How to prepare Tax Return?

This guide provides step-by-step instructions on how to prepare a tax return. It includes tips on gathering necessary documents, mapping income and expenses, and utilizing pre-fill options in tax software. The guide also emphasizes the importance of accuracy and provides examples of supporting documents for different types of income and deductions. Overall, it is a comprehensive resource for individuals looking to navigate the tax return preparation process.

Refer last year Income tax return and note down below items

1. Source of Income.
2. Deductions Claimed.
3. Spouse details
4. Private health insurance

Refer last year workpapers and note down source attached for each Income and deductions etc.

This will give you understanding about the client and further you will be able to relate to documents provided this year.

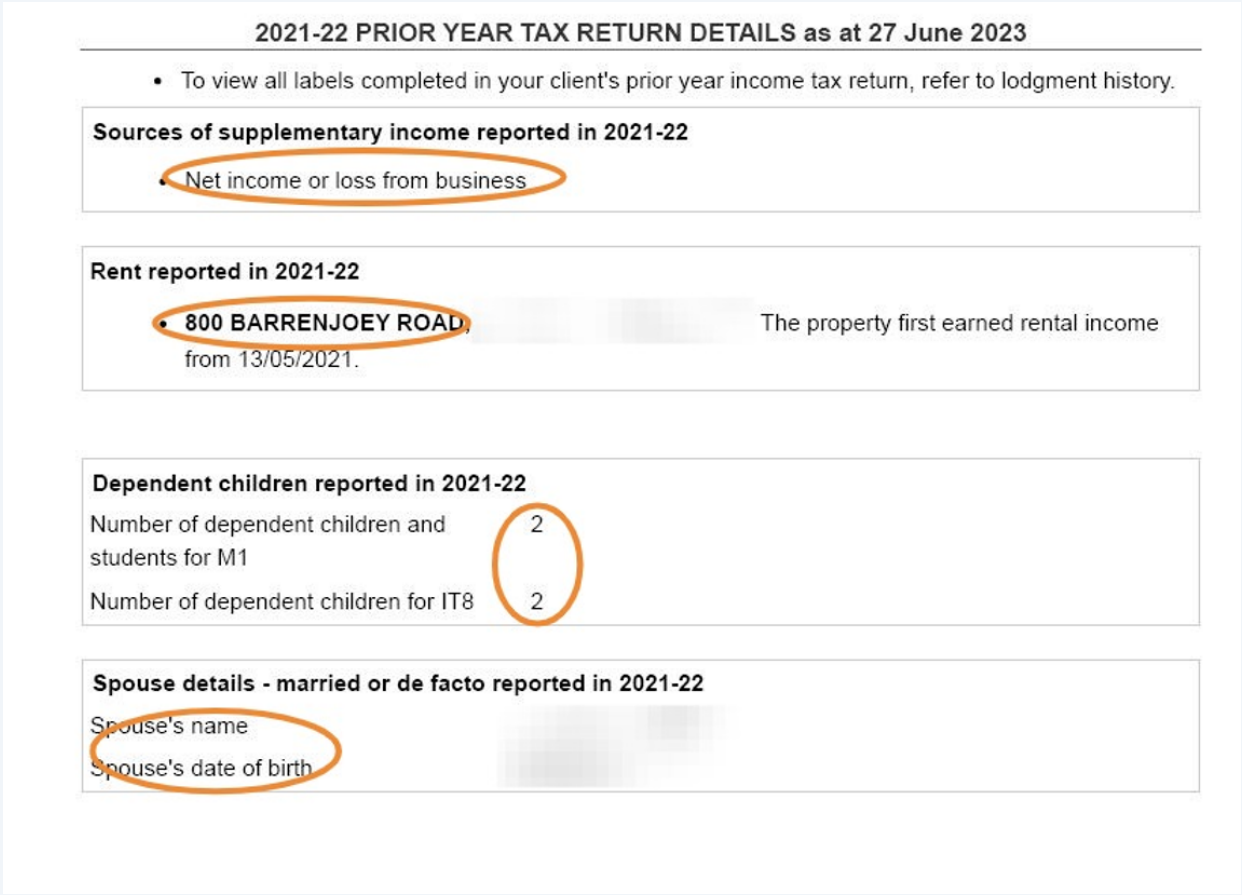
1 Study the source documents provided and start mapping them as Income and expenses for the preparation of tax return.



2 Refer Pre-filling report>> Go to >> Prior year tax return details.

You will be able to note what labels were completed last year:

1. Client had a Business Income
2. Client had a Rental Property
3. Dependent Children (#02)
4. Spouse



2021-22 PRIOR YEAR TAX RETURN DETAILS as at 27 June 2023

- To view all labels completed in your client's prior year income tax return, refer to lodgment history.

Sources of supplementary income reported in 2021-22

- Net income or loss from business

Rent reported in 2021-22

- **800 BARRENJOEY ROAD,** The property first earned rental income from 13/05/2021.

Dependent children reported in 2021-22

Number of dependent children and students for M1	2
Number of dependent children for IT8	2

Spouse details - married or de facto reported in 2021-22

Spouse's name

Spouse's date of birth

⚠ What you can expect as a documentation for Business Income, Rental Property?

Business Income -
a. Client can provide **Profit & Loss** and **Balance sheet** for the financial year (01/07/20XX to 30/06/20XX)
Or
b. Can provide you **receipts** and **invoices** of business for the whole year?
Or
C. Client can provide you **access to software** and ask you to finalize file for preparation of tax return?

Rental Property:
a. Client can provide you with **rental receipts/Rental agreement** and **expenses** for the financial year.
b. Client can provide you **annual rental statement** for financial year.(where property is managed by agents)

3 Start preparation of Income tax return.

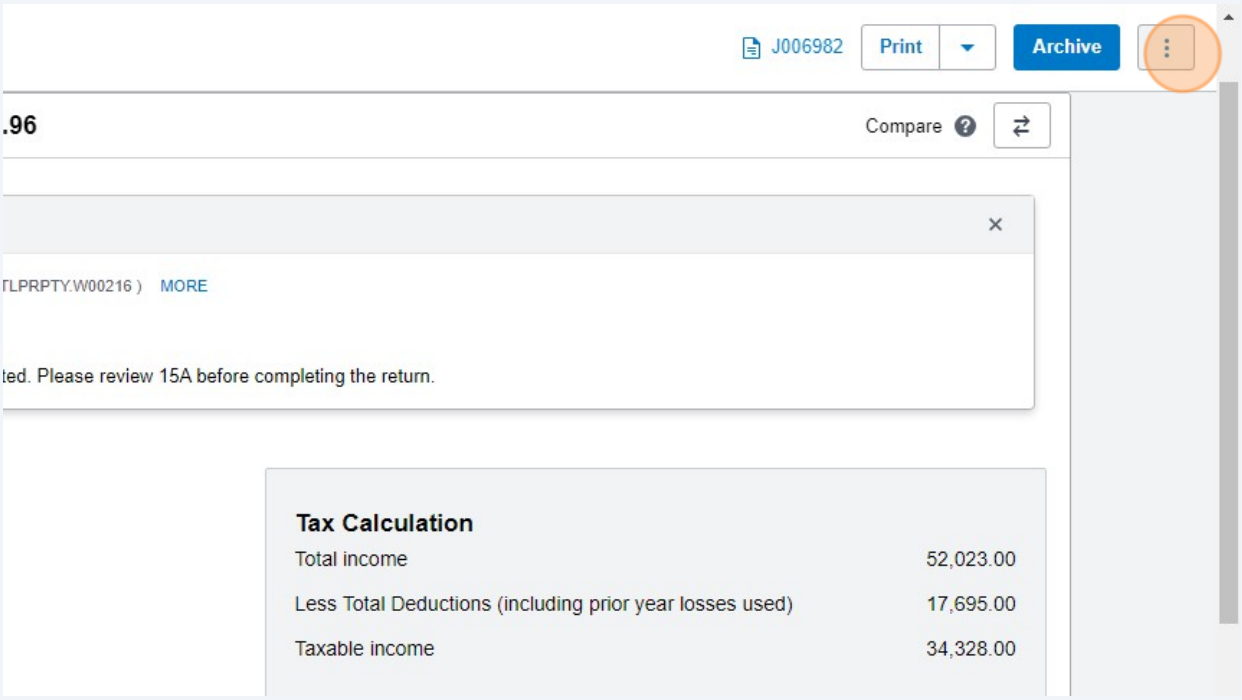
Xero - You can import pre-fill details directly to Income tax return.

Others software's - If pre-fill import is allowed go for it otherwise update details as required (manually).

