

Australian Taxation Office –

Individual Income Tax Return (IITR.0009) 2022

Business Implementation Guide

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Draft

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1. Introduction

1.1 Purpose and document context

The purpose of this document is to provide information that will assist Digital Service Providers to understand the business context surrounding Individual Income Tax Return (IITR) web service interactions. These interactions are performed with the Australian Taxation Office (ATO) through the Standard Business Reporting (SBRebMS3) platform.

This document defines the interactions that are available to a tax agent (also referred to in this document as a “user”) to lodge an IITR and explains any constraints and known issues with the use of the interaction, providing guidance with certain identified issues.

Specifically, this refers to the interactions with the ATO for a user, depending on their role, to:

* pre-lodge (validation of inputs) an IITR or application for Refund of Franking Credits (RFC)
* lodge an IITR including schedules where appropriate
* lodge an amendment to an IITR
* lodge an RFC
* lodge an amendment to an RFC
* lodge an RFC or IITR (original or amended) for a prior year as an SBR ebMS3 message containing the Electronic Lodgment Service (ELS[[1]](#footnote-2)) tag formatted data.

The IITR.Prefill interaction is part of the IITR service but is not in the scope of this document. See the P*re-fill IITR Business Implementation Guide* for further information on the IITR.Prefill interaction. This document applies to the SBR IITR service for 2022 IITRs and the SBR ELStagFormat service for the years 1998-2016.

The *ATO IITR Business Implementation Guide* forms part of the broader suite of documents used by the ATO to describe or interpret how the technical implementation relates back to the business context and process. This document is designed to be read in conjunction with the ATO SBR documentation suite including the:

* web service/platform information
* *ATO Common Business Implementation Guide and Taxpayer Declaration Guide*
* ATO Service Registry (SR)
* test information, for example conformance suites
* Message Structure Tables (MST)
* validation rules.

1.2 Glossary

For a glossary of terms, **see also:**

* [SBR glossary](https://www.sbr.gov.au/digital-service-providers/developer-tools/glossary)

* [ATO definitions](https://www.ato.gov.au/Definitions/?anchor=top)
* *Common Business Implementation and Taxpayer Declaration Guide.*

1.3 Changes in 2022 IITR service

Changes for 2022:

* Business Backing Investment has expired, these fields are no longer applicable to 2022 IITR (IITR595, IITR596, IITR597).
* Additional fields (see section [3.3](#_Interest_section_of) – Interest section of INCDTLS )
  + interest adjustment reason (INCDTLS534)
  + interest adjustment other reason description (INCDTLS535).

**Consolidation of records**

When there are ATO system limitations on the number of records that can be stored for a particular section of the IITR, and a client has more records than the maximum allowed for that section, consolidation of records is recommended. For example, where a taxpayer has more than 20 Interest records to record in the Interest section of the INCDTLS then some of those records will need to be consolidated so that a maximum of 20 records are provided, including any consolidation records.

For further guidance on consolidation records where a limit is exceeded, refer to [Appendix](#Appendix) 9.1- Consolidation of records**.**

1. What are the IITR lodgment interactions?

The IITR lodgment interactions allow tax agents using SBR-enabled software to interact electronically to validate and lodge their clients’ Individual Income Tax Return.

2.1 Interactions

Table 1: Interaction available in IITR lodgment process

| **Service** | **Interaction** | **Detail** | **Single** | **Batch** | **Optional** |
| --- | --- | --- | --- | --- | --- |
| LDGLST  (Lodgment List) | LDGLST.List | Request the list of a client’s expected and received lodgments | Y | Y | Y |
| IITR | IITR.Prefill | See the Pre-fill IITR Business Implementation Guide for further information | Y | Y | Y |
| IITR | IITR.Prelodge | Validate IITR or RFC message before lodgment | Y | Y | Y |
| IITR | IITR.Lodge | Lodge IITR or RFC | Y | Y | N |
| IITRPRFL | IITRPRFL.Get | Request Profile Compare response message from the ATO | Y | N | Y |
| ELStagFormat | ELStagFormat.Lodge | Lodge IITR or RFC for prior years as SBR message using ELS tag format | N | Y | Y |

2.2 Tax return for individuals

The information provided in a tax return allows the ATO to determine a taxpayer’s tax refund or tax debt. Tax returns cover the financial year ending on 30 June and are due by 31 October for individual taxpayers that prepare their own returns. A registered tax agent can lodge later than this, but the taxpayer needs to register with their agent as a client before 31 October to qualify.

Most people need to lodge a tax return each year, but there are some exceptions. If an individual had tax withheld from any payment they received, they almost certainly need to lodge a tax return.

**See also:**

* [ATO website](https://www.ato.gov.au/Calculators-and-tools/Do-I-need-to-lodge-a-tax-return/), for more information on whether a taxpayer needs to lodge a tax return.

2.3 Sole traders

Taxable income or loss, includes:

* Assessable business income - less than business deductions they can claim.
* Other assessable income, such as salary and wages (shown on a payment summary), dividends and rental income - less any allowable deductions against this income.

**Note**: The majority of self-prepared individual income tax returns are lodged using the ATO’s myTax service accessible via ATO online.

2.4 Application for refund of franking credits

When an individual owns either shares or non-share equity interests in a company or when an individual invests in a managed fund, they might receive dividend distributions. Dividends paid to an individual by Australian and some New Zealand companies are taxed under a system known as imputation. The tax paid by the company is allocated (or imputed) to the individual as franking credits attached to the dividends the individual receives.

If the franking credits the individual receives exceed the tax an individual has to pay, they can claim this difference back as a tax refund (known as a refund of excess franking credits). If the taxpayer doesn’t normally lodge a tax return, they may be entitled to a refund of the excess franking credits. A refund of franking credits (RFC) can only be used to lodge if the client is not required to lodge a full income tax return.

A RFC can also be lodged if the taxpayer has had amounts withheld from their dividends because they did not provide their tax file number. The RFC follows the same business process as an original or amended IITR lodgment, as shown in Section 2.6 – Where SBR/PLS fits into individual lodgment obligations.

**See also:**

* The [ATO website](https://www.ato.gov.au/Individuals/Investments-and-assets/In-detail/Investing-in-shares/Refunding-franking-credits---individuals/), for more information on refunds of franking credits for individuals.

2.5 Early lodgments

A future year return is a return that is lodged by or on behalf of a client before the end of the current reporting period. For example, a client lodging their 2021-22 Income tax return before the end of the financial year of 30 June 2022 - this could include a client with a substituted accounting period (SAP).

Clients must meet certain conditions to lodge a future year return and cannot choose to lodge early solely out of personal preference. For guidance on the eligibility for individuals to lodge an early, refer to the [ATO website - Lodging your tax return early.](https://www.ato.gov.au/Individuals/Your-tax-return/How-to-lodge-your-tax-return/Lodge-your-tax-return-before-leaving-Australia/)

Pre-fill data will not be available for early lodged returns; however client information and prior year return details are available.

2.6 Where SBR/PLS fits into individual lodgment obligations

The IITR service provides several functions for lodgment of an individual taxpayer’s reporting obligations. These include the lodgment of:

* the taxpayer’s Individual Income Tax Return where appropriate (including schedules)
* an application for the refund of franking credits (where appropriate)
* amendments to either of the above.

The pre-lodge and lodge interactions are the core part of the SBR-enabled IITR business process. These are envisaged to take place after a tax agent has checked for their client’s outstanding lodgments, reviewed their pre-fill data and interviewed the taxpayer. When the tax agent has gathered all information required (including reviewing information contained in the pre-fill), they would then complete the return, validate it and correct any labels (if required) before lodgment.

Table 2: SBR interactions and IITR lodgment business process

|  |  |  |  |
| --- | --- | --- | --- |
| **Step** | **Individual** | **Tax agent** | **SBR service offering** |
| **Step 1**: | Engages tax agent for original or amended return | * Check client lodgments * Review status of lodgments | Ldglst.list  Request the list of a clients expected and received lodgments. |
| **Step 2:** | Provides additional information | * Retrieve client data * Interview client | IITR.Prefill  Retrieve pre-fill data |
| **Step 3:** | No action | * Completes IITR or RFC (original or amended) * Does data need correction? * **Yes** – Revisit/ reassess step 3 * **No** – Lodge IITR. | * IITRPRFL.Get   Request response message   * (Optional)   IITRPRFL.Prelodge  Validate the IITR before lodgment |
| **Step 4:** | No action | View success message | N/A |
| **Step 5:** | No action | Check status of lodgment | Ldglst.list  Request the list of a client’s expected and received lodgments |
| **Step 6:** | Receives Notice of Assessment (and refund of payment if applicable) | Receives Notice of Assessment (and refund of payment if applicable) | Refund to agent  \*optional interaction |

The tax agent could check the status of the lodged IITR at a later date through their BMS (Business Management Software).

In addition to initial lodgment, the IITR lodgment interactions also allow a tax agent to amend either the IITR (including accompanying schedules) or the application for refund of franking credits. For guidance on the use of the IITR interactions for an RFC, see [section 8 - IITR lodgment interactions guidance](#IITRLodgmentInteractionsGuidance)of this guide.

The above scenario could also be used for batch transactions. However, note that *IITR.Prelodge* and *IITR.Lodge* messages cannot be included in the same batch request.

