|  |  |
| --- | --- |
| black_header_in_1cm | |
|  | |
| Standard Business Reporting  Australian Taxation Office –  Partnership tax return 2016 (PTR.0005)  Business Implementation Guide  Date: 22nd June 2017  Status: Final | |
|  | |
| This document and its attachments are **Unclassified** |  |
|  | For further information or questions, contact the SBR Service Desk at [SBRServiceDesk@sbr.gov.au](mailto:SBRServiceDesk@sbr.gov.au) or call 1300 488 231. International callers may use +61-2-6216 5577 |

VERSION CONTROL

|  |  |  |
| --- | --- | --- |
| **Version** | **Release date** | **Description of changes** |
| 1.0 | 22.06.2017 | Versioned to Final. No functional change. |
| 0.1 | 15.12.2016 | Draft for consultation |

ENDORSEMENT

APPROVAL

David Baker Program Manager

Tax Practitioner, Lodgment Strategy and

Engagement Support

Australian Taxation Office

Copyright

© Commonwealth of Australia 2017 (see exceptions below).  
This work is copyright. Use of this Information and Material is subject to the terms and conditions in the "SBR Disclaimer and Conditions of Use" which is available at [http://www.sbr.gov.au](http://www.sbr.gov.au/). You must ensure that you comply with those terms and conditions. In particular, those terms and conditions include disclaimers and limitations on the liability of the Commonwealth and an indemnity from you to the Commonwealth and its personnel, the SBR Agencies and their personnel.   
   
You must include this copyright notice in all copies of this Information and Material which you create.  If you modify, adapt or prepare derivative works of the Information and Material, the notice must still be included but you must add your own copyright statement to your modification, adaptation or derivative work which makes clear the nature of your modification, adaptation or derivative work and you must include an acknowledgement that the adaptation, modification or derivative work is based on Commonwealth or SBR Agency owned Information and Material. Copyright in SBR Agency specific aspects of the SBR Reporting Taxonomy is owned by the relevant SBR Agency.

**TABLE OF CONTENTS**

[1. Introduction 5](#_Toc462212704)

[1.1. Purpose 5](#_Toc462212705)

[1.2. Audience 5](#_Toc462212706)

[1.3. Document Content 5](#_Toc462212707)

[1.4. Glossary 5](#_Toc462212708)

[2. What are the Partnership tax return services? 6](#_Toc462212709)

[2.1 Where SBR fits into PTR lodgment obligations 6](#_Toc462212710)

[2.2 Schedules 7](#_Toc462212711)

[2.3 Interactions 7](#_Toc462212712)

[2.4 Channels 7](#_Toc462212713)

[3. Authorisation 8](#_Toc462212714)

[3.1 Intermediary Relationship 8](#_Toc462212715)

[3.2 Access Manager 8](#_Toc462212716)

[4. Constraints and Known Issues 9](#_Toc462212717)

[4.1 Constraints When Using This Service 9](#_Toc462212718)

[4.2 Known Issues 9](#_Toc462212719)

[5. Taxpayer Declarations 10](#_Toc462212720)

[5.1 Suggested wording 10](#_Toc462212721)

[6. PTR Guidance 11](#_Toc462212722)

[6.1 Prior year PTR lodgment through SBR 11](#_Toc462212723)

[6.2 Using the additional free text field 11](#_Toc462212724)

[6.3 TFN and ABN algorithm validation 12](#_Toc462212725)

[6.4 Future years 12](#_Toc462212726)

[6.5 Rounding amounts 12](#_Toc462212727)

[Table 1: Valid schedules 7](#_Toc462212728)

[Table 2: Interactions available in the PTR lodgment process 7](#_Toc462212729)

[Table 3: Channel availability of PTR interactions 7](#_Toc462212730)

[Table 4: PTR Permissions 8](#_Toc462212731)

[Table 5: Access Manager Permissions 8](#_Toc462212732)

[Table 6: Examples of helpful free text scenarios 12](#_Toc462212733)

[Figure 1: SBR interactions and PTR process 6](#_Toc445881435)

1. Introduction
   1. Purpose

The purpose of this document is to provide information to assist software developers in understanding the business context surrounding Partnership tax return (PTR) interactions. These interactions are performed with the Australian Taxation Office (ATO) through the Standard Business Reporting (SBR) platform.

This document defines the interactions that are available to lodge a PTR, outlines which reporting parties can use the services, and explains any constraints and known issues with the use of the interaction, providing guidance with certain identified issues.

The Partnership tax return service refers to the interactions with the ATO for a user, depending on their role, to:

* Lodge a PTR
* Lodge an amendment to a PTR
* Lodge a PTR (original or amended) for a prior year as a SBR ebMS3 message containing the ELS tag formatted data.

This document applies to the SBR PTR service for 2016 PTR returns and the SBR ELStagFormat service for the years 1998-2016.

* 1. Audience

The audience for this document is any organisation that will be implementing the ATO PTR interactions into their products. Typically this will be software application developers and business analysts.

