

Individual Tax Return Checklist 2016

Thank you for your business.

Attached is our checklist for Individual Tax Returns for the 2016 financial year which is designed to ensure the accuracy and completeness of your return.

In order for us to provide a more efficient service, we request that you provide a summary of each deduction item. It is NOT necessary to bring in all source documents such as Tax Invoices. However, if you are uncertain about any claim, then please feel free to bring the documentation with you for our review.

It is important that if you make a claim, the appropriate documentary evidence must be available should the ATO require substantiation, the checklist provides a guide to all type of documentation the ATO may accept. Included with our checklist is firstly a general form of authority, which if needed, will allow us to better communicate with various financial institutions and government departments on your behalf and secondly, a declaration that must be signed indicating you are in possession of the appropriate records.

Please complete the attached checklist and make sure that you keep all relevant documents if you have ticked any boxes below 'Yes' on the checklist. Please summarise the relevant documents and provide us with the summary including the total of the expenses for each claim together with the checklist. If you are unsure about a particular claim then you may wish to provide us with the original tax invoice.

During your consultation, you may find it useful to discuss your general finances, wealth protection and general tax minimisation. Please refer to 'Questions you might like to ask' on page 4 to facilitate this.

Should you have any queries, please don't hesitate to contact us on (02) 9299 7044.

Lockwood & Ward



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Client Details

Full name	Mr / Mrs / Ms / Miss
Date of birth	
TFN	
ABN	
Occupation	
Mobile number	
Home number	
Work number	
Email address	
Residential address	
Postal address	
Residency status	

Bank Account Details

Would you like the ATO to deposit your tax refund (if applicable) directly into your bank account? YES / NO

If YES please provide bank details:

Financial Institution	
Account Name	
BSB Number	
Account Number	

Spouse Details

Did you have a spouse for the full year from 1 July 2015 to 30 June 2016? YES / NO

If you had a spouse for only part of the income year:

Please specify the dates between 1 July 2015 to 30 June 2016 when you had a spouse

From ____/____/____ to ____/____/____

What was your spouse's taxable income for the 2015 income year? _____



Form of General Authority and Declaration

I hereby authorise Lockwood & Ward (ABN 76 113 938 373) and its representatives as follows:

1. To communicate with any financial institution in relation to any query in regard to investments held, interest earned, dividends received, distributions received or insurance and super matters.
2. To communicate with any government department (including the holding and quoting of my Centrelink Customer Reference Number) in relation to any query regarding benefits received and etc.
3. To communicate with the Australian Taxation Office (including the holding and quoting of my Tax File Number or Australian Business Number) in relation to any query regarding my taxation affairs.
4. I also authorise Lockwood & Ward to file Income Tax Returns.
5. I declare that I have appropriate documentary evidence for all claims I made for my 2016 Income Tax Return.
6. I hereby agree to remit all invoices issued to me from Lockwood & Ward in regards to the preparation and lodgement of my 2016 Income Tax Return.

Client Signature

Date

Client Name

Date of Birth

Questions you might like to ask

Would you like to discuss any of the matters below with us? If YES please tick where applicable:

Tax planning and minimisation

☐

Small business accounting

☐

Reduce mortgage debt

☐

Investment property purchase

☐

Financial planning

☐

Residential mortgage finance

☐

Insurance

☐

Commercial finance

☐

Self managed superannuation fund

☐

Business sales

☐

Retirement planning

☐

Personal debt problems

☐

Starting a business

☐

Salary packaging

☐



Income from 1 July 2015 to 30 June 2016

Please supply us with the following documents where applicable:

ATO Ref.	Income	Yes	No	Amount	Documents required	Attachment
1	Salary or wages				PAYG payment summaries	YES / NO
2	Allowances, earnings, tips, director's fees and etc.					YES / NO
3	Employer lump sum payments					YES / NO
4	Employment termination payments (ETP)				ETP payment summaries	YES / NO
5	Australian government allowances and payments E.g. Newstart and Youth Allowance				Statements from Centrelink	YES / NO
6	Australian Government pensions and other allowances				Statements from Centrelink or the Department of Veterans' Affairs	YES / NO
7	Australian annuities and superannuation income streams				PAYG payment summaries from superannuation fund	YES / NO
8	Australian superannuation lump sum payments				PAYG payment summaries from superannuation fund	YES / NO
9	Attributed personal services income					
10	Gross interest				Interest summaries from financial institutions	YES / NO
11	Dividends				Dividend statements or SRN and postcode if you do not have your dividend statements	YES / NO
12	Employee Share Schemes (ESS) including foreign ESS				Statements from employers	YES / NO
13	Distributions from partnerships or trusts				Managed funds: Annual tax statements from financial institutions Partnerships or trusts: Partnership or trust 2016 tax return	YES / NO
14	Personal Services Income (PSI) Income payable under a contract which is wholly or principally for the labour of a person and where the person is not an employee				PAYG payment summaries - Labour hire or other specific payments - Voluntary agreement	YES / NO
15	Net income or loss from business				MYOB file, spreadsheets or tax invoices and receipts	YES / NO