For the complete business context descriptions of *LDGLST.List*, *IITR.Prefill, and IITRPRFL.Get* respectively*,* see also:

* *IT Lodgment Status Business Implementation Guide*
* *pre-fill IITR Business Implementation Guide*
* *IITR Profile Compare Business Implementation Guide.*

2.7 Schedules

An IITR lodgment can include a schedule that contains additional information to assess a taxpayer’s income, where required. Schedules that can be included in the IITR message are:

* Income Details schedule (INCDTLS)
* Deductions schedule (DDCTNS)
* Multi-Property Rental schedule (RNTLPRPTY)
* Capital Gains Tax schedule (CGTS)
* Non Resident Foreign Income schedule (NRFI).

**General business guidance for schedules**

* The INCDTLS must be attached to the IITR submission when an application for refund of franking credits (RFC) is submitted, no other schedules are permitted.
* The information recorded in schedules must match the composite information recorded where there is a corresponding label in the IITR. For example, where multiple other work related expenses have been recorded in the DDCTNS the total other work related expenses recorded in the IITR must match the total of all of the other work related expenses recorded in the DDCTNS. There are validation rules to cover this type of scenario.
* The ATO Service Registry, and the IITR and schedule message structure tables (MSTs) and validation rules (VRs),contains further information on the requirements and circumstances that determine when a schedule must be used .
* The line items in the schedule must be ordered in descending $value order where applicable.

**See also**:

* [Appendix 9.2 - Questions and answers – deductions schedule](#DeductionsSchedule), for detailed information about the ‘deductions schedule’.
* [Section 3 - Income details schedule (INCDTLS) guidance](#_Income_details_schedule), for information about the Income details schedule.
* [Appendix 9.1](#Appendix) – Consolidation of records, for further detail on consolidation of records. Where more items need to be included in a schedule, but the limit for that item has been reached, consolidate the additional records.

# Income details schedule (INCDTLS) guidance

The following guidance is provided for the INCDTLS.

## 3.1 Payment summaries and income statements section of INCDTLS

All payment summary types are reported in the INCDTLS. These have been broken down into the various payment summary types by tuples as follows:

* Salary or wages payment summary (INCDTLS309)
* Foreign employment income payment summary (INCDTLS160)
* Employment Termination Payment (ETP) summary (INCDTLS135)
* Australian superannuation income stream payment summary (INCDTLS108)
* Australian annuities payment summary (INCDTLS145)
* Australian Superannuation Lump Sum(SLS) payments (INCDTLS327)
* Attributed Personal Services Income (Attributed PSI) payments (INCDTLS340).

Within the payment summaries and income statements (INCDTLS002) tuple, the following 3 elements are consistent across each of the payment summary types:

* Payer’s name (INCDTLS306)
* Payer's Australian Business Number (INCDTLS307)
* Payer's Withholding Payer Number (INCDTLS308).

These form part of the payer information (INCDTLS305) tuple within INCDTLS002.

All items from a payment summary are reported under this section, with the exception of deductible amounts such as union or professional association fees and workplace giving. These amounts will remain in the DDCTNS. Refer to the *ATO PIITR.0009 2022 Business implementation guide* for further details on mapping of the various deductible amounts.

**Salary or wages income – INB payment summary**

Salary or wages reported on an INB payment summary are reported under the salary or wages payment summary (INCDTLS309) tuple. For example, the below table shows how the following would be reported, if the taxpayer on their INB payment summary:

* received $80,000 in salary and wages
* received $20,000 of allowances
* received $500 of workplace giving
* tax withheld of $25,000.

Table 3: Salary or wages income - INB payment summary example

|  |  |  |
| --- | --- | --- |
| **Alias** | **Report label** | **Value** |
| INCDTLS306 | Payer's name | xxxx |
| INCDTLS307 | Payer's Australian Business Number | 1234567890 |
| INCDTLS312 | Salary or wages gross amount | $80,000 |
| INCDTLS311 | Salary or wages tax withheld amount | $25,000 |
| INCDTLS313 | Allowances including commissions, director's fees, bonuses, tips or consultation fees etc. | $20,000 |
| DDCTNS412 | Gifts or donations description | Salary or wages workplace giving |
| DDCTNS413 | Gifts or donations amount | $500 |

**Allowances income**

Tax withheld from allowances, earnings, tips, director’s fees etc. *(*INCDTLS339) is only to be used in the scenario where the payment summary onlyincludes this kind of income.

**Note:** There is no requirement to complete the *Payer information* (INCDTLS305) tuple in this instance.

For example, if the taxpayer received an INB payment summary with only $20,000 in allowances and tax withheld of $1,000, it will be reported as follows:

Table 4: Allowances income example

|  |  |  |
| --- | --- | --- |
| **Alias ID** | **Report Label** | **Value** |
| INCDTLS313 | Allowances including commissions, director's fees, bonuses, tips or consultation fees etc. | $20,000 |
| INCDTLS339 | Tax withheld from allowances, earnings, tips, director’s fees etc. | $1,000 |

**Salary and wages income and employment termination payment (ETP) summary**

Where a taxpayer has received 2 payment types, report each payment summary as a separate entry. For example, where the taxpayer receives an INB payment summary and an ETP payment summary, report them as follows:

Table 5: Combined Salary or wages and ETP example

|  |  |  |
| --- | --- | --- |
| **Alias** | **Report label** | **Value** |
| INCDTLS306 | Payer's name | Xxxx |
| INCDTLS307 | Payer's Australian Business Number | 1234567890 |
| INCDTLS312 | Salary or wages gross amount | $80,000 |
| INCDTLS311 | Salary or wages tax withheld amount | $25,000 |

Table 6: ETP example

|  |  |  |
| --- | --- | --- |
| **Alias** | **Report label** | **Value** |
| INCDTLS306 | Payer's name | Xxxx |
| INCDTLS307 | Payer's Australian Business Number | 1234567890 |
| INCDTLS136 | ETP country code | AU |
| INCDTLS137 | ETP date of payment | 01/07/2021 |
| INCDTLS138 | ETP code | R |
| INCDTLS139 | ETP tax withheld amount | $5,000 |
| INCDTLS140 | ETP taxable component | $40,000 |

**Lump sum E income**

Where the payment summary includes a lump sum E, include the full amount at Salary or wages lump sum E (INCDTLS326). Refer to [Section 3.3 Lump sum in arrears payment section of INCDTLS](#LumpSumInArrears264) for details on how to include the breakdown attributable to each lump sum E payment.

Where the lump sum in arrears is included in an INB payment summary, the tax withheld is to be reported at Salary or wages tax withheld amount (INCDTLS311). This amount is then to be included in the main IITR at Salary or wages tax withheld(IITR600).

**Australian superannuation income stream payment summary**

Australian superannuation income stream payments reported on a superannuation payment summary are reported under the Australian superannuation income stream payment summary(INCDTLS108) tuple.

For example, where a taxpayer received an Australian superannuation income stream payment summary with a taxable component taxed element amount of $48,000 and a tax offset attributable to this payment of $7,200, it must be reported as follows:

Table 7: Australian superannuation income stream example

| **Alias ID** | **Report label** | **Value** |
| --- | --- | --- |
| INCDTLS307 | Payer's Australian Business number | Xxxxx |
| INCDTLS109 | Are you under 60 years of age and a death benefits dependant, where the deceased died at 60 years or over? | False |
| INCDTLS110 | Superannuation income stream payment period start date | 01/07/2021 |
| INCDTLS111 | Superannuation income stream payment period end date | 30/06/2022 |
| INCDTLS113 | Superannuation income stream taxable component taxed element | $48,000 |
| INCDTLS116 | Superannuation income stream tax offset | $7,200 |

**Australian superannuation income stream payments subject to the ‘defined benefit cap rules’**

The [defined benefit income cap tool](https://www.ato.gov.au/Calculators-and-tools/Host/?anchor=DBICT&anchor=DBICT&anchor=DBICT/questions/#DBICT/questions/) can be used to determine the amount of the offset if required. Where any payments are subject to the defined benefit cap rules, there will not be a requirement to report the offset at INCDTLS116. The total offset can be reported in the main IITR at Australian superannuation income stream(IITR166). This includes where there is either one payment or multiple payments subject to the cap. For example, where a taxpayer has received the following payments and all payments are subject to the cap:

* **Payment 1 -** Superannuation income stream taxable component untaxed element $25,276.
* **Payment 2 -** Superannuation income stream taxable component untaxed element $31,244.
* **Payment 3 -** AASIS Taxable component untaxed element data $59,677.It should be reported as follows:

Table 8: Australian superannuation income stream with DBC example

| **Alias ID** | **Report label** | **Value** |
| --- | --- | --- |
| INCDTLS307 | Payer's Australian Business Number | Xxxxx |
| INCDTLS109 | Are you under 60 years of age and a death benefits dependant, where the deceased died at 60 years or over? | True |
| INCDTLS110 | Superannuation income stream payment period start date | 01/07/2021 |
| INCDTLS111 | Superannuation income stream payment period end date | 30/06/2022 |
| INCDTLS114 | Superannuation income stream taxable component untaxed element | $25,276 |
| INCDTLS307 | Payer's Australian Business Number | Xxxxx |
| INCDTLS109 | Are you under 60 years of age and a death benefits dependant, where the deceased died at 60 years or over? | True |
| INCDTLS110 | Superannuation income stream payment period start date | 01/07/2021 |
| INCDTLS111 | Superannuation income stream payment period end date | 30/06/2022 |
| INCDTLS114 | Superannuation income stream taxable component untaxed element | $31,244 |
| INCDTLS307 | Payer's Australian Business Number | Xxxxx |
| INCDTLS109 | Are you under 60 years of age and a death benefits dependant, where the deceased died at 60 years or over? | True |
| INCDTLS110 | Superannuation income stream payment period start date | 01/07/2021 |
| INCDTLS111 | Superannuation income stream payment period end date | 30/06/2022 |
| INCDTLS114 | Superannuation income stream taxable component untaxed element | $59,677 |
| IITR166 | Australian superannuation income stream | $10,000 |

**Note:** There is a known issue with reporting the assessable amount from capped defined benefit income streams where the individual is over 60 years of age, and the income stream is made up only of taxed elements.

