANY TAX RETURN, 2006-07 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**

Gross payments where ABN not quoted **A**

Other sales of goods and services **C**

Gross distribution from partnerships **D** CODE

Gross distribution from trusts **E** CODE

Gross interest **F**

Gross rent and other leasing and hiring income **G**

Total dividends **H**

Fringe benefit employee contributions **I** CODE

Assessable government industry payments **Q** CODE

Unrealised gains on revaluation of assets to fair value **J**

Other gross income **R** CODE

Total income **S** CODE **F**

Expenses

Foreign resident withholding expenses **B**

Cost of sales **A** CODE

Contractor, sub-contractor and commission expenses **C**

Employee superannuation **D**

Bad debts **E**

Lease expenses within Australia **F**

Lease expenses overseas **I**

Rent expenses **H**

Interest expenses within Australia **V**

Interest expenses overseas **J**

Royalty expenses within Australia **W**

Royalty expenses overseas **U** CODE

Depreciation expenses **X** CODE

Motor vehicle expenses **Y**

Repairs and maintenance **Z**

Unrealised losses on revaluation of assets to fair value **G**

All other expenses **S**

Total expenses **Q** CODE

Total profit or loss

Subtract **Total expenses** **Q** CODE **T** CODE **F**

from **Total income** **S** CODE

7 Reconciliation to taxable income or loss

Total profit or loss amount shown at **T** item 6 CODE

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 2007?

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**

Non-deductible exempt income expenditure **U**

Franking credits **J**

Australian franking credits from a New Zealand company **C**

Other assessable income **B**

Non-deductible expenses **W**

Accounting expenditure in item 6 subject to R&D tax concession **D**

Subtotal CODE **F**

Less:

Section 46FA deductions for flow-on dividends **C**

Deduction for decline in value of depreciating assets **F**

Immediate deduction for capital expenditure **E**

Deduction for project pool **H**

Capital works deductions **I**

Section 40-880 deduction **Z**

R&D tax concession - not including label **M** CODE

Incremental R&D (additional 50%) deduction **M** CODE

Landcare operations and deduction for decline in value of water facility **N**

Deduction for environmental protection expenses **O**

Offshore banking unit adjustment **P**

Exempt income **V**

Other income not included in assessable income **Q**

Other deductible expenses **X**

Tax losses deducted **R**

Tax losses transferred in (from or to: a foreign bank branch or a PE of a foreign financial entity) **S**

Subtraction items subtotal CODE

Add:

R&D tax offset, if chosen **Y**

Taxable income or loss **T** CODE **F**

COMPANY TAX RETURN, 2006-07 INCOME YEAR

8 Financial and other information

Functional currency translation rate	N	<input type="text"/>	Excess franking offsets	H	<input type="text"/>
Functional currency chosen	O	<input type="text"/>	Balance of unfranked non-portfolio dividend account at year end	L	<input type="text"/> <small>CODE</small>
Opening stock	A	<input type="text"/>	Loans to shareholders and their associates	N	<input type="text"/> <small>CODE</small>
Purchases and other costs	S	<input type="text"/>	Intangible depreciating assets first deducted	Z	<input type="text"/>
Closing stock	B	<input type="text"/> <small>CODE</small>	Other depreciating assets first deducted	A	<input type="text"/>
Trading stock election	<input type="checkbox"/>	Print Y for yes or leave blank.	Termination value of intangible depreciating assets	P	<input type="text"/>
Trade debtors	C	<input type="text"/>	Termination value of other depreciating assets	E	<input type="text"/>
All current assets	D	<input type="text"/>	Total salary and wage expenses	D	<input type="text"/> <small>CODE</small>
Total assets	E	<input type="text"/>	Payments to associated persons	Q	<input type="text"/>
Trade creditors	F	<input type="text"/>	Do you need to complete a <i>Losses schedule 2007</i> ?	Net foreign income	R
All current liabilities	G	<input type="text"/>	Tax spared foreign tax credits	S	<input type="text"/>
Total liabilities	H	<input type="text"/>	Attributed foreign income	Listed country	B
Total debt	J	<input type="text"/>		Section 404 country	C
Commercial debt forgiveness	K	<input type="text"/>		Unlisted country	U
Shareholders' funds	R	<input type="text"/> <small>F</small>		Transferor trust	V
Do you need to complete a <i>Losses schedule 2007</i> ?	<input type="checkbox"/>			Foreign investment fund income	W
Franked dividends paid	J	<input type="text"/>	Foreign life policy	X	<input type="text"/>
Unfranked dividends paid	K	<input type="text"/>	Section 128F/128FA exempt interest paid	O	<input type="text"/>
Franking account balance	M	<input type="text"/>	Interest to financial institution exempt from withholding under a DTA	I	<input type="text"/>
Balance of conduit foreign income	F	<input type="text"/> <small>F</small>	DTA country	Y	<input type="text"/> <small>F</small>
Conduit foreign income distributed during income year	G	<input type="text"/>			

9 STS depreciating assets

For completion by STS taxpayers only. STS taxpayers are not required to complete a *Capital allowances schedule 2007*.

Deduction for low-cost assets (less than \$1,000)	Deduction for general pool assets (less than 25 years)	Deduction for long-life pool assets (25 years or more)
A <input type="text"/> <small>00</small>	B <input type="text"/> <small>00</small>	C <input type="text"/> <small>00</small>

10 Entrepreneurs tax offset

STS group turnover	Net STS income	Entrepreneurs tax offset
D <input type="text"/> <small>00</small>	E <input type="text"/> <small>00</small> <small>CODE</small>	F <input type="text"/>

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 2007* or a *Losses schedule 2007*, 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.

COMPANY TAX RETURN, 2006–07 INCOME YEAR

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 2007*.

13 Licensed clubs only Percentage of non-member income **A** %

14 Life insurance companies and friendly societies only

Complying superannuation class B <input type="text"/>	Gross taxable contributions E <input type="text"/>
Net capital gain – complying superannuation class C <input type="text"/>	Fees and charges F <input type="text"/>
Net capital gain – ordinary class D <input type="text"/>	

15 Pooled development funds

Small and medium sized enterprises income G <input type="text"/>	Unregulated investment income H <input type="text"/>
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16 Retirement savings accounts (RSAs) providers only

Gross income of RSAs R <input type="text"/>	Total deductions from RSAs T <input type="text"/>
Gross taxable contributions of RSAs W <input type="text"/>	Exempt income from RSAs S <input type="text"/>
	Net taxable income from RSAs V <input type="text"/>

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 2007*.

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 2007*. **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**

www.ato.gov.au PAGE 5

COMPANY TAX RETURN, 2006-07 INCOME YEAR

Calculation statement

Foreign tax credits	D	:			Taxable or net income	A	:	<input type="text" value="00"/>	
Franking deficit tax offset	E	:			Gross tax	B	:	<input type="text"/>	
PAYG instalments raised	T	:			Rebates/tax offsets	C	:	<input type="text"/>	
Credit for interest on early payments – amount of interest	V	:			Tax assessed		:	<input type="text"/>	
Credit for tax withheld – foreign resident withholding	I	:		<input type="text" value="00"/>	Less:	Total of D and E	G	:	<input type="text"/>
Credit for tax withheld where ABN not quoted	W	:		<input type="text" value="00"/>		Tax payable		:	<input type="text"/>
Tax withheld from interest/investments	Y	:		<input type="text"/>	Add:	Section 102AAM interest	H	:	<input type="text"/>
R&D tax offset	U	:		<input type="text"/>	Less:	Total of T, V, I, W, Y, U and Z	R	:	<input type="text"/>
Other refundable credits	Z	:		<input type="text"/>		Total amount of tax payable (+) or refundable (-)	S	:	<input type="text"/> 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	Client's reference
<input type="text"/>	Day Month Year <input type="text"/>	<input type="text"/>

Contact name	Agent's telephone number	Agent's reference number
<input type="text"/>	Area code <input type="text"/> Number <input type="text"/>	<input type="text"/>

The Commissioner of Taxation, as Registrar of the Australian Business Register, may use the ABN and business details which you provide on this tax return to maintain the integrity of the register. For further information refer to the instruction guide.

Declaration:

I declare that the information in this tax return is true and correct.

Public officer's signature	Date	Hours taken to prepare and complete this tax return
<input type="text"/>	Day Month Year <input type="text"/>	J <input type="text"/> F

Title	Daytime contact number
<input type="text"/>	Area code <input type="text"/> F Number <input type="text"/> F

Public officer's name

PARTNERSHIP TAX RETURN, 2006–07 INCOME YEAR

 Australian Government Australian Taxation Office	<p style="font-size: 1.2em; font-weight: bold;">Partnership tax return</p> <p style="font-size: 1.5em; font-weight: bold; margin: 0;">2007</p>												
<table style="width: 100%; border: none;"> <tr> <td style="border: 1px solid black; padding: 2px;">Day</td> <td style="border: 1px solid black; padding: 2px;">Month</td> <td style="border: 1px solid black; padding: 2px;">Year</td> <td style="padding: 0 10px;">to</td> <td style="border: 1px solid black; padding: 2px;">Day</td> <td style="border: 1px solid black; padding: 2px;">Month</td> <td style="border: 1px solid black; padding: 2px;">Year</td> </tr> </table> <p style="font-size: 0.8em; margin-top: 5px;">or specify period if part year or approved substitute period</p>		Day	Month	Year	to	Day	Month	Year					
Day	Month	Year	to	Day	Month	Year							
Notes to help you prepare this tax return are provided in the <i>Partnership and trust tax return instructions 2007</i> (the instructions), available from the Tax Office.	Tax file number (TFN) <input style="width: 100px;" type="text"/>												
	Have you attached any 'other attachments'? <input style="width: 50px;" type="checkbox"/>												
Name of partnership and Australian business number (ABN)	<table style="width: 100%; border: none;"> <tr> <td style="border: 1px solid black; height: 20px;"></td> <td style="border: 1px solid black; width: 100px; text-align: center; font-size: 0.8em;">ABN</td> </tr> </table>		ABN										
	ABN												
Previous name of partnership If the partnership name has changed, print the previous name exactly as shown on the last tax return lodged.	<table style="width: 100%; border: none;"> <tr> <td style="border: 1px solid black; height: 20px;"></td> </tr> </table>												
Current postal address If the address has not changed, print it exactly as shown on the last tax return lodged.	<table style="width: 100%; border: none;"> <tr> <td style="border: 1px solid black; height: 20px;"></td> </tr> <tr> <td style="border: 1px solid black; height: 20px;"></td> </tr> <tr> <td style="border: 1px solid black; font-size: 0.8em;"> Suburb or town State <input style="width: 20px;" type="text"/> Postcode <input style="width: 20px;" type="text"/> </td> </tr> <tr> <td style="border: 1px solid black; font-size: 0.8em;"> Country – if not Australia <input style="width: 100px;" type="text"/> </td> </tr> </table>			Suburb or town State <input style="width: 20px;" type="text"/> Postcode <input style="width: 20px;" type="text"/>	Country – if not Australia <input style="width: 100px;" type="text"/>								
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Suburb or town State <input style="width: 20px;" type="text"/> Postcode <input style="width: 20px;" type="text"/>													
Country – if not Australia <input style="width: 100px;" type="text"/>													
Full name of the partner to whom notices should be sent	<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. <table style="width: 100%; border: none;"> <tr> <td colspan="2" style="font-size: 0.8em;">Title – for example, Mr, Mrs, Ms, Miss</td> </tr> <tr> <td style="border: 1px solid black; width: 100%;"></td> </tr> <tr> <td style="border: 1px solid black; width: 50%; font-size: 0.8em;">Surname or family name</td> <td style="border: 1px solid black; width: 50%; font-size: 0.8em;">Given names</td> </tr> <tr> <td style="border: 1px solid black; height: 20px;"></td> <td style="border: 1px solid black; height: 20px;"></td> </tr> <tr> <td colspan="2" style="font-size: 0.8em;">Name</td> </tr> <tr> <td style="border: 1px solid black; width: 100%;"></td> </tr> <tr> <td style="border: 1px solid black; width: 100%; text-align: center; font-size: 0.8em;">ABN</td> </tr> <tr> <td style="border: 1px solid black; height: 20px;"></td> </tr> </table>	Title – for example, Mr, Mrs, Ms, Miss			Surname or family name	Given names			Name			ABN	
Title – for example, Mr, Mrs, Ms, Miss													
Surname or family name	Given names												
Name													
ABN													
Interposed entity election status If the partners have made, or are making, one or more interposed entity elections, write the four-digit income year specified of the earliest election (for example, for the 2006–07 income year write 2007).	<input style="width: 50px;" type="text"/>												
TFN of former partnership If the partnership arose as a result of a reconstitution	Final tax return <input style="width: 50px;" type="checkbox"/>												
NAT 0659–6.2007	IN CONFIDENCE when completed	PAGE 1											

PARTNERSHIP TAX RETURN, 2006–07 INCOME YEAR

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. The Commissioner of Taxation, as Registrar of the Australian Business Register, may use the ABN and business details which you provide on this tax return to maintain the integrity of the register. For further information refer to the instruction guide.