4 Navigate to https://autax.xero.com/Tax/Return/2023

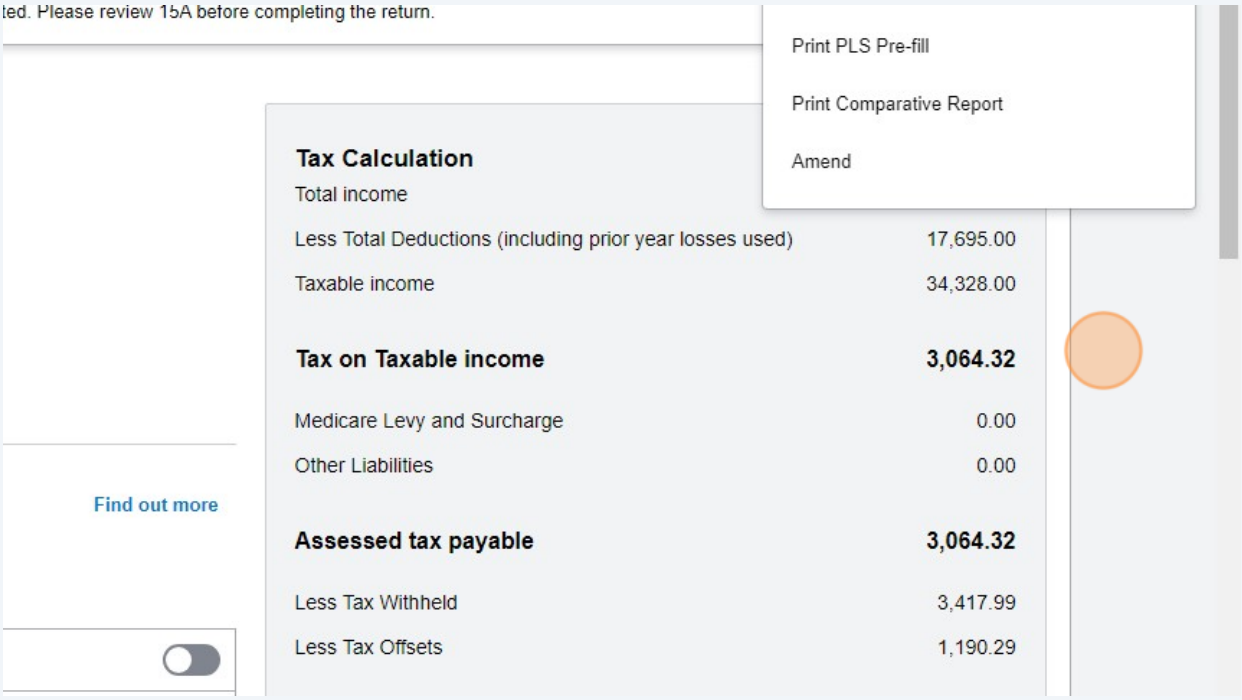
To Pre-fill in Xero

5 Login to Xero and click 3 Dots on the right hand side of the software.



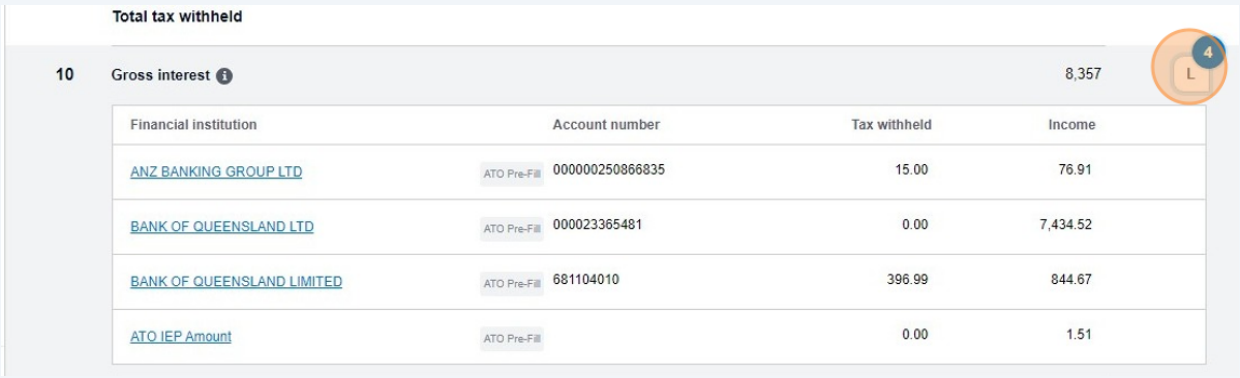
6 You will have option here to Pre-fill return details from ATO,

When you create a return in Xero automatically the details are updated from ATO's prefill. Xero is synced to ATO now.



7 From Pre-filling report below details are auto-populated.

! Please ensure they are matching ATO Pre-fill report. !

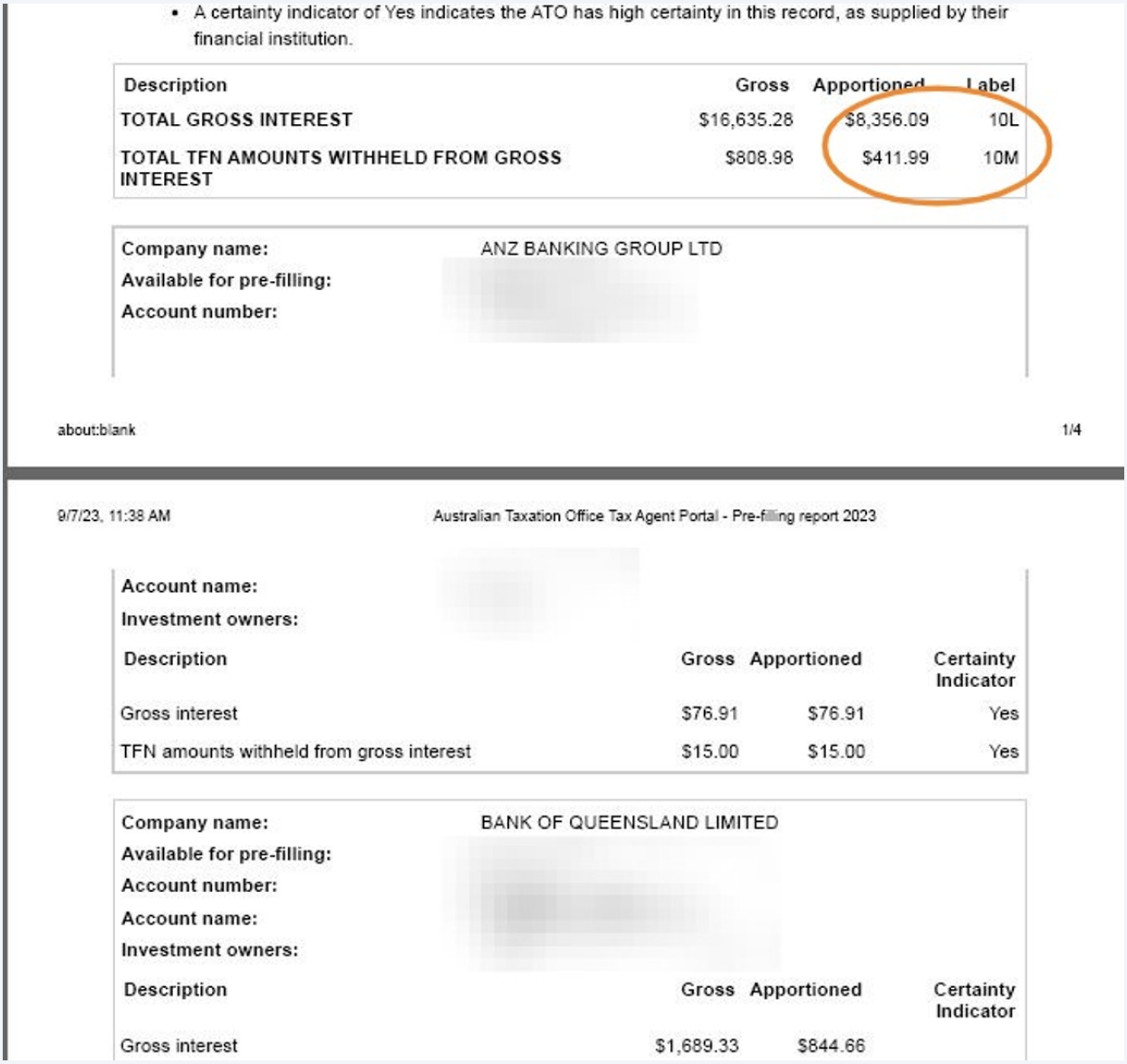


Total tax withheld

10 Gross interest 8,357

Financial institution		Account number	Tax withheld	Income
ANZ BANKING GROUP LTD	ATO Pre-Fill	000000250866835	15.00	76.91
BANK OF QUEENSLAND LTD	ATO Pre-Fill	000023365481	0.00	7,434.52
BANK OF QUEENSLAND LIMITED	ATO Pre-Fill	681104010	396.99	844.67
ATO IEP Amount	ATO Pre-Fill		0.00	1.51

8 Checkpoint: Label 10 Gross must match with Pre-filling report total.



- A certainty indicator of Yes indicates the ATO has high certainty in this record, as supplied by their financial institution.

Description	Gross	Apportioned	Label
TOTAL GROSS INTEREST	$16,635.28	$8,356.09	10L
TOTAL TFN AMOUNTS WITHHELD FROM GROSS INTEREST	$808.98	$411.99	10M

Company name: ANZ BANKING GROUP LTD
Available for pre-filling:
Account number:

about:blank 1/4

9/7/23, 11:38 AM Australian Taxation Office Tax Agent Portal - Pre-filling report 2023

Account name:
Investment owners:

Description	Gross	Apportioned	Certainty Indicator
Gross interest	$76.91	$76.91	Yes
TFN amounts withheld from gross interest	$15.00	$15.00	Yes

Company name: BANK OF QUEENSLAND LIMITED
Available for pre-filling:
Account number:
Account name:
Investment owners:

Description	Gross	Apportioned	Certainty Indicator
Gross interest	$1,689.33	$844.66	

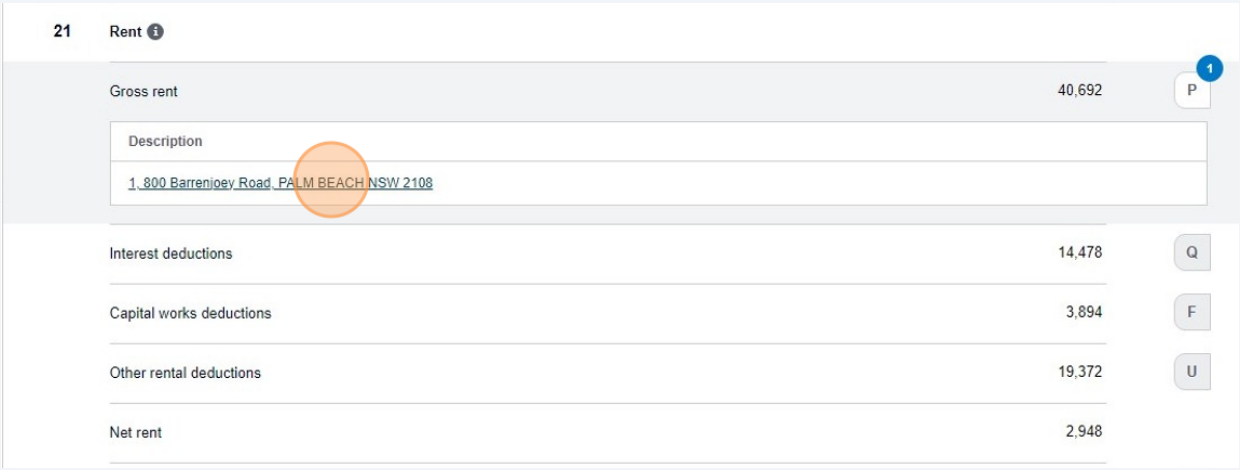
Rental Property

9 Go to Rental Property Schedule " 800 Barrenjoey Road"

Enter details from Annual Rental statement provided.