For example, where Superannuation income stream taxable component taxed element is $110,000, tax withheld is $15,000, and the individual is over 60 years of age, must be reported as follows:

**Table 9: Australian superannuation income stream with DBC over 60 example**

| **Alias ID** | **Report label** | **Value** |
| --- | --- | --- |
| INCDTLS307 | Payer's Australian Business Number | Xxxxx |
| INCDTLS109 | Are you under 60 years of age and a death benefits dependant, where the deceased died at 60 years or over? | False |
| INCDTLS110 | Superannuation income stream payment period start date | 01/07/2021 |
| INCDTLS111 | Superannuation income stream payment period end date | 30/06/2022 |
| INCDTLS112 | Superannuation income stream tax withheld | $15,000 |
| INCDTLS115 | Superannuation income stream tax free component | $1 |
| IITR505 | Assessable amount from capped defined benefit income stream | $5000 |

**Foreign employment income (FEI) payment summary**

For example, the below table shows how the following would be reported:

* $68, 000 gross foreign employment income
* $9,000 tax withheld
* $3,000 lump sum A
* $800 deductible expenses

\*The deductible expenses of $800 would be reported in the deductions schedule.

Table 10: Foreign Employment Income payment summary example

|  |  |  |
| --- | --- | --- |
| **Alias** | **Report label** | **Value** |
| INCDTLS307 | Payer's Australian Business Number | Xxxx |
| INCDTLS167 | Foreign Employment Income tax withheld amount | $9,000 |
| INCDTLS168 | Foreign Employment Income gross amount | $68,000 |
| INCDTLS174 | Foreign Employment Income lump sum A | $3,000 |
| INCDTLS178 | Foreign Employment Income net amount | $70,200 |
| DDCTNS314 | Other work related expenses description | Xxxxx |
| DDCTNS315\* | Other work related expenses amount | $800 |

## 3.2 Australian Government benefit payment summary section of INCDTLS

Australian Government allowances and payments (IITR86) and Australian Government pensions and allowances (IITR89) are incorporated under this section of the INCDTLS are separated based on the Australian Government benefit type (INCDTLS126). The valid values are as follows:

* allowances (for example Australian government payments such as Youth Allowance JobSeeker or Austudy payment) – Label 5 Australian Government allowances and payments like Youth Allowance, JobSeeker and Austudy payments
* pension (for example age pension, carer payment) – Label 6 Australian Government pensions and allowances
* special (for example farm household allowance supplement, income recovery subsidy) – Label 24 Other income.

For example, if the taxpayer received an age pension of $15,000 and no tax withheld, it will be reported as follows:

Table 11: Australian Government benefit payment summary example

|  |  |  |
| --- | --- | --- |
| **Alias** | **Report Label** | **Value** |
| INCDTLS126 | Australian Government benefit type | Pension |
| INCDTLS127 | Australian Government benefit description | Age pension |
| INCDTLS128 | Australian Government benefit taxable amount | $15,000 |

**See also:**

* [Appendix A](#Appendix) in the ATO PIITR.0009 2022 Business implementation guide, for details of the payment types mapped to the relevant labels

## 3.3 Lump sum in arrears payment section of INCDTLS

Lump sum in arrears are reported in the INCDTLS in a structured way. It will include the lump sum in arrears year and lump sum in arrears amount. Previously this was reported via the free text field, additional information (SBR alias: IITR31 / ELS tag: AEB).

Where the payment relates to either of the following, INCDTLS151 is to be used to specify the payment type:

* exempt FEI PS lump sum in arrears
* salary or wage lump sum E.

For any of the following, a lump sum in arrears payment tuple is provided separately for each type of payment:

* foreign employment income payment summary lump sum in arrears payment (INCDTLS522)
* superannuation income stream lump sum in arrears payment (INCDTLS525)
* foreign employment income non-payment summary lump sum in arrears payment (INCDTLS528)
* foreign pensions or annuities lump sum in arrears payment (INCDTLS531).

The INCDTLS will allow up to 15 lump sum in arrears payments. Within each payment a maximum of 5 breakdowns attributable to each year can be included.

For example, if a lump sum payment of $50,000\* was received on an INB payment summary in the 2022 financial year, that included equal amounts of $10,000 for 2021, 2020, 2019, 2018 and 2017; it will be reported as follows:

\*The full payment of $50,000 will be included at salary or wages lump sum e (INCDTLS326).

Table 12: Salary or wages lump sum in arrears example

| **Alias** | **Report label** | **Value** |
| --- | --- | --- |
| INCDTLS151 | Lump sum in arrears payment type code | Salary or wage lump sum E |
| INCDTLS153 | Salary or wages lump sum in arrears year | 2021 |
| INCDTLS154 | Salary or wages lump sum in arrears amount | $10,000 |
| INCDTLS153 | Salary or wages lump sum in arrears year | 2020 |
| INCDTLS154 | Salary or wages lump sum in arrears amount | $10,000 |
| INCDTLS153 | Salary or wages lump sum in arrears year | 2019 |
| INCDTLS154 | Salary or wages lump sum in arrears amount | $10,000 |
| INCDTLS153 | Salary or wages lump sum in arrears year | 2018 |
| INCDTLS154 | Salary or wages lump sum in arrears amount | $10,000 |
| INCDTLS153 | Salary or wages lump sum in arrears year | 2017 |
| INCDTLS154 | Salary or wages lump sum in arrears amount | $10,000 |

**Australian superannuation income stream lump sum in arrears payment**

Where an amount of Superannuation income stream lump sum in arrears has been received, this will need to be included under the Australian superannuation income stream payment summary tuple (INCDTLS108) and also under the Superannuation income stream lump sum in arrears payment (INCDTLS525) tuple.

For example, the below table shows how the following would be reported:

* $50,000 lump sum arrears
* $30,000 taxable component
* $20,000 untaxed component

Table 13: Australian superannuation income stream lump sum in arrears example

| **Alias ID** | **Report label** | **Value** |
| --- | --- | --- |
| INCDTLS307 | Payer's Australian Business Number | Xxxxx |
| INCDTLS109 | Are you under 60 years of age and a death benefits dependant, where the deceased died at 60 years or over? | False |
| INCDTLS110 | Superannuation income stream payment period start date | 01/07/2021 |
| INCDTLS111 | Superannuation income stream payment period end date | 30/06/2022 |
| INCDTLS117 | Superannuation income stream lump sum in arrears taxable component taxed element | $30,000 |
| INCDTLS118 | Superannuation income stream lump sum in arrears taxable component untaxed element | $20,000 |

The breakdown of the lump sum in arrears below, must be reported as show in the below table:

* **2021 income year**
* superannuation income stream lump sum in arrears taxable component taxed element $20,000
* superannuation income stream lump sum in arrears taxable component untaxed element $15,000.
* **2020 income year**
* superannuation income stream lump sum in arrears taxable component taxed element $10,000
* superannuation income stream lump sum in arrears taxable component untaxed element $5,000.

\*The un-taxed element and taxed elements can be combined for each year in the total amount. They do not need to be broken down further. Do not include any tax-free component here.

Table 14: Australian superannuation income stream lump sum in arrears breakdown example

|  |  |  |
| --- | --- | --- |
| **Alias ID** | **Report label** | **Value** |
| INCDTLS526 | Superannuation income stream lump sum in arrears year | 2021 |
| INCDTLS527\* | Superannuation income stream lump sum in arrears amount | $35,000 |
| INCDTLS526 | Superannuation income stream lump sum in arrears year | 2020 |
| INCDTLS527 | Superannuation income stream lump sum in arrears amount | $15,000 |

## 3.3 Interest section of INCDTLS

From tax time 2022, the bank interest component of the prefill service will be further enhanced, providing agents with a key indicator to alert the agent to high certainty data. In addition, two new elements within the interest tuple will be added to the income details (INCDTLS) message structure table:

* interest adjustment reason (INCDTLS534)
* interest adjustment other reason description (INCDTLS535).

This section is broken down into 5 tuples:

* interest (INCDTLS350)
* interest total (INCDTLS357)
* interest your share (INCDTLS360).

**Note**: Up to 20 interest records can be reported.

For any prefill interest records that require an adjustment to the amount, these new elements will now be used. Amounts within the interest Tuple can now be adjusted to zero. However, a reason must be provided where the certainty indicator is set to TRUE. Where a reason has been selected and adjustments are made to any interest records, this new information will be submitted on lodgment. The lodgment of the income tax return will be rejected if the total interest reported is less than the ATO expected amount and no reason is provided.