Declaration: I declare that the information in this tax return is true and correct.

Hours taken to prepare and complete this tax return

Signature

Date Day Month Year

This declaration and all attached documents must be signed by a partner.

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 Telephone number

Agent's reference number

Office use only Indices **X** **F**

1 Description of main business activity

Industry code **A**

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 applicable

Consolidated 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**

PARTNERSHIP TAX RETURN, 2006-07 INCOME YEAR

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" value="000"/> <input type="text" value="00"/>	D <input type="text" value="000"/> <input type="text" value="00"/>	<input type="text" value="000"/> <input type="text" value="00"/>
Gross payments subject to foreign resident withholding	A <input type="text" value="000"/> <input type="text" value="00"/>	B <input type="text" value="000"/> <input type="text" value="00"/>	<input type="text" value="000"/> <input type="text" value="00"/>
Assessable government industry payments	E <input type="text" value="000"/> <input type="text" value="00"/> <small>CODE</small>	F <input type="text" value="000"/> <input type="text" value="00"/> <small>CODE</small>	<input type="text" value="000"/> <input type="text" value="00"/>
Other business income	G <input type="text" value="000"/> <input type="text" value="00"/>	H <input type="text" value="000"/> <input type="text" value="00"/>	<input type="text" value="000"/> <input type="text" value="00"/> F
Total business income	<input type="text" value="000"/> <input type="text" value="00"/>	<input type="text" value="000"/> <input type="text" value="00"/>	<input type="text" value="000"/> <input type="text" value="00"/>

Expenses

Foreign resident withholding expenses	<input type="text" value="000"/> <input type="text" value="00"/>	<input type="text" value="000"/> <input type="text" value="00"/>	P <input type="text" value="000"/> <input type="text" value="00"/>
Contractor, sub-contractor and commission expenses	<input type="text" value="000"/> <input type="text" value="00"/>	<input type="text" value="000"/> <input type="text" value="00"/>	C <input type="text" value="000"/> <input type="text" value="00"/>
Superannuation expenses	<input type="text" value="000"/> <input type="text" value="00"/>	<input type="text" value="000"/> <input type="text" value="00"/>	D <input type="text" value="000"/> <input type="text" value="00"/>
Cost of sales	<input type="text" value="000"/> <input type="text" value="00"/>	<input type="text" value="000"/> <input type="text" value="00"/>	E <input type="text" value="000"/> <input type="text" value="00"/>
Bad debts	<input type="text" value="000"/> <input type="text" value="00"/>	<input type="text" value="000"/> <input type="text" value="00"/>	F <input type="text" value="000"/> <input type="text" value="00"/>
Lease expenses	<input type="text" value="000"/> <input type="text" value="00"/>	<input type="text" value="000"/> <input type="text" value="00"/>	G <input type="text" value="000"/> <input type="text" value="00"/>
Rent expenses	<input type="text" value="000"/> <input type="text" value="00"/>	<input type="text" value="000"/> <input type="text" value="00"/>	H <input type="text" value="000"/> <input type="text" value="00"/>
Total interest expenses	<input type="text" value="000"/> <input type="text" value="00"/>	<input type="text" value="000"/> <input type="text" value="00"/>	I <input type="text" value="000"/> <input type="text" value="00"/>
Total royalty expenses	<input type="text" value="000"/> <input type="text" value="00"/>	<input type="text" value="000"/> <input type="text" value="00"/>	J <input type="text" value="000"/> <input type="text" value="00"/>
Depreciation expenses	<input type="text" value="000"/> <input type="text" value="00"/>	<input type="text" value="000"/> <input type="text" value="00"/>	K <input type="text" value="000"/> <input type="text" value="00"/> <small>CODE</small>
Motor vehicle expenses	<input type="text" value="000"/> <input type="text" value="00"/>	<input type="text" value="000"/> <input type="text" value="00"/>	L <input type="text" value="000"/> <input type="text" value="00"/> <small>CODE</small>
Repairs and maintenance	<input type="text" value="000"/> <input type="text" value="00"/>	<input type="text" value="000"/> <input type="text" value="00"/>	M <input type="text" value="000"/> <input type="text" value="00"/>
All other expenses	<input type="text" value="000"/> <input type="text" value="00"/>	<input type="text" value="000"/> <input type="text" value="00"/>	N <input type="text" value="000"/> <input type="text" value="00"/>
Total expenses – labels P to N	<input type="text" value="000"/> <input type="text" value="00"/>	<input type="text" value="000"/> <input type="text" value="00"/>	O <input type="text" value="000"/> <input type="text" value="00"/>

Reconciliation items

Add: Income reconciliation adjustments	<input type="text" value="000"/> <input type="text" value="00"/>	<input type="text" value="000"/> <input type="text" value="00"/>	A <input type="text" value="000"/> <input type="text" value="00"/>
Add: Expense reconciliation adjustments	<input type="text" value="000"/> <input type="text" value="00"/>	<input type="text" value="000"/> <input type="text" value="00"/>	B <input type="text" value="000"/> <input type="text" value="00"/>
Net income or loss from business	Q <input type="text" value="000"/> <input type="text" value="00"/>	R <input type="text" value="000"/> <input type="text" value="00"/>	S <input type="text" value="000"/> <input type="text" value="00"/>

6 Tax withheld

Tax withheld where ABN not quoted	T <input type="text" value="000"/> <input type="text" value="00"/>
Credit for tax withheld – foreign resident withholding	U <input type="text" value="000"/> <input type="text" value="00"/> F

PARTNERSHIP TAX RETURN, 2006–07 INCOME YEAR

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 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

9 Rent

Gross rent **F** .00

Interest deductions **G** .00

Capital works deductions **X** .00

Other rental deductions **H** .00

Net rent .00 /

10 Gross interest – including Australian Government loan interest

J .00

TFN amounts withheld from gross interest **I**

11 Dividends

Unfranked amount **K** .00

Franked amount **L** .00

Franking credit **M** .00

TFN amounts withheld from dividends **N**

12 Other Australian income – give details

Type of income

O .00 /

13 Total of items 5 to 12

Add the boxes .00 /

PARTNERSHIP TAX RETURN, 2006–07 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	
<input type="text"/>	<input type="text" value=""/> .00	
<input type="text"/>	<input type="text" value=""/> .00	Q <input type="text" value=""/> .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 <input type="checkbox"/> Print Y for yes or N for no.	Listed country M <input type="text" value=""/> .00
Did you have an interest in a foreign investment fund (FIF) or a foreign life assurance policy (FLP)? T <input type="checkbox"/> Print Y for yes or N for no.	Section 404 country U <input type="text" value=""/> .00
If you printed Y at label S or T , complete and attach a <i>Schedule 25A 2007</i> .	Unlisted country X <input type="text" value=""/> .00
	FIF/FLP income Y <input type="text" value=""/> .00

20 Other assessable foreign source income – other than income shown at item **19**

Gross B <input type="text" value=""/> .00	Net V <input type="text" value=""/> .00
Foreign tax credits Z <input type="text" value=""/>	
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 <input type="text" value=""/> .00

21 Total of items 17 to 20 Total net income or loss – add the **I** boxes **.00** /

PARTNERSHIP TAX RETURN, 2006–07 INCOME YEAR

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 2007*.

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'.

28 Personal services income

If you printed **Y** at label **N**, complete and attach a *Personal services income schedule 2007*.

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
- 30 Total assets** **G** .00
- 31 All current liabilities** **I** .00
- 32 Total liabilities** **J** .00
- 33 Proprietors' funds** **K** .00 /

PARTNERSHIP TAX RETURN, 2006-07 INCOME YEAR

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

<small>Suburb or town</small>	<small>State</small>	<small>Postcode</small> 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.

F

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 2007*.

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

TRUST TAX RETURN, 2006-07 INCOME YEAR

Electronic funds transfer (EFT)

Do you want to use EFT for your refund this year?

Print **Y** for yes or **N** for no.

If you printed **Y** you must complete your account details below.

BSB number
Must be six digits

Account number

Account name

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.** The Commissioner of Taxation, as Registrar of the Australian Business Register, may use the ABN and business details which you provide on this tax return to maintain the integrity of the register. For further information refer to the instruction guide.

Declaration: I declare that the information in this tax return is true and correct.

Hours taken to prepare and complete this tax return

Signature

Date
Day Month Year

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 Telephone number

Agent's reference number

Office use only
Indices **X** **F**

1 Description of main business activity

_____ Industry code **A** _____

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 applicable

Consolidated 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**

TRUST TAX RETURN, 2006-07 INCOME YEAR

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" value="000"/>	D <input type="text" value="000"/>	<input type="text" value="000"/>
Gross payments subject to foreign resident withholding A	<input type="text" value="000"/>	B <input type="text" value="000"/>	<input type="text" value="000"/>
Assessable government industry payments E	<input type="text" value="000"/> <small>CODE</small>	F <input type="text" value="000"/> <small>CODE</small>	<input type="text" value="000"/>
Other business income G	<input type="text" value="000"/>	H <input type="text" value="000"/>	<input type="text" value="000"/> F
Total business income	<input type="text" value="000"/>	<input type="text" value="000"/>	<input type="text" value="000"/>

Expenses

Foreign resident withholding expenses	<input type="text" value="000"/>	<input type="text" value="000"/>	P <input type="text" value="000"/>
Contractor, sub-contractor and commission expenses	<input type="text" value="000"/>	<input type="text" value="000"/>	C <input type="text" value="000"/>
Superannuation expenses	<input type="text" value="000"/>	<input type="text" value="000"/>	D <input type="text" value="000"/>
Cost of sales	<input type="text" value="000"/> <small>CODE</small>	<input type="text" value="000"/> <small>CODE</small>	E <input type="text" value="000"/> <small>CODE</small>
Bad debts	<input type="text" value="000"/>	<input type="text" value="000"/>	F <input type="text" value="000"/>
Lease expenses	<input type="text" value="000"/>	<input type="text" value="000"/>	G <input type="text" value="000"/>
Rent expenses	<input type="text" value="000"/>	<input type="text" value="000"/>	H <input type="text" value="000"/>
Total interest expenses	<input type="text" value="000"/>	<input type="text" value="000"/>	I <input type="text" value="000"/>
Total royalty expenses	<input type="text" value="000"/>	<input type="text" value="000"/>	J <input type="text" value="000"/>
Depreciation expenses	<input type="text" value="000"/>	<input type="text" value="000"/>	K <input type="text" value="000"/> <small>CODE</small>
Motor vehicle expenses	<input type="text" value="000"/>	<input type="text" value="000"/>	L <input type="text" value="000"/>
Repairs and maintenance	<input type="text" value="000"/>	<input type="text" value="000"/>	M <input type="text" value="000"/>
All other expenses	<input type="text" value="000"/>	<input type="text" value="000"/>	N <input type="text" value="000"/>
Total expenses – labels P to N	<input type="text" value="000"/>	<input type="text" value="000"/>	O <input type="text" value="000"/>

Reconciliation items

Add: Income reconciliation adjustments	<input type="text" value="000"/>	<input type="text" value="000"/>	A <input type="text" value="000"/>
Add: Expense reconciliation adjustments	<input type="text" value="000"/>	<input type="text" value="000"/>	B <input type="text" value="000"/>
Net income or loss from business Q	<input type="text" value="000"/>	R <input type="text" value="000"/>	S <input type="text" value="000"/>

6 Tax withheld

Tax withheld where ABN not quoted T	<input type="text" value="000"/>
Credit for tax withheld – foreign resident withholding U	<input type="text" value="000"/>

7 Credit for interest on early payments – amount of interest

W

F

TRUST TAX RETURN, 2006-07 INCOME YEAR

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

9 Rent

Gross rent **F** -00

Interest deductions **G** -00

Capital works deductions **X** -00

Other rental deductions **H** -00

Net rent -00 /

10 Gross interest - including Australian Government loan interest

J -00

TFN amounts withheld from gross interest **I**

11 Dividends

Unfranked amount **K** -00

Franked amount **L** -00

Franking credit **M** -00

TFN amounts withheld from dividends **N**

12 Other Australian income - give details

Excepted net income -00

Type of income

O -00 /

13 Total of items 5 to 12

Add the boxes -00 /

TRUST TAX RETURN, 2006-07 INCOME YEAR

Deductions

14 Deductions relating to Australian investment income **P**

15 Other deductions – show only deductions not claimable at any other item

Name of each item of deduction	Amount
<input type="text"/>	<input type="text" value="-00"/>
<input type="text"/>	<input type="text" value="-00"/>

Q

16 Total of items 14 and 15

17 Net Australian income or loss – other than capital gains Subtract item **16** from item **13**. **\$** **F**

18 Capital gains Do you need to complete a *Capital gains tax (CGT) schedule 2007*?

Did you have a CGT event during the year? **G** Print **Y** for yes or **N** for no. Net capital gain **A**

Also 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**

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**

If you printed **Y** at labels **S** or **T**, complete and attach a *Schedule 25A 2007*. Do you need to complete a *Losses schedule 2007*? Unlisted country **X**

FIF/FLP income **Y**

20 Other assessable foreign source income – other than income shown at item 19

Do you need to complete a *Losses schedule 2007*? Gross **B** Net **V**

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**

21 Total of items 17 to 20 Add the **I** boxes **F**

22 Tax losses deducted **C**

23 Total net income or loss Subtract item **22** from item **21**. **F**

24 Losses information

A *Losses schedule 2007* must also be completed and attached if the sum of labels **U** and **V** is greater than \$100,000 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**

Net capital losses carried forward to later income years **V**

25 Landcare and water facility tax offset Landcare and water facility tax offset brought forward from prior years **G**

TRUST TAX RETURN, 2006-07 INCOME YEAR

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 2007*.