ATO Ref.	Income	Yes	No	Amount	Documents required	Attachment
16	Deferred non-commercial business losses				From a prior year tax return	YES / NO
17	Net farm management deposits or repayments					YES / NO
18	Capital gains E.g. Shares and real estate property				Buying and selling contracts	YES / NO
19	Direct or indirect interests in controlled foreign entities					YES / NO
	Transfer of property or services to a foreign resident trust					YES / NO
20	Foreign source of income (e.g. foreign pensions) and foreign assets or property				Rental property annual financial reports, dividend statements, PAYG payment summaries and etc. from overseas	YES / NO
21	Rent				Rental property annual financial reports from the real estate agent Tax receipts for rent related expenses	YES / NO
22	Bonuses from a life insurance company or a friendly society policy (on bonds)				Document from life insurance company regarding the bonuses	YES / NO
23	Forestry managed investment scheme income				Annual tax statement	YES / NO
24	Other income:					
	- A non-qualifying component of an ETP					YES / NO
	- Lump sum payments in arrears					YES / NO
	- Foreign exchange gains					YES / NO
	- Royalties					YES / NO
	- Scholarships, bursaries, grants					YES / NO
	- Any assessable balancing adjustments on depreciating assets					YES / NO
	- Jury service fees					YES / NO



Deductions from 1 July 2015 to 30 June 2016

Please supply us with the following documents where applicable:

ATO Ref.	Deductions	Yes	No	Amount	Documents required	Attachment
D1	Work related car expenses					
	- Cents per kilometre method (up to a maximum of 5,000 kms)				Diary recording the kilometre travelled relating to business usage	YES / NO
	- Log book method				Log book and tax invoices for expenses	YES / NO
D2	Work related travel expenses					
	- Employee domestic travel with reasonable allowance (i.e. travel allowance stated on the PAYG summary)				Receipts of expenses and travel itinerary	YES / NO
	- Overseas travel with reasonable allowance				Receipts of expenses and travel itinerary	YES / NO
	- Public transport – including air travel and taxi fares				Receipts of expenses and travel itinerary	YES / NO
	- Bridge and road tolls, parking fees and short-term car hire				Receipts of expenses	YES / NO
	- Meal, accommodation and incidental expenses you incur while away overnight for work				Receipts of expenses	YES / NO
D3	Work related uniform, occupation specific or protective clothing expenses This question is about expenses you incur as an employee for work related: - Protective clothing E.g. fire resistant clothing, sun protection clothing, safety coloured vests, non-slip shoes, steel-capped boots, gloves, overalls, aprons, heavy duty shirts, trousers, hard hats and safety glasses. - Uniforms - Occupation-specific clothing - Laundering and dry-cleaning of clothing listed above.				This method is not available from 1 July 2015. If you used this method before 1 July 2015, receipts are required for claims on work expenses totaling more than \$150	YES / NO



ATO Ref.	Deductions	Yes	No	Amount	Documents required	Attachment
	You can claim the cost of renting, repairing and cleaning any of the above work-related clothing.					
D4	Work related self education expenses To claim a deduction you must show that: <ul style="list-style-type: none"> - The course maintained or improves a skill for your current work. - The course was leading to increased income from your current work. - Direct connection between the course and your current work E.g. tuition fees, the cost of your meals during temporary overnight absences from home to participate in self-education, textbooks, stationary, student union and course fees, computer, travel between home and education, work and education.				Receipts required for claims on work expenses if the sum of D3, D4 and D5 exceeds \$300	YES / NO
D5	Other work related expenses including (will vary according to occupation):				Receipts required for claims on work expenses if the sum of D3, D4 and D5 exceeds \$300	
	- Union fees					YES / NO
	- Subscriptions to trade, business or professional associations					YES / NO
	- Overtime meal expenses (only claimable if allowance is showing on PAYG payment summaries)					YES / NO
	- Professional seminars, courses, conferences and workshops					YES / NO
	- Reference books, technical journals and trade magazines					YES / NO
	- Tools and equipment					YES / NO
	- Professional libraries					YES / NO
	- Hard hats					YES / NO