Reason code list of values will be as follows:

* Child account - Child or minor's account
* Joint account partner - Joint account with my spouse/partner
* Joint account individual - Joint account with another person
* Joint account non-individual - Joint account with a non-individual entity e.g. a company
* Unknown amount - This amount doesn't belong to me
* Duplicate amount - This amount is duplicated
* Previously declared - Interest was declared in another income year
* Incorrect amount - Incorrect amount reported by bank/financial institution
* Family law agreement - Family law agreement
* Other - Other (Specify why).

Example provided in the table below.

Table 15: Interest adjustment reason

|  |  |  |
| --- | --- | --- |
| **Alias** | **Name** | **Value** |
| INCDTLS351 | Interest financial institution name | Xxxx |
| INCDTLS352 | Interest account number | Xxxx |
| INCDTLS353 | Interest number of account holders | 1 |
| INCDTLS359 | Total gross interest | $0 |
| INCDTLS534 | Interest adjustment details | Joint account with my spouse/partner |
| INCDTLS535 | Interest adjustment other reason description | N/A |

Where the taxpayer was a **non-resident** during the year, the country of residence is captured under this section using ‘country of residence’ for tax purposes when interest was paid or credited (INCDTLS354). Previously this was reported via the free text field, additional information (SBR alias: IITR31 / ELS tag: AEB).

The interest financial institution name (INCDTLS351) in this section must reflect the **name of the payer** of the interest (this may include a private company or the ATO). Interest paid by the ATO for IOP, IEP or DRI is included in this section. Refer to the[ATO website](https://www.ato.gov.au/Individuals/Income-and-deductions/Deductions-you-can-claim/Other-deductions/ATO-interest---calculation-and-reporting/) for more information.

Where a bank account has more than one account holder, both the total amounts received for the account and the individual share components are required.

Total gross interest (INCDTLS359) is the total interest for each account. Your share of gross interest (INCDTLS362) is the individuals share component where there is more than one account holder.

Where interest is declared for a joint account, the interest your share (INCDTLS360*)* tuple must be provided.

Where Interest number of account holders (INCDTLS353) is 1, do not complete the Interest your share (INCDTLS360) tuple.

For example, if interest received for 2022 was $1,000 and there were 2 account holders, the amounts reported are as follows:

**Table 16: Interest (joint account holders) example**

| **Alias** | **Name** | **Value** |
| --- | --- | --- |
| INCDTLS351 | Interest financial institution name | Xxxx |
| INCDTLS352 | Interest account number | Xxxx |
| INCDTLS353 | Interest number of account holders | 2 |
| INCDTLS359 | Total gross interest | $1,000 |
| INCDTLS362\* | Your share of gross interest | $500 |

\*The default position for apportioning the share of interest between account holders is ‘Total gross interest’/’Interest number of account holders’. INCDTLS362 must remain editable to account for instances where the share between account holders is not equal (for example 25% share to one account holder and 75% share to the other account holder).

If interest received for 2022 was $1,000 and the individual was the sole account holder, the amounts reported are as follows:

Table 17: Interest (sole account holder) example

|  |  |  |
| --- | --- | --- |
| **Alias** | **Name** | **Value** |
| INCDTLS351 | Interest financial institution name | Xxxx |
| INCDTLS352 | Interest account number | Xxxx |
| INCDTLS353 | Interest number of account holders | 1 |
| INCDTLS359 | Total gross interest | $1,000 |

## 3.4 Dividends section of INCDTLS

Up to 50 records of dividends are able to be reported in the INCDTLS. This section is broken down into 3 tuples:

* dividends (INCDTLS344)
* dividend Total (INCDTLS370)
* dividend Your Share (INCDTLS377).

Where the taxpayer was a non-resident during the year, the country of residence is captured under this section using country of residence when the dividend was paid or credited (INCDTLS348). Previously this was reported via the free text field, additional information (SBR alias: IITR31 / ELS tag: AEB).

Where the dividends received are held in joint names, both the total amounts received and the individual share components are required.

Thedividend total(INCDTLS370) tuple will be the total Dividends for each company or trust, whereas the dividend your share (INCDTLS377) tuple is only the share of the individual.

Where dividends received are held in joint names, the dividend your share (INCDTLS377) tuple must be provided. Where dividends number of account holders (INCDTLS347) is 1, do not complete the dividend your share (INCDTLS377) tuple.

For example, if the total franked dividend received for 2022 was $1,000 with a franking credit of $430 and there were 2 account holders, the amounts reported are as follows:

**Table 18: Dividends (joint account holders) example**

| **Alias** | **Name** | **Value** |
| --- | --- | --- |
| INCDTLS346 | Dividends reference number | Xxxx |
| INCDTLS347 | Dividends number of account holders | 2 |
| INCDTLS372 | Total franked amount from dividends | $1000 |
| INCDTLS379 | Your share of franked amount from dividends | $500 |
| INCDTLS373 | Total franking credit from dividends | $430 |
| INCDTLS380\* | Your share of franking credit from dividends | $215 |

\*The default position for apportioning the share of interest between account holders is ‘total franking credit from dividends/ dividends number of account holders’. INCDTLS380 must remain editable to account for instances where the share between account holders is not equal (for example 25% share to one account holder and 75% share to the other account holder).

## 3.5 Managed fund distributions section of INCDTLS

This section is broken down into 5 tuples:

* managed fund distributions (INCDTLS384)
* managed fund distributions total (INCDTLS388)
* managed fund total capital gains (INCDTLS446)
* managed fund distributions your share (INCDTLS418)
* managed fund your share capital gains (INCDTLS447).

Where the managed fund distribution received is held in joint names, both the total amounts received and the individual share components are required.

Themanaged fund distributions total (INCDTLS388) and managed fund total capital gains (INCDTLS446) tuple will be the totals for each managed fund distribution, whereas the managed fund distributions your share (INCDTLS418) and managed fund your share capital gains (INCDTLS447) tuple is only the share of the individual.

Where the managed fund distribution received is held in joint names, the managed fund distributions your share (INCDTLS418) and the managed fund your share capital gains (INCDTLS447) tuple must be provided. The default position for apportioning the managed fund income between account holders is income divided by number of account holders. The apportioned amounts must remain editable to account for individual circumstances where the apportionment between account holders is not equal (for example 25% share to one account holder and 75% share to the other account holder).

However, where managed fund number of account holders (INCDTLS387) is 1, do not complete the managed fund distributions your share (INCDTLS418) and the managed fund

your share capital gains(INCDTLS447) tuples.

For example, where a managed fund distribution received was in joint names with 2 account holders of equal share, and the distribution consisted of the listed amounts below, they must be reported as shown in the below table:

* imputation credit - $300
* franked distribution from trusts (non-pp) $700
* total current year capital gains - $20.68
* net capital gains $11.84
* capital gains – discount method $8.84
* capital gains – indexation method - $3.00
* assessable foreign source income - $56.00
* other net foreign source income - $56.00.

Table 19: Managed fund distributions (joint account holders) example

|  |  |  |
| --- | --- | --- |
| **Alias** | **Name** | **Value** |
| INCDTLS385 | Managed fund name | Westfield Trust |
| INCDTLS386 | Managed fund reference number | xxxx |
| INCDTLS387 | Managed fund number of account holders | 2 |
| INCDTLS390 | Total franked distribution from managed fund | $700 |
| INCDTLS392 | Total franking credits from managed fund | $300 |
| INCDTLS398 | Total assessable foreign income from managed fund | $56 |
| INCDTLS399 | Total other foreign income from managed fund | $56 |
| INCDTLS394 | Total net capital gain from managed fund | $11.84 |
| INCDTLS395 | Total current year capital gains from managed fund | $20.68 |
| INCDTLS396 | Total capital gains - discount method from managed fund | $8.84 |
| INCDTLS397 | Total capital gains - other method from managed fund | $3.00 |
| INCDTLS420 | Your share of franked distribution from managed fund | $350 |
| INCDTLS422 | Your share of franking credits from managed fund | $150 |
| INCDTLS428 | Your share of assessable foreign income from managed fund | $28 |
| INCDTLS429 | Your share of other foreign income from managed fund | $28 |
| INCDTLS424 | Your share of net capital gain from managed fund | $4.42 |
| INCDTLS425 | Your share of current year capital gains from managed fund | $8.84 |
| INCDTLS426 | Your share of capital gains - discount method from managed fund | $4.42 |
| INCDTLS427 | Your share of capital gains - other method from managed fund | $3.00 |

## 3.6 Foreign employment income non-payment summary section of INCDTLS

Up to 10 records of foreign employment income non-payment summary can be reported in the INCDTLS. This section is broken down into 3 tuples:

* foreign employment income non-payment summary (incdtls185)
* foreign employment income details (incdtls188)
* exempt employment income details (INCDTLS191).

**Foreign employment income non-payment summary**

Where the taxpayer has received foreign employment income not from a payment summary of $19,000 and deductible expenses of $500, that they incurred in earning the foreign employment income, it will be reported as follows:

Table 20: Foreign employment income non-payment summary example

|  |  |  |
| --- | --- | --- |
| **Alias** | **Name** | **Value** |
| INCDTLS186 | Foreign income employer name | Xxxx |
| INCDTLS189 | Foreign income gross amount | $19,000 |
| INCDTLS187 | Foreign income deductible expenses | $500 |

**Foreign Employment Income non-payment summary - Lump sum in arrears**

Where a lump sum in arrears has also been received, include the amount at *‘*foreign income gross amount incdtls189’.