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**

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**

Interest to financial institution exempt from withholding under a DTA **I**

DTA country **Y**

28 Personal services income

If you printed **Y** at label **N**, complete and attach a *Personal services income schedule 2007*.

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**

30 Total assets **G**

31 All current liabilities **I**

32 Total liabilities **J**

33 Proprietors' funds **K**

TRUST TAX RETURN, 2006-07 INCOME YEAR

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 .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

52 Landcare operations and deduction for decline in value of water facility

S .00

43 Intangible depreciating assets first deducted

N .00

53 Deduction for environmental protection expenses

V .00

44 Other depreciating assets first deducted

U .00

54 Unpaid present entitlement to a private company

Y .00 / CODE

45 Termination value of intangible depreciating assets

O .00

55 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 2007.

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 2006-07 taxable income - if nil write '0' **A** .00

Full 1.5% levy exemption - number of days **C**

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.

FUND TAX RETURN, 2006–07 INCOME YEAR

 <p>Australian Government Australian Taxation Office</p>	<p>Fund income tax and regulatory return</p> <p style="text-align: right; font-size: 1.2em; font-weight: bold;">2007</p> <p style="text-align: center;"> <input style="width: 100px; border: none; border-bottom: 1px solid black; margin-bottom: 2px;" type="text"/> to <input style="width: 100px; border: none; border-bottom: 1px solid black; margin-bottom: 2px;" type="text"/> </p> <p style="text-align: center; font-size: 0.8em;">Day Month Year Day Month Year</p> <p style="text-align: center; font-size: 0.8em;">or specify period if part year or approved substitute period</p>
<p>Notes to help you prepare this tax return are provided in the <i>Fund income tax and regulatory return instructions 2007</i> (the instructions), available from the Tax Office.</p>	
<p>Tax file number (TFN)</p>	<input style="width: 100%; border: none; border-bottom: 1px solid black; text-align: center; font-size: 0.8em;" type="text"/>
<p>Name of fund or trust</p>	<input style="width: 100%; border: none; border-bottom: 1px solid black;" type="text"/> <input style="width: 100%; border: none; border-bottom: 1px solid black;" type="text"/>
<p>Australian business number (ABN)</p>	<input style="width: 100%; border: none; border-bottom: 1px solid black; text-align: center; font-size: 0.8em;" type="text"/>
<p>Previous name of fund or trust 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.</p>	<input style="width: 100%; border: none; border-bottom: 1px solid black;" type="text"/> <input style="width: 100%; border: none; border-bottom: 1px solid black;" type="text"/>
<p>Current postal address If the address has not changed, print it exactly as shown on the last notice of assessment or the last tax return lodged.</p>	<input style="width: 100%; border: none; border-bottom: 1px solid black;" type="text"/> <input style="width: 100%; border: none; border-bottom: 1px solid black;" type="text"/> <div style="display: flex; justify-content: space-between; font-size: 0.8em;"> Suburb or town State Postcode </div>
<p>Postal address on previous tax return If the address has changed, print it exactly as shown on the last notice of assessment or the last tax return lodged.</p>	<input style="width: 100%; border: none; border-bottom: 1px solid black;" type="text"/> <input style="width: 100%; border: none; border-bottom: 1px solid black;" type="text"/> <div style="display: flex; justify-content: space-between; font-size: 0.8em;"> Suburb or town State Postcode </div>
<p>Email address If applicable</p>	<input style="width: 100%; border: none; border-bottom: 1px solid black;" type="text"/> <input style="width: 100%; border: none; border-bottom: 1px solid black;" type="text"/>
<p>Name of trustee If the trustee is a company, print details here including ABN.</p>	<input style="width: 100%; border: none; border-bottom: 1px solid black;" type="text"/> <input style="width: 100%; border: none; border-bottom: 1px solid black;" type="text"/>
<p>If the trustee is an individual, print details here.</p>	<p>ABN <input style="width: 100%; border: none; border-bottom: 1px solid black; text-align: center; font-size: 0.8em;" type="text"/></p> <p>Title <input style="width: 100%; border: none; border-bottom: 1px solid black;" type="text"/></p> <p>Family name <input style="width: 100%; border: none; border-bottom: 1px solid black;" type="text"/></p> <p>First given name <input style="width: 100%; border: none; border-bottom: 1px solid black;" type="text"/></p> <p>Other given names <input style="width: 100%; border: none; border-bottom: 1px solid black;" type="text"/></p>
<p>Hours taken to prepare and complete this tax return</p>	<p>J <input style="width: 100%; border: none; border-bottom: 1px solid black; text-align: center; font-size: 0.8em;" type="text"/></p>
<p>Was the fund or trust wound up during the year?</p>	<p>K <input type="checkbox"/> Print Y for yes or N for no.</p>
<p>Date wound up</p>	<p>L <input style="width: 100%; border: none; border-bottom: 1px solid black; text-align: center; font-size: 0.8em;" type="text"/></p> <p style="text-align: center; font-size: 0.8em;">Day Month Year</p>
<p>Business postcode</p>	<input style="width: 100%; border: none; border-bottom: 1px solid black; text-align: center; font-size: 0.8em;" type="text"/>
<p>NAT 0658-6.2007</p>	<p>IN CONFIDENCE when completed</p>
<p>PAGE 1</p>	

FUND TAX RETURN, 2006-07 INCOME YEAR

1 Superannuation fund number **A**

2 Date of establishment of fund or trust **B** Day Month Year

3 Status of fund or trust – print X in the applicable boxes.

Resident **C1** Superannuation fund **D1** Pooled superannuation fund trust **D3** Membership industry classification **E1**

Non-resident **C2** Approved deposit fund **D2**

4 Type of fund or trust – print X in the applicable box.

Self-managed superannuation fund (Tax Office regulated) **H1** Public offer or retail **H3** Employer sponsored or corporate **H5** Non-regulated **H7**

Small APRA fund **H2** Industry or award **H4** Public sector fund **H6** Other **H8** **F**

5a Family trust election status
If the trust or fund has made, or is making, a family trust election, write the four-digit income year specified of the election (for example, for the 2006-07 income year write 2007). **J**

If revoking a family trust election, print **R**, and complete and attach the Family trust election and/or family trust revocation 2007. **K**

5b Interposed entity election status
If the trust or fund has made, or is making, one or more interposed entity elections, write the four-digit income year specified of the earliest election (for example, for the 2006-07 income year write 2007). **L** **F**

6 Is the fund or trust complying in accordance with section 45, 47 or 48 of the Superannuation Industry (Supervision) Act 1993? **F** Print **Y** for yes or **N** for no. **F**

Income tax calculation and information statement

8 Calculation statement

Taxable income **A** **-00**

Gross tax **B** **.**

Foreign tax credits **D** **.**

Rebates/tax offsets **C** **.**

Less: Total of labels **D** and **C** **G** **.**

Tax payable **F** **.**

Add: Section 102AAM interest charge **H** **.**

Credit for interest on early payments – amount of interest **V** **.**

Credit for tax withheld where ABN/TFN not quoted **M** **.**

Credit for tax withheld – foreign resident withholding **E** **.**

Refundable franking credits **Q** **.**

Less: Total of labels **V**, **M**, **E** and **Q** **R** **.**

Subtotal **F** **.**

Less: PAYG instalments raised **T** **.**

Total amount of tax payable (+) or refundable (-) **S** **.** **F**

PAGE 2 www.ato.gov.au

FUND TAX RETURN, 2006-07 INCOME YEAR

Information statement - to be completed by all entities

9b Deductions

Interest expenses within Australia	A	<input type="text" value="00"/>	<input type="text" value="00"/>
Interest expenses overseas	B	<input type="text" value="00"/>	<input type="text" value="00"/>
Foreign resident withholding expenses	H	<input type="text" value="00"/>	<input type="text" value="00"/>
Total salary and wage expenses	C	<input type="text" value="00"/>	<input type="text" value="00"/>
Capital works deductions	Q	<input type="text" value="00"/>	<input type="text" value="00"/>
Deduction for decline in value of depreciating assets	W	<input type="text" value="00"/>	<input type="text" value="00"/>
Group life and disability premiums	J	<input type="text" value="00"/>	<input type="text" value="00"/>
Management/administration expenses	K	<input type="text" value="00"/>	<input type="text" value="00"/>
Investment expenses	L	<input type="text" value="00"/>	<input type="text" value="00"/>
Other deductions	D	<input type="text" value="00"/>	<input type="text" value="00"/> <small>CODE</small>
Transfer of taxable contributions	E	<input type="text" value="00"/>	<input type="text" value="00"/>
Tax losses deducted	F	<input type="text" value="00"/>	<input type="text" value="00"/>
Exempt current pension income	G	<input type="text" value="00"/>	<input type="text" value="00"/>
Taxable income or loss	T	<input type="text" value="00"/>	<input type="text" value="00"/> <small>CODE</small>

Add labels **A** to **G** above and deduct total from **S** on page 3.

10 Losses information

<p>If the total of labels U + V is greater than \$100,000, complete and attach a <i>Losses schedule 2007</i>.</p> <p>A <i>Losses schedule 2007</i> must also be completed and attached if the fund has a foreign loss. Refer to the instructions.</p>	Tax losses carried forward to later income years	U	<input type="text" value="00"/>	<input type="text" value="00"/>
	Net capital losses carried forward to later income years	V	<input type="text" value="00"/>	<input type="text" value="00"/>

11 Other information

Intangible depreciating assets first deducted	A	<input type="text" value="00"/>	<input type="text" value="00"/>	
Other depreciating assets first deducted	U	<input type="text" value="00"/>	<input type="text" value="00"/>	
Termination value of intangible depreciating assets	B	<input type="text" value="00"/>	<input type="text" value="00"/>	
Termination value of other depreciating assets	W	<input type="text" value="00"/>	<input type="text" value="00"/>	
Total investments	Q	<input type="text" value="00"/>	<input type="text" value="00"/>	
Number of members	R	<input type="text" value=""/>		
Number of payments received from non-resident superannuation funds	S	<input type="text" value=""/>		
Exempt section 274(7) contributions	M	<input type="text" value="00"/>	<input type="text" value="00"/>	
Exempt section 275B contributions	N	<input type="text" value="00"/>	<input type="text" value="00"/>	
<p>Attributed foreign income</p> <p>Do you need to complete a <i>Losses schedule 2007</i>?</p>	Listed country	O	<input type="text" value="00"/>	<input type="text" value="00"/>
	Section 404 country	L	<input type="text" value="00"/>	<input type="text" value="00"/>
	Unlisted country	J	<input type="text" value="00"/>	<input type="text" value="00"/>
	FIF/FLP income	P	<input type="text" value="00"/>	<input type="text" value="00"/>
Tax spared foreign tax credits	K	<input type="text" value="00"/>	<input type="text" value="00"/>	

12 Entrepreneurs tax offset

STS group turnover	D	<input type="text" value="00"/>	<input type="text" value="00"/>
Net STS income from partnership or trust distribution	E	<input type="text" value="00"/>	<input type="text" value="00"/> <small>CODE</small>
Entrepreneurs tax offset	F	<input type="text" value=""/>	<input type="text" value=""/>

13 Landcare and water facility tax offset

Landcare and water facility tax offset brought forward from prior years	B	<input type="text" value="00"/>	<input type="text" value="00"/>
---	----------	---------------------------------	---------------------------------

FUND TAX RETURN, 2006–07 INCOME YEAR

14 Internet transactions

Did the fund have dealings – including purchases and sales of assets or borrowings – on the internet?

I Print **Y** for yes or **N** for no.

