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| Standard Business ReportingAustralian Taxation Office – Individual Income Tax Return 2020 (IITR.0007) Business Implementation Guide Date: 13 August 2020Final |
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VERSION CONTROL

|  |  |  |
| --- | --- | --- |
| **Version** | **Release date** | **Description of changes** |
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* Review and update of Early stage offset not from a managed fund
* Business loss activities rule updated
* Updated to include reasonable use policy guideline
 |
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 |
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* Updated to reflect changes in 2020 IITR service
 |

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1. Introduction
	1. Purpose

The purpose of this document is to provide information to 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-1)) tag formatted data.

The *IITR.Prefill* interaction is part of the IITR service but is not in the scope of this document. See the Pre-fill IITR Business Implementation Guide for further information on the *IITR.Prefill* interaction. This document applies to the SBR IITR service for 2020 IITRs and the SBR ELStagFormat service for the years 1998-2016.

For 2014 IITRs, see the ATO IITR.0001 2014 Business Implementation Guide.

For 2015 IITRs, see the ATO IITR.0002 2015 Business Implementation Guide.

For 2016 IITRs, see the ATO IITR.0003 2016 Business Implementation Guide.

For 2017 IITRs, see the ATO IITR.0004 2017 Business Implementation Guide.

For 2018 IITRs, see the ATO IITR.0005 2018 Business Implementation Guide.

For 2019 IITRs, see the ATO IITR.0006 2019 Business Implementation Guide.

* 1. Document context

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
* Validation Rules.
	1. Glossary

This table only contains terms that need specific explanation for this document. Other terminology can be found in the [SBR glossary](http://www.sbr.gov.au/software-developers/developer-tools/glossary), [ATO glossary](https://www.ato.gov.au/Definitions/?anchor=top) or the Common Business Implementation and Taxpayer Declaration Guide.

| **Term** | **Definition** |
| --- | --- |
| BMS | Business Management Software (also known as Tax Practitioner Practice Management Software) |
| BSB | Bank State Branch number |
| CGTS | Capital Gains Tax schedule |
| DDCTNS | Deductions schedule  |
| DRI | ATO Interest – Delayed refund interest |
| ebMS3 | ebXML Messaging Service, version 3.0 |
| FEI | Foreign Employment Income |
| IEP | Interest on early payment |
| IOP | Interest on overpayment |
| INCDTLS | Income Details Schedule |
| Individual | A natural person (that is, a human being) |
| Initiating Party | The type of user performing an SBR request. Could be an intermediary or the reporting party (for example Business) themselves, depending on the service. |
| IITR | Individual Income Tax Return |
| INB | Individual Non Business income payment summary |
| Income statements | Known as Payment summaries |
| Intermediary | A party that facilitates a transaction between a taxpayer and the ATO |
| LPI | Late payment interest |
| NRFI | Non Resident Foreign Income schedule |
| PAYGW | Pay As You Go withholding payments |
| PAYGI | Pay As You Go instalments |
| PSS | Payment Summary schedule |
| Reporting Period | The date range applicable for the obligation (for example IITR or RFC), usually aligning to 1 July to 30 June, however some taxpayers have a substituted accounting period (SAP) with other dates. |
| RFC | Refund of franking credits |
| RNTLPRPTY | Multi-Property Rental schedule |
| RS | Rental schedule |
| SAP | Substituted accounting period (for example January to December in place of July to June). |
| SBR ebMS3 | The current eCommerce platform operated by the ATO. |
| SIC | ATO Interest – Shortfall interest charge |
| TT | Tax Time |

* 1. Changes in 2020 IITR service

Tax Time 2020 will see changes to the Individual Income Tax Return (IITR) pre-lodge and lodge services. This is a longer-term change to the processing and information requirements of the IITR and associated schedules. The change will align information requirements across all IITR electronic lodgment channels. As a result, all schedules will be updated so that a tax agent can not only include a greater amount of information for each item in a schedule, but retrieve and amend any of the information previously lodged through to the ATO via the schedules, no matter what channel or business management software (BMS) was used.

