



2003 Tax Return Client Checklist

June 2003

Important Tax Changes

The following important tax changes may have an impact on your 2002/03 tax return. *Please contact us to ascertain whether these changes affect you.*

2003 — Individual Tax Returns

Income

- Gross salary, wages, allowances, benefits, earnings, tips and directors' fees.
- Income from business activities.
- PAYG Payment Summary amounts.
- Details of any non-cash benefits received.
- Lump sum and termination payments. All documentation should be provided including an ETP Payment Summary from the employer or fund.
- Government Social Security payments, including pensions and unemployment and sickness benefits.
- Details of any CGT asset sales (e.g. shares and real estate). Please include dates of, and costs associated with, acquisition and disposal. Don't forget, whether you're an individual, company, trust or superannuation fund, you can save tax if you qualify for the various CGT concessions.
- Annuities, including allocated pensions.

- Income from trusts and partnerships. Statements of distribution should be provided where appropriate.
- Rental income.
- Interest and dividends received and any tax deducted. Include details of franked dividends.
- Foreign source (employment and pension) income and details of any foreign tax credits attached to that income.
- *Personal services income rules*: individual contractors who operate through a company or trust can potentially be taxed on their income as an individual (*not* the company or trust).

Deductions

- Investment and property expenses (carefully detail interest claims).
- Subscriptions (not including sporting or social clubs).
- Expenditure records related to a taxpayer's employment, such as work-related motor vehicles, self-education, protective clothing and uniform expenses.
- Donations of \$2 and over, depending on the recipient.
- For self-employed persons and those without employer superannuation support, details of superannuation contributions made.
- Tax agent's fees and other accounting and tax audit fees.

- Special deductions (Australian films, investment shelters and forestry-type schemes).
- Bank fees (where the credit or deposit represents assessable income).
- Unrecouped prior year losses.
- *Non-commercial losses*: Individuals must satisfy one of four tests to offset losses from business activities against other income. A prime example is an employee who seeks to offset farming or other business losses against salary or investment income.

Rebates

- Details of private health insurance, unless your premium is net of the rebate.
- Details of superannuation contributions where no tax deduction can be claimed.
- Any changes in dependants (income of spouse should be provided).
- Details of any income received in a lump sum which was accrued in earlier income years (e.g. assessable pensions).
- Net medical expenses if they exceed \$1,500 in total.
- Superannuation contributions made by employees with employer superannuation support *and* an assessable income of less than \$32,500.

... over please

Note: Taxpayers with a dependent child (under 21), or qualifying dependent student, should check to see if they are eligible for Family Tax Assistance.

2003 — Companies, Partnerships, Trusts and Other Businesses

Income

- Trading income.
- Other income (e.g. rent, interest, royalties).
- Stock on hand (and basis of valuation) — note any obsolete stock.
- Work-in-progress.
- Primary producer subsidies (if assessable).
- Details of CGT assets (e.g. stock and real estate) sold, including dates of, and costs associated with, acquisition and disposal.
- Dividends, including details of franking credits.
- Income from foreign sources, including details of foreign taxes paid.

Deductions

- Repairs and maintenance.
- Salaries, including fringe benefits.
- Fringe benefits tax paid.
- Rates, land taxes and insurance premiums.
- Advertising expenses.
- Interest on borrowed monies.
- Deductions relating to foreign-source income.
- Prepaid expenses (subject to transitional rules).
- Retirement payments and golden handshakes.

- Bad debts actually written off during the year.
- Donations of \$2 and over, depending on the recipient.
- Commissions.
- Legal expenses.
- Lease documents for motor vehicles, premises and equipment.
- Losses of previous years (or intra-group transfers).
- Superannuation contributions.
- Subscriptions.
- Car expenses (remember to include petrol, repairs and parking and maintain a log book where necessary).
- Tax agent's fees and other accounting and tax audit fees.
- Royalties paid.
- Details of the purpose and destination of any interstate or overseas trip. Expenses must be fully documented where travel involves at least one night away from home. Travel diaries should be included where travel exceeds five nights.
- Research and development expenditure.
- Bank fees (where the credit or deposit represents assessable income).

Liabilities

- New loans taken out during the year and their purpose, including any new lease or hire purchase agreements.
- Statements from the lending authority detailing the opening and closing balances of existing loans during the financial year.

- Provisions for long service leave and annual leave.
- Creditors on hand at the end of the financial year.
- Details of loan accounts to directors, shareholders, beneficiaries and partners.
- Accrued expenses (e.g. audit fees, interest payments).
- Commercial debts forgiven.

Assets

- Details of depreciable assets acquired and/or disposed of during this income year, including:
 - type of asset;
 - date of acquisition/disposal; and
 - consideration received/paid.
- Lease commitments.
- Debtors on hand at the end of the financial year.
- Commercial debts forgiven.

Additional Information Required

- Franking account details/movements.
- Overseas transactions, exchange gains/losses.
- Private companies — remuneration or loans to directors, shareholders and their relatives.
- Changes to the capital of the company.
- Whether family trust elections have been made in relation to trusts.

Note: To ensure that you obtain the maximum deductions to which you are entitled and in consideration of the penalty provisions, FULL DETAILS of any claim should be provided and supporting documentation made available. For employee taxpayers and for travel and motor vehicle claims by self-employed taxpayers, documentation must be a receipt, invoice or similar document which contains certain details. For other taxpayers, documentation may comprise receipts, dockets, diary notations or reasonable and supportable estimates.