The following questions must be answered – print **Y** for yes or **N** for no at questions 15 to 24.

Overseas transactions or interest/thin capitalisation/foreign source income

If you print **Y** at item 16 or 17, complete and attach a *Schedule 25A 2007*.

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. **X**

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? **Y**

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? **Z**

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 2007*. **O**

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? **P**

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? **Q** **F**

Other transactions

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, 2006-07 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, 2006–07 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" value="0.00"/>	M	<input type="text" value="0.00"/>
Other managed investments	B	<input type="text" value="0.00"/>	N	<input type="text" value="0.00"/>

28b Direct investments

Overseas assets	C	<input type="text" value="0.00"/>	O	<input type="text" value="0.00"/>	
Real property	D	<input type="text" value="0.00"/>	P	<input type="text" value="0.00"/>	
Other property	E	<input type="text" value="0.00"/>	Q	<input type="text" value="0.00"/>	
Listed shares and equities	F	<input type="text" value="0.00"/>	R	<input type="text" value="0.00"/>	
Unlisted shares and equities	G	<input type="text" value="0.00"/>	S	<input type="text" value="0.00"/>	
Public trusts	H	<input type="text" value="0.00"/>	T	<input type="text" value="0.00"/>	
Other trusts	I	<input type="text" value="0.00"/>	U	<input type="text" value="0.00"/>	
Cash, debt securities and term deposits	J	<input type="text" value="0.00"/>	V	<input type="text" value="0.00"/>	
Loans	K	<input type="text" value="0.00"/>	W	<input type="text" value="0.00"/>	
Other	L	<input type="text" value="0.00"/>	X	<input type="text" value="0.00"/>	F

29 In-house and related party assets

	Earnings		Asset values	
In-house	A	<input type="text" value="0.00"/>	C	<input type="text" value="0.00"/>
Related party investment	B	<input type="text" value="0.00"/>	D	<input type="text" value="0.00"/>

30 Value of leased assets

In-house	E	<input type="text" value="0.00"/>
Other related party	F	<input type="text" value="0.00"/>
Non-related party	G	<input type="text" value="0.00"/>

31 Has the fund acquired assets (other than exempt assets) from a related party?

H Print **Y** for yes or **N** for no.

32 Liability information

Members' entitlements	A	<input type="text" value="0.00"/>
Borrowings	B	<input type="text" value="0.00"/>
Other liabilities	C	<input type="text" value="0.00"/>

FUND TAX RETURN, 2006-07 INCOME YEAR

33 Fund expenditure

Benefit payments	D		.00
Outward rollovers and transfers	E		.00
Administration and investment expenses	F		.00
Other expenses	G		.00

34 Contribution information

Non-taxable contributions	H		.00
Inward rollovers and transfers	I		.00

F

The Commissioner of Taxation, as Registrar of the Australian Business Register, may use the ABN and business details which you provide on this tax return to maintain the integrity of the register. For further information refer to the instruction guide.

Trustee declaration: I declare that the information in this tax return is true and correct.

Trustee's signature		Date	
---------------------	--	------	--

This declaration and all attached documents must be signed by a trustee.

Trustee's contact name	
Trustee's telephone	

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	
-------------------	--	------	--

Agent's telephone	
-------------------	--

Client's reference

Contact name

Agent's reference number

F

FRINGE BENEFITS TAX RETURN, 2007-08 FBT YEAR



9 Name of the person to contact

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.

Title: Mr Mrs Miss Ms Other

Surname or family name

Given name/s

Daytime contact phone number

Email address (please use BLOCK LETTERS)

10 Number of employees receiving fringe benefits during the period 1 April 2007 to 31 March 2008

11 Hours taken to prepare and complete this form
 Refer to *How to complete your 2008 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 2008-09 or future years? No Yes

Return calculation details

Refer to *How to complete your 2008 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 2008 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 2008 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, 2007-08 FBT YEAR

22 Details of fringe benefits provided

Type of benefits provided (1 April 2007 to 31 March 2008)	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				
Cars using the operating cost method	B				
Loans granted	C				
Debt waiver	D				
Expense payments	E				
Housing - units of accommodation provided	F				
Employees receiving living-away-from-home allowance (show total paid including exempt components)	G				
Airline transport (airlines and travel agents only)	H				
Board	J				
Property	K				
Income tax exempt body - entertainment	L				
Other benefits (residual)	M				
Car parking	N				
Meal entertainment	P				

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 Tax agent registration number

Signature of tax agent*

Date
Day / Month / Year

* 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
Day / Month / Year

* 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.

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 2006 to 30 June 2007



- Please do not use correction fluid or tape.
- Print neatly in BLOCK LETTERS with a black or blue pen only.



Before completing this application read the accompanying *How to complete the Application for refund of franking credits – Endorsed income tax exempt entities and deductible gift recipients – 1 July 2006 to 30 June 2007* (NAT 6715).

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. minutes
If it took more or less, please provide the time taken here.

Do NOT send application form if not applying for a refund.

Send this application form to: Australian Taxation Office,
PO Box 3000,
PENRITH NSW 2740

NAT4131-05.2007

IN CONFIDENCE – when completed

Page 1

APPLICATION FOR REFUND OF FRANKING CREDITS

EXAMPLE

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.

Teleco Ltd					
Sydney Charity 2 Cable Circle Telegraph Point NSW 2441		Security holder reference number 018012111		Date paid 30 October 2006	
Fully franked final dividend for the period ended 30 June 2007 Franked at a 30% tax rate					
Class description	Dividend rate per ordinary share	Number of ordinary shares	Franking credit	Unfranked amount	Franked amount
Ordinary shares	7 cents	586	\$17.57		\$41.00
DIVIDEND PAID					\$41.00

 This is just one example of a statement. There are many different formats.

The Sydney Charity also received two other statements:

- **JT Corporate Ltd** – this distribution statement shows an unfranked amount of \$120.23.
- **SDW Managed Fund** – this distribution statement shows a total trust distribution of \$132.00 and an imputation credit of \$56.57.

The Sydney Charity would complete its application as follows:

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.

Sydney Charity	Franked amounts:	Teleco Ltd	\$ 41.00
	Total distributions:	SDW Managed Fund	\$132.00
Total of franked dividends plus trust distributions			\$173.00

Step 2 Transfer this total amount to **label A**. Do not show cents.

Franked dividend, trust distribution and franking credit details – do not show cents	Total of franked dividends plus trust distributions	A <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . XX
	Total of franking credits	B <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . XX

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.

Sydney Charity	Franked credits:	Teleco Ltd	\$17.57
		SDW Managed Fund	\$56.57
Total of franking credits			\$74.14

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 <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . XX
	Total of franking credits	B <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . XX

LOSSES SCHEDULE, 2006-07 INCOME YEAR



SCHEDULE 25A, 2006–07 INCOME YEAR

 <p>Australian Government Australian Taxation Office</p>	<p>Schedule 25A</p> <p>Print neatly in BLOCK LETTERS with a black or blue ballpoint pen only.</p>	<p>2007</p>
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Notes to help you complete this schedule are in the *Schedule 25A instructions 2007*, available from the Tax Office.

Tax file number (TFN)

This schedule forms part of the tax return of:

Name of entity and Australian business number (ABN)	Signature as prescribed in tax return
<div style="text-align: right; font-size: small; margin-bottom: 5px;">ABN</div>	

Section A Overseas transactions information

Show whole dollars only (rounded down to the nearest dollar).

1 List the industry codes that best describe the business activity undertaken by you to which the international dealings relate, in descending order of total dollar value. For each industry code specify the three principal foreign locations of these international related parties in descending order of total dollar value and the total dollar value of related party dealings (excluding loans).

Industry code	Amount	Foreign locations		
A 	B .00	C 	D 	E
F 	G .00	H 	I 	J
K 	L .00	M 	N 	O F

2 For items 2a to 2d, write at Column A the amounts of purchases/expenditure and at Column B the amounts of sales/revenue in respect of related party international dealings. For items 2e and 2f, write at Column A the amount of opening balances and at Column B the amount of closing balances of the interest bearing loans and interest free loans in respect of international related parties.

		Column A Purchases/expenditure		Column B Sales/revenue
2a Tangible property	Stock in trade and raw materials	A .00	B	.00
	All other tangible property	C .00	D	.00
2b Royalties, rent and intangible property	Royalties	E .00	F	.00
	Rent other than royalties	G .00	H	.00
	All other intangible property	I .00	J	.00
2c Services	Management, financial, administrative, marketing, training	K .00	L	.00
	Technical, construction	M .00	N	.00
	Research and development	O .00	P	.00
	Other	Q .00	R	.00 F
2d Other	Interest, discounts	A .00	B	.00
	Insurance	C .00	D	.00
	All other payments, expenses, sales and revenue not included elsewhere	E .00	F	.00
2e Loans – interest bearing	Amounts borrowed	G .00	H	.00
	Amounts loaned	I .00	J	.00
2f Loans – interest free	Amounts borrowed	K .00	L	.00
	Amounts loaned	M .00	N	.00 F

SCHEDULE 25A, 2006–07 INCOME YEAR

3a Have you received from or provided to an international related party any non-monetary consideration for the performance of services, transfer of property (tangible or intangible), processes, rights or obligations during the income year?

B Print **Y** for yes or **N** for no.

3b Have you provided to an international related party any services, transfer of property (tangible or intangible), processes, rights or obligations for which the consideration was nil during the income year?

C Print **Y** for yes or **N** for no.

4 For items 4a and 4b select one of the codes listed in the instructions for item 4. Use the approximate percentage of the total dollar value of related party international dealings referred to in items 2a to 2d for which you have documented the processes involved in:

4a Step 1 and step 2 of Taxation Ruling TR 98/11

F

4b Step 3 of Taxation Ruling TR 98/11

G

5 What are the arm's length pricing methods used to set or review consideration in related party international dealings of a revenue (non-capital) nature (referred to in items 2a to 2d)? Work out the four principal methods used, in descending order (most to least) of total dollar value of revenue derived and expenses incurred.

Column A: List the four principal methodologies in descending order of total dollar value. The methodologies should be identified using the codes in the instructions at item 5.

Column B: For each of the methods shown at Column A, list the codes to indicate the approximate percentage of the total dollar value of revenue derived and expenses incurred that the methodology covers – see item 5 of the instructions.

Column A	Column B
H <input type="checkbox"/>	I <input type="checkbox"/>
J <input type="checkbox"/>	K <input type="checkbox"/>
L <input type="checkbox"/>	M <input type="checkbox"/>
N <input type="checkbox"/>	O <input type="checkbox"/>

6a During the income year did you have any related party international dealings of a non-revenue (capital) nature referred to in questions 2a to 2d in which:
 • you acquired an interest in an asset, OR
 • a CGT event occurred (including disposal)?

P Print **Y** for yes or **N** for no.

The words **acquired**, **CGT event**, **disposal** and **asset** are used in this item within the context of Part 3-1 of the *Income Tax Assessment Act 1997* (ITAA 1997). The question does not refer to trading stock held in the ordinary course of business.

Only answer items 6b and 6c if the answer to 6a is yes.

6b Use the codes listed in the instructions for item 6 to list the four principal methods used for pricing acquisitions and disposals, in descending order of total dollar value.

Q

6c Use the codes listed in the instructions for item 6 to indicate the total dollar value of the related party international dealings of a non-revenue (capital) nature included at item 6a as a percentage of total dollar value of related party international dealings of a revenue and non-revenue (capital and non-capital) nature referred to in items 2a to 2d.

R

7 Did a non-resident participate directly or indirectly in your capital, management or control during the income year?

S Print **Y** for yes or **N** for no.

8 Show the number of international related parties with which you had dealings during the year.

T

F

SCHEDULE 25A, 2006–07 INCOME YEAR

Section B Interests in foreign companies or foreign trusts

9 Show the number of controlled foreign companies and controlled foreign trusts in which you had either a direct or indirect interest at the start and end of the accounting period.

	Listed country	Section 404 country	Unlisted country
Start	A <input type="text"/>	B <input type="text"/>	C <input type="text"/>
End	D <input type="text"/>	E <input type="text"/>	F <input type="text"/>

10 Show the amounts of attributable income of controlled foreign companies (CFC) and controlled foreign trusts (CFT) included in your assessable income against the following sections of the *Income Tax Assessment Act 1936* (ITAA 1936).

	Listed country	Section 404 country	Unlisted country	Total
Section 456 – CFCs attributable income	G <input type="text"/> 00	H <input type="text"/> 00	I <input type="text"/> 00	J <input type="text"/> 00
	Section 457—CFCs change of residence			K <input type="text"/> 00
	Section 459A – interposed Australian entities			N <input type="text"/> 00

11 Show the amounts of foreign non-assessable non-exempt income derived by you against the following sections of ITAA 1936.