## Income details schedule

The Income details schedule (INCDTLS) is new to Tax Time 2020. This is a mandatory schedule where income is declared on the main IITR form. The XML structure of INCDTLS will use tuples rather than contexts. Refer to the INCDTLS MST for further details.

The INCDTLS schedule will now include the following sections (including their limits):

* Payment Summaries (Income statements)
	+ Salary or wages payment summary (limit 57 combined with Australian annuities)
	+ Foreign employment income payment summary (limit 3)
	+ Employment termination payment (ETP) summary (limit 25)
	+ Australian superannuation income stream payment summary (limit 20)
	+ Australian annuities payment summary (limit 57 combined with Salary or wages)
	+ Australian superannuation lump sum (SLS) payments (limit 25)
	+ Attributed personal services (Attributed PSI) payments (limit 10)
* Employee share scheme (limit 50)
* Australian government benefit payment summary (limit 30, 10 per payment type)
* Lump Sums in Arrears (limit 15)
	+ Limit of 5 years and amount per type/instance
* Interest (limit 20)
* Dividends (limit 50)
* Managed Fund Distributions (limit 30)
* Foreign employment income non-payment summary (limit 10)
* Foreign entities (limit 1)
* Foreign pensions or annuities (limit 10)
* Other foreign income (limit 10)
* Other Income (limit 45)
* Business, partnerships (Limit 10) and trusts (Limit 1)
* Business income and payment summaries (Limit 30)
* Early stage offsets (non-managed fund) (limit 1).

The Income details schedule contains additional repeatable groups to allow the tax agent to report income at the granular level. For example, for interest income there are now repeating fields to record the individual bank account details and amounts for each account.

## Consolidation of records

Where a tax agent client has more income to report than the section limit allows, consolidation of any additional records is required.Refer to the [Appendix](#Appendix) for guidance on consolidation records where a limit is exceeded.

## Multi-property rental schedule

The Multi-Property Rental schedule (RNTLPRPTY) is mandatory from Tax Time 2020. When an agent is completing an Individual income tax return (IITR) for a client with one or more rental properties, the granular Multi-property rental schedule must be completed. One schedule (only) is required per taxpayer. The Rental schedule (RS) has now been decommissioned for an IITR.

Where an integrated solution has been developed for the Rental Schedule that distributes directly to the RNTLPRPTY, the decimals should be pre-populated with “00” in the RNTLPRPTY.

There will be no change to reporting arrangements for rental details for partnership and trust tax returns. This means the current Rental schedule for partnership and trust returns will need to be retained.

## PAYG Payment summary schedule

The PAYG Payment Summary schedule (PSS) is no longer available in SBR from Tax Time 2020. The information previously reported on this schedule has now been incorporated into the Income details schedule.

## Application for refund of franking credits

From 1 July 2020, where a refund of franking credits is lodged, the INCDTLS will be a requirement.

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.

* 1. Interactions

The IITR lodgment process could consist of the following interactions:

| **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.Prelodge* | Validate IITR or RFC message before lodgment  | Y | Y | Y |
| *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 |

Table : Interactions available in IITR lodgment process

* 1. 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 usually cover the financial year ending on 30 June and are due by 31 October for individual taxpayers that prepare their own returns[[2]](#footnote-2). 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. For more information on whether a taxpayer needs to lodge a tax return, see the [ATO website](https://www.ato.gov.au/Individuals/Lodging-your-tax-return/Do-you-need-to-lodge-a-tax-return-/).

* 1. Sole traders

The IITR should be used for the lodgment by an individual taxpayer who is also a sole trader to report their taxable income or loss. This includes:

* assessable business income less the business deductions they can claim, and
* other assessable income, such as salary and wages (shown on a payment summary), dividends and rental income, less any allowable deductions against this income.
	1. Application for refund of franking credits

When an individual owns 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 companies 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. This is what is 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 depicted in [figure 1](#Figure1) of Section 2.6 below.

For more information on refunds of franking credits for individuals, see the [ATO website](https://www.ato.gov.au/individuals/investing/in-detail/investing-in-shares/refunding-franking-credits---individuals/).