* 1. Document Content

The ATO PTR 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
* Message information eg ATO Message Implementation Guide, and
* Test information eg Conformance suites

* 1. Glossary

For a glossary of terms, refer to the [SBR website](http://www.sbr.gov.au/software-developers/developer-tools/glossary).

1. What are the Partnership tax return services?

The PTR is used to report income and deductions of the business and the subsequent distributions to the partners.

* 1. Where SBR fits into PTR lodgment obligations

The PTR service provides a number of functions for lodgment of a partnership’s reporting obligations. These include the lodgment of:

* The Partnership tax return
* Amendments to the PTR where appropriate

The pre-lodge and lodge interactions are the core part of the SBR-enabled PTR business process.

When the partner or intermediary has gathered all information required, they would then complete the return, validate it, and if required, correct any labels before lodgment.



Figure 1: SBR interactions and PTR process

* 1. Schedules

A PTR lodgment can include a schedule that contains additional information required to assess a partnership’s income. Valid schedules that can be included in the PTR message are:

| **Schedule** | **SBR collaboration** | **SBR Core Services** | **SBR ebMS3.0** |
| --- | --- | --- | --- |
| PAYG payment summary schedule | pss.0001.lodge.request.02.00 | Y | Y |
| Rental schedule | rs.0001.lodge.request.02.00 | Y | Y |
| International dealings schedule | ids.0004.lodge.request.02.00 | Y | Y |
| Interposed entity election or revocation | iee.0002.lodge.request.02.00 | Y | Y |

Table 1: Valid schedules

For more information on the validation rules and circumstances that determine when a schedule should be used, please see the PTR message structure table and schedule structure tables, as well as the PTR validation rules.

* 1. Interactions

The PTR lodgment process could consist of the following interactions:

| **Service** | **Interaction** | **Detail** | **Single** | **Batch** | **Optional** |
| --- | --- | --- | --- | --- | --- |
| PTR | *PTR.Prelodge* | Validate PTR message before lodgment (2016) | Y | Y | Y |
| *PTR.Lodge* | Lodge PTR (2016) | Y | Y | N |
| ELStagFormat | *ELStagFormat.Lodge* | Lodge PTR for prior years as SBR message using ELS tag format | N | Y | Y |

Table 2: Interactions available in the PTR lodgment process

* 1. Channels

The PTR interaction is available in the following channels:

|  |  |  |
| --- | --- | --- |
| **Interaction** | **SBR Core Services** | **SBR ebMS3.0** |
| *PTR.Prelodge* | Y | Y |
| *PTR.Lodge* | Y | Y |

Table 3: Channel availability of PTR interactions

1. Authorisation
   1. Intermediary Relationship

The SBR services 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, an intermediary has the appropriate authorisation for the interaction being performed on behalf of the taxpayer recorded in ATO systems.

To use the PTR interaction, a business intermediary must be appointed by a business in Access Manager to use the available services on their behalf.

|  |  |
| --- | --- |
| attention_pms | The tax agent to taxpayer relationship is a fundamental precondition to interacting with SBR for PTR interactions |

**Note**: If the relationship does not exist, the SBR Add Client Relationship interaction of the Client Update services can be used to establish a relationship between the intermediary and the taxpayer. See the Client Update Business Implementation Guide and Client Update Message Implementation Guide for further information.

* 1. Access Manager

AUSkey and Access Manager are used to manage access and permissions for SBR online services. ATO systems will check that the initiating party is allowed to use the interaction that is received through the SBR channel.

For more information on Access Manager, see the [ATO website](https://www.ato.gov.au/general/online-services/access-manager/). For further information on AUSkey, see the Australian Business Register’s [website](https://abr.gov.au/AUSkey/).

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

| **Service** | **Interaction** | **Activity** | **Tax agent** | **BAS agent** | **Business** | **Business Intermediary** |
| --- | --- | --- | --- | --- | --- | --- |
| PTR | *PTR.Prelodge* | Validate data inputted into PTR before submitting for processing | ✓ |  | ✓ | ✓ |
| *PTR.Lodge* | Lodge PTR for processing | ✓ |  | ✓ | ✓ |
| ELStagFormat | *ELStagFormat.*  *Lodge* | Lodge PTR for prior years as a SBR message using ELS tag format | ✓ |  |  |  |

Table 4: PTR Permissions

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

| **Service** | **Access Manager Permission** |
| --- | --- |
| PTR | Partnership Tax Return   * *Lodge* check box |

Table 5: Access Manager Permissions

1. Constraints and Known Issues
   1. Constraints When Using This Service

N/A

* 1. Known Issues

N/A

1. Taxpayer Declarations

Each time a tax agent lodges an approved form on behalf of a taxpayer the law requires the intermediary to have first received a signed written declaration from that taxpayer.

Developers of SBR-enabled software products may elect to provide a printable version of the taxpayer declaration within their products to assist intermediaries.

|  |  |
| --- | --- |
| attention_pms | A taxpayer declaration must be obtained by the intermediary for all lodgment obligations performed on behalf of their client |

These declarations apply, not just for original lodgments, but when lodging amendments to Partnership tax return.