	Listed country	Unlisted country and Section 404 country		
Section 23AH – foreign branch profits of Australian companies	O <input type="text"/> 00	P <input type="text"/> 00		
	Listed country	Section 404 country	Unlisted country	
Section 23AI – amounts paid out of attributed CFC income	Q <input type="text"/> 00	R <input type="text"/> 00	S <input type="text"/> 00	
Section 23AJ – non-portfolio dividend from foreign countries	T <input type="text"/> 00	U <input type="text"/> 00	V <input type="text"/> 00	
	Section 23AK – amounts paid out of attributed foreign investment fund (FIF) income			W <input type="text"/> 00 F

12a If applicable, what is the amount of the reduction in capital gains determined in accordance with Sub-division 768-G of the *Income Tax Assessment Act 1997* (ITAA 1997)? **L** ~~00~~

12b If applicable, what is the amount of capital losses, as reduced in accordance with Sub-division 768-G of the ITAA 1997, that may be utilised or carried forward? **G** ~~00~~

13 Has any controlled foreign company or controlled foreign trust of an unlisted country transferred any asset (excluding trading stock transferred in the normal course of business) or amounts of accumulated profits, capital, or other assets/reserves to a related entity in a listed country at any time during the income year?

Accumulated profits	S <input type="checkbox"/>	Print Y for yes or N for no.
Accumulated losses	T <input type="checkbox"/>	Print Y for yes or N for no.
Paid up capital	U <input type="checkbox"/>	Print Y for yes or N for no.
Other assets/reserves	V <input type="checkbox"/>	Print Y for yes or N for no.

14 Have you ever, 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.

15 Were you a beneficiary of a non-resident trust estate at any time during the income year? **X** Print Y for yes or N for no.

16 Did you have an interest in, or an entitlement to acquire an interest in, either the income or capital of a non-resident trust estate at any time during the income year? **Y** Print Y for yes or N for no.

17 If the answer is yes to items 14, 15 or 16, were any of the non-resident trusts discretionary? **Z** Print Y for yes or N for no.

18 Were you able to directly or indirectly control or direct a non-resident trust at any time during the income year? **A** Print Y for yes or N for no. **F**

SCHEDULE 25A, 2006–07 INCOME YEAR

19 Show the codes and amounts at the end of the income year of interests held in foreign investment funds or foreign life policies that are exempt under the sections of ITAA 1936 listed in the instructions.

The codes correspond to the various sections of ITAA 1936. Show only the principal 10 in descending order of total dollar value. If fewer than 10 exemptions apply, leave the remaining labels blank – refer to the instructions for the codes.

Code		Amount
B	<input type="text"/>	<input type="text" value="00"/>
C	<input type="text"/>	<input type="text" value="00"/>
D	<input type="text"/>	<input type="text" value="00"/>
E	<input type="text"/>	<input type="text" value="00"/>
F	<input type="text"/>	<input type="text" value="00"/>
G	<input type="text"/>	<input type="text" value="00"/>
H	<input type="text"/>	<input type="text" value="00"/>
I	<input type="text"/>	<input type="text" value="00"/>
J	<input type="text"/>	<input type="text" value="00"/>
K	<input type="text"/>	<input type="text" value="00"/>
L	<input type="text"/>	<input type="text" value="00"/>
M	<input type="text"/>	<input type="text" value="00"/>
N	<input type="text"/>	<input type="text" value="00"/>
O	<input type="text"/>	<input type="text" value="00"/>
P	<input type="text"/>	<input type="text" value="00"/>
Q	<input type="text"/>	<input type="text" value="00"/>
R	<input type="text"/>	<input type="text" value="00"/>
S	<input type="text"/>	<input type="text" value="00"/>
T	<input type="text"/>	<input type="text" value="00"/>
U	<input type="text"/>	<input type="text" value="00"/>

Important notes about Schedule 25A 2007

If you printed **Y** for yes at a question concerning overseas transactions on the partnership, trust, company or fund tax return, complete Section A of this schedule and attach it to the appropriate tax return.

If you printed **Y** for yes at a question concerning interest in a foreign company, foreign trust, foreign investment fund or foreign life assurance policy on the partnership, trust, company or fund tax return, complete all items in Section B of this schedule and attach it to the appropriate tax return.

If you printed **Y** for yes at both questions, complete Sections A and B and attach the schedule to the appropriate tax return.

The ABN is to be completed by corporate taxpayers and foreign companies with registered businesses in Australia.

Terms used in this schedule

Related party international dealings means international transactions, agreements or arrangements between related parties, between a permanent establishment and its head office, or between two permanent establishments of the same entity. It includes all transactions between an Australian resident and international related parties.

Participate(s) includes a right of participation, the exercise of which is contingent on an agreed event occurring.

International related parties means persons, including permanent establishments, who are parties to international dealings that can be subject to Division 13 of ITAA 1936 and/or the business profits article or associated enterprises article of a relevant double tax agreement, and includes the following:

- any overseas entity or person who participates directly or indirectly in your management, control or capital
- any overseas entity or person in respect of which you participate directly or indirectly in the management, control or capital
- any overseas entity or person in respect of which persons who participate directly or indirectly in its management, control or capital are the same persons who participate directly or indirectly in your management, control or capital
- a permanent establishment and its head office
- two permanent establishments of the same person.

Person has the same meaning as in subsection 6(1) of ITAA 1936 and section 995-1 of ITAA 1997.

Capital means an equity interest of 10% or greater.

Refer to the *Schedule 25A instructions 2007* for detailed instructions and explanations.

BUSINESS ACTIVITY STATEMENT – SAMPLE A

<div style="background-color: #333; color: white; padding: 2px;">PAYG income tax instalment</div> <p>Only complete Option 1 OR 2 (indicate one choice with X)</p> <p><input type="checkbox"/> Option 1: Pay a PAYG instalment amount quarterly</p> <p style="text-align: center;">T7 \$ <input style="width: 100px;" type="text"/></p> <p style="text-align: center;">Write the T7 amount at 5A in the Summary section OR if varying this amount, complete T8, T9, T4</p> <p>Estimated tax for the year T8 \$ <input style="width: 100px;" type="text"/></p> <p>Varied amount for the quarter T9 \$ <input style="width: 100px;" type="text"/></p> <p style="text-align: center;">Write the T9 amount at 5A in the Summary section</p> <p>Reason code for variation T4 <input style="width: 20px;" type="text"/> <input style="width: 20px;" type="text"/></p> <p>OR</p> <p><input type="checkbox"/> Option 2: Calculate PAYG instalment using income times rate</p> <p>PAYG instalment income T1 \$ <input style="width: 100px;" type="text"/></p> <p style="text-align: center;">T2 <input style="width: 50px;" type="text"/> %</p> <p style="text-align: center;">OR</p> <p>New varied rate T3 <input style="width: 20px;" type="text"/> <input style="width: 20px;" type="text"/> %</p> <p>T1 x T2 (or x T3) T11 \$ <input style="width: 100px;" type="text"/></p> <p style="text-align: center;">Write the T11 amount at 5A in the Summary section</p> <p>Reason code for variation T4 <input style="width: 20px;" type="text"/> <input style="width: 20px;" type="text"/></p> <div style="background-color: #333; color: white; padding: 2px;">Fringe benefits tax (FBT) instalment</div> <p style="text-align: center;">F1 \$ <input style="width: 100px;" type="text"/></p> <p style="text-align: center;">Write the F1 amount at 6A in the Summary section OR if varying this amount, complete F2, F3, F4</p> <p>Estimated FBT for the year F2 \$ <input style="width: 100px;" type="text"/></p> <p>Varied amount for the quarter F3 \$ <input style="width: 100px;" type="text"/></p> <p style="text-align: center;">Write the F3 amount at 6A in the Summary section</p> <p>Reason code for variation F4 <input style="width: 20px;" type="text"/> <input style="width: 20px;" type="text"/></p> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> <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> <p>Signature _____ Date / /</p> </div>	<div style="background-color: #333; color: white; padding: 2px;">Summary</div> <p style="text-align: center;">If you are using GST Option 3 leave 1B, 1C, 1D, 1E, 1F blank</p> <p>Amounts you owe the Tax Office</p> <p>GST on sales or GST instalment 1A \$ <input style="width: 100px;" type="text"/></p> <p>Wine equalisation tax 1C \$ <input style="width: 100px;" type="text"/></p> <p>Luxury car tax 1E \$ <input style="width: 100px;" type="text"/></p> <p>PAYG tax withheld 4 \$ <input style="width: 100px;" type="text"/></p> <p>PAYG income tax instalment 5A \$ <input style="width: 100px;" type="text"/></p> <p>FBT instalment 6A \$ <input style="width: 100px;" type="text"/></p> <p>Deferred company/fund instalment 7 \$ <input style="width: 100px;" type="text"/></p> <hr/> <p style="text-align: center;">1A + 1C + 1E + 4 + 5A + 6A + 7 8A \$ <input style="width: 100px;" type="text"/></p> <p>Amounts the Tax Office owes you</p> <p>GST on purchases 1B \$ <input style="width: 100px;" type="text"/></p> <p>Wine equalisation tax refundable 1D \$ <input style="width: 100px;" type="text"/></p> <p>Luxury car tax refundable 1F \$ <input style="width: 100px;" type="text"/></p> <p>Credit from PAYG income tax instalment variation 5B \$ <input style="width: 100px;" type="text"/></p> <p>Credit from FBT instalment variation 6B \$ <input style="width: 100px;" type="text"/></p> <hr/> <p style="text-align: center;">1B + 1D + 1F + 5B + 6B 8B \$ <input style="width: 100px;" type="text"/></p> <div style="background-color: #333; color: white; padding: 2px;">Payment or refund?</div> <p>Is 8A more than 8B? (indicate with X)</p> <p><input type="checkbox"/> Yes, then write the result of 8A minus 8B at 9. This amount is payable to the Tax Office.</p> <p><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).</p> <p style="text-align: center;">Your payment or refund amount</p> <p>9 \$ <input style="width: 100px;" type="text"/></p> <p style="text-align: center;">⚠ Do not use symbols such as +, -, /, \$</p> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="border: 1px solid black; padding: 5px; width: 45%;"> <p>Please return this completed form to</p> </div> <div style="border: 1px solid black; padding: 5px; width: 45%;"> <p style="text-align: center;">HRS <input style="width: 20px;" type="text"/> MINS <input style="width: 20px;" type="text"/></p> <p style="font-size: small;">Please estimate the time taken to complete this form. Include the time taken to collect any information.</p> </div> </div>
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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

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 **Option 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 \$.00

