Lockwood and Ward
TAXATION AND BUSINESS ADVISORS

Individual Tax Return Checklist 2020

Thank you for your business.

Attached is our checklist for Individual Tax Returns for the 2020 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.

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' below.

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

Lockwood & Ward

Questions you might ask

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	☐

Client Details

Full name Ms ______________________________________

Date of birth ______________________ Residency ______________________

TFN ______________________ ABN ______________________

Occupation ______________________________________

Mobile number ____________ Home ____________ Work ____________

Email address ______________________________________

Residential address ______________________________________

Postal address ______________________________________

Bank Account Details

Would you like the ATO to deposit your tax refund (if applicable) directly into your bank account?

If YES please provide bank details:

Account Name ______________________

BSB ______________________ Account Number ______________________

Spouse Details

Did you have a spouse for the full year from 1 July 2019 to 30 June 2020? Yes

If you had a spouse for only part of the income year please specify the period ______________

What was your spouse's taxable income for the 2020 income year? ______________

Income from 1 July 2019 to 30 June 2020

- ☐ **Salary or wages**
- ☐ **Allowances, earnings, tips, director's fees and etc.**
- ☐ **Employer lump sum payments**
- ☐ **Employment termination payments (ETP)**
- ☐ **Australian government allowances and payments**
  E.g. Newstart and Youth Allowance
- ☐ **Australian Government pensions and other allowances**
- ☐ **Australian annuities and superannuation income streams**
- ☐ **Australian superannuation lump sum payments**
- ☐ **Attributed personal services income**
- ☐ **Gross interest Income**
- ☐ **Dividends**
- ☐ **Employee Share Schemes (ESS) including foreign ESS**
- ☐ **Distributions from partnerships or trusts**
- ☐ **Personal Services Income (PSI)**
- ☐ **Net income or loss from business**
- ☐ **Deferred non-commercial business losses**
- ☐ **Net farm management deposits or repayments**
- ☐ **Capital gains**
  E.g. Shares and real estate property
- ☐ **Direct or indirect interests in controlled foreign entities**
- ☐ **Transfer of property or services to a foreign resident trust**
- ☐ **Foreign source of income (e.g. foreign pensions) and foreign assets or property**
- ☐ **Rent**
- ☐ **Bonuses from a life insurance company or a friendly society policy (on bonds)**
- ☐ **Forestry managed investment scheme income**

Other income:

- ☐ A non-qualifying component of an ETP
- ☐ Lump sum payments in arrears
- ☐ Foreign exchange gains
- ☐ Royalties
- ☐ Scholarships, bursaries, grants
- ☐ Any assessable balancing adjustments on depreciating assets
- ☐ Jury service fees

Deductions from 1 July 2019 to 30 June 2020

D1. Work related car expenses

- ☐ Cents per kilometre method (up to a maximum of 5,000 kms)
- ☐ Log book method

D2. Work related travel expenses

- ☐ Employee domestic travel
- ☐ Overseas travel
- ☐ Public transport – including air travel and taxi fares
- ☐ Bridge and road tolls, parking fees and short-term care hire
- ☐ Meal, accommodation and incidental expenses you incur while away overnight for work

D3. Work related uniform, occupation specific or protective clothing expenses

- ☐ Protective clothing
  E.g. fire resistant clothing, sun protection clothing, safety coloured vests etc
- ☐ Uniforms, Safety glasses, Sunscreens
- ☐ Occupation-specific clothing
- ☐ Laundering and dry-cleaning of clothing listed above

- [ ] Repairs to uniform

D4. Work related self education expenses
To claim a deduction you must show that the course directly relates to your work during the 2020 financial year.