In addition, the breakdown must also be provided under the foreign employment income non-payment summary lump sum in arrears payment (INCDTLS528) tuple. Refer to [3.3 Lump sum in arrears payment section of INCDTLS](#_Lump_sum_in)for further guidance on how to report the breakdown of the lump sum payment.

**Exempt foreign income**

Where the taxpayer has received exempt income of $70,000 from Japan with expenses of $1,500 and has paid $4,000 in foreign tax, it will be reported as follows:

Table 21: Foreign Employment Income non-payment summary lump sum in arrears example

|  |  |  |
| --- | --- | --- |
| **Alias** | **Name** | **Value** |
| INCDTLS186 | Foreign income employer name | Xxxx |
| INCDTLS192 | Country where exempt foreign income was earned | JP |
| INCDTLS193\* | Exempt foreign income | $70,000 |
| INCDTLS194 | Exempt foreign income foreign tax paid | $4,000 |
| INCDTLS187\*\* | Foreign income deductible expenses | $1,500 |

\*This is the gross amount of exempt foreign income

\*\*For any expenses relating to exempt foreign income even where they are not deductible, these can be included under INCDTLS187.

**Deductible expenses**

Where an amount has been included at INCDTLS189, deductions, for example, debt deductions are not to be included here. These can continue to be claimed in the deductions schedule under DDCTNS138 that then flows through to the main IITR label D15 ‘other deductions’.

**Exempt foreign income - Lump sum in arrears**

Where a lump sum in arrears has also been received, ‘exempt foreign income lump sum in arrears (INCDTLS195)’ must be completed.

In addition, the breakdown must also be provided under the ‘foreign employment income non-payment summary lump sum in arrears payment(INCDTLS528)’ tuple. Refer to [3.3 Lump sum in arrears payment section of INCDTLS](#_Lump_sum_in)for further guidance on how to report the breakdown of the lump sum payment.

## 3.7 Foreign entities section of INCDTLS

Where the ‘foreign entity non-resident trust name (INCDTLS201) ‘or the ‘foreign entity trustee or trustees name (INCDTLS202) ‘is not known under the ‘foreign entities (INCDTLS200)’ tuple then enter ‘unknown’ as the name.

Table 22: Foreign entity non-resident trust name example

|  |  |  |
| --- | --- | --- |
| **Alias** | **Name** | **Value** |
| INCDTLS201 | Foreign entity non-resident trust name | Unknown |
| INCDTLS202 | Foreign entity trustee or trustees name | Unknown |

## 3.8 Foreign pensions or annuities section of INCDTLS

Foreign pensions or annuities are all reported under the foreign pensions or annuities (INCDTLS207) tuple.

Where a taxpayer has received a foreign pension of $25,000 with an undeducted purchase price of $5,000, it will be reported as follows:

Table 23: Foreign pensions or annuities example

|  |  |  |
| --- | --- | --- |
| **Alias** | **Name** | **Value** |
| INCDTLS208 | Foreign pension or annuity description | Xxxx |
| INCDTLS209 | Foreign pension or annuity gross amount | $25,000 |
| INCDTLS211 | Foreign pension or annuity undeducted purchase price | $5,000 |

Where a lump sum in arrears has also been received, ‘foreign pension or annuity lump sum in arrears (INCDTLS213)’ must be completed.

In addition, the breakdown must also be provided under the ‘foreign pensions or annuities lump sum in arrears payment (INCDTLS531)’ tuple. Refer to [3.3 - Lump sum in arrears payment section of INCDTLS](#_Lump_sum_in) **,**for further guidance on how to report the breakdown of the lump sum payment.

**Note**: There is a known issue with calculating the LSPIA tax offset for ‘foreign pensions or annuities lump sum in arrears payments’*.* The breakdown of the payment must be provided as instructed above however the additional information schedule (IITR31) must also be used to highlight the presence of the ‘foreign pensions or annuities lump sum in arrears payment’*.*

## 3.9 Other foreign income section of INCDTLS

This section is broken down into 4 tuples:

* other foreign income (INCDTLS215)
* foreign rental income details (INCDTLS218)
* foreign financial investment details (INCDTLS221)
* other foreign income details (INCDTLS225).

Report at this section any foreign rental income, foreign financial investment income or any other foreign income. If there are any deductible amounts attributable to this income, report this at ‘other foreign income deductible expenses(INCDTLS217)’. Report one deductible amount per tuple per instance.

For example, if the taxpayer received foreign rental income of $18,000 and had deductible expenses of $14,000, it will be reported as follows:

Table 24: Foreign rental income example

|  |  |  |
| --- | --- | --- |
| **Alias** | **Name** | **Value** |
| INCDTLS216 | Other foreign income description | Foreign rental property – America |
| INCDTLS217 | Other foreign income deductible expenses | $14,000 |
| INCDTLS219 | Foreign rental income gross amount | $18,000 |

Where the taxpayer received foreign financial investment income of $40,000 and had deductible expenses of $25,000, this will need to be reported as a separate instance as follows:

**Table 25: Foreign financial investment income example**

|  |  |  |
| --- | --- | --- |
| **Alias** | **Name** | **Value** |
| INCDTLS216 | Other foreign income description | Foreign investment income |
| INCDTLS217 | Other foreign income deductible expenses | $25,000 |
| INCDTLS222 | Foreign financial investment gross amount | $40,000 |

## 3.10 Other income section of INCDTLS

This section is broken down into 3 tuples:

* other income (INCDTLS448)
* special professional additional information (INCDTLS452)
* assessable balancing adjustment (INCDTLS456).

**Other Income**

The ‘other income (INCDTLS448)’ tuple consists of ‘other income type (INCDTLS449)’ as follows:

* bonuses from life insurance and friendly societies
* forestry managed investments
* winnings
* foreign exchange
* traditional securities
* financial investments
* special professional income
* assessable balancing adjustment
* work in progress
* ATO interest\*
* reimbursements of tax-related expenses or election expenses
* other.

A value must be selected from the above list when income in this section is included.

\* ATO Interest credit amounts (GIC, SIC, LPI remissions or recoupments) are recorded at other income. Refer to the[ATO website](https://www.ato.gov.au/Individuals/Income-and-deductions/Deductions-you-can-claim/Other-deductions/ATO-interest---calculation-and-reporting/) for more information.

**Special professional additional information**

Where special professional income has been earnt, include additional information at the *Special professional additional information* (INCDTLS452) tuple. Only one instance of special professional income can be provided.

For example, where $120,000 of salary and wages was received and this income was special professional income, and $1,000 of other work related expenses was claimed at D5 that related to this income, it will be reported as follows under the ‘other income (INCDTLS448)’ tuple:

**Table 26: Special professional income example**

|  |  |  |
| --- | --- | --- |
| **Alias** | **Name** | **Value** |
| INCDTLS449 | Other income type | Special professional income |
| INCDTLS453 | Special professional taxable income already included elsewhere on this return | $120,000 |
| INCDTLS455 | Deductible expenses for special professional taxable income included elsewhere on this return | $1,000 |

## 3.11 Early stage offsets (non-managed fund) section of INCDTLS

Include any early stage offsets that were not earnt from a managed fund distribution. The amount at ‘Early stage venture capital limited partnership current year tax offset (INCDTLS231)’ together with ‘Total current year early stage venture capital limited partnership tax offset from managed fund (INCDTLS415)’ or ‘Your share of current year early stage venture capital limited partnership tax offset from managed fund(INCDTLS443)’ where the number of account holders is greater than 1, will form part of the main IITR element IDs for ‘Early stage venture capital limited partnership (ESVCLP) (IITR495)*’.*

The amount at‘Early stage investor current year tax offset (INCDTLS232)’ together with ‘Total current year early stage investor tax offset from managed fund (INCDTLS416)’  or ‘Your share of current year early stage investor tax offset from managed fund (INCDTLS444)’ where the number of account holders is greater than 1 will form part of the main IITR element ID *for* ‘Early stage investor - Current year tax offset (IITR496)’.

The total of IITR496 and ‘Early stage investor - Tax offset carried forward from previous year (IITR501)’ must not exceed $200,000 on the main IITR, however the full amounts can be shown in the INCDTLS.

## 3.12 Business, partnerships and trusts section of INCDTLS

This section is broken down into 3 tuples:

* partnerships (INCDTLS460)
* trusts (INCDTLS245)
* business income statements and payment summaries (INCDTLS486).

**Partnerships**

Up to 10 records of partnership income can be reported in the INCDTLS. This section is broken down into 6 tuples:

* partnerships (INCDTLS460)
* partnership credits from income and tax offsets (INCDTLS479)
* partnership primary production (INCDTLS463)
* partnership non-primary production (INCDTLS468)
* partnership non-primary production distribution (INCDTLS469)
* partnership non-primary production deduction (INCDTLS474).

Where the ‘Partnership non-primary production(INCDTLS468)’ tuple is provided, then the ‘Partnership non-primary production distribution (INCDTLS469)’ tuple must also be provided.