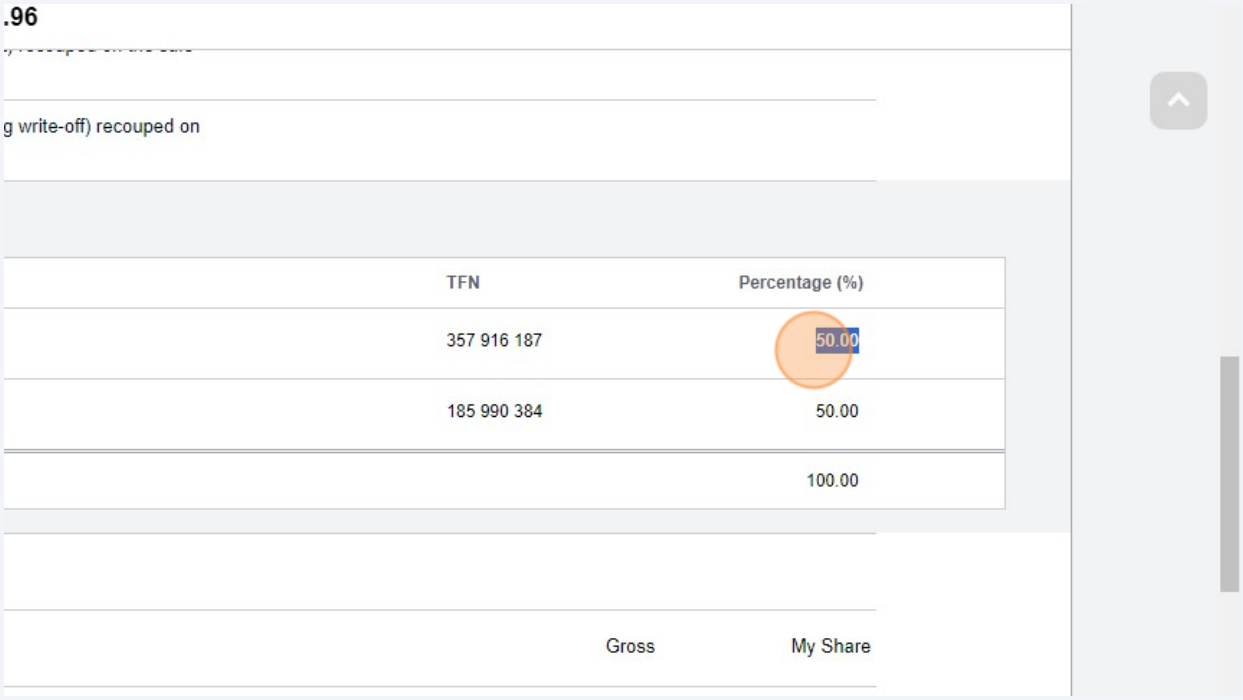
Also enter Capital work deductions from BMT Schedule.

Ensure Interest on loan is captured per loan statement provided (Interest for 12 Months)

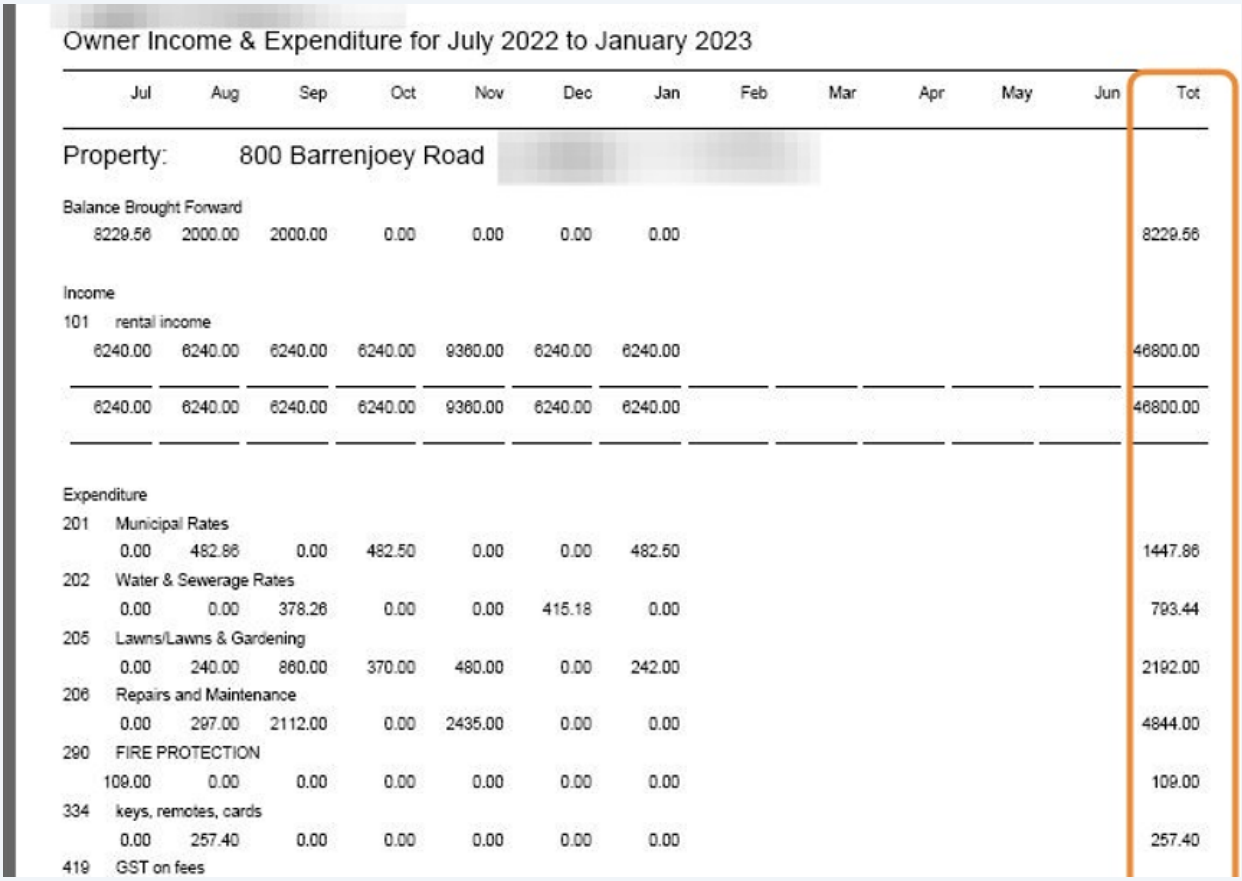


10 Please ensure to check the percentage of ownership of the property.

Here the property is owned 50% between spouse



11 Support Document - Annual Rental summary



Owner Income & Expenditure for July 2022 to January 2023

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Tot
Property:	800 Barrenjoey Road												
Balance Brought Forward	8229.56	2000.00	2000.00	0.00	0.00	0.00	0.00						8229.56
Income													
101 rental income	6240.00	6240.00	6240.00	6240.00	9360.00	6240.00	6240.00						46800.00
	6240.00	6240.00	6240.00	6240.00	9360.00	6240.00	6240.00						46800.00
Expenditure													
201 Municipal Rates	0.00	482.86	0.00	482.50	0.00	0.00	482.50						1447.86
202 Water & Sewerage Rates	0.00	0.00	378.26	0.00	0.00	415.18	0.00						793.44
205 Lawns/Lawns & Gardening	0.00	240.00	860.00	370.00	480.00	0.00	242.00						2192.00
206 Repairs and Maintenance	0.00	297.00	2112.00	0.00	2435.00	0.00	0.00						4844.00
290 FIRE PROTECTION	109.00	0.00	0.00	0.00	0.00	0.00	0.00						109.00
334 keys, remotes, cards	0.00	257.40	0.00	0.00	0.00	0.00	0.00						257.40
419 GST on fees													

12 Supporting documents - Interest (Not included in annual rental summary)



Bank of Queensland MANLY
SHP6 RIALTO SQ 11 WENTWORTH ST
MANLY NSW 2095
Tel : 02 9932 8188
Fax : 02 9932 8199
www.boq.com.au

Loan Account Interest Advice

For Financial Year 2022/2023

Date: 10 July 2023

Account Number:

Account Name:

Interest Totals for period 01 July 2022 to 30 June 2023

Interest Charged: $9,947.95

13 Supporting documents - Interest (Not included in annual rental summary)



Bank of Queensland THE GAP
978 WATERWORKS RD
THE GAP QLD 4061
Tel : 07 3374 5700
Fax : 07 3374 5799
www.boq.com.au