Does the amount shown at G1 include GST? (indicate with an X)
 Yes No

Export sales G2 \$.00

Other GST-free sales G3 \$.00

Capital purchases G10 \$.00

Non-capital purchases G11 \$.00

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

<p>PAYG tax withheld</p> <p>Total salary, wages and other payments W1 \$ <input style="width: 100px; border: 1px solid black;" type="text"/>.00</p> <p>Amount withheld from payments shown at W1 W2 \$ <input style="width: 100px; border: 1px solid black;" type="text"/>.00</p> <p>Amount withheld where no ABN is quoted W4 \$ <input style="width: 100px; border: 1px solid black;" type="text"/>.00</p> <p>Other amounts withheld (excluding any amount shown at W2 or W4) W3 \$ <input style="width: 100px; border: 1px solid black;" type="text"/>.00</p> <p>Total amounts withheld (W2 + W4 + W3) W5 \$ <input style="width: 100px; border: 1px solid black;" type="text"/>.00 Write the W5 amount at 4 in the Summary section below</p>	<p>Fringe benefits tax (FBT) instalment</p> <p>F1 \$ <input style="width: 100px; border: 1px solid black;" type="text"/></p> <p>Write the F1 amount at 6A in the Summary section below OR if varying this amount, complete F2, F3, F4</p> <p>Estimated FBT for the year F2 \$ <input style="width: 100px; border: 1px solid black;" type="text"/>.00</p> <p>Varied amount for the quarter F3 \$ <input style="width: 100px; border: 1px solid black;" type="text"/>.00</p> <p>Write the F3 amount at 6A in the Summary section below</p> <p>Reason code for variation F4 <input style="width: 20px; border: 1px solid black;" type="text"/> <input style="width: 20px; border: 1px solid black;" type="text"/></p>
<p>Summary</p>	
<p>Amounts you owe the Tax Office</p> <p>GST on sales 1A \$ <input style="width: 100px; border: 1px solid black;" type="text"/>.00</p> <p>Wine equalisation tax 1C \$ <input style="width: 100px; border: 1px solid black;" type="text"/>.00</p> <p>Luxury car tax 1E \$ <input style="width: 100px; border: 1px solid black;" type="text"/>.00</p> <p>PAYG tax withheld 4 \$ <input style="width: 100px; border: 1px solid black;" type="text"/>.00</p> <p>PAYG income tax instalment 5A \$ <input style="width: 100px; border: 1px solid black;" type="text"/>.00</p> <p>FBT instalment 6A \$ <input style="width: 100px; border: 1px solid black;" type="text"/>.00</p> <p>Deferred company/fund instalment 7 \$ <input style="width: 100px; border: 1px solid black;" type="text"/>.00</p> <p>8A \$ <input style="width: 100px; border: 1px solid black;" type="text"/>.00 <small>1A + 1C + 1E + 4 + 5A + 6A + 7</small></p>	<p>Amounts the Tax Office owes you</p> <p>GST on purchases 1B \$ <input style="width: 100px; border: 1px solid black;" type="text"/>.00</p> <p>Wine equalisation tax refundable 1D \$ <input style="width: 100px; border: 1px solid black;" type="text"/>.00</p> <p>Luxury car tax refundable 1F \$ <input style="width: 100px; border: 1px solid black;" type="text"/>.00</p> <p>Credit from PAYG income tax instalment variation 5B \$ <input style="width: 100px; border: 1px solid black;" type="text"/>.00</p> <p>Credit from FBT instalment variation 6B \$ <input style="width: 100px; border: 1px solid black;" type="text"/>.00</p> <p>8B \$ <input style="width: 100px; border: 1px solid black;" type="text"/>.00 <small>1B + 1D + 1F + 5B + 6B</small></p>
<p>Payment or refund?</p>	
<p>Is 8A more than 8B? <input type="checkbox"/> Yes, then write the result of 8A minus 8B at 9. This amount is payable to the Tax Office.</p> <p>(Indicate with X) <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).</p>	
<p>Your payment or refund amount</p> <p>9 \$ <input style="width: 100px; border: 1px solid black;" type="text"/>.00</p> <p>! Do not use symbols such as +, -, /, \$</p>	<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> <p>Signature _____ Date ____/____/____</p>
<p>Please return this completed form to</p>	<p>HRS <input style="width: 20px; border: 1px solid black;" type="text"/> MINS <input style="width: 20px; border: 1px solid black;" type="text"/></p> <p><small>Please estimate the time taken to complete this form. Include the time taken to collect any information.</small></p>
<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</p>	
<p> Australian Government Australian Taxation Office</p>	<p><input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/></p> <p><input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/></p> <p><input style="width: 100%; height: 20px; border: 1px solid black;" type="text"/></p>

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 **Option 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

NAT 4197-09.2006

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.**

INSTALMENT ACTIVITY STATEMENT

Fringe benefits tax (FBT) instalment

F1 \$

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 \$.00

Varied amount for the quarter F3 \$.00

Write the F3 amount at 6A in the Summary section below

Reason code for variation F4

Summary

Amounts you owe the Tax Office

PAYG tax withheld 4 \$.00

PAYG income tax instalment 5A \$.00

FBT instalment 6A \$.00

Deferred company/fund instalment 7 \$.00

4 + 5A + 6A + 7 8A \$.00

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

Payment or refund?

Is 8A more than 8B? Yes, then write the result of 8A minus 8B at 9. This amount is payable to the Tax Office.

(indicate with X) 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

9 \$.00

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



A

ABN not quoted
 credit for tax withheld, 25
 gross payments where, 17, 37, 53
 accommodation and food services, *see* industry
 activity statements, 210–15
 industry ratios, 143, 144–5
 time to complete, 138, 139
 administration/management expenses, 56
 individuals' tax affairs, 140
 administrative and support services, *see* industry
 age of individuals, 9, 10
 private health insurance rebate recipients, 99
 superannuation co-contribution recipients, 132
 agents, *see* tax agents
 agriculture, *see* primary production
 airline transport, 95
 fuel, 120
 alcohol, 119, 122
 wine equalisation tax, 5, 117, 118
 allowable deductions, *see* deductions/expenses
 allowances, benefits, earnings and tips, 12, 26
 alternative fuels, 120, 123, 125
 ambulance services, 104
 ancillary funds, 104
 animal welfare charities, 104
 annual tax returns, *see* tax returns
 annuities, *see* superannuation
 ANZSIC, 2
 application forms, 196–7
 applications for income tax withholding variations, 26
 approved research institutes, 104
 APRA funds, *see* small APRA funds
 art galleries, 104
 arts and recreation services, *see* industry
 assessable amounts from non-resident superannuation funds, 53
 assessable government industry payments, 17, 37
 assets and liabilities
 companies, 40; unrealised gains/losses on revaluation, 37, 39
 superannuation funds, 48, 128; self-managed, 131
 trusts, 76
 see also capital gains tax; depreciation
 associations, *see* companies
 attributed foreign income, 12, 63, 73, 111
 attributed personal services income, 12
 AusIndustry, 100
 Australian and New Zealand Standard Industrial Classification, 2
 Australian business number, *see* ABN
 Australian Capital Territory, *see* states and territories
 Australian Customs Service collections, 113
 goods and services tax, 114
 luxury car tax, 118
 wine equalisation tax, 117
 Australian film industry, 14
 film and television tax offset, 4, 97, 101
 Australian franking credits, *see* franking credits
 Australian Government departments and FBT, 90–4
 Australian Government pensioners and beneficiaries, 12, 20

Australian Prudential Regulation Authority funds, *see* small APRA funds
 Australian residency status, *see* non-residents
 averaging tax offset, 20
 aviation, 95
 fuel, 120

B

baby bonus tax offset, 20, 97
 bad debts, 18, 39, 66, 75
 beer, 119, 122
 benchmarks, 142–5
 beneficiaries, *see* government pensioners and beneficiaries; trusts
 benefits, allowances, earnings and tips, 12, 26
 benevolent institutions, 103, 104
 beverages, *see* alcohol
 biodiesel, 120, 125
 board, 95
 bottled beer, 122
 brandy, 122
 building and construction, *see* industry
 business activity statements, *see* activity statements
 business income, *see* income; net business income

C

capital gains, 11, 78–83
 superannuation funds, 53
 trusts, 73
 unrealised, on revaluation of assets, 37
 capital gains discount, 85
 capital gains tax (CGT), 78–87
 capital gains tax (CGT) schedule, 82, 198–201
 capital gains tax small business concessions, 78, 85–6
 capital losses, 78, 84
 unrealised, on revaluation of assets, 39
 capital works deductions, 56
 rental, 13
 car parking, 95
 cars, *see* motor vehicles
 cash and term deposits, 131
 cash management unit trusts, 70
 cents per kilometre method of calculating motor vehicle expenses, 15
 charitable funds, 103
 charitable institutions, 103
 charities, 7, 102–7
 see also non-profit organisations
 child care tax rebate, 19
 children, tax offsets and payments for, 4, 19, 20, 97–8
 cigarettes and tobacco, 119, 121
 cleaner fuels grants scheme, 123, 125
 clothing expenses, 15
 collectables, 82–3
 college building funds, 104
 commission sales, 26
 Commonwealth of Australia departments and FBT, 90–4
 Commonwealth of Australia pensioners and beneficiaries, 12, 20
 community charities, 103
 see also non-profit organisations

- companies, 1, 3, 4, 33–47
 capital gains, 79, 80, 81, 83; small business concessions, 85–6
 capital losses, 84
 foreign sourced income, 110–11
 fuel tax credits paid to, 123
 pay as you go withholding liabilities, 136
 tax return form, 159–64
 time taken to complete tax returns/activity statements, 139–40
see also size of companies
- compliance costs, 138–41
- complying superannuation funds, *see* superannuation funds
- compulsorily acquired CGT assets, disposal of, 78
- compulsory clothing (uniforms), 15
- compulsory repayments of HELP debts, 24
- construction, *see* industry
- cooperative companies, 42
- corporate superannuation funds, 48, 49
 deductions, 54
 income, 51
 net tax, 57
- corporate unit trusts, 42
- corporations, *see* companies
- cost of taxation compliance, 138–41
- costs, *see* deductions/expenses
- credits, *see* tax offsets
- crude oil, 119, 121
 petroleum resource rent tax, 44, 45, 47
- cultural organisations
 deductible gift recipients, 104, 105
 tax concession charities, 103
- current pension income, exempt, 56
- Customs, *see* Australian Customs Service collections
- D**
- debits, *see* tax liabilities
- debts
 companies, 39
 individuals, 18; student loans, 23–4
 partnerships, 66
 trusts, 75
- deceased estates, 70
- deductible gift recipients, 7, 104–7
- deductions/expenses, 143
 companies, 38–9
 partnerships, 61, 63, 66
 superannuation funds, 54–6
 trusts, 73, 75
see also salary and wage expenses
- deductions/expenses of individuals, 9, 14–15
 business, 18
 gifts and donations, 106
 reasons for variation of income tax withholding, 26
 rental, 13, 18
- deferred GST scheme, 116
- deferred (prior year) losses, 12, 14, 26, 73
- Department of Broadband, Communications and the Digital Economy, 101
- Department of the Environment, Water, Heritage and the Arts, 125
- dependants, tax offsets and payments for, 4, 19, 20, 97–8
- depreciation
 companies, 39
 individuals, 18
 partnerships, 66
 superannuation funds, 56
 trusts, 75
- developing country relief (overseas aid) funds, 104, 107
- diesel fuels, 120, 123, 125
- director's fees, 26
- disability and group life premiums, 56
- discretionary trusts, 70
- disposal of compulsorily acquired CGT assets, 78
- dividend and interest deductions, individuals, 14
- dividends and distributions (shares)
 capital gains, 78, 82–3
 companies, 37, 83
 individuals, 11, 12, 82; TFN amounts withheld, 25
 partnerships, 63
 prescribed private funds, 105
 superannuation funds, 53, 83; self managed, 131
 trusts, 73
- donations and gifts, 7, 104–7
- E**
- e-tax*, 1, 9, 10
- earlier year (deferred) losses, 12, 14, 26, 73
- earnings, *see* income
- education, 15
 deductible gift recipients, 104, 105
 student loans, 23–4, 26, 28
 tax concession charities, 103
 taxpayers ceasing full-time, 22
see also industry
- election expenses, 14
- electricity, gas, water and waste services, *see* industry
- eligible termination payments, 12, 20, 132
- employee share scheme, 78
- employees
 fringe benefits contributions, 37, 94–5
 fringe benefits recipients, 90
 reasons for varying income tax withholding, 26
 salary and wage earners, 2, 11, 12
 self-education directly connected with, 15
 superannuation fund contributions, 53
 tax offsets, 20
 termination payments, 12, 20, 133
 work-related expenses, 14, 15
see also external labour expenses; superannuation
- employers and superannuation, 53, 128
 expenses, 39
 superannuation guarantee scheme, 129
see also fringe benefits tax
- energy grants credits scheme, 123
- entrepreneurs' tax offset, 20
- environmental organisations
 deductible gift recipients, 104, 105
 tax concession charities, 103
- e-tax*, 1, 9, 10
- ethanol, 120
- ETPs, 12, 20, 132
- excess contributions tax, 132
- excise, 7, 119–22
- exclusion criteria for industry benchmarks, 143
- exempt current pension income, 56
- expense payments, 95
- expenses, *see* deductions/expenses
- expenses to sales ratio, 143
- external labour expenses
 companies, 39
 individuals, 17, 18
 partnerships, 66
 trusts, 75
see also salary and wage expenses

F

family tax benefit, 4, 97, 98
 farm management withdrawals and deposits, 12
 farming, *see* primary production
 FBT, *see* fringe benefits tax
 fees paid to directors, 26
 females, *see* sex of individuals
 film and television tax offset, 4, 97, 101
 film industry incentives, 14
 financial and insurance services, *see* industry
 financial ratios, 142, 143–4
 financial (tax) year, 33
 FBT, 88
 first child tax offset, 97
 fishing, *see* primary production
 fixed trusts, 70
 foreign aid/affairs funds, 104, 105, 107
 foreign assets, self managed superannuation funds, 131
 foreign expenses, 14, 39, 56
 foreign income, 108–12
 companies, 110–11
 individuals, 9, 12, 109
 partnerships, 63, 112
 superannuation funds, 112
 trusts, 73, 112
 foreign pensions or annuities, 12, 14
 foreign resident withholding
 companies, 37, 39
 individuals, 17, 18, 25
 partnerships, 66
 superannuation funds, 53, 56
 trusts, 75
 foreign residents, *see* non-residents
 foreign tax credits, 20
 forestry, *see* primary production
 franked dividends, 53
 franking credits (imputation credits), 107
 application form, 196–7
 individuals, 11, 12, 19
 partnerships, 63
 superannuation funds, 53
 trusts, 73
 fringe benefits tax (FBT), 88–96
 activity statements, 211, 213, 215
 employee contributions, 37, 94–5
 tax concession charities, 102, 103
 tax return form, 189–92
 time taken to complete returns, 140, 141
 FTB, 4, 97, 98
 fuel sales grants scheme, 123
 fuel tax credits, 123–5
 fuels, 123–7
 excise, 120–1
 see also petroleum and petroleum products
 funds
 deductible gift recipients, 104, 105
 refundable franking credits, 107
 tax concession charities, 103
 see also superannuation funds