* 1. 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 2019-20 Income tax return before the end of the financial year of 30 June 2020 - 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 [Lodging your tax return early](https://www.ato.gov.au/Individuals/International-tax-for-individuals/Going-overseas/Lodging-your-tax-return/Lodging-your-tax-return-early/#Eligibility_lodge_early_Tax_Return).

Generally, prefill data will not be available for early lodged returns however client information and prior year return details are available.

* 1. Where SBR/PLS fits into individual lodgment obligations

The IITR service provides a number of 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 agent has gathered all information required (including reviewing information contained in the pre-fill), the agent would then complete the return, validate it, and if required, correct any labels before lodgment.



Figure : SBR interactions and IITR lodgment business process

The tax agent could check the status of the lodged IITR at a later date through their BMS.

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 6 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.

Refer to the IT Lodgment Status Business Implementation Guide, the Pre-fill IITR Business Implementation Guide, and the IITR Profile Compare Business Implementation Guide for the complete business context descriptions of *LDGLST.List*, *IITR.Prefill, and IITRPRFL.Get* respectively*.*

* 1. 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 (INCDTLS) schedule
* Deductions (DDCTNS) schedule
* Multi-Property Rental (RNTLPRPTY) schedule. Rental Schedule (RS) has now been decommissioned from Tax Time 2020 for Individuals
* Capital Gains Tax schedule (CGTS)
* Non Resident Foreign Income schedule (NRFI).

**General business guidance for schedules**

* The INCDTLS schedule must now be attached to the IITR submission when an application for refund of franking credits (RFC) is submitted. No other schedules are permitted.
* 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 Deductions schedule (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 Deductions schedule. There are new validation rules to cover this type of scenario.
* For more detailed information about the Deductions schedule (DDCTNS) refer to the [Question and answer document](https://softwaredevelopers.ato.gov.au/sites/default/files/resource-attachments/20190522_2019_Q%26A_DDCTNS.docx) or latest news at [Practitioner lodgment service](https://softwaredevelopers.ato.gov.au/PLS).
* Line items in the schedule should be ordered in descending $value order where applicable.
* Where more items need to be included in a schedule, but the limit for that item has been reached, consolidate the additional records. Refer to the [Appendix](#Appendix) for further detail on consolidation of records.
* For more information on the requirements and circumstances that determine when a schedule should be used refer to the ATO Service Registry, and the IITR and schedule message structure tables (MSTs) and validation rules (VRs).

## Income details (INCDTLS) schedule guidance

The following guidance is provided for the Income details schedule.

## Payment summaries and Income statements section of INCDTLS

All payment summary types are now reported in the INCDTLS schedule. These have been broken down into the various payment summary types as 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 (Attributed PSI) payments (INCDTLS340).

Within the *Payment summaries* (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 now 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 schedule. Refer to the ATO PIITR.0007 2020 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 can now be reported under the *Salary or wages payment summary* (INCDTLS309) tuple.

For example, if the taxpayer received $80,000 in salary and wages, allowances of $20,000, workplace giving of $500 and tax withheld of $25,000 on their INB payment summary, it will be reported as follows:

|  |  |  |
| --- | --- | --- |
| **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 |

Table : Salary or wages income - INB Payment summary example

**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 **only** includes 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:

|  |  |  |
| --- | --- | --- |
| **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 |

Table : Allowances income example

**Salary and Wages Income and Employment termination payment summary (EMP)**

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 EMP Payment summary, report them as follows:

**INB Payment summary**

|  |  |  |
| --- | --- | --- |
| **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 : Combined Salary and Wages and EMP example

**EMP Payment summary**

|  |  |  |
| --- | --- | --- |
| **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 | 01/07/2019 |
| INCDTLS138 | ETP code | R |
| INCDTLS139 | ETP tax withheld amount | $5,000 |
| INCDTLS140 | ETP taxable component | $40,000 |