Loan Account Interest Advice

For Financial Year 2022/2023

Date: 10 July 2023

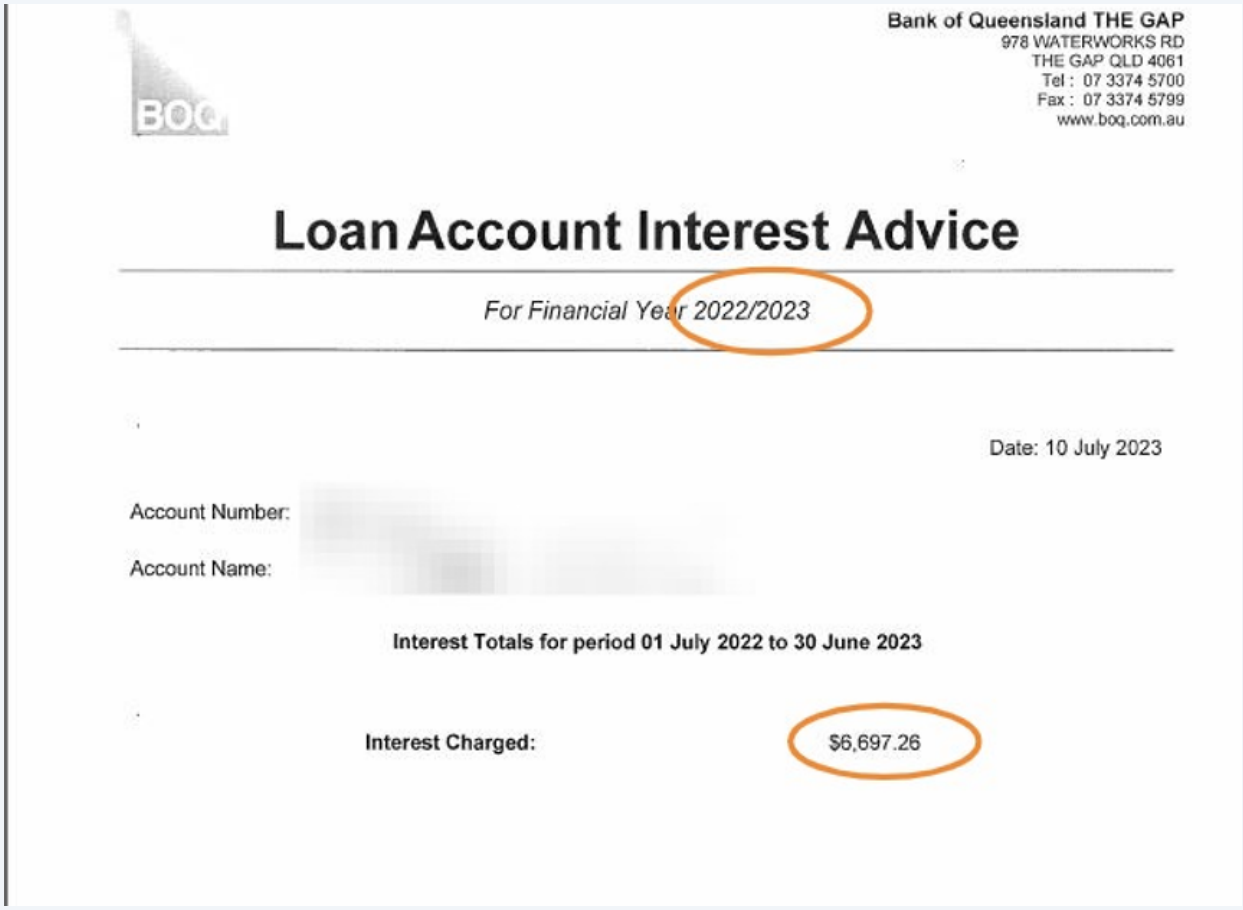
Account Number:

Account Name:

Interest Totals for period 01 July 2022 to 30 June 2023

Interest Charged: $12,310.34

14 Supporting documents - Interest (Not included in annual rental summary)



Bank of Queensland THE GAP
978 WATERWORKS RD
THE GAP QLD 4061
Tel : 07 3374 5700
Fax : 07 3374 5799
www.boq.com.au

Loan Account Interest Advice

For Financial Year 2022/2023

Date: 10 July 2023

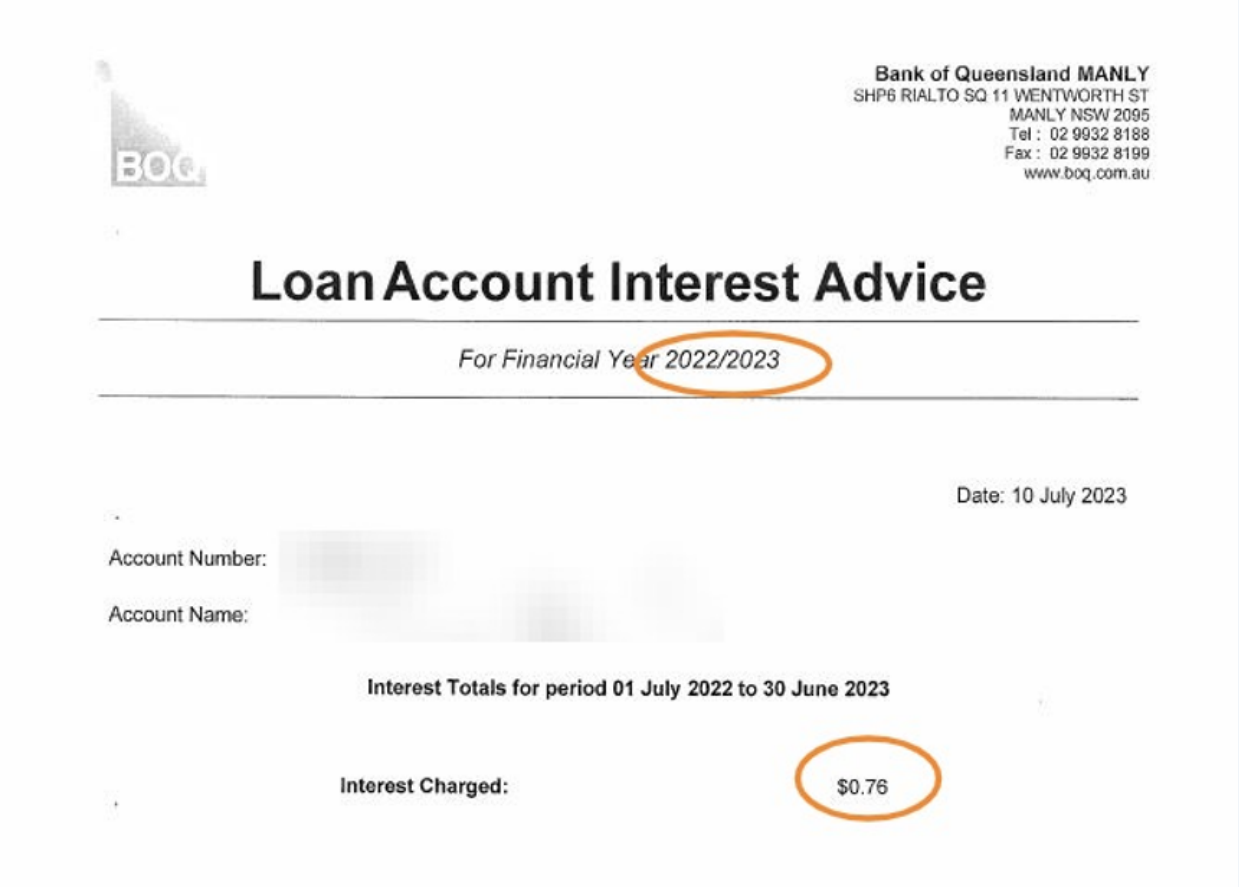
Account Number:

Account Name:

Interest Totals for period 01 July 2022 to 30 June 2023

Interest Charged: $6,697.26

15 Supporting documents - Interest (Not included in annual rental summary)



Bank of Queensland MANLY
SHP6 RIALTO SQ 11 WENTWORTH ST
MANLY NSW 2095
Tel : 02 9932 8188
Fax : 02 9932 8199
www.boq.com.au

Loan Account Interest Advice

For Financial Year 2022/2023

Date: 10 July 2023

Account Number:

Account Name:

Interest Totals for period 01 July 2022 to 30 June 2023

Interest Charged: $0.76

16 Supporting documents - Capital Works (Not included in annual rental summary)

Division 43 – capital works allowance (Ownership percentage 50.00% per cent)

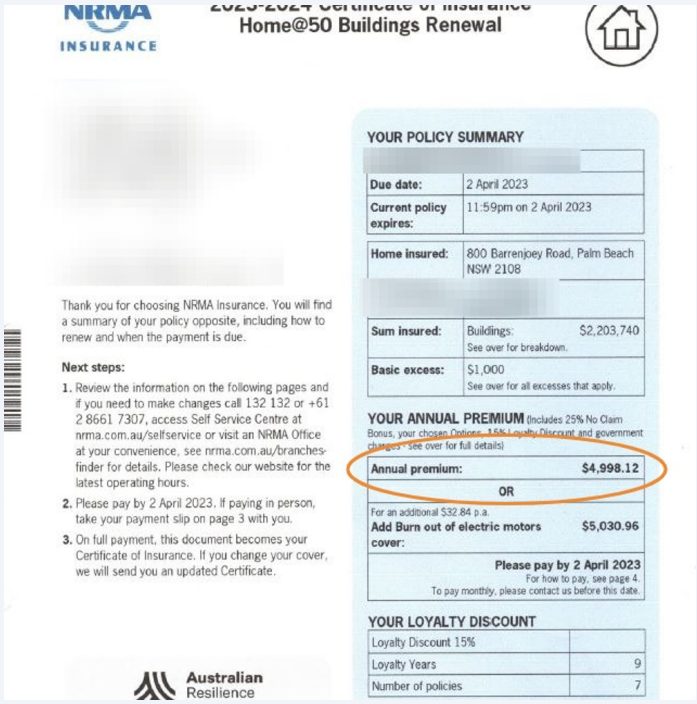
The table below outlines the division 43 building write-off allowance available to be claimed for additional works completed to this property. The depreciation calculated has been deemed to be on structural elements only completed after the legislated dates.