G

gains, *see* capital gains
 gasoline, 120
 gender of taxpayers, *see* sex of individuals
 gifts and donations, 7, 104–7
 goods and services tax (GST), 113–18
 activity statement, 210, 212
 annual information report, 195
 annual return, 193–4
 fringe benefits (type 1) entitled to input tax credits, 92
 net GST to sales ratio, 143
 tax concession charities, 102, 103
 government entities
 fringe benefits tax, 90–4
 fuel tax credits, 123
 pay as you go withholding liabilities, 136
 time taken to complete tax activity statements/tax returns, 139–40
 government industry payments, 17, 37
 government pensioners and beneficiaries, 12, 20
 government (public sector) superannuation funds, 48, 49
 deductions, 54
 income, 51
 net tax, 57
 government special schools, 104
 greases and oils, 120
 gross dividends/distributions, *see* dividends and distributions
 gross foreign income, 112
 gross GST payable, 116
 gross interest, *see* interest
 gross other assessable foreign income, 112
 gross payments – labour hire or other specified payments, 17
 gross payments subject to foreign resident withholding,
 see foreign resident withholding
 gross payments – voluntary agreement, 17
 gross payments where ABN not quoted, 17, 37, 53
 gross profit ratio, 142
 gross rent, *see* rent
 group life and disability premiums, 56
 GST, *see* goods and services tax

H

health, 19
 deductible gift recipients, 104, 105
 Medicare, 9, 21
 private insurance, 21; rebate, 97, 99
 tax concession charities, 103
 see also industry
 heating oil, 120
 Higher Education Loan Programme (HELP), 23–4, 26, 28
 hiring, *see* lease expenses; rent
 hospitals, 104
 hours taken to complete tax returns/activity statements, 139–40, 141
 housing, 95
 see also rent
 hybrid trusts, 70

I

imports, 117, 125
 deferred GST payments on, 116
 see also Australian Customs Service collections
 imputation credits, *see* franking credits

- income, 3–4
 - companies, 3, 4, 36–7
 - entity size by, 35
 - family tax benefit thresholds, 97
 - luxury car tax threshold, 118
 - partnerships, 63–5
 - superannuation co-contribution thresholds, 132
 - superannuation funds, 3, 4, 51–3
 - superannuation surcharge threshold, 133
 - trusts, 73–5
 - see also deductions/expenses; foreign income; taxable income
 - income of individuals, 3, 11–18
 - deductible gifts as percentage of, 106
 - foreign sourced, 9, 12, 109
 - low income tax offset, 9, 20
 - minimum levels for repayment of student loans, 23
 - tax withheld, 25–6
 - see also taxable income of individuals
 - income tax, 1–4, 8–77
 - charities and deductible gifts, 7, 102–7
 - returns and schedules, 14, 147–88, 198–209; time taken to complete, 139
 - see also withholding tax
 - Income Tax Assessment Act 1936*, 48
 - deductible gift recipients specifically mentioned in, 104
 - income year, 33
 - FBT, 88
 - incorporated bodies, see companies
 - indexation of rates, 119, 132
 - individuals (personal taxpayers), 1, 3, 4, 8–32
 - capital gains, 11, 79, 80, 81, 82; discount and small business concessions, 85–6
 - capital losses, 84
 - cost of managing tax affairs, 140
 - first child tax offset claims, 97
 - fuel tax credits paid to, 123
 - by industry, 2, 16; small business capital gains tax concessions, 86
 - pay as you go withholding liabilities, 136
 - sample file, 146
 - source of statistics, 6, 28
 - superannuation co-contribution paid to, 132
 - superannuation surcharge liability, 133
 - tax return form, 147–58
 - time taken to complete tax returns/activity statements, 139–40
 - see also partnerships
 - industry, 2
 - fringe benefits tax, 90–4
 - fuel tax credits paid to, 124
 - goods and services tax, 114, 116
 - individuals, 2, 16; small business capital gains tax concessions, 86
 - partnerships, 62, 64
 - pay as you go withholding, 135
 - superannuation funds, 50, 52, 55, 58
 - trusts, 71, 74
 - industry, companies by, 34
 - expenses, 38
 - foreign sourced income, 110–11
 - income, 36
 - non-taxables, 43
 - research and development tax offset, 100
 - small business capital gains tax concessions, 86
 - industry benchmarks, 142–5
 - industry payments made by government, 17, 37
 - Industry Research and Development Board, 100
 - industry research and development tax offset, 4, 97, 100
 - industry superannuation funds, 48, 49
 - deductions, 54
 - income, 51; net foreign, 112
 - net tax, 57
 - information media and telecommunications, see industry
 - input tax credits, 116
 - fringe benefits (type 1) entitled to, 92
 - instalment activity statement, 214–15
 - interest
 - companies, 37
 - individuals, 12; TFN amounts withheld, 25
 - partnerships, 63
 - superannuation funds, 53
 - trusts, 73
 - interest and dividend deductions, individuals, 14
 - interest expenses/deductions
 - companies, 39
 - individuals, 18; rental, 13
 - partnerships, 66
 - superannuation funds, 56
 - trusts, 75
 - interests in rental property, individuals with, 14
 - international aid/affairs funds, 104, 105, 107
 - international taxation, 108–12
 - see also foreign income; non-residents
 - internet lodgments (e-tax), 1, 9, 10
 - invalid relatives and parents, 19
 - investments, 2, 26
 - capital gains, 82–3
 - partnership deductions relating to Australian, 63
 - superannuation fund expenses, 56
 - trusts, 70, 73
 - see also dividends and distributions; interest; rent; superannuation
- K**
- keg beer, 122
 - kerosene, 120
- L**
- labour, see employees; external labour expenses
 - landcare and water tax offset, 19
 - large entities, see size of entities
 - lease expenses
 - companies, 39
 - individuals, 18
 - partnerships, 66
 - trusts, 75
 - see also rent
 - liabilities, see assets and liabilities; tax liabilities
 - libraries, 104
 - life and disability insurance premiums, 56
 - life insurance (assurance) bonuses, 12
 - tax offset, 20
 - life insurance policies, 131
 - limited partnerships, 42
 - listed country attributed foreign income, 111
 - listed public unit trusts, 70
 - loans, 131
 - to students, 23–4, 26, 28
 - lodgments, 1
 - companies, 1, 33–5; with foreign sourced income, 110–11
 - fringe benefits tax returns, 88, 89
 - individuals, 1, 8, 9–10, 146; with foreign sourced income, 109
 - partnerships, 1, 61–2
 - superannuation funds, 1, 49
 - tax concession charities, 102
 - trusts, 1, 70–2

- log book method of calculating motor vehicle expenses, 15
 - loss/nil entities, *see* size of entities
 - losses
 - capital, 78, 84
 - companies, 42, 84; unrealised, on revaluation of assets, 39
 - individuals, 12, 14, 84; net business, 16; rental, 13
 - superannuation funds, 56, 84
 - trusts, 73
 - losses schedule, 202–5
 - lost members register, 130
 - low income tax offset, 9, 20
 - low-value pool deductions, 14
 - lump sum payments, 12
 - in arrears, 9, 25
 - luxury car tax, 118
- M**
- maintenance and repairs, 18, 39, 66, 75
 - males, *see* sex of individuals
 - managed funds, 131
 - management/administration expenses, 56
 - individuals' tax affairs, 140
 - manufacturing, *see* industry
 - marriage breakdown CGT rollover relief, 78
 - maternity allowance, 97
 - mature age worker tax offset, 20
 - medical expenses tax offset, 19
 - Medicare, 9, 21
 - medium entities, *see* size of entities
 - men, *see* sex of individuals
 - method of calculating motor vehicle expenses, 15
 - micro entities, *see* size of entities
 - mining, *see* industry
 - mobile certificates, 26
 - motor vehicles, 118
 - companies, 39
 - as fringe benefits, 95
 - individuals, 15, 18
 - partnerships, 66
 - trusts, 75
 - museums, 104
- N**
- natural environment organisations, 103, 104
 - negative gearing, 26
 - net business income
 - individuals, 12, 16–18
 - partnerships, 63
 - trusts, 73
 - net capital gains, *see* capital gains
 - net farm management withdrawals and deposits, 12
 - net foreign income, 111, 112
 - net GST, 113–15
 - net GST refunds, 115
 - net GST to sales ratio, 143
 - net non-arms length income, 53
 - net non-primary production distributions, 63, 73
 - net other assessable foreign source income, 112
 - net partnership and trust distributions, 12
 - net personal services income, 12
 - net previous income, 53
 - net primary production distributions, 63, 73
 - net profit ratio, 142
 - net rent, *see* rent
 - net tax, 3–4, 21–2, 41–3, 57–9
 - New South Wales, *see* states and territories
 - New Zealand, 117
 - Australian franking credits from companies in, 12, 53, 63, 73
 - non-arms length income, 53
 - non compulsory clothing (uniforms), 15
 - non-employer sponsored superannuation contributions, 14
 - non-government pensions, *see* superannuation
 - non-petroleum-based fuels, 120
 - non-primary production distributions from partnerships
 - and trusts, 63, 73
 - non-profit organisations, 33, 93, 102–7
 - net tax, 42
 - tax concession charities, 7, 102–7
 - time taken to complete tax activity statements/tax returns, 139–40
 - non-refundable tax offsets, 19, 20
 - non-regulated superannuation funds, 48, 49
 - deductions, 54
 - income, 51
 - net tax, 57
 - non-residents, 22, 78, 109
 - companies, 33, 111
 - superannuation funds, assessable amounts from, 53
 - see also* foreign resident withholding
 - non-taxables, *see* tax status
 - North-West Shelf area, 119, 121
 - Northern Territory, *see* states and territories
 - not-for-profit organisations, *see* non-profit organisations
- O**
- occupation specific clothing, 15
 - offsets, *see* tax offsets
 - oil, *see* petroleum and petroleum products
 - 1/3 of actual expenses method of calculating motor vehicle expenses, 15
 - other assessable foreign source income, 112
 - other Australian income, 63, 73
 - other business income, 17
 - other business type income, 17
 - other expenses/deductions
 - companies, 39
 - individuals, 14, 18
 - partnerships, 66
 - superannuation funds, 56
 - trusts, 75
 - other foreign income, individuals, 12
 - other gross income, companies, 37
 - other income, superannuation funds, 53
 - other income category 1, individuals, 12
 - other income category 2, individuals, 12
 - other investments, 26
 - other negative gearing, 26
 - other pensions/annuities, *see* superannuation
 - other services, *see* industry
 - other tax offsets, 19
 - other travel expenses, 15
 - other work-related expenses, 15
 - overseas aid/affairs funds, 104, 105, 107
 - overseas assets, self managed superannuation funds, 131
 - overseas expenses, 14, 39, 56
 - overseas forces or zone tax offset, 19
 - overseas income, *see* foreign income
 - overseas pensions or annuities, 12, 14
 - overseas residents, *see* non-residents
 - overseas tax credits, 20