For example, if the taxpayer received a non-primary production partnership distribution of $150,000 and had deductions of $5,000, it must be reported as follows:

Table 27: Partnership income example

|  |  |  |
| --- | --- | --- |
| **Alias** | **Name** | **Value** |
| INCDTLS461 | Partnership Name | XYZ Partners |
| INCDTLS462 | Partnership Australian Business Number | Xxxx |
| INCDTLS472 | Non-primary production remaining distribution from partnership | $150,000 |
| INCDTLS478 | Non-primary production remaining deductions from partnership | $5,000 |

**Trusts**

One record of trust income can be reported in the INCDTLS. Where more than one instance of income has been received, a consolidation of the records will be required.

This section is broken down into 3 tuples:

* trust primary production (INCDTLS246)
* trust non-primary production (INCDTLS249)
* trust credits from income and tax offsets (INCDTLS259).

**Reporting the tax paid from a special disability trust**

If the trustee paid tax on the net income, the principal beneficiary will claim the tax paid by the trustee as a credit at IITR395 'Other refundable tax offsets’ and select “BeneficiarySpecialDisabilityTrust” under IITR396 in the main IITR.

There is no requirement to include the share of credit for tax paid by trustee in the INCDTLS.

Any income associated with these credits is to be reported under the relevant tuple of the Trust section, either at the ‘Trust primary production (INCDTLS246)’ tuple or ‘Trust non-primary production (INCDTLS249)’ tuple.

**Share of income from a trust - Legal disability**

Where a trustee has distributed income and the beneficiary was under a legal disability, the income and any credits for tax paid by the trustee on the trust income are included under the trust tuple.

For example, where the taxpayer received a trust distribution of $1,800 and $500 of tax was paid by the trustee on this income, it must be reported as follows:

Table 28: Trust income example

| **Alias** | **Name** | **Value** |
| --- | --- | --- |
| INCDTLS250 | Non-primary production net income from trusts (less capital gains, foreign income and franked distributions) | $1,800 |
| INCDTLS264 | Credit for tax paid by trustee | $500 |
| INCDTLS265\* | Reason the trustee paid tax from trusts | Legal disability |
| INCDTLS266\* | Share of income from trusts | $1,800 |
| INCDTLS267\* | Tax credits for tax paid by trustee | $500 |

\*INCDTLS265, INCDTLS266 and INCDTLS267 replaces the requirement for additional information.

For INCDTLS265 ‘Reason the trustee paid tax from trust’,where multiple values are relevant, select the value that relates to the highest amount at INCDTLS266 share of income from trusts.

**Business income statements and payment summaries**

Up to 30 records of business-related payment summary income can be reported under this tuple. For example, include any of the following:

* PAYG payment summary – business and personal services income where the payment type is:
  + voluntary agreement
  + labour-hire payment
  + other specified payments.
* PAYG payment summary – withholding where ABN not quoted
* PAYG withholding payment summary – foreign residents.

Report the relevant payment summary at ‘Business income statement payment type (INCDTLS489)’. The valid values are:

* 001 = labour hire
* 002 = other specified payments
* 003 = voluntary agreement
* 011 = foreign resident withholding
* 012 = no ABN quoted.

For example, where the taxpayer received a PAYG payment summary – business and personal services income where the payment type was ‘Voluntary agreement’, that consisted of $60,000 gross income and $10,000 in tax withheld, it will be reported as follows:

Table 29: Business related payment summary example

|  |  |  |
| --- | --- | --- |
| **Alias** | **Name** | **Value** |
| INCDTLS487 | Business income statement payer's name | XYZ Ltd |
| INCDTLS488 | Business income statement payer's Australian Business Number | xxxx |
| INCDTLS489 | Business income statement payment type | 003 |
| INCDTLS490 | Business income statement type | Business |
| INCDTLS491 | Business income statement industry production type | Non-Primary |
| INCDTLS492 | Business income statement gross payment amount | $60,000 |
| INCDTLS493 | Business income statement tax withheld amount | $10,000 |

**Business loss activity details**

The number of business loss activities that can be reported under IITR573- reporting party’s business loss activity sequence number has a limit of 10 instances. An internal mapping rule will ensure only 3 instances are mapped into the Main IITR form once the return has been lodged.

1. individuals Income Tax Return

4.1 Temporary full expensing

As part of the government’s JobKeeper changes, non-mandatory fields and validation rules were added for TFE deductions to the ‘Business and Professional Items’ section of the IITR. These fields capture the number of and amounts claimed for TFE deductions, or where the client is opting out of TFE the number of and value of the assets they are opting out of.

Table 30: Temporary full expensing (TFE) fields

|  |  |
| --- | --- |
| **Alias** | **Report label** |
| IITR590 | Are you making a choice to opt out of temporary full expensing for some or all of your eligible assets? |
| IITR591 | Number of assets you are opting out for? |
| IITR592 | Value of assets you are opting out for? |
| IITR593 | Temporary full expensing deductions |
| IITR594 | Number of assets you are claiming for? |

1. Authorisation

5.1 Intermediary relationship

The SBR services that an intermediary, can use on behalf of their clients depends on the activity being undertaken and whether the intermediary has a relationship with the client. That is, a tax agent has the appropriate authorisation for the interaction being performed on behalf of the taxpayer recorded in ATO systems.

For the IITR lodgment interactions, a tax agent must be linked at the whole of client level in ATO systems.

**Note**: If the relationship doesn’t exist, the SBR submit interaction of the Client Update Relationship(CUREL) service can be used to establish a relationship between the intermediary and the taxpayer.

**See also:**

* The [*CUREL Business Implementation Guide*](https://www.sbr.gov.au/digital-service-providers/developer-tools/australian-taxation-office-ato/obligation-management-oblmgt/client-management-clntmgt), for further information.
* The [SBR website](https://www.sbr.gov.au/digital-service-providers/developer-tools/australian-taxation-office-ato/obligation-management-oblmgt/client-management-clntmgt), for more information on client management.

5.2 Access and initiating parties

ATO systems will check that the initiating party has permission to use the interaction that is received through the SBR channel. The initiating party is subject to restrictions on the clients account based on their Access Manager permissions.

**See also:**

* Section 3– Authorisation in the[*Common Business Implementation and Taxpayer Declaration Guide*](https://www.sbr.gov.au/digital-service-providers/developer-tools/australian-taxation-office-ato/ato-common-artefacts-and-reference-documents#CBG)**.**
* The [ATO website](https://www.ato.gov.au/general/online-services/access-manager/), for more information on Access Manager.

The table below displays the interactions available to each initiating party via SBR for IITR and ELStagFormat:

Table 31: Initiating parties

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Service** | **Interaction** | **Activity** | **Tax agent** | **BAS agent** | **Business** | **Business Intermediary** |
| LDGLST  (Lodgment List) | LDGLST.List | Request the list of a clients’ expected and received lodgments | Y | N | N | N |
| IITR | IITR.Prefill | Request taxpayer data held by the ATO, mainly provided by third party information providers | Y | N | N | N |
| IITR | IITR.Prelodge | Validate data inputted into IITR, including an amendment or RFC before submitting for processing | Y | N | N | N |
| IITR | IITR.Lodge | Lodge IITR, including an amendment or RFC for processing | Y | N | N | N |
| IITRPRFL | IITRPRFL.Get | Request Profile Compare response message from the ATO | Y | N | N | N |
| ELStagFormat | ELStagFormat.  Lodge | Lodge IITR or RFC for prior years as a SBR message using ELS tag format | Y | N | N | N |

**\*Note:** The Lodgment List service is available to other entity types, but is not applicable for the purposes of a tax agent lodging IITRs on behalf of an individual.

5.3 Permissions

A user must be assigned the appropriate authorisation permissions to use the IITR service. The below table references the SBR service to the relevant permission in Access Manager:

Table 32: Access manager permissions

|  |  |
| --- | --- |
| **Service** | **Access Manager permission** |
| Lodgment List (LDGLST.list) | View client reports  Client.LodgmentCalendar.View |
| IITR (IITR.Prefill) | Individual income tax return   * Prepare check box |
| IITR (IITRPRFL.Get) | Individual income tax return   * Lodge check box |
| IITR (IITR.Prelodge and IITR.Lodge) | Individual income tax return   * Lodge check box |
| ELStagFormat | **Not Applicable** – the ELStagFormat service does not utilise Access Manager, however an ELS approval number must be provided. |

1. Constraints and known issues

When a future year return is lodged electronically, ATO systems are unable to process amendments to that return automatically if submitted in a later year. Amendments to early lodged returns submitted via SBR in a later financial year will receive an error message. Amendments to early lodged returns will need to be lodged via an alternate channel, for example via [phone](https://www.ato.gov.au/tax-professionals/services-and-support/phone-services/tax-agent-phone-services-(fast-key-code)-guide/#Lodgment)**.**

**See also:**

* The ATO [troubleshooting page](https://www.ato.gov.au/General/Online-services/Technical-support/Troubleshooting-for-businesses-and-tax-practitioners/#PractitionerlodgmentservicePLSStandardbu)**.**

The *IITR.Prelodge* and *IITR.Lodge* interactions have the following constraints:

Table 33: Constraints when using IITR interactions

|  |
| --- |
| **Constraint** |
| The IITR.Prelodge and IITR.Lodge interactions can only be used for IITR or RFC lodgments for the 2013-14 reporting period and onwards in the SBR format. |
| The IITR.0009 message can only be used for the 2021-22 reporting period. |
| IITR.0001 (2014), IITR.0002 (2015), IITR.0003 (2016), IITR.0004 (2017), IITR.0005 (2018), IITR.0006 (2019), IITR.0007 (2020), IITR.0008 (2021) messages cannot be included in the same batch. |

6.1 Usage restrictions

Digital Service Providers (DSPs) must be aware of the usage restrictions, which are described on the [usage restrictions page](https://softwaredevelopers.ato.gov.au/usage-restrictions) within the [reasonable use policy](https://softwaredevelopers.ato.gov.au/usingourservices#Reasonableuse). The ATO actively monitors the use of services and will notify DSPs that contravene ATO requirements. Continued breaches may result in de-whitelisting.