Works	Date	Rate	Original cost ($)	Split cost ($)
Additional works	1-Jul-20	2.5%	214,211	107,106
Additional works	18-Jun-21	2.5%	5,380	2,690

Calculation for write-off provision:

Period	Original division 43 ($)	Split division 43 ($)
13-May-21 to 30-Jun-21	724	362
1-Jul-21 to 30-Jun-22	5,490	2,745
1-Jul-22 to 30-Jun-23	5,490	2,745
1-Jul-23 to 30-Jun-24	5,490	2,745
1-Jul-24 to 30-Jun-25	5,490	2,745
1-Jul-25 to 30-Jun-26	5,490	2,745
1-Jul-26 to 30-Jun-27	5,490	2,745

17 Supporting documents - Insurance (Not included in annual rental summary)



NRMA INSURANCE

Home@50 Buildings Renewal

YOUR POLICY SUMMARY

Due date:	2 April 2023
Current policy expires:	11:59pm on 2 April 2023
Home insured:	800 Barrenjoey Road, Palm Beach NSW 2108
Sum insured:	Buildings: $2,203,740 See over for breakdown.
Basic excess:	$1,000 See over for all excesses that apply.

YOUR ANNUAL PREMIUM (Includes 25% No Claim Bonus, your chosen Options, 15% Loyalty Discount and government charges - See over for full details)

Annual premium:	$4,998.12
OR	
For an additional $32.84 p.a. Add Burn out of electric motors cover:	$5,030.96

Please pay by 2 April 2023
For how to pay, see page 4.
To pay monthly, please contact us before this date.

YOUR LOYALTY DISCOUNT

Loyalty Discount 15%	
Loyalty Years	9
Number of policies	7

Thank you for choosing NRMA Insurance. You will find a summary of your policy opposite, including how to renew and when the payment is due.

Next steps:

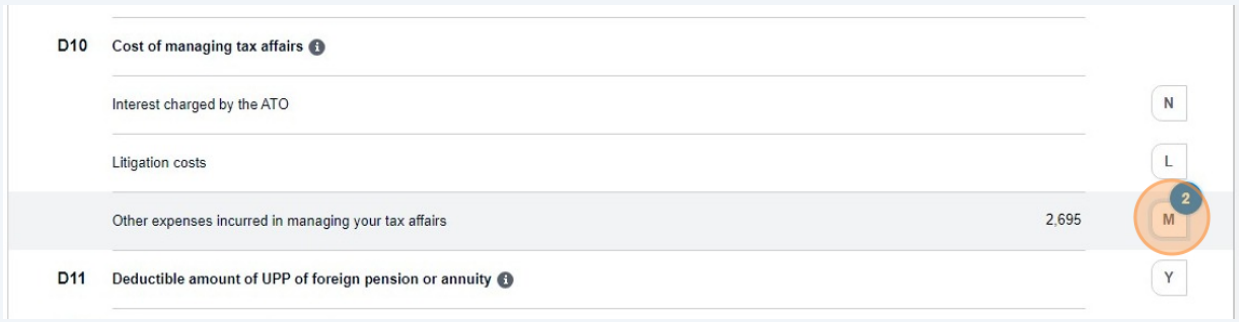
1. Review the information on the following pages and if you need to make changes call 132 132 or +61 2 8661 7307, access Self Service Centre at nrma.com.au/selfservice or visit an NRMA Office at your convenience, see nrma.com.au/branches-finder for details. Please check our website for the latest operating hours.
2. Please pay by 2 April 2023. If paying in person, take your payment slip on page 3 with you.
3. On full payment, this document becomes your Certificate of Insurance. If you change your cover, we will send you an updated Certificate.

Australian Resilience

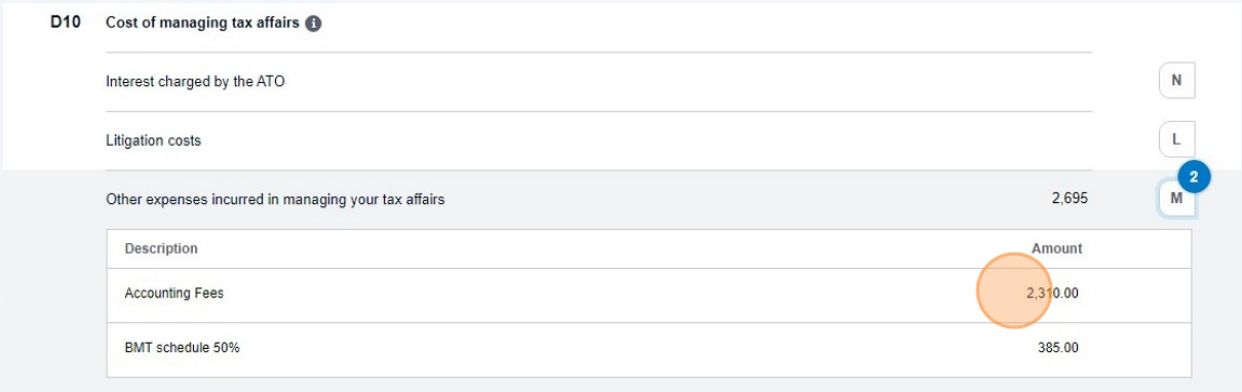
Deductions

18 Go to Deduction D10

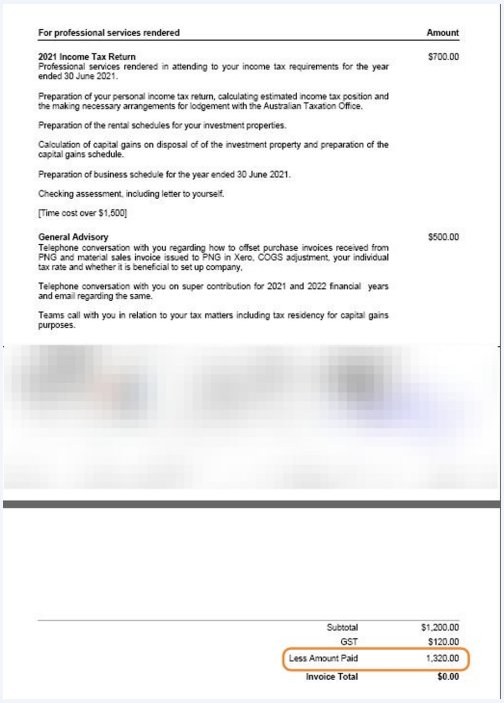
Claim the total fees paid in FY. Ensure you have relevant Invoices.



19 Invoices - accounting fees total goes here



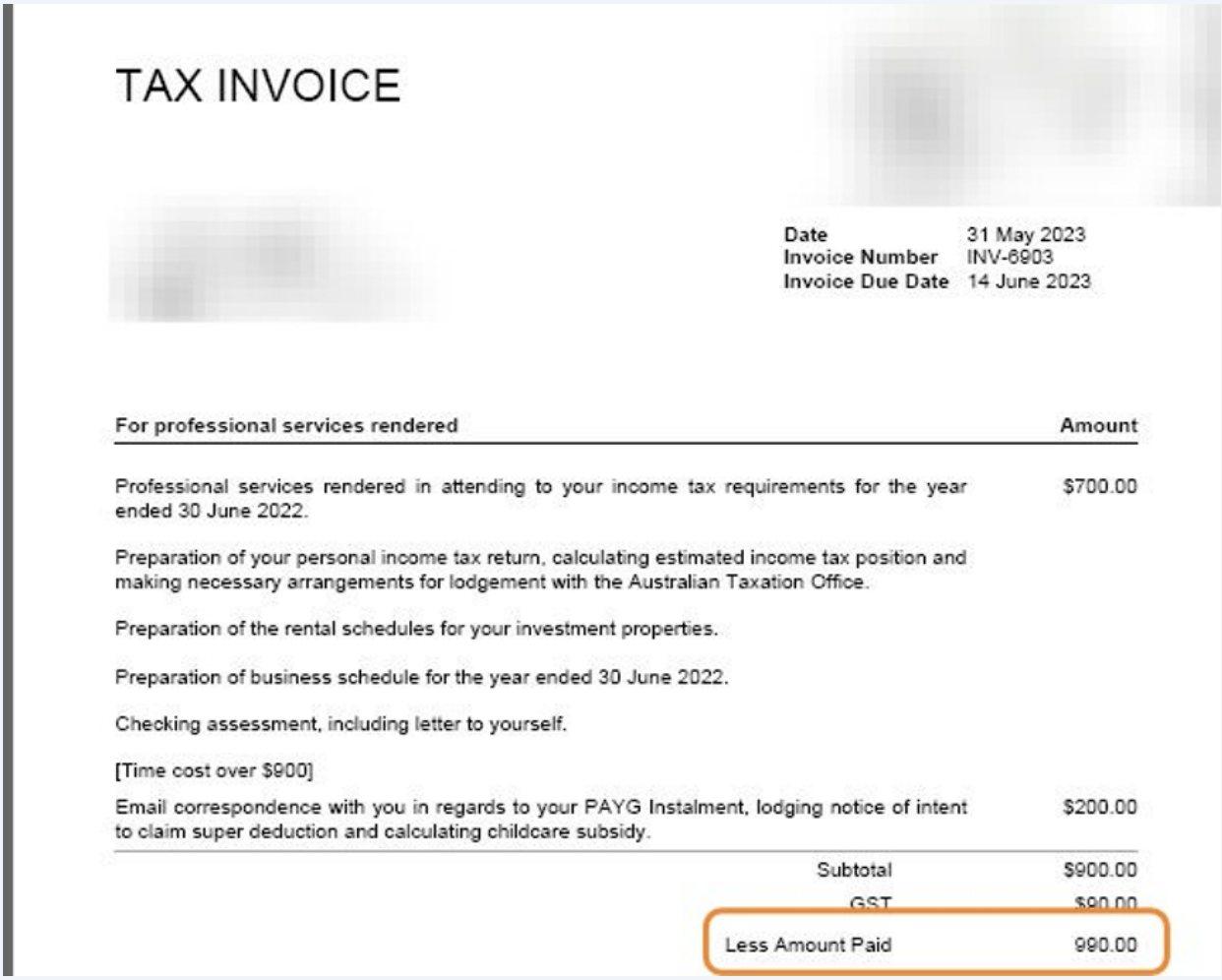
20 Supporting Document - D10



For professional services rendered	Amount
2021 Income Tax Return Professional services rendered in attending to your income tax requirements for the year ended 30 June 2021. Preparation of your personal income tax return, calculating estimated income tax position and the making necessary arrangements for lodgement with the Australian Taxation Office. Preparation of the rental schedules for your investment properties. Calculation of capital gains on disposal of of the investment property and preparation of the capital gains schedule. Preparation of business schedule for the year ended 30 June 2021. Checking assessment, including letter to yourself. [Time cost over $1,500]	$700.00
General Advisory Telephone conversation with you regarding how to offset purchase invoices received from PNG and material sales invoice issued to PNG in Xero, COGS adjustment, your individual tax rate and whether it is beneficial to set up company. Telephone conversation with you on super contribution for 2021 and 2022 financial years and email regarding the same. Teams call with you in relation to your tax matters including tax residency for capital gains purposes.	$500.00