Table : EMP example

**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 2.8.3 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 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 an SPN payment summary are now 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 should be reported as follows:

| **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 | 01/07/2019 |
| INCDTLS111 | Superannuation income stream payment period end date | 30/06/2020 |
| 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:

| **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 | 01/07/2019 |
| INCDTLS111 | Superannuation income stream payment period end date | 30/06/2020 |
| 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 | 01/07/2019 |
| INCDTLS111 | Superannuation income stream payment period end date | 30/06/2020 |
| 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 | 01/07/2019 |
| INCDTLS111 | Superannuation income stream payment period end date | 30/06/2020 |
| INCDTLS114 | Superannuation income stream taxable component untaxed element | $59,677 |
|  |  |  |
| IITR166 | Australian superannuation income stream | $10,000 |

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

All foreign employment income reported on a FEI payment summary should be included in this section. For example, where the taxpayer earnt foreign employment income that consisted of $68,000 gross payment, $9,000 tax withheld, lump sum A of $3,000 and deductible expenses of $800, should be reported as follows:

|  |  |  |
| --- | --- | --- |
| **Alias** | **Report Label** | **Value**  |
| INCDTLS307 | Payer's Australian business number | Xxxx |
| INCDTLS161 | Foreign employment income type | Foreign |
| 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 |

\*The deductible expenses of $800 would continue to be reported in the Deductions schedule.

INCDTLS162 *Foreign employment residency status* must not be provided where Foreign employment income type is "Foreign”.

**Foreign employment income payment summary - Joint Petroleum Development Area (JPDA)**

JPDA income is also included under the Foreign employment income payment summary section. For example, where the taxpayer earnt income from the JPDA, that consisted of $45,000 gross payment, $9,000 tax withheld and an allowable tax offset of $36,000, should be reported as follows:

| **Alias** | **Report Label** | **Value**  |
| --- | --- | --- |
| INCDTLS307 | Payer's Australian business number | Xxxx |
| INCDTLS161 | Foreign employment income type | Joint Petroleum |
|  | Foreign employment income residency start date | 01/07/2019 |
| INCDTLS165 | Foreign employment income residency end date | 30/06/2020 |
| INCDTLS166\* | Foreign employment income country of residence | au |
| INCDTLS167 | Foreign employment income tax withheld amount | $9,000 |
| INCDTLS168 | Foreign employment income gross amount | $45,000 |
| INCDTLS179 | Foreign employment income other non-refundable tax offset | $36,000 |

\*Where the residency is either Heard and McDonald Island residency for FEI JPDA income, the country to be entered is Australia (for example. “au”).

## Australian government benefit payment summary section of INCDTLS

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

* Allowance (for example Australian government payments such as Newstart, Youth Allowance or Austudy payment) – Label 5 Australian Government allowances and 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:

|  |  |  |
| --- | --- | --- |
| **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 |

Table : Australian government benefit payment summary example

Refer to Appendix A in the ATO PIITR.0007 2020 Business implementation guide for details of the payment types mapped to the relevant labels.

## Lump sum in arrears payment section of INCDTLS

Lump sum in arrears can now be reported in the Income details schedule in a structured way. It will now 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 2020 financial year, that included equal amounts of $10,000 for 2017, 2016, 2015, 2014 and 2013; it will be reported as follows:

|  |  |  |
| --- | --- | --- |
| **Alias** | **Report Label** | **Value** |
| INCDTLS151 | Lump sum in arrears payment type code  | Salary or wage lump sum E |
| INCDTLS153 | Lump sum in arrears year | 2017 |
| INCDTLS154 | Lump sum in arrears amount | $10,000 |
|  |  |  |
| INCDTLS153 | Lump sum in arrears year | 2016 |
| INCDTLS154 | Lump sum in arrears amount | $10,000 |
|  |  |  |
| INCDTLS153 | Lump sum in arrears year | 2015 |
| INCDTLS154 | Lump sum in arrears amount | $10,000 |
|  |  |  |
| INCDTLS153 | Lump sum in arrears year | 2014 |
| INCDTLS154 | Lump sum in arrears amount | $10,000 |
|  |  |  |
| INCDTLS153 | Lump sum in arrears year | 2013 |
| INCDTLS154 | Lump sum in arrears amount | $10,000 |

Table : Lump sum in arrears example

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

**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 where a lump sum in arrears of $50,000 was received, that consisted of a taxable component taxed element of $30,000 and a taxable component untaxed element of $20,000, should be reported as follows:

| **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 | 01/07/2019 |
| INCDTLS111 | Superannuation income stream payment period end date | 30/06/2020 |
| 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 is as follows:

**2018 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.

**2017 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.

This should be reported as follows:

|  |  |  |
| --- | --- | --- |
| **Alias ID** | **Report Label** | **Value**  |
| INCDTLS526 | Superannuation income stream lump sum in arrears year | 2018 |
| INCDTLS527\* | Superannuation income stream lump sum in arrears amount | $35,000 |
|  |  |  |
| INCDTLS526 | Superannuation income stream lump sum in arrears year | 2017 |
| INCDTLS527 | Superannuation income stream lump sum in arrears amount | $15,000 |

\*The untaxed 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.

## Interest section of INCDTLS

Up to 20 interest records can be reported. This section is broken down into 3 tuples:

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

Where the taxpayer was a **non-resident** during the year, the country of residence can now be 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 should 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 2020 was $1,000 and there were 2 account holders, the amounts reported are as follows:

|  |  |  |
| --- | --- | --- |
| **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 |

Table : Interest (joint account holders) example

If interest received for 2020 was $1,000 and the individual was the sole account holder, the amounts reported are as follows:

|  |  |  |
| --- | --- | --- |
| **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 |

Table : Interest (sole account holder) example

## 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 can now be 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.

The *Dividend 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 2020 was $1,000 with a franking credit of $430 and there were 2 account holders, the amounts reported are as follows:

|  |  |  |
| --- | --- | --- |
| **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 |

Table : Dividends (joint account holders) example

## 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.

The *Managed 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.

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 following:

* 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.

The amounts reported are as follows:

|  |  |  |
| --- | --- | --- |
| **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 |

Table : Managed fund distributions (joint account holders) example

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

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

* Foreign employment income non-payment summary (INCDTLS185)
* Foreign income employment details (INCDTLS188)
* Exempt foreign 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:

|  |  |  |
| --- | --- | --- |
| **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 [2.8.3 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:

|  |  |  |
| --- | --- | --- |
| **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 |

Table : Foreign employment income non-payment summary example

\*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 [2.8.3 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..

## 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.

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

## 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:

|  |  |  |
| --- | --- | --- |
| **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 |

Table : Foreign pensions or annuities example

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 [2.8.3 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.

## 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:

|  |  |  |
| --- | --- | --- |
| **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 |

Table : Foreign rental income example

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:

|  |  |  |
| --- | --- | --- |
| **Alias** | **Name** | **Value** |
| INCDTLS216 | Other foreign income description | Foreign investment income |
| INCDTLS217 | Other foreign income deductible expenses | $25,000 |
| INCDTLS219 | Foreign rental income gross amount | $40,000 |

Table : Foreign financial investment income example

## 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 income**

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:

|  |  |  |
| --- | --- | --- |
| **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 |

Table : Special professional income example

**Assessable balancing adjustment**

The following main IITR labels have now been integrated into the *Assessable balancing adjustment* (INCDTLS456) tuple of the INCDTLS:

|  |  |
| --- | --- |
| **New Main IITR Alias and Name** | **Replaced with new INCDTLS Aliases** |
| IITR613\* | Assessable balancing adjustment from low value pool relating to financial investments | INCDTLS457  | Assessable balancing adjustment from low-value pool relating to financial investments |
| IITR614\* | Assessable balancing adjustment from low value pool relating to rental property | INCDTLS458  | Assessable balancing adjustment from low-value pool relating to rental property |
|  |  | INCDTLS459  | Remaining assessable balancing adjustment |

Table : Other income - Assessable balancing adjustment example

\* Aliases IITR345 and IITR346 have now been replaced by IITR613 and IITR614 on the main IITR.

##  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.

## 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 is able to 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 should be reported as follows:

|  |  |  |
| --- | --- | --- |
| **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 |

Table : Partnership income example

**Trusts**

1 record of trust income is able to 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 should be reported as follows:

|  |  |  |
| --- | --- | --- |
| **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 or
	+ Other specified payments
* PAYG payment summary – withholding where ABN not quoted, or
* 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:

|  |  |  |
| --- | --- | --- |
| **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 |

Table : Business related payment summary example

**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 increased from 3 to 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. Authorisation
	1. Intermediary relationship

The SBR services that an intermediary such as a tax agent, can use on behalf of their clients is dependent on the activity being undertaken and whether the tax agent 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.