DSPs using this service must also consider customer verification guidelines as determined by the [ATO](https://www.ato.gov.au/Tax-professionals/Your-practice/Tax-and-BAS-agents/Strengthening-client-verification-guidelines/) and the [Tax Practitioners Board.](https://www.tpb.gov.au/tpb-practice-note-tpbpn-52022-proof-identity-requirements-client-verification) DSPs that build software for specialised for single and online agents have specific customer verification requirements.

1. Taxpayer declarations

Refer to section 6 in the [*Common Business Implementation and Taxpayer Declaration Guide*](https://www.sbr.gov.au/digital-service-providers/developer-tools/australian-taxation-office-ato/ato-common-artefacts-and-reference-documents#CBG)***.***

1. IITR lodgment interactions guidance

8.1 Channel warnings

Where applicable, the IITR.Prelodge interaction will return a ‘warning’ message to review certain labels for accuracy prior to submitting the IITR for lodgment. Warning messages will not prevent lodgment through the *IITR.Lodge* interaction. For a complete list of warnings refer to the IITR validation rules. An example is provided in the table below:

Example of channel warning

|  |  |
| --- | --- |
| **Business rule ID** | CMN.ATO.IITR.00061 |
| **Severity code** | Warning |
| **English business rule** | Check account name where field contains numerics. |

\*Requests to the *ELStagFormat* service will not provide warnings at the channel.

8.2 Lodgment of IITR or RFC where client information doesn’t match ATO records

When an original IITR or RFC is lodged, the surname and date of birth fields must be the same as that stored in ATO systems. If this data doesn’t match when it reaches ATO systems, the lodgment will be rejected and an error message returned to the user.

Residency status, address and bank account details can be updated through the lodgment process where the details don’t match ATO records.Refer to the [ATO website](https://www.ato.gov.au/Individuals/Ind/Change-of-details-for-individuals/) for more information.

Where a tax agent is authorised by the executor or administrator of the deceased estate, an IITR lodgment for a deceased taxpayer can be used to notify the ATO of the taxpayer’s death. The date of death will be updated in ATO records if this field is completed and the title field will be changed to ‘Executor for’.

Amendments will not update the ATO client register. Change of demographic, address and contact information on amendments are not advised as this will cause processing of the amendment to cease. ATO systems won’t inform the user during processing if the amendment data differs from the client record but will indicate via SBR that the amendment has been accepted successfully. The demographic, contact and address information will then be validated manually by an ATO officer (including contacting the tax agent) before the processing of the amendment can continue.

Digital Service Providers must consider making the following fields un-editable or ‘read-only’ when presenting the information to a user that is preparing to lodge an amendment through their BMS.

The report labels that shouldn’t differ from ATO records when submitting amendments are:

Table 34: Data elements (SBR Alias) that should not be altered when lodging an amendment

| **Report Label** | **SBR Alias** | **ELS tag** |
| --- | --- | --- |
| Year of return | IITR10 | ABB |
| Tax file number | IITR15 | AAD |
| Title | IITR21 | ABE |
| Family name | IITR22 | ABF |
| Suffix | IITR23 | BAW |
| First name | IITR24 | ABG |
| Other given names | IITR25 | BBB |
| Has name or title changed since last tax return lodged | IITR26 | BFG |
| Current postal address - Address line 1 | IITR33 | ABH |
| Current postal address - Address line 2 | IITR34 | ABH |
| Current postal address - Suburb/Town | IITR35 | AME |
| Current postal address - State | IITR36 | AMF |
| Current postal address - Postcode | IITR37 | APE |
| Current postal address - Country code | IITR38 | KGD |
| Postal address changed | IITR39 | BFH |
| Home address - Address line 1 | IITR41 | ABK |
| Home address - Address line 2 | IITR42 | ABK |
| Home address - Suburb/Town | IITR43 | AXQ |
| Home address - State | IITR44 | AXR |
| Home address - Postcode | IITR45 | APH |
| Home address - Country code | IITR52 | KGE |
| Date of birth | IITR29 | ABQ |
| Date of death | IITR28 | ARH |
| Your mobile phone number | IITR48 | KGR |
| Daytime phone area code | IITR579 | BOC |
| Daytime phone number | IITR50 | BOD |
| Reporting Party Declarer Telephone area code | IITR580 | Not applicable |
| Reporting Party Declarer Telephone number | IITR553 | Not applicable |
| Intermediary Declarer Telephone area code | IITR581 | Not applicable |
| Intermediary Declarer Telephone number | IITR541 | Not applicable |
| Contact E-mail address | IITR51 | FLW |

To avoid delays in the processing of an original or amendment lodgment of either the IITR or RFC, it is recommended that the pre-fill (IITR.Prefill) interaction be called prior to completing an IITR, to ensure the tax agent has the latest information held on the taxpayer as recorded in ATO systems.

**See also:**

* The Pre-fill IITR Business Implementation Guide, for more information on pre-fill.
* The [*Client Update Demographics 2016 Business Implementation Guide*](https://www.sbr.gov.au/digital-service-providers/developer-tools/australian-taxation-office-ato/obligation-management-oblmgt/client-management-clntmgt#Demographic) and [ATO website](https://www.ato.gov.au/Individuals/Tax-file-number/Update-your-TFN-details/Update-your-contact-details-or-authorised-contacts/), for information on updating individual taxpayer demographic, address, contact and bank account information.

8.3 Interactive validation

Interactive validation is a feature available via SBR for IITR.Prelodge and IITR.Lodge messages within ATO processing systems. For an IITR message to reach the stage where interactive validation can be invoked, it needs to first pass channel validations. If warnings are received at the channel using IITR.Prelodge, this will not prevent interactive validation occurring as the message will still be routed to ATO systems.

If errors are received during channel validation, the message will not reach ATO systems and interactive validation is unable to be performed.

Once the message has passed channel validation, ATO systems will receive the message and where errors are encountered on the IITR, these will be returned to the tax agent. This enables the tax agent to correct any errors and avoid delays in processing. Interactive validation is the default mode for IITR validation.

Interactive validation will be performed for IITR.Prelodge and IITR.Lodge interactions only. Interactive validation cannot be performed for ELStagFormat.Lodge interaction requests.

**Table 35: Interactive error flow of events**

|  |  |  |  |
| --- | --- | --- | --- |
| **Step** | **Tax agent** | **SBR** | **ATO systems** |
| Step 1 | Return prepared and ready for submission | Data received and channel validation performed, has an error been triggered.  Is the error returned to agent for correction?  **Yes:** Proceed to step 2  **No:** Proceed to step3 | Data received and validation performed.  Is the error returned to agent for correction?  **Yes:** Proceed to step 2  **No:** Proceed to step3 |
| Step 2 | **If error was triggered during step 1:**   * Business response received. * Verify corrections and then revisit step one. | **If error was triggered during step 1:**  Create business response with error detail and rejection of lodgment. | Not applicable |
| Step 3 | Business response received | Create business response with acceptance of lodgment. | Not applicable |

8.4 Prior year IITR or RFC lodgment through SBR

**Find out about:**

* The [*ATO ELSTagFormat 0002.2021Business Implementation Guide.docx*](https://www.sbr.gov.au/sites/default/files/2021-10/ato_elstagformat.0002_2021_business_implementation_guide.docx)***,*** for recent changes to the prior year ELStagFormat service

8.5 Using the additional information schedule

The IITR message contains a free text field, Additional information (SBR alias: IITR31 / ELS tag: AEB), to enable appropriate information to be added to a return for assessment purposes. Whilst validation can’t control the information provided in the additional information field, it is important to note that when information is provided in this field, it requires a manual review. Adhering to the following guidance will help to ensure unnecessary delays:

1. This field must only be used under certain circumstances. Information that doesn’t meet the criteria will cause processing delays.
2. Free text content should be clear, concise and necessary to determine the outcome of the assessment.
3. Digital Services Providers should consider providing a ‘help’ or informational message for tax agents regarding correct use of this field.

Key examples are provided for use of the additional information field, including the type of business information to be included, and the quality, tone and language of the information.

Table 36: Example scenarios for the additional information free text field

| **Scenario** | **Additional free text field content** |
| --- | --- |
| The client is electing to withdraw from primary production averaging provisions. | My client is withdrawing from the primary production averaging provisions from the 2022 financial year. |
| The health insurer ID code of ‘other’ has been entered as the fund cannot be identified in the dropdown menu. Ensure the fund is not a subsidiary another private health insurance fund before using this option. It must only be used for a fund that is new to the market. | The name of the new health fund is ABC healthy 123 Ltd. |

The use of the additional information schedule must be avoided wherever possible unless the information being provided is relevant to the outcome of the assessment. Unnecessary use of the additional free text field will delay processing of the return with the need for the ATO to manually review the information.