Subtotal	$1,200.00
GST	$120.00
Less Amount Paid	1,320.00
Invoice Total	**$0.00**

21 Supporting Document - D10

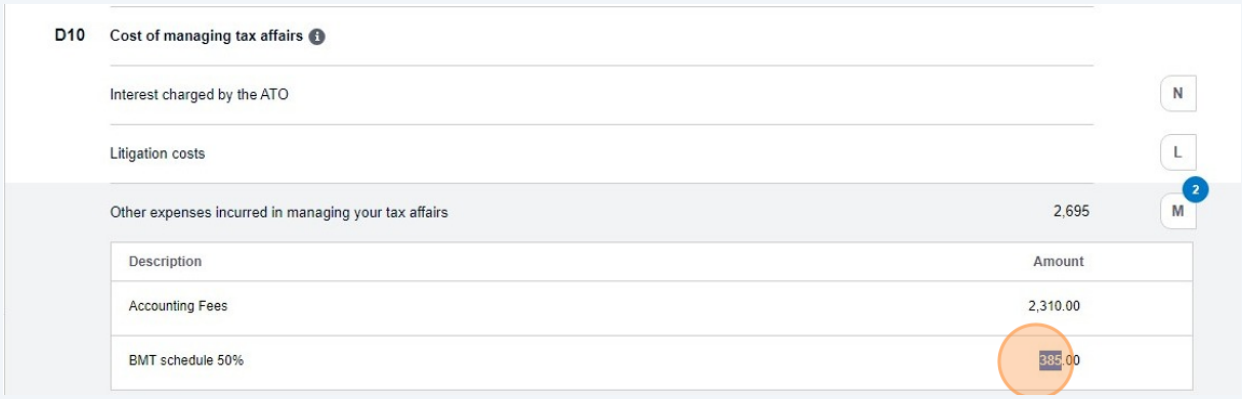


TAX INVOICE

Date 31 May 2023
Invoice Number INV-6903
Invoice Due Date 14 June 2023

For professional services rendered	Amount
Professional services rendered in attending to your income tax requirements for the year ended 30 June 2022.	$700.00
Preparation of your personal income tax return, calculating estimated income tax position and making necessary arrangements for lodgement with the Australian Taxation Office.	
Preparation of the rental schedules for your investment properties.	
Preparation of business schedule for the year ended 30 June 2022.	
Checking assessment, including letter to yourself.	
[Time cost over $900]	
Email correspondence with you in regards to your PAYG Instalment, lodging notice of intent to claim super deduction and calculating childcare subsidy.	$200.00
Subtotal	$900.00
GST	$90.00
Less Amount Paid	990.00

22 Invoices - BMT fees goes here



D10 Cost of managing tax affairs

Interest charged by the ATO		N
Litigation costs		L
Other expenses incurred in managing your tax affairs	2,695	M

Description	Amount
Accounting Fees	2,310.00
BMT schedule 50%	385.00

23 Supporting document - BMT Invoice



BMT Tax Depreciation
QUANTITY SURVEYORS

Level 33, 264 George Street
Sydney NSW 2000
PO Box N314
Grosvenor Place NSW 1220
t 02 8265 5500 e info@bmtqs.com.au
f 02 9241 6499 w www.bmtqs.com.au
AUSTRALIA WIDE SERVICE ABN 44 115 282 392

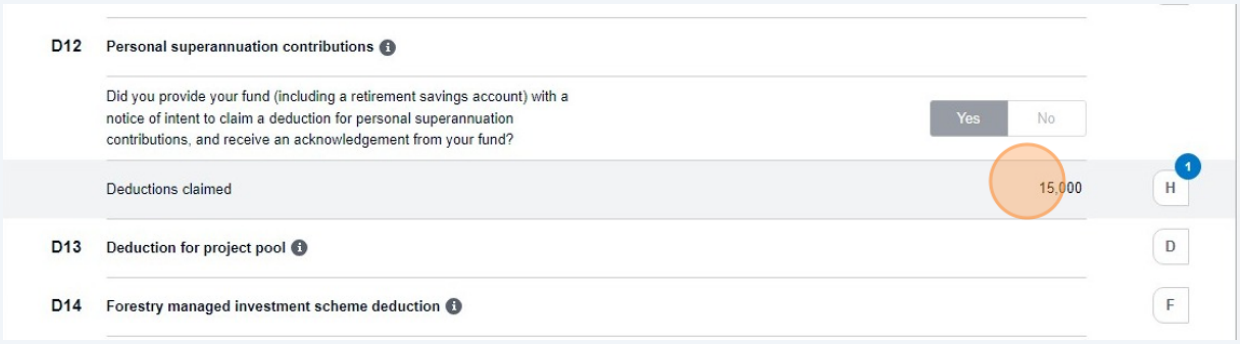
Tax Receipt

Date	Description	Amount
4/09/2022	Capital Allowance & Tax Depreciation Report for 800 Barrenjoey Road, PALM BEACH NSW 2108	$700.00
	Goods and Services Tax	$70.00
	Amount Paid	$770.00

If you have additional investment properties that you would like a free opinion on, please contact us today.

Invoice Paid in Full - Thank you.

24 Deduction for Personal Super contribution goes into D12.



D12	**Personal superannuation contributions**		
	Did you provide your fund (including a retirement savings account) with a notice of intent to claim a deduction for personal superannuation contributions, and receive an acknowledgement from your fund?	Yes / No	
	Deductions claimed	15,000	H (1)
D13	**Deduction for project pool**		D
D14	**Forestry managed investment scheme deduction**		F

25 Supporting check for D12 shown above - Pre-filling Report

2022-23 PERSONAL SUPERANNUATION CONTRIBUTION DEDUCTIONS as at 9 August 2023

To claim this deduction your client must have

- made personal (after tax) contributions to their complying super fund or retirement savings account (RSA) during the 2022-23 income year,
- provided their super fund or RSA provider with a valid notice of intent to claim a deduction,
- received an acknowledgement from their fund or RSA provider, and
- met the age restrictions and work test (https://www.ato.gov.au/PrefillPSCDAgeRestriction) conditions (a change from 1 July 2022 may impact your client if they are between 67 and 75 years old).

If this deduction is claimed without meeting the above eligibility rules, your clients deduction may be disallowed.

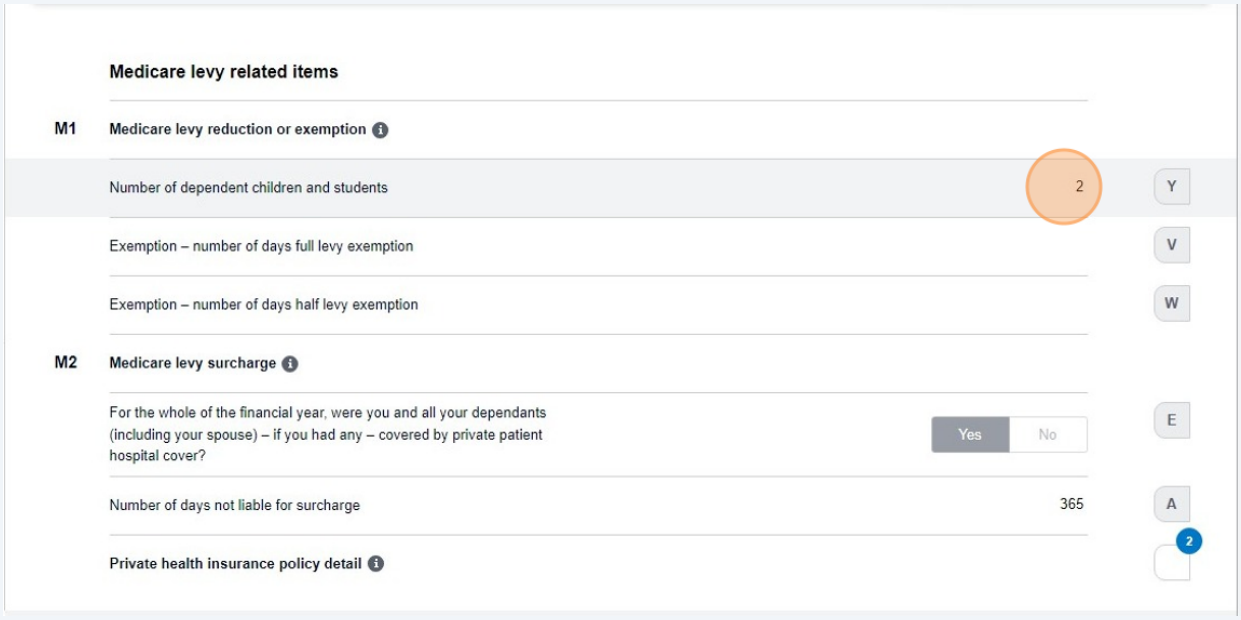
Member Account Number:

Provider name: AUSTRALIANSUPER

Provider ABN:

Description	Yes/No	Income	Label
Was the fund provided with a NOI to claim a deduction for PSCD and an acknowledgement was received?	Yes		D12
Total Superannuation Contributions Claimed on NOI		$15,000.00	D12

26 Number of dependants goes here.



27 Check and update Medicare coverage details here.

a. Client has Medicare for 01/07/20XX to 30/06/20XX covering whole year.