	- Safety glasses					YES / NO
	- Sunscreens					YES / NO
	- Computers					YES / NO
	- Repair costs					YES / NO
Deductions		Yes	No	Amount	Documents required	Attachment
	- Internet expenses					YES / NO
	- Phone expenses					YES / NO
	- Home office expenses (a fixed rate of 45 cents per hour)					YES / NO
	- Stationery					YES / NO
	- Journals					YES / NO
	- Depreciation					YES / NO
	- Dehydration moisturisers (Aircrew only)					YES / NO
	- Hair treatment (Aircrew only)					YES / NO
	- Others					YES / NO
D6	Low value pool deduction					YES / NO
D7	Interest deductions (can only be claimed if there is income at question 10)				Bank statements for accounts held for investment purpose Investment loan account Statements Receipts for fees for investment advice	YES / NO
D8	Dividend deductions (can only be claimed if there is income at question 11)				Bank statements for accounts held for investment purpose Investment loan account statements Receipts for fees for investment advice	YES / NO
D9	Gifts or donations				Tax receipts from the registered charity (Deductible gift recipients)	YES / NO
D10	Cost of managing tax affairs				Tax invoices including travel to and from tax agent	YES / NO
D11	Deductible amount of undeducted purchase price of a foreign pension or annuity				Superannuation fund statement	YES / NO
D12	Personal superannuation contributions				Notice from the Trustee of the superannuation fund which includes full name of the fund, fund ABN and fund TFN	YES / NO



D13	Deduction for project pool Relating to certain capital expenditure directly connected with a project to gain or produce assessable income, incurred after 30 June 2001					YES / NO
ATO Ref.	Deductions	Yes	No	Amount	Documents required	Attachment
D14	Forestry managed investment scheme deduction				Loan statements or forestry managed funds annual tax statement	YES / NO
D15	Other deductions:					
	- Income Protection Insurance premiums					YES / NO
	- Sickness and accident insurance premiums					YES / NO
	- Blackhole Expenditure (business related capital expenditure)					YES / NO
	- Election expenses					YES / NO
	-					
	-					

Losses from 1 July 2015 to 30 June 2016

ATO Ref.	Losses	Yes	No	Amount	Documents required	Attachment
L1	Tax losses of earlier income years					
	- Foreign investment losses				Tax receipts or statements	YES / NO
	- Primary production losses				Tax receipts or statements	YES / NO
	- Non-primary production losses				Tax receipts or statements	YES / NO



Tax Offsets from 1 July 2015 to 30 June 2016

Please supply us with the following documents where applicable:

ATO Ref.	Tax Offsets	Yes	No	Amount	Documents required	Attachment
T1	Seniors and Pensioners Includes self-funded retirees					YES / NO
T2	Australian superannuation income stream					YES / NO
T3	Superannuation contributions on behalf of your spouse If the sum of spouse's aggregate amount is \$13,800 and less (maximum rebate of \$540)				Superannuation contribution statement	YES / NO
T4	Zone or overseas forces					
T5	Total net medical expenses for disability aids, attendant care or aged care From 2015-16 until 2019, claims for this offset are restricted to net eligible expenses for disability aids, attendant care or aged care				Net expenses are your total eligible medical minus your refund from Medicare & private health insurance you received or are entitled to receive	YES / NO
T6	Invalid and invalid carer Maintain your spouse or brother or sister aged under 16 years old, or parent who lived in Australia and who was an invalid or carer of an invalid who received a disability support pension, or a special needs disability support pension or invalidity service pension					YES / NO
T7	Landcare and water facility rebate					YES / NO
T8	Other non-refundable tax offset (i.e. for interest from the infrastructure borrowings scheme)					YES / NO
T9	Other refundable tax offset Beneficiary of a special disability trust entitled to a tax offset					YES / NO



Medicare Levy Related Items from 1 July 2015 to 30 June 2016

Please supply us with the following documents where applicable:

ATO Ref.	Medicare Levy Related Items	Yes	No	Amount	Documents required	Attachment
M1	Medicare levy reduction for exemption E.g. VISA 457				Passport and Visa Medicare Levy Exemption Certificate	YES / NO
M2	Medicare surcharge (MLS)					YES / NO

Adjustments from 1 July 2015 to 30 June 2016

Please supply us with the following documents where applicable:

ATO Ref.	Adjustments	Yes	No	Amount	Documents required	Attachment
A1	Under 18 – were you working full time					YES / NO
A2	Part year tax free threshold If you were not an Australian resident for the whole 2015 - 2016 year, we use the information you show at this item on your tax return to work out your tax-free threshold: <ul style="list-style-type: none"> - Date you became an Australian resident - Date you stopped being an Australian resident. 					YES / NO
A3	Super co-contribution Did you make a non-deductible personal super contribution to a complying super fund or retirement savings account?					YES / NO
A4	Amount on which family tax distribution tax has been paid					YES / NO
C1	Credit for interest on tax paid					YES / NO