For information on the retention of declarations and frequently asked questions, please refer to the [ATO website](https://www.ato.gov.au/tax-professionals/prepare-and-lodge/managing-your-lodgment-program/client-declarations-and-lodgment-online/)

* 1. Suggested wording

|  |
| --- |
| **Privacy**  The ATO is authorised by the *Taxation Administration Act 1953* to request the provision of tax file numbers (TFNs). The ATO will use the TFNs to identify each partner in our records. It is not an offence not to provide the TFNs. However, lodgments cannot be accepted electronically if the TFN is not quoted.  Taxation law authorises the ATO to collect information and to disclose it to other government agencies. For information about your privacy go to ato.gov.au/privacy  **Declaration**  I declare that:   * All of the information I have provided to the agent for the preparation of this document is true and correct * I authorise the agent to give this document to the Commissioner of Taxation. |

1. PTR Guidance
   1. Prior year PTR lodgment through SBR

In order to support prior year lodgments before 2016 via SBR, lodgment of PTR is possible using the *ELStagFormat* service. *ELStagFormat* is envisaged to be used for prior year PTR lodgments from 1998-2015. ELS formatted data can be submitted as an SBR ebMS3 message using the ELS tag, which encapsulates the legacy ELS message. *ELStagFormat* is only available as a batch lodgment.

Please refer to the A06\_DIS\_SBR specification from the ELS suite of artefacts, available from the ATO [software developer website](http://softwaredevelopers.ato.gov.au/ELSspecification).

* 1. Using the additional free text field

The PTR message contains a free text field, Attachment A (SBR alias: PTR315 / ELS tag: AEB), to enable appropriate information to be added to a return for assessment.

While validation cannot control what information is provided in the additional field, below is some advice users can follow to ensure returns lodged with the field are processed without unnecessary delays:

* Free text content should be clear, concise and necessary to determine the outcome of the assessment for the return being lodged, and should only be used under the correct circumstances. Information entered which does not meet these criteria will cause processing delays.
* Software developers should consider whether a ‘help’ or informational message concerning use of this field would be beneficial for tax agents.

The following are key examples of where the field should be used, the type of business information that should be included, and the quality, tone and language of the information.

**Examples of helpful scenarios:**

| **Scenario** | **Additional free text field content** |
| --- | --- |
| A bonus or other amount in respect of a short-term life assurance policy issued after 7 December 1983 and included as Other Australian Income. | $$$ bonus received in respect of a short-term life insurance policy issued after 7 December 1983 included as Other Australian Income  OR  $$$ received in respect of a short-term life insurance policy issued after 7 December 1983 included as Other Australian Income |
| Partnership has been reconstituted. | Reconstituted partnership   * date of dissolution * date of the reconstitution * names of the new, continuing and retiring partners * TFN or address and date of birth of all new partners * details of the changes if the persons authorised to act on behalf of the partnership have changed. |
| Partnership paid or credited any amounts in the nature of interest to a non-resident of Australia or has received unfranked dividends or interest on behalf of a non-resident of Australia. | Amounts paid, credited or received on behalf of a non-resident  Interest                                        $$$  Withholding tax deducted           $$$  Unfranked dividends                   $$$  Withholding tax deducted           $$$  Reason why withholding tax was not deducted (if applicable) |

Table 6: Examples of helpful free text scenarios

For further information on the additional information field, see the [ATO website](https://www.ato.gov.au/Tax-professionals/Prepare-and-lodge/Tax-Time-2016/Before-you-lodge/Preventing-delays-in-processing-returns/#TaxTime_Before_Situations_MR)

* 1. TFN and ABN algorithm validation

To obtain access to the algorithm to validate TFNs in a BMS product, refer to the ATO software developer page on this topic: <http://softwaredevelopers.ato.gov.au/obtainTFNalgorithm>

For information on ABN validation see this page:<http://softwaredevelopers.ato.gov.au/ABNformat>

* 1. Future years

The functionality to enable lodgment of future year (early lodged) returns is available as part of this service.

A future year return is a lodgment by a client or their authorised intermediary prior to the end of the current reporting period (e.g. a client lodging their 2016-17 income tax returns before the end of the PTR year of 30 June 2017 or the end of their Substituted Accounting Period [SAP]).

In order for a client or their authorised intermediary to lodge a future year return, the year cannot be greater than one year (Current Year + 1) into the future and certain criteria must be met.

* 1. Rounding amounts

To ensure users of your software products complete Partnership tax returns correctly, only whole dollars should be shown (do not show cents), in most circumstances. The following examples show how to enter amounts in Partnership tax returns:

**Example 1:** $24.37 would be rounded down to $24

**Example 2:** $12.89 would be rounded up to $12

**Example 3:** $6.50 could be rounded to either $6

This is in accordance with section 388-85 of Schedule 1 to the *Taxation Administration Act 1953*.