- P**
- paper and telephone personal tax returns lodged, 9, 10
 - parent/parent-in-law/invalid relative tax offset, 19
 - parking, 95
 - partnership and trust distributions, 12, 63, 73
 - partnership distributions, 37, 53
 - partnerships, 1, 61–9
 - foreign sourced income, 63, 112
 - fuel tax credits paid to, 123
 - limited, 42
 - pay as you go withholding liabilities, 136
 - tax return form, 165–72
 - time taken to complete tax returns, 139
 - pay as you go (PAYG) instalments, 211, 212, 214
 - credit for, 25
 - pay as you go (PAYG) withholding, 134–7
 - activity statements, 210, 213, 214
 - payments and transfers, 97–101
 - fuel schemes, 123–7
 - superannuation system, 129–30, 132; fund deductions, 56
 - see also* tax offsets
 - PDFs, 42
 - pensioners and beneficiaries, 12
 - tax offset, 20
 - see also* superannuation
 - personal services income, 12
 - tax withheld, 25
 - personal taxpayers, *see* individuals
 - petroleum and petroleum products, 123–7
 - excise, 119, 120–1
 - resource rent tax, 44, 45, 47
 - political parties, independent candidates and members,
 - contributions to, 9, 61
 - pooled development funds, 42
 - premium unleaded petrol, 123, 125
 - prescribed private funds, 104, 105
 - previous income, 53
 - primary production
 - distributions from partnerships and trusts, 63, 73
 - net farm management withdrawals or deposits, 12
 - see also* industry
 - prior year (deferred) losses, 12, 14, 26, 73
 - private companies, 42
 - private funds, 104, 105
 - private health insurance, 21
 - rebate, 97, 99
 - product stewardship for oil program, 123, 125
 - professional, scientific and technical services, *see* industry
 - profits, 142
 - non-taxable companies, 42
 - total petroleum resource rent paid on, 44
 - see also* losses
 - project pool deductions, 14
 - property, *see* real estate and property
 - protective clothing, 15
 - PRRT, 44, 45
 - public administration and safety, *see* industry
 - public ambulance services, 104
 - public art galleries, 104
 - public benevolent institutions, 103, 104
 - public companies, 42
 - public funds, *see* funds
 - public hospitals, 104
 - public institutions for research, 104
 - public libraries, 104
 - public museums, 104
 - public sector entities, *see* government entities
 - public trading trusts, 42
 - public unit trusts, 70, 131
 - public universities, 104
- Q**
- Queensland, *see* states and territories
- R**
- rates
 - capital gains discount, 85
 - companies, 33
 - excise duties, 119; crude oil, 121
 - fringe benefits tax, 88
 - goods and services tax (GST), 113
 - luxury car tax, 118
 - Medicare levy, 21
 - partnership members, 61
 - personal taxpayers, 22
 - private health insurance rebate and age of recipients, 99
 - superannuation co-contribution, 132
 - superannuation surcharge, 133
 - wine equalisation tax, 117
 - ready-to-drink alcoholic beverages, 119, 122
 - real estate and property, 131
 - capital gains, 82–3
 - fringe benefits, 95
 - reasons for varying income tax withholding, 26
 - see also* rent
 - reasonable benefit limits, 132
 - reasons for variation of income tax withholding, 26
 - rebates, *see* tax offsets
 - recouped losses, 56
 - recycled oil, 123, 125
 - redundancy (termination) payments, 12, 20, 133
 - refined petroleum products, *see* petroleum and petroleum products
 - refundable tax offsets, 19, 20, 97
 - refunds, 27
 - franking credits, 107; application forms, 196–7
 - goods and services tax (GST), 115
 - wine equalisation tax (WET), 117
 - see also* tax offsets
 - register of cultural organisations, public funds on, 104
 - register of environmental organisations, public funds on, 104
 - regulated funds, *see* superannuation funds
 - relatives and parents, invalid, 19
 - religious organisations and institutions, 103, 104
 - rent
 - companies, 37
 - individuals, 13–14
 - partnerships, 63
 - superannuation funds, 53
 - trusts, 73
 - rent expenses/deductions
 - companies, 39
 - individuals, 13, 18
 - partnerships, 66
 - trusts, 75
 - rental, hiring and real estate services, *see* industry
 - rental property schedules, 14
 - repairs and maintenance, 18, 39, 66, 75
 - research and development tax offset, 4, 97, 100
 - research institutes, 104
 - research private funds, 105
 - residency status, *see* non-residents

- residential educational institutions, 104
 - resource rent tax, 44, 45, 47
 - retail superannuation funds, 48, 49
 - deductions, 54
 - income, 51; net foreign, 112
 - net tax, 57
 - retail trade, *see* industry
 - retirement income, *see* superannuation
 - returns, *see* tax returns
 - revaluation of assets, 37, 39
 - royalty expenses, 39, 66, 75
- S**
- salary and wage earners, 2, 11, 12
 - see also* employees
 - salary and wage expenses, 18, 56
 - wages to sales ratio, 143
 - wages to turnover ratio, 142
 - see also* external labour expenses
 - salary and wages, 11, 12
 - sales, 37
 - activity statement ratios, 143
 - cost of, 18, 39, 66, 75
 - reason for variation of income tax withholding, 26
 - sample file for individuals, 146
 - Schedule 25A, 206–9
 - schedules and schedule items, 14, 82, 198–209
 - scholarship funds, 104
 - school building funds, 104
 - schools, 104
 - section 100(2) credits, 20
 - section 404 country attributed foreign income, 111
 - self-education, 15
 - self-managed superannuation funds, 49, 131, 133
 - deductions, 54
 - income, 51
 - net tax, 57
 - self-prepared personal tax returns, 9, 10
 - date for lodgment, 8
 - senior Australians tax offset, 20
 - services, *see* industry
 - sex of individuals, 10, 11
 - HELP debt payable, 23
 - superannuation co-contribution recipients, 132
 - SFSS, 23, 26
 - shares, *see* dividends and distributions
 - size of companies, 35
 - assets and liabilities, 40
 - capital gains, 81; small business concessions, 78, 85–6
 - net tax, 41
 - research and development tax offset availability, 100
 - time taken to complete activity statements/tax returns, 139–40
 - size of entities
 - partnerships, 61, 65
 - pay as you go withholders, 137
 - superannuation funds, 48, 50–1, 59; capital gains, 81: *see also* self-managed superannuation funds; small APRA funds
 - trusts, 72, 75
 - small APRA funds, 48, 49
 - deductions, 54
 - income, 51
 - net tax, 57
 - small business capital gains tax (CGT) concessions, 78, 85–6
 - small entities, *see* size of entities
 - social welfare organisations, *see* welfare organisations
 - source of statistics, 6–7
 - capital gains tax, 87
 - charities and deductible gifts, 107
 - company tax, 45–7
 - cost of taxation compliance, 141
 - excise, 7, 122
 - fringe benefits tax, 96
 - fuel schemes, 127
 - goods and services tax, 118
 - industry benchmarks, 143–5
 - international tax, 112
 - luxury car tax, 118
 - partnerships, 67–8
 - pay as you go withholding, 137
 - payments and transfers, 101
 - personal tax, 6, 28–32; individual sample file, 146
 - petroleum resource rent tax, 45, 47
 - superannuation funds, 59–60
 - superannuation system, 7, 133
 - trusts, 76–7
 - wine equalisation tax, 118
 - South Australia, *see* states and territories
 - special account, 129
 - special schools, 104
 - specifically listed DGRs, 104
 - spirits, excise on, 119, 122
 - spouse tax offset, 19
 - Standard choice form*, 129
 - stapled securities, 78
 - states and territories
 - HELP debt payable by, 23
 - personal tax returns lodged in, 9, 10
 - statistical sources, *see* source of statistics
 - strata title companies, 42
 - Student Financial Supplement Scheme (SFSS), 23, 26
 - students, *see* education
 - sulphur diesel, 123, 125
 - superannuation (non-government pensions and annuities), 7, 128–33
 - company expenses, 39
 - partnership expenses, 66
 - trust expenses, 75
 - superannuation (non-government pensions and annuities) and individuals, 12
 - deductions/expenses, 14, 18
 - reason for variation of income tax withholding, 26
 - superannuation co-contribution, 132
 - superannuation surcharge liability, 133
 - tax offset, 19
 - superannuation funds, 1, 3, 4, 48–60, 131
 - assets, 128, 131
 - capital gains, 79, 80, 81, 83; discount, 85
 - capital losses, 84
 - employee choice obligations, 129
 - foreign sourced income, 112
 - pay as you go withholding liabilities, 136
 - tax return form, 181–8
 - time taken to complete tax returns, 139
 - superannuation guarantee scheme, 129
 - superannuation holding accounts special account, 129
 - superannuation surcharge, 133

- T**
- TAFE, 104
 - Tasmania, *see* states and territories
 - tax affairs, cost of managing, 140
 - tax agents, 9, 10, 14
 - date for lodgment by, 8
 - tax concession charities, 7, 102–3, 107
 - tax credits, *see* tax offsets
 - tax debit assessments, 27
 - tax file number (TFN) amount withheld, 25
 - tax-free threshold, 22, 26
 - see also* rates; taxable income
 - tax liabilities (tax payable), 5
 - on capital gains, 80–1
 - excise, 119–22
 - fringe benefits, 91–2
 - goods and services, 113–16
 - individuals, 22, 27, 80, 81
 - luxury car, 118
 - pay as you go withholders, 136–7
 - wine equalisation, 117
 - see also* refunds
 - tax offsets, rebates and credits, 97–101
 - companies, 4, 97, 100–1, 123; non-taxables, 42
 - fringe benefits tax, 93; tax concession charities, 102, 103
 - fuel tax credits, 123–5
 - GST input tax, 116; fringe benefits (type 1) entitled to, 92
 - personal tax payers, 4, 9, 19–20, 97–9, 123; for withheld tax, 25
 - wine producer rebate, 117
 - see also* franking credits
 - tax payable, *see* tax liabilities
 - tax rates, *see* rates
 - tax refunds, *see* refunds
 - tax returns, 147–95
 - new features, 9, 48, 61, 78
 - schedules and schedule items, 14, 82, 198–209
 - tax offsets and credits claimed on, 19
 - time to complete, 138–40, 141
 - see also* activity statements; lodgments; source of statistics
 - tax status
 - capital gains made, 79
 - capital losses made, 84
 - companies, 33, 42–3, 79, 84
 - fringe benefits tax, 89–95; calculating, 88
 - individuals, 10, 79, 84
 - tax withheld, *see* withholding tax
 - tax year, 33
 - FBT, 88
 - taxable contributions, transfers of, 56
 - taxable income, 3, 4
 - company lodgment threshold, 33
 - see also* rates; tax status
 - taxable income of individuals, 3, 11, 22
 - capital gains by, 81
 - family tax benefit entitlement claims by family adjusted, 98
 - foreign sourced income by, 109
 - HELP repayment income and, 23
 - net rental income by, 13
 - private health insurance rebate by, 99
 - residency status by, 109
 - taxable losses, *see* losses
 - taxables, *see* tax status
 - taxpayers, *see* companies; individuals; partnerships;
 - superannuation funds; trusts
 - technical and further education (TAFE), 104
 - tele-movies and mini series, 4, 97, 101
 - telephone and paper personal tax returns lodged, 9, 10
 - temporary residents, 78
 - term deposits and cash, 131
 - termination payments, 12, 20, 132
 - territories, *see* states and territories
 - TFN amounts withheld, 25
 - 1/3 of actual expenses method of calculating motor vehicle expenses, 15
 - 30% child care tax rebate, 19
 - time to complete tax returns, 138–40, 141
 - time to repay HELP debts, 24
 - tips, benefits, allowances and earnings, 12, 26
 - tobacco, 119, 121
 - total assets and liabilities of companies, 40
 - total current year capital gains, 82–3
 - total deferred losses, 12
 - total dividends, *see* dividends
 - total expenses, *see* deductions/expenses
 - total income, *see* income
 - total interest expenses, *see* interest expenses/deductions
 - total net income or loss, 63, 73
 - trading trusts, 70
 - public, 42
 - transfers, *see* payments and transfers
 - transport, postal and storage, *see* industry
 - transport fringe benefits, 95
 - travel expenses, 15
 - see also* motor vehicles
 - trust and partnership distributions, 12, 63, 73
 - trust distributions, 37, 53
 - trustees, share of credit for tax paid by, 25
 - under section 100(2), 20
 - trusts, 1, 69–77
 - company types, 42
 - foreign sourced income, 73, 112
 - pay as you go withholding liabilities, 136
 - real estate owned by, 26
 - in self-managed superannuation funds asset allocation, 131
 - tax return form, 173–80
 - time taken to complete tax returns, 139
 - 12% of original value method of calculating motor vehicle expenses, 15
 - types of fringe benefits, 92
- U**
- ultra low sulphur diesel, 123, 125
 - unclaimed superannuation, 128, 129, 130
 - undeducted purchase price, pensions and annuities without, 12, 14
 - undeducted superannuation contributions, 48
 - unfranked dividends, 53
 - uniforms and clothing, 15
 - unincorporated bodies, *see* companies
 - unit trusts, 70
 - corporate, 42
 - universities, 104
 - student loans, 23–4, 26, 28
 - unleaded petrol, 123, 125
 - unlisted country attributed foreign income, 111
 - unlisted public unit trusts, 70
 - unrealised gains on revaluation of assets, 37
 - unrealised losses on revaluation of assets, 39

V

variation of income tax withholding applications, 26
vehicles, *see* motor vehicles
very large entities, *see* size of companies
Victoria, personal tax returns lodged in, 9
voluntary agreements, 17
voluntary repayments of HELP debts, 24
voluntary withholding of tax, 25

W

wages, *see* salary and wages
wages to sales ratio, 143
wages to turnover ratio, 142
waste oil, 123, 125
water and landcare tax offset, 19
welfare organisations
 deductible gift recipients, 104, 105
 tax concession charities, 102–3
Western Australia, *see* states and territories
wholesale trade, *see* industry
wine equalisation tax (WET), 5, 117, 118
withholding tax, 25–6
 see also foreign resident withholding; pay as you go (PAYG) withholding
women, *see* sex of individuals
work-related expenses, 14, 15
workers, *see* employees; external labour expenses

Y

year, 33
 FBT, 88

Z

zone or overseas forces tax offset, 19