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

**Note:** If the relationship does not exist, the Client Update Relationship services can be used to establish a relationship between the tax agent and the taxpayer. See the Client Update Relationship Business Implementation Guide and ATO Service Registry for further information.

* 1. Access

Refer to Section 3, Access in the Common Business Implementation and Taxpayer Declaration Guide.

* 1. Initiating parties

ATO systems will check that the initiating party is allowed 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.

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

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

Table : Initiating parties

**\*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.

* 1. 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:

|  |  |
| --- | --- |
| **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. |

Table : Access manager permissions

1. Constraints and known issues
	1. Constraints when using the IITR lodgment interactions

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

|  |  |
| --- | --- |
| **#** | **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.0007 message can only be used for the 2019-20 reporting period. |
|  | IITR.0001 (2014), IITR.0002 (2015), IITR.0003 (2016), IITR.0004 (2017), IITR.0005 (2018) and IITR.0006 (2019) messages cannot be included in the same batch. |

Table : Constraints when using IITR interactions

* 1. Usage restrictions

Digital service providers (DSPs) should be aware of the usage restrictions, which are described within the Reasonable Use policy. The ATO actively monitors the use of services and will notify DSPs that contravene this policy. Continued breaches may result in de-whitelisting.

[For more information, refer to the Reasonable Use policy.](https://softwaredevelopers.ato.gov.au/Usingourservices%22%20%5Cl%20%22Reasonableuse)

* 1. 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-%28fast-key-code%29-guide/#Lodgment).

1. Taxpayer declarations

Refer to Section 6 in the Common Business Implementation and Taxpayer Declaration Guide.

1. IITR Lodgment interactions guidance
	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:

|  |  |
| --- | --- |
| Business Rule ID | CMN.ATO.IITR.00061 |
| Severity Code | Warning |
| English Business Rule | Check account name where field contains numerics. |

Table : Example of channel warning

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

* 1. 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/Tax-file-number/Update-your-details/Update-your-contact-details-or-authorised-contacts/) 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 should 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:

| **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 |
| 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 |
| 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 |

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

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.

For more information on pre-fill, see the Pre-fill IITR Business Implementation Guide. For information on updating individual taxpayer demographic, address, contact and bank account information, see the Client Update 2018 Business Implementation Guide, [Section 6.8](#sec69) below or the [ATO website](https://www.ato.gov.au/Individuals/Tax-file-number/Update-your-details/Update-your-contact-details-or-authorised-contacts/).

* 1. 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.



Figure : Interactive error flow of events

* 1. Prior year IITR or RFC lodgment through SBR

In order to support prior year lodgments before 2017 via SBR, lodgment of IITR or RFCs is possible using the *ELStagFormat* service. *ELStagFormat* can be used for prior year IITR lodgments from 1998-2016. Electronic Lodgment Service (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.

Refer to the [A06\_DIS\_SBR specification](https://softwaredevelopers.ato.gov.au/ELSspecification) from the ELS suite of artefacts, for further information.

* 1. 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 should 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 service 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.

**Example scenarios:**

| **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 2018 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 should only be used for a fund that is new to the market. | The name of the new health fund is ABC healthy 123 Ltd.  |

Table : Example scenarios for the additional information free text field

The use of the additional information schedule should 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.

For further information on the additional information field, see the [ATO website](https://www.ato.gov.au/Tax-professionals/Prepare-and-lodge/Tax-Time-2019/Before-you-lodge/Prevent-delays-in-processing-returns/).

* 1. 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.

* 1. TFN and ABN algorithm validation

To obtain access to the algorithm to validate TFNs in a BMS product, refer to [How to obtain the tax file number algorithm](https://softwaredevelopers.ato.gov.au/obtainTFNalgorithm).

For information on ABN validation refer to [ABN algorithm, ABN Lookup Web services, and Super Fund Lookup Web services](https://softwaredevelopers.ato.gov.au/ABNformat).