Income Tests from 1 July 2015 to 30 June 2016

Please supply us with the following documents where applicable:

ATO Ref.	Income tests	Yes	No	Amount	Documents required	Attachment
IT1	Total reportable fringe benefits amount If the reportable fringe benefit amount received is \$3,738 or greater				PAYG payment summary	YES / NO
IT2	Reportable employer superannuation contributions If shown on your PAYG summary				PAYG payment summary	YES / NO
IT3	Tax-free government pensions					YES / NO
IT4	Target foreign income (that's not part of your taxable income or a fringe benefit)					YES / NO
IT5	Net financial investment loss					YES / NO
IT6	Net rental property loss (where your rental deductions exceeded your rental income)					YES / NO
IT7	Child support you paid				Receipts for expenses paid for the maintenance of your child	YES / NO
IT8	Number of Dependent Children					YES / NO



Important Changes to Income Tax Returns

Government Co-Contribution

Under the co-contribution scheme the Government provides a matching co-contribution of up to \$500 for contributions made into superannuation out of after-tax income. For these contributions the individual must be under 71 years-old, earn an annual income of less than \$50,454 and receive at least 10 per cent of income from employment – either self employed or as an employee.

Life Benefit Employment Termination Payments

The ETP tax offset will only apply to so much of the taxable component of an ETP that does not exceed the smallest of the following:

- The new \$180,000 'whole-of-income cap'; and
- The 'ETP cap' (\$195,000 for the 2016 income year)

Phased out the Mature Age Worker Tax Offset

Mature Age Worker Tax Offset is only eligible to those taxpayers who were born before 01 July 1957. The maximum tax offset amount is still \$500.

The Mature Age Worker Tax Offset is no longer available from 1 July 2014.

2016 Tax Planning Highlights

Tax planning is the arrangement of a taxpayer's affairs so as to comply with the tax law at the lowest possible cost.

Deferral of Assessable Income

Derivation of income if possible should be deferred to after 30 June 2016. For capital gains tax purposes, the gain is assessable in the year the contract is executed, not the year of settlement. Consider entering into a contract for sale on 1 July 2016 instead of 30 June 2016.

In order to delay income until the 2016 financial year, you may consider:

- Delay receiving payment until after 30 June if on a cash basis for income tax purposes;
- Delay issuing invoices until after 30 June if on an accruals basis for income tax purposes; and
- Delay exchanging contracts for the sale of property and other CGT assets until July 2016.

Superannuation Contributions

In order to maximise Superannuation Contributions, all contributions for the June 2016 quarter should be paid by 30 June 2016. The funds should clear the bank account by the close of business on 30 June 2016 for the payments to be deductible in the 2015 - 2016 financial year.

These amounts will be deductible up to the concessional caps which is \$30,000 for the 2015 - 2016 financial year. The contribution cap for those over 50 years on 30 June 2016 is \$35,000.

Self Managed Super Fund

Have you considered the opportunity for SMSFs to borrow to acquire investment under a limited recourse loan? SMSFs enable you to invest in real property instead of shares and give you more transparency. See our website for the complete SMSF guide.



PAYG withholding variation

Apply for a downward withholding variation if you have a negative geared investment as this will give you more cash flow during the year. The ITWV form can be completed after your tax return meeting and needs to be done annually.

Car Expenses

From 1 July 2015, the only methods available for deduction purposes are cents per kilometre and logbook methods. The new rate for cents per kilometre method is set at just 66 cents per kilometres regardless of engine size.

Medicare Levy

The Medicare Levy has increased from 1.5% to 2% from July 2014.

Temporary Budget Repair Levy

A temporary budget repair levy of 2% has been added to the top marginal tax rate which means 47% tax will be applicable to income earners over \$180,000 from 1 July 2014.

Tax Discount

Individuals that receive an income from an unincorporated business with a turnover of less than \$2 million will received a tax discount of 5% up to a maximum of \$1,000, applied as a tax offset from 1 July 2015.

Accelerated Depreciation

Immediate deduction for capital expenditure. From 7:30pm 9AEST) 12 May 2015 to 30 June 2017 small businesses can claim an immediate deduction for most depreciation assets acquired and installed ready for use and costing less than \$20,000. A small business pool balance of less than \$20,000 will also be fully deductible.

Extension of Rollover Relief

Small business owners are able to change the legal structure of their business without incurring a CGT liability from 1 July 2016.