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| Standard Business Reporting      Australian Taxation Office -  Individual Income Tax Return Profile Compare 2019 (IITRPRFL.0002)  Business Implementation Guide  Date: 4 July 2019  Final | |
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VERSION CONTROL

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1. Introduction
   1. Purpose

The purpose of this document is to provide information that will assist digital service providers in understanding the business context surrounding the ATO Individual Income Tax Return Profile Compare (IITRPRFL) service.

This document defines interaction with the Australian Taxation Office (ATO) that is available to tax agents acting on behalf of individuals. The interaction is available through the Standard Business Reporting (SBR) ebMS3 platform with a message format of XML. The document also explains any constraints and known issues with the use of this interaction.

The IITRPRFL service is a new functionality for tax agents acting on behalf of individuals. The service provides tax agents with a facility to make discretionary calls to the ATO. Where applicable a message will be returned to the tax agent to assist them in preparation of the client’s tax return.

This service provides messaging for clients for the following risk areas:

* Work-related expenses
* Interest and dividend income
* Cost of managing tax affairs
* Other deductions label
* Rental interest deductions.
  1. Audience

The audience for this document is any organisation that will be building any ATO SBR services into their products. Typically this will be digital service providers and business analysts.

* 1. Document context

The IITRPRFL 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
* ATO SBR Service Registry,
* Test information, for example conformance suites,
* Message Structure Tables and
* Validation Rules

See the ATO SBR Logical Artefact Mapfor the relationship of this document with others in the suite.

* 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), the Common business implementation guide glossary and [ATO glossary](https://www.ato.gov.au/Definitions/?anchor=top).

| **Term** | **Definition** |
| --- | --- |
| COMTA – Other | Cost Of Managing Tax Affairs. For IITRPRFL purposes, this is only label D10M Cost of managing tax affairs – Other expenses incurred in managing your tax affairs. |
| Year of return | The calendar year in which a financial year ends. For example, *2018* refers to data for the 2017–18 financial year. |
| IITR | Individual Income Tax Return. |
| IITRPRFL | Individual Income Tax Return Profile Compare service, previously referred to as RTA (Real Time Analytics) |
| Individual | A natural person (that is, a human being). |
| Occupation Code | This is the main salary and wage occupation code for the client. Refer year-specific occupation code publication on ato.gov.au. The 6-digit Occupation Code must align with the Occupation Description on the IITR. The description is provided in the response message. |
| Other Deductions – Other | Other Deductions are those not claimable elsewhere on the tax return. The label is also referred to as D15J. |
| PAYGW | Pay as you go withholding. |
| PLS | Practitioner lodgment service. |
| Reportable Fringe Benefits | This is the value of fringe benefits provided to an employee (or their associate, for example, family member) and recorded on their payment summary or income statement This amount is recorded at IT1 (Income Test 1) on the IITR. |
| Rental interest | Deductions claimed for interest on rental property loans. The label is also referred to as 21Q. |
| SAP | Substituted Accounting Period. |
| TAN | Tax agent number. |
| TFN | Tax file number. |
| WPN | Withholding Payer Number is allocated to payers with no ABN but that have a PAYGW obligation. It is quoted on their employee payment summaries or income statement, for example, private individual with a nanny or housekeeper. |
| WRE | Work-related expense. |

1. What is the Individual Income Tax Return Profile Compare Service?

The IITRPRFL will allow tax agents using SBR-enabled software to receive a notification where selected data (income, deductions) is identified as being outside expected norms.

The IITRPRFL service:

* is intended to help tax agents and their clients lodge a correct IITR
* is available to be used by authorised tax agents for IITRs
* is designed to be used by a tax agent during the preparation of an IITR, after the ‘pre-fill’ interaction in an SBR lodgment process**,** but preceding the ‘pre-lodge’ validation of inputs interaction
* provides messaging where a real-time risk assessment identifies data at certain fields as anomalous (such as where claims appear high compared to similar taxpayers, or where it appears that data may be missing based on prior-year information)
* enables tax agents to call the ATO risk modelling system at their discretion for one or more specified items on a tax return.
* will return the equivalent response as myTax real-time analytics
  1. Interactions

The IITR lodgment process could consist of the following interactions:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Service** | **Interaction** | **Detail** | **Single** | **Batch** | **Optional** |
| LDGLST  (Lodgment List) | *LDGLST.list* | See the Lodgment List Business Implementation Guide for further information | Y | Y | Y |
| IITR | *IITR.Prefill* | See the Pre-fill IITR Business Implementation Guide for further information | Y | Y | Y |
| *IITR.Prelodge* | See the Individual Income Tax Return Business Implementation Guide for further information | Y | Y | Y |
| *IITR.Lodge* | See the Individual Income Tax Return Business Implementation Guide for further information | Y | Y | N |
| **IITRPRFL** | *IITRPRFL.Get* | Request Profile Compare response message from the ATO | Y | N | Y |

Table 1: Interactions available in IITR lodgment process

* 1. Service Orchestration



Figure : SBR interactions and IITR lodgment business process

* 1. IITR Profile Compare GET Request (IITRPRFL.GET)

The IITRPRFL Get request relies on data inputs from the current return form, so all relevant fields should be completed before the request is made.