- [ ] E.g. tuition fees, textbooks, student union fees, computer, travel between home and education, work and education, professional seminars, conferences, workshops, reference books, technical journals, trade magazines etc

D5. Other work related expenses including (will vary according to occupation):

- [ ] Union fees
- [ ] Subscriptions to trade, business or professional associations
- [ ] Overtime meal expenses (only claimable if allowance is showing on PAYG payment summaries)
- [ ] Tools and equipment
- [ ] Professional libraries
- [ ] Computers
- [ ] Repair Costs
- [ ] Internet Costs
- [ ] Phone Expenses
- [ ] Home office expenses (a fixed rate of 52 cents per hour; 80 cents per hour from 1 March to 30 June 2020) * *Please see covid-19 information on page*
- [ ] Stationary
- [ ] Journals
- [ ] Depreciation
- [ ] Dehydration moisturisers (Aircrew only)
- [ ] Hair treatment (Aircrew only)
- [ ] Other

D7. Interest deductions (can only be claimed if there is gross interest income)

D8. Dividend deductions (can only be claimed if there is dividend income)

If your deduction is more than $5000, please provide the details of the deduction list

- [ ] **Gifts or donations**

D10. Cost of managing tax affairs

- [x] Interest charged by the ATO
- [x] Litigation costs
- [ ] Other expenses incurred in managing your tax affairs (e.g. Tax agent fee, travel to the agent etc)
- [ ] **D12. Personal superannuation contributions** You can claim a deduction for personal super contributions made on/after 1 July 2019 if: you made the contribution to a complying superfund, meet the age restriction, notify your fund in writing of the amount you intend to claim as a deduction and your superfund acknowledges your notice of intent in writing.

Other deductions:

- [ ] Income Protection Insurance premiums
- [ ] Sickness and accident insurance premiums

Losses from 1 July 2019 to 30 June 2020

Tax losses of earlier income years

- [ ] Foreign investment losses
- [ ] Primary production losses
- [ ] Non-primary production losses

Medicare Levy Related Items from 1 July 2019 to 30 June 2020

- [ ] **Medicare levy reduction for exemption** E.g. VISA 457
- [ ] **Medicare surcharge (MLS)**

Important Changes for Covid-19

Working from home during COVID-19

The ATO has introduced a temporary shortcut-method of calculating expenses employees while working from home due to the COVID-19 situation. You can claim a deduction of 80 cents for each hour you work from home from 1 March to 30 June 2020. The shortcut method covers all additional deductible running expenses, including:

- electricity, cooling or heating and expenses
- decline in value and repair of items that cost less than $300 (including computer consumables, such as printer ink and stationery)
- cleaning expenses
- your phone costs and internet cost
- decline in value of a computer, laptop or similar device.

If you use this method, you can't claim any other expenses for working from home.

You don't need to have a dedicated work area to use this method. However, you must keep a record of the number of hours you have worked from home. This could be a timesheet, roster, a diary or documents that set out the hours you worked from home.

You don’t have to use the shortcut method; you can choose to use one of the existing methods to calculate your deduction. You can use the method or methods that will give you the best outcome as long as you meet the working criteria and record keeping requirements for each method.

If you had a work from home arrangement before 1 March 2020, you will need to use one of the existing methods to calculate your deduction for the period 1 July 2019 to 29 February 2020.

Landlords affected by Covid-19

In circumstances where a landlord provides rent relief to a tenant due to COVID-19 (e.g., a tenant temporarily stops paying rent or pays a lower amount of rent due to COVID-19), the ATO generally takes the approach that the landlord can continue to claim deductions for expenses they normally incur in relation to property (e.g., mortgage interest, rates, insurance and repairs).

COVID-19 early release of superannuation

Government has recently amended the Superannuation Industry (Supervision) Regulations 1994 (the ‘SIS Regulations’) to introduce a new, temporary, condition of release under which fund members, who have been adversely affected by COVID-19, can access their superannuation entitlements on compassionate grounds. Individuals will not need to pay tax on amounts released and will not need to include it in their tax return.

JobKeeper and your tax return

If you are a sole trader who has received JobKeeper payments, you need to include the payments as business income in your individual tax return.

If you are an employee, JobKeeper payments are treated the same as your usual salary or wages from your employer. It will be included in your income statement as either salary and wages or as an allowance, depending on the circumstances.