* 1. 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 interactions 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.

[2019 Salary and wage occupation codes](https://www.ato.gov.au/forms/salary-and-wage-occupation-codes-2019/) are available for tax agents on the ATO website.

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.

* 1. Tax estimates

It is 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.
	1. Telephone number area codes

The original Aliases IITR49, IITR552 and IITR540 (ElectronicContact.Telephone.Area.Code) enforced a 2 digit area code. These have now been replaced with IITR579, IITR580 and IITR581 respectively (ElectronicContact.Telephone.Country.Code), which now has a limit of 4 digits. A new validation rule has been introduced for each Alias to ensure this limit is not exceeded. As a result, Norfolk Island telephone numbers are now catered for, allowing the single digit area code and 5 digit phone number.

**Example scenarios:**

|  |  |
| --- | --- |
| **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 and the 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* and 1 followed by the phone number in the:

ElectronicContact.Telephone.Minimal.Number field. |

Table : Examples of telephone number area codes

1. Appendix
	1. Multi-property rental schedule – consolidation record

From 1 July 2020, when an agent is completing an Individual income tax return (IITR) for a client with one or more rental properties, the granular Multi-property rental schedule must be completed. One schedule (only) is required per taxpayer.

The multi-property rental schedule has a limitation of 45 records per individual taxpayer. The majority of taxpayers fall within this limitation. Lodgment data for 2017 confirmed that there were only 4 taxpayers that exceeded the limit of 45 properties (as detailed below):

**Example scenarios based on number of properties:**

|  |  |  |
| --- | --- | --- |
| **Number of rental properties** | **Number of TFNs** | **How to lodge using the Multi-property rental schedule (RNTLPRPTY)**  |
| 45 | 1 | Up to and including 45 records; ALL records are to be included as separate entries.  |
| 51 | 1 | All records up to the 44th record are to be included as separate entries. All subsequent records are to be consolidated into the last entry. That is, the last 7 records will be consolidated into the 45th record. |
| 52 | 1 | As above, with 8 records consolidated.  |
| 54 | 1 | As above, with 10 records consolidated.  |
| 95 | 1 | As above, with 51 records consolidated.  |

**Ordering**

There is no requirement to order records for the multi-property rental schedule. However, where the limit of 45 properties is exceeded, it is recommended that each property is presented in order, starting with the property with the highest rental loss (as the first record). Once all properties with rental losses have been recorded, the ordering should then follow with break-evens (if any), and then profits - in order of smallest to largest.

To further clarify, the 45th record will represent a consolidation of those properties with the lowest rental losses (where the first 45 properties are running at a loss), and break-evens (if any) and profits. If all properties are running at a profit and the limit of 45 properties is exceeded, as previously noted, they would be recorded in order of smallest profit through to largest. This is not a mandatory requirement and no validation will be implemented to verify this approach.

The ordering will ensure that as part of the future copy of return service, the individual records with the highest value losses are presented back to the tax agent when the data is returned. It will also support the accuracy of the ATOs risk modelling services.

**Standard Description – Name of Property**

Where there are more records than the maximum number allowed for a particular label, the remaining records must be consolidated into the last record for that repeatable group. The standard description for the consolidated record is to be recorded at **‘Name of property’** as: **“Consolidation - XX properties”** (with XX being the number of properties consolidated into the last record).

**Address**

Where the limit of 45 properties is exceeded, the 45th record is to be recorded with a standard address to enable easy identification of a consolidation record by all. The following address should be used:

Address Line 1: 26 Narellan St (Default)

Suburb: Canberra

State: ACT

Postcode: 2601

**Ownership %**

The consolidation record ‘Ownership percentage’ should be recorded as 100%. However, the actual amounts calculated using the correct ownership % are to be recorded at the respective amount fields.

**Date property first earned rental income**

The consolidation record ‘Date the property first earned rental income’ should be reflected as 01/01/1900.

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-1)
2. The majority of self-prepared individual income tax returns are lodged using the ATO’s *myTax* service accessible via ATO Online. [↑](#footnote-ref-2)