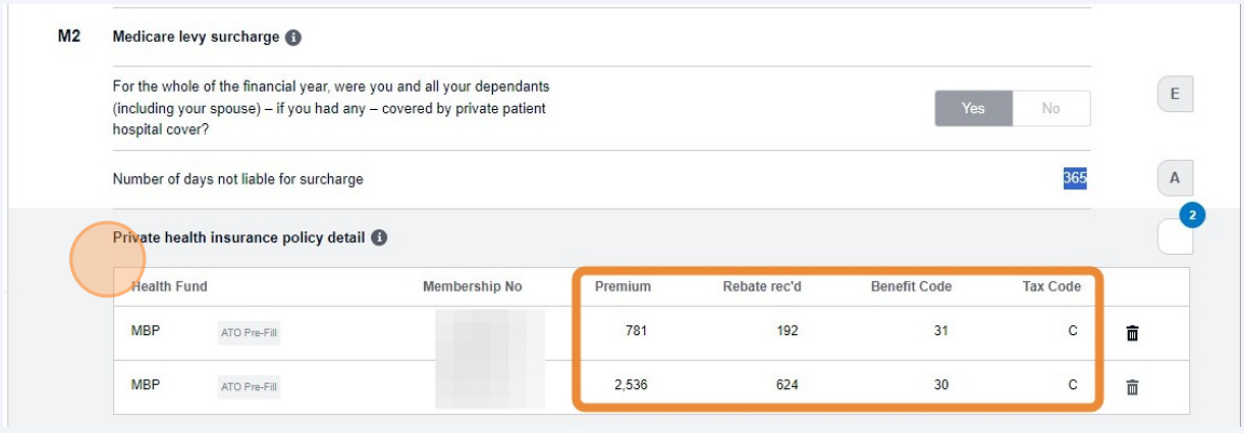
Hence Label M2 E and A are updated as "Yes" and "365" respectively.

b. Private health Insurance - Be careful with tax claim code.

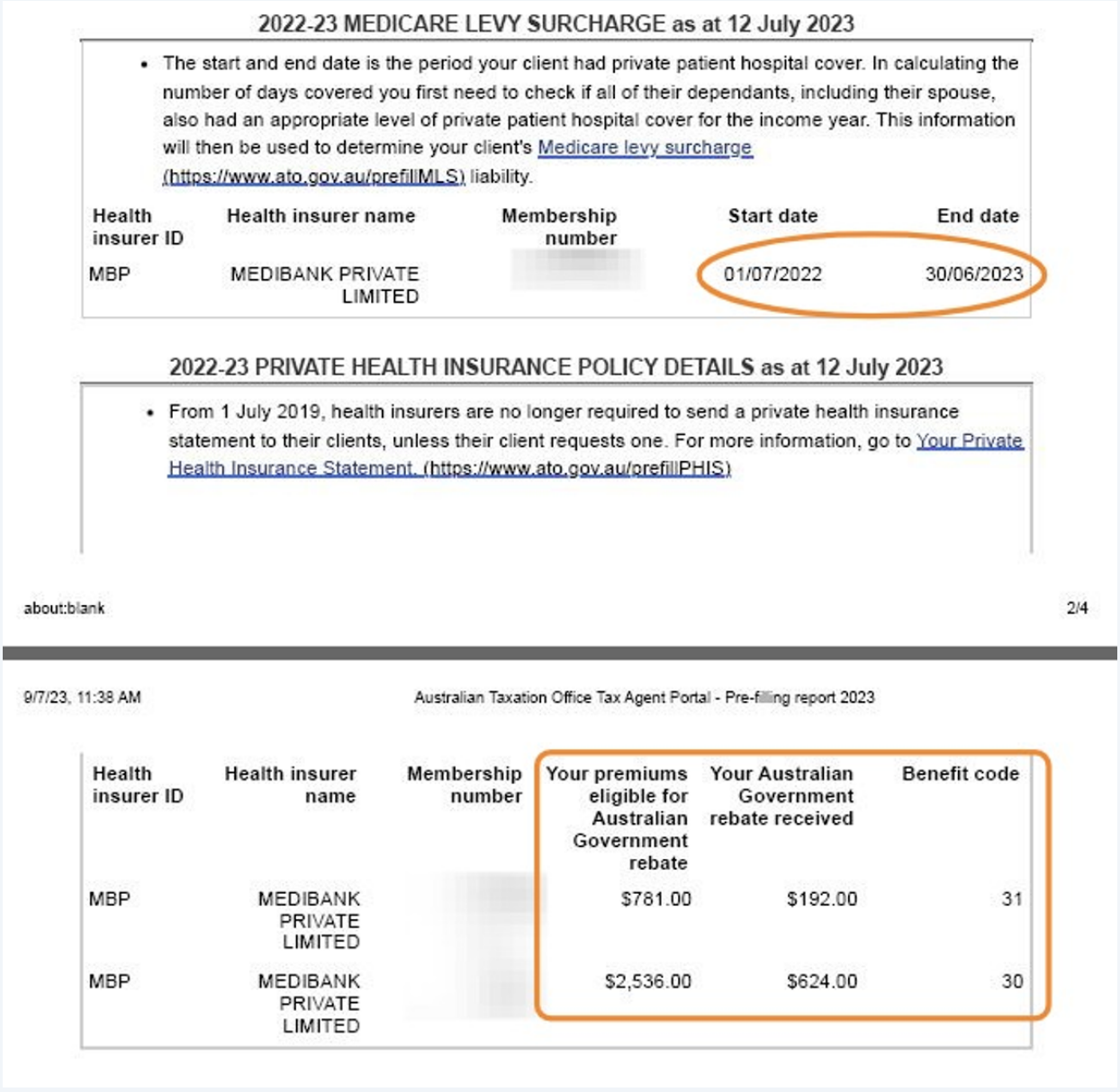
This case the policy was combined one between spouses. Hence C code is used. If you are not sure of tax code, please ask. Don't assume!



28 Private Health Insurance details goes here.



29 Supporting check - Pre-filling Report



2022-23 MEDICARE LEVY SURCHARGE as at 12 July 2023

- The start and end date is the period your client had private patient hospital cover. In calculating the number of days covered you first need to check if all of their dependants, including their spouse, also had an appropriate level of private patient hospital cover for the income year. This information will then be used to determine your client's Medicare levy surcharge (https://www.ato.gov.au/prefillMLS) liability.

Health insurer ID	Health insurer name	Membership number	Start date	End date
MBP	MEDIBANK PRIVATE LIMITED		01/07/2022	30/06/2023

2022-23 PRIVATE HEALTH INSURANCE POLICY DETAILS as at 12 July 2023

- From 1 July 2019, health insurers are no longer required to send a private health insurance statement to their clients, unless their client requests one. For more information, go to Your Private Health Insurance Statement. (https://www.ato.gov.au/prefillPHIS)

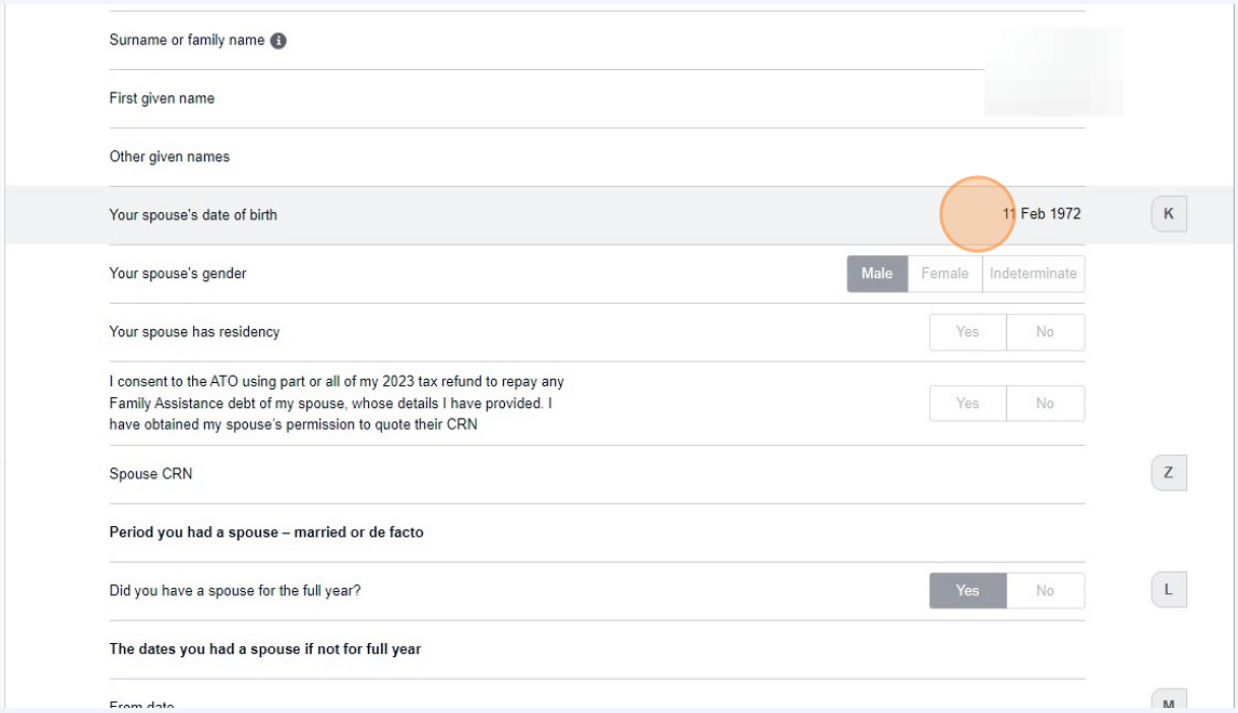
about:blank 2/4

9/7/23, 11:38 AM Australian Taxation Office Tax Agent Portal - Pre-filling report 2023