Tax agents can invoke the IITRPRFL service to return risk messages in any combination of the five risk areas:

* interest and/or dividend income,
* total work-related expenses,
* cost of managing tax affairs – other
* other deductions – other, and
* rental interest deductions.

Certain fields are required for a request to be accepted in SBR. These are specified in the Request Message Structure Table and Validation Rules in the IITRPRFL.0002 2019 Package. In addition, for the Total work-related expenses request and the Other deductions request, the following income fields are all used to complete the request and should be supplied where information is present. (For the request to be accepted the user must have information in at least one of the following fields):

* + salary and wage income
  + allowances, earnings, tips, director’s fees, etc.
  + total reportable fringe benefits amount

If information is added to or deleted from fields used in generating the response and the request is made again, different response messages may be received.

* 1. IITR Profile Compare GET Response (IITRPRFL.GET.RESPONSE)

The IITRPRFL service provides an advisory message designed to prompt the tax agent to check inputs before lodging. Receipt of a message does not mean the claim is wrong. Similarly, a non-receipt of a message does not constitute advice that a claim is correct.

Response messages will be sent by the system based on:

* the risk area/s requested, and
* the values provided at the required labels at the time of the call.

The IITRPRFL service message description must be presented to the tax agent without alteration.

Examples of each message type are provided below for context only. Variables will be populated in the response message based on the input information and service outputs.

| **Message group** | **Message examples (subject to change)** | **Details** |
| --- | --- | --- |
| Work-related expenses | Your total work-related expenses of **$xxx** are high compared to others in your occupation with similar income. Please review these amounts, particularly your claims for **car, travel, uniform, self-education and other deductions**. (Occupation: **xxx**)  Your total work-related expenses of **$xxx** have changed significantly compared with last year's return. Please review your claims. | The text elements of ‘car’, ‘travel’, ‘uniform’, ‘self- education’ and ‘other deductions’ are variables determined within the models.  These messages advise where claims appear high in comparison to similar taxpayers or the prior year. |
| Cost of managing tax affairs - other | Your claim of **$xxx** for the cost of managing your tax affairs is higher than expected given you lodged your own return last year. Please review this claim. | This message advises where there are significant claims for other expenses incurred in managing tax affairs where there is no clear evidence of associated services in the prior financial year. |
| Other deductions - other | Your other deductions claim of **$xxx** appears high compared to your income. Remember: you cannot claim for private expenses. Please review your claims and keep your records as we may ask for them. | This message advises where there are significant claims at the *Other deductions label* that are high in comparison to the taxpayer’s income and overall financial affairs. |
| Interest and/or Dividend income | You have declared less than $1 in **interest** income. Your last return showed **$xxx** in interest. Please check that you have included all your income for this year. | This message advises where interest or dividend income may be missing based on prior year information. If both labels are triggered, a combined message is provided. |
| Rental interest deductions | Your claim of **<$xx>** for **total interest on loans for rental properties** is higher than the amount claimed in your last return. Remember, you can only claim the part of the interest that is related to your rental property. Please review this claim. | This message advises where there is an unexpected increase in the interest deduction compared with the previous year, factoring in capital works expenditure and property purchases. |

Table 2: IITR Profile Compare Response messages

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. An intermediary must have the appropriate authorisation for the interaction being performed on behalf of the taxpayer recorded in ATO systems.

For the IITR Profile Compare service, a tax agent must be linked at client level in ATO systems to request the service response.

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

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

* 1. Access Manager

AUSkey, which provides authentication of identity in combination with Access Manager is used to manage access and permissions for SBR services. The initiating parties authorised to use each service and the access manager permissions required for a business or intermediary are shown below.

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

* 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 client’s account based on their Access Manager permissions.

The table below displays the interactions available to each initiating party via SBR for the IITR Profile Compare service.

| **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 | ✓ |  |  |  |

Table 3: 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 **IITRPRFL service**. The table below 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 |

Table 4: Access Manager Permissions

1. Constraints and known issues
   1. Constraints when using this interaction

This interaction has the following unique constraints:

| **#** | **Constraint** |
| --- | --- |
|  | This Profile Compare interaction can only be used for IITRs. |
|  | The IITR Profile Compare interaction can only be used for the current processing year, for example, currently 2019. |
|  | The IITR Profile Compare interaction cannot be used for SAP clients. |

Table 5: IITR Profile Compare service constraints

* 1. Known issues

Not applicable**.**

1. IITR Profile Compare service Guidance
   1. Appropriate use

The IITRPRFL service is intended for use only when the return or relevant section is fully complete, to alert tax agents and their clients where it may be appropriate to review labels.

Repetitive requests may have the potential to impact system performance.

|  |  |
| --- | --- |
| attention_pms | The ATO will monitor usage of this service and may restrict access if inappropriate or excessive use is identified. |

* 1. Validity and Completeness of Client Claims

The tax agent should not rely on the IITRPRFL service to verify validity or completeness of client claims. This includes where no response is provided from the service. Where no response is returned, care is still required to ensure all income is returned and only legitimate expense claims are made. The tax agent and client are still responsible for ensuring true and correct information is included in the IITR before lodgment.