**See also:**

* The [ATO website](https://www.ato.gov.au/Tax-professionals/Prepare-and-lodge/Tax-Time-2021/Before-you-lodge/Prevent-delays-in-processing-returns/), for further information on the additional information field.

8.6 IITR thresholds and calculations

Refer to [Statement of formula rates and thresholds](https://softwaredevelopers.ato.gov.au/list/tax-preparation/statement-formula-rates-and-thresholds) ,for IITR thresholds and calculations.

8.7 TFN and ABN algorithm validation

**Find out about:**

* [How to obtain the tax file number algorithm](https://softwaredevelopers.ato.gov.au/obtainTFNalgorithm), to access the algorithm and validate TFNs in a BMS product.
* [ABN algorithm, ABN lookup web services and Super Fund lookup web services](https://softwaredevelopers.ato.gov.au/ABNformat).

8.8 Domain tables

Domain tables are used to provide an enumerated list of codes and descriptions where a prescribed value is expected in a field. The domain tables are specified as part of the interaction’s validation rule spreadsheet. They can be consumed within products to assist tax agents in applying valid codes.

The domain tables applied to the IITR are:

* title codes
* suffix codes
* \*country codes
* health insurer ID codes
* \*salary and occupation codes
* \*exemption-rollover codes
* \*tax loss codes
* \*organisation type codes
* \*ANZSIC codes
* \*seniors and pensioners - Tax offset code
* \*seniors and pensioners - Veteran code
* \*health insurance benefit code
* \*health insurance tax claim code
* \*under 18 action code
* \*share of net income from trusts action code
* \*share of net income from trusts less capital gains, foreign income and franked distributions action code
* \*other refundable tax offsets code
* \*closing stock action code
* \*motor vehicle expenses action code
* \*salary and wage expenses action code
* \*Employment Termination Payment code
* \*other income type code
* \*business income statement payment type code
* \*work related clothing expenses claim type code
* \*self-education expense category code
* \*cost of managing tax affairs type code
* \*Other deduction claim type code.

\*The full enumerated values for these codes are listed in the IITR related message structure table (refer column full enumeration) and validated in the associated schema and not via the validation rules.

The2021 Salary and wage occupation codes are available for tax agents on the [ATO website.](https://www.ato.gov.au/Forms/Salary-and-wage-occupation-codes-2021/)

**Note**: that where the IITR pre-fill interaction has been called prior to the preparation of the taxpayer’s IITR, the salary and occupation code may not be returned. To avoid the lodgment being rejected, the valid code from the domain table must be selected.

8.9 Tax estimates

It’s possible that the tax estimation provided through the BMS differs from the final refund or tax bill, for example the taxpayer’s account balance is different to the outcome of their assessment.

This can happen when:

* the taxpayer incurred a penalty or general interest charge
* the ATO credited interest amounts to the taxpayer
* the ATO offset credits to other tax debts (or debts the taxpayer has with other government agencies)
* other ATO corrections
* the taxpayer has an account opening balance that is not zero
* returns for multiple financial years were lodged for the taxpayer in close proximity.

8.10 Telephone number area codes

Since the 2017-2018 financial year, the telephone area code fields accept up to 4 digits, to allow entry of Norfolk Island telephone numbers that have a single digit area code and 5 digit phone number.

Table 37: Examples of telephone number area codes

|  |  |
| --- | --- |
| **Scenario** | **Guidance for area codes** |
| The entity has an Australian telephone number | The area code is to be entered the same (for example 02, 03, etc.). The country code is not required in this scenario. Enter the phone number into the:   * ElectronicContact.Telephone.Minimal.Number field. |
| The entity has a telephone number from Norfolk Island | The area code can now contain a single digit area code (for example 3). The country code is not required in this scenario. Enter the phone number into the:   * ElectronicContact.Telephone.Minimal.Number field. |
| The entity has an overseas telephone number | The area code for overseas telephone numbers should consist of the country code + region code. Where this exceeds 4 digits, enter the number across both the:   * ElectronicContact.Telephone.Country.Code * ElectronicContact.Telephone.Minimal.Number.   For example, where the country code is 86 and region code is 131, enter 8613 into the:   * ElectronicContact.Telephone.Country.Code field   1 followed by the phone number in the:   * ElectronicContact.Telephone.Minimal.Number field. |

8.11 Division 293 messaging

Below is guidance on optional Division 293 messaging. Clients will receive a Division 293 Notice of Assessment after lodgment of their IITR if they meet specific income and concessional superannuation contribution criteria.

The below table outlines the simplified method for determining a client’s income for the purpose of a Division 293 Assessment.

Table 38: Formula for working out an individual’s Division 293 income within an individual income tax return (IITR)

|  |  |  |
| --- | --- | --- |
| **Action** | **SBR Alias** | **Name** |
| Not applicable | IITR157 | Taxable income |
| Add | IITR490 | Total reportable fringe benefits amount from employers exempt under section 57A |
| Add | IITR491 | Total reportable fringe benefits amount from employers not exempt under section 57A |
| Add | IITR204 | Net financial investment loss |
| Add | IITR205 | Net rental property loss |
| Add | IITR399 | Amount on which family trust distribution tax has been paid |
| Subtract | IITR650 | Assessable First Home Super Saver (FHSS) released amount - Category 3 |

**Note:** The above calculation can be refined further by subtracting the following amount (since the 2017 financial year less than 50 taxpayers had this element that reduced their Division 293 income below the Division 293 threshold amount).

Table 39: Super Lump Sum (SLS) amount to tax at rate 0

|  |  |  |  |
| --- | --- | --- | --- |
| **Action** | **Name** | **Label** | **Description** |
| Subtract | Super Lump Sum (SLS) amount to tax at rate 0 | No IITR label  The amount is calculated based on the amount at Question 8, Label Q | The amount of SLS with a zero tax rate, calculated using the SLS taxed element. |

\*The messaging that must be displayed based on a client’s Division 293 income is outlined below.

**Note:** A small number of clients may receive an alert even if it does not specifically apply to them. The additional information supplied in the informative link will clarify whether or not the alert applies to them.

Table 40: Income ranges when alert messages are triggered, with the relevant message

|  |  |  |
| --- | --- | --- |
| **Income range** | **Criteria** | **Message** |
| Income for Division 293 purposes  < $225,750 | Where the individual’s income is below $225,750 it is unlikely that they will be subject to Division 293. | No alert |
| Income for Division 293 purposes  >= $225,750 and < $250,000 | Where the individual’s income is greater than or equal to $225,750 and less than $250,000, they may be subject to Division 293 if they have enough Division 293 contributions to take them over the threshold. | Additional tax concessional contributions (Division 293)  Your income indicates that you may be assessed for additional tax on superannuation contributions you have made. Visit [division 293](https://www.ato.gov.au/Individuals/Super/In-detail/Growing-your-super/Division-293-tax---information-for-individuals/) to learn more. |
| Income for Division 293 purposes  >= $250,000 | Where the individual’s income is greater than or equal to $250,000, they will be subject to Division 293 on their concessional contributions. | Additional tax on concessional contributions (Division 293)  Your income indicates that you will be assessed for an additional tax if you have made concessional contributions. Visit [division 293](https://www.ato.gov.au/Individuals/Super/In-detail/Growing-your-super/Division-293-tax---information-for-individuals/) to learn more. |

1. Appendix

9.1 Consolidation of records

When there are ATO system limitations on the number of records that can be stored for a particular section of the IITR, and a client has more records than the maximum allowed for that section, consolidation of records is recommended. For example, where a taxpayer has more than 20 interest records to record in the interest section of the INCDTLS, then some of those records will need to be consolidated to make a maximum of 20 records are provided, including any consolidation records.

**Note:** <https://softwaredevelopers.ato.gov.au> and the below information below is a controlled information resource, made available only to Digital Service Providers for the sole purpose of assisting in the development of tax-related software (both commercial and in-house). In some cases, the information is in draft form or has been made available for the purposes of consultation, proof of concept work and or pilots. You **must** not on-forward controlled information to persons or organisations outside your own organisation.

**Table 41: Consolidation of records**

|  |  |
| --- | --- |
| **Consolidation type** | **PDF** |
| Attributed personal services income |  |
| Australian annuities payment summary |  |
| Australian Government benefit payment summary |  |
| Australian superannuation lump sum (sls) payments |  |
| Australian superannuation income stream payment summary |  |
| Business income statements and payment summaries |  |
| Dividends |  |
| Employee share schemes (ESS) |  |
| Employment termination payments (ETP) |  |
| Foreign employment income non-payment summary |  |
| Foreign employment income payment summary |  |
| Foreign pensions and annuities |  |
| Interest |  |
| Managed fund distributions |  |
| Other foreign income |  |
| Other Income |  |
| Partnerships |  |
| Salary or wages payment summary |  |
| Multi-property rental schedule |  |

9.2 Questions and answers – deductions schedule

This paper provides consolidation of records and hints and tips for the Deduction Schedule implementation for 2022.



1. The Electronic Lodgment Service was, until the provision of the Practitioner lodgment service (PLS), the primary electronic channel for agents to lodge tax forms electronically with the ATO. [↑](#footnote-ref-2)