Health insurer ID	Health insurer name	Membership number	Your premiums eligible for Australian Government rebate	Your Australian Government rebate received	Benefit code
MBP	MEDIBANK PRIVATE LIMITED		$781.00	$192.00	31
MBP	MEDIBANK PRIVATE LIMITED		$2,536.00	$624.00	30

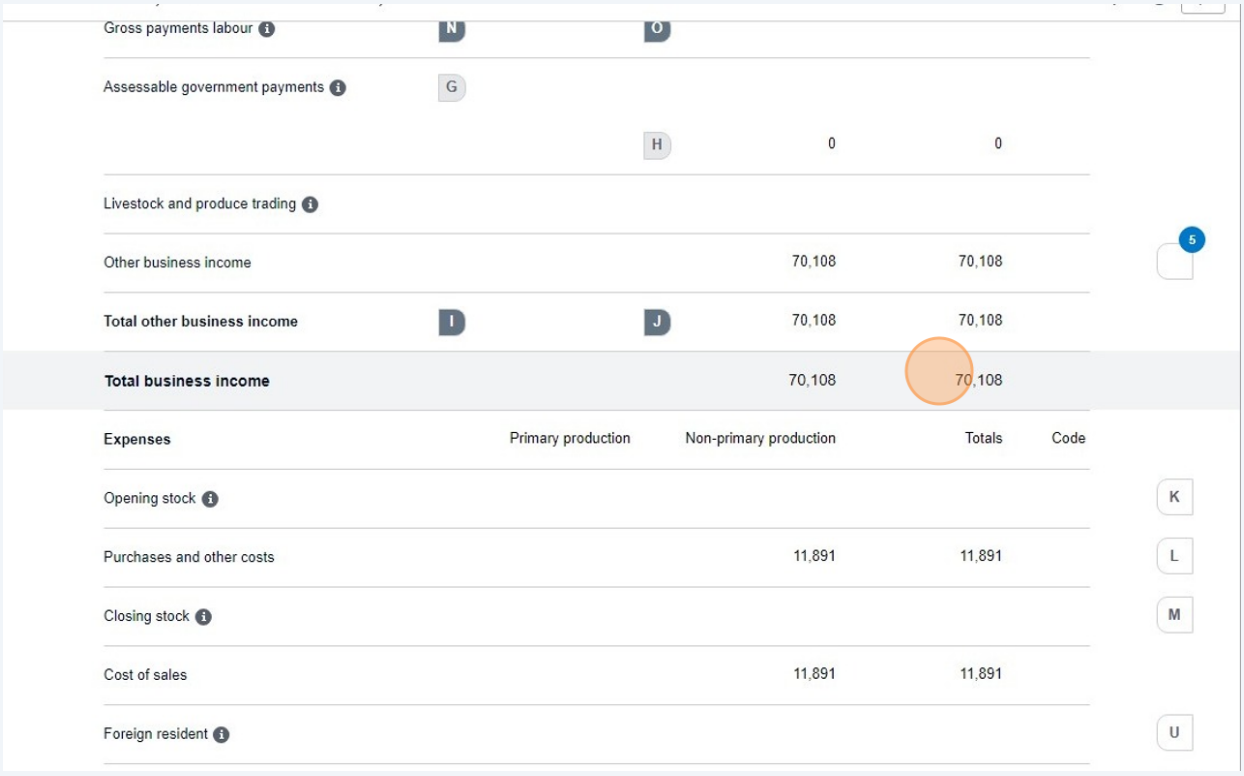
30 Spouse details goes here.

System can automatically pick if details are updated in Xero and mapped between clients. Ensure the spouse tax return is drafted to make automatic flow work.



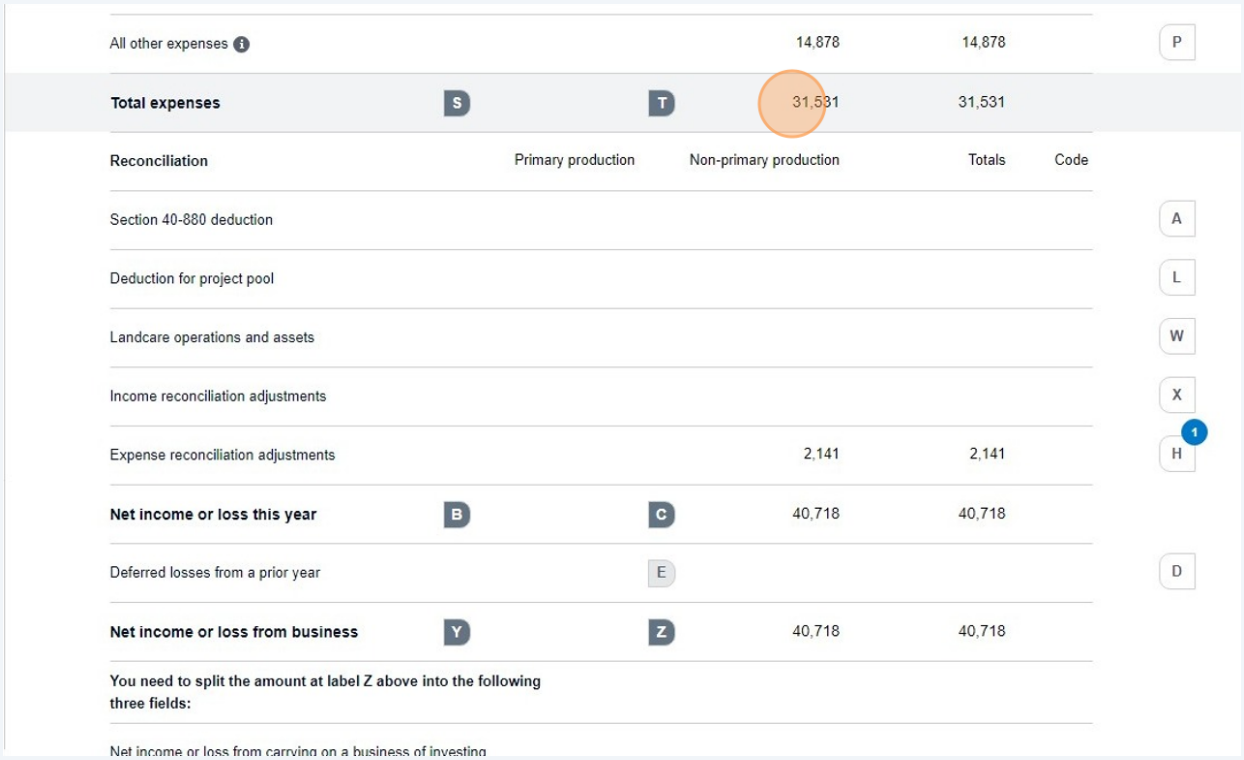
Business Income

31 Go to Business and update schedule per Profit & Loss provided.



Gross payments labour	N	O				
Assessable government payments	G					
		H	0	0		
Livestock and produce trading						
Other business income			70,108	70,108		5
Total other business income	I	J	70,108	70,108		
Total business income			70,108	70,108		
Expenses		Primary production	Non-primary production	Totals	Code	
Opening stock						K
Purchases and other costs			11,891	11,891		L
Closing stock						M
Cost of sales			11,891	11,891		
Foreign resident						U

32 Please ensure Net Income matches after updating.



All other expenses			14,878	14,878		P
Total expenses	S	T	31,531	31,531		
Reconciliation		Primary production	Non-primary production	Totals	Code	
Section 40-880 deduction						A
Deduction for project pool						L
Landcare operations and assets						W
Income reconciliation adjustments						X
Expense reconciliation adjustments			2,141	2,141		H 1
Net income or loss this year	B	C	40,718	40,718		
Deferred losses from a prior year		E				D
Net income or loss from business	Y	Z	40,718	40,718		
You need to split the amount at label Z above into the following three fields:						
Net income or loss from carrying on a business of investing						

33 Supporting Document - Business Income and Expenses

Profit and Loss

[redacted]

For the year ended 30 June 2023

Account	2023	2022
Trading Income		
Consignment Sales	643.37	1,627.28
Other Revenue	800.00	3,500.00
Sales	22,436.36	17,811.34
Website sales	6,856.50	7,706.25
Wholesale sales	39,371.61	30,091.60
Total Trading Income	**70,107.84**	**60,736.47**
Cost of Sales		
Cost of Goods Sold	11,891.32	18,591.30
Total Cost of Sales	**11,891.32**	**18,591.30**
Gross Profit	**58,216.52**	**42,145.17**
Operating Expenses		
Advertising & Marketin	279.20	(1,050.00)
Bank Fees	755.40	409.78
Cleaning	600.00	420.00
Consulting & Accountin	4,346.05	(600.00)
Donations	0.00	280.00
Entertainment	400.45	0.00
Freight & Courier	1,706.92	1,522.92
General Expenses	570.72	0.00
Income Tax Expense	1,795.00	0.00
Motor Vehicle Expense	396.84	687.74
Office Expenses	946.49	1,055.39
Paypal Fees	0.00	132.62
Photography & Styling	0.00	460.00
Printing & Stationery	0.00	234.67
Rent	533.00	686.40
Subscriptions	1,548.30	1,277.38
Telephone & Internet	2,676.56	2,334.46
Travel - International	883.37	0.00
Travel - National	1,941.99	491.00
Total Operating Expen	**19,380.29**	**8,342.36**
Net Profit	**38,836.23**	**33,802.81**

34 Supporting Document - Business Income and Expenses

Net Profit	**38,836.23**	**33,802.81**
Add:		
Motor Vehicle Expense	396.84	(cents per km method s
80% private use of internet	2,141.25	Client Response
Less:		
Car Expense (cents per km	(2,496.00)	
Depreciation	(2,266.00)	
Allworths Accounting Exp -	2,310.00	
Income Tax Expense	1,795.00	
Closing Stock		
Business Income	**40,717.32**	