INCOME (LABELS 16 & 20)



Deferred non-commercial business losses

Applicable to

- Sole trader
- Partner in Partnership

Defer Loss if

- Income Tests not passed
- Commissioner allows

Income test

Assessable income test

- Assessable income from your business must be **at least $20,000**

Profits test

- Business made a tax profit in **three** out of the **past five years** (including the current year)

Example
2023 - $7,500 loss
2022 – $17,500 profit
2021 – $15,000 profit
2020 – $4,000 loss
2019 – $16,000 profit

Income test

- Real property test
  - At least $500,000 in value of **real property** is used in your business on a continuing basis
  - Real property includes land, structures & interests in that property
  - Real property does not include land used for private purpose

Income test

Other assets test

- Value of the 'other assets' you use in your business on a continuing basis is at least $100,000
- Other assets includes P&E, Trading stock, Leased assets, Trademark etc.,
- Other assets excludes Real property assets, cars, motor vehicles etc.,

P9 Business loss activity details

Show details of up to three business activities in which you made a net loss this year. List them in order of size of loss – greatest first.
If you print loss code **8** at **G**, **M** or **S** you must also complete item **16** on page 9.

Activity 1

Description of activity **D**

Industry code **E**

Partnership (P) or sole trader (S) **F**

Type of loss **G**

Reference for code 5 — Code **C** / Year **Y** / Number **A**

Deferred non-commercial business loss from a prior year **H** ·00

Net loss **I** ·00

15 Net income or loss from business

Primary production – transferred from **Y** item P8 on page 13 **B** ·00 LOSS

Non-primary production – transferred from **Z** item P8 on page 13 **C** ·00 LOSS

If you show a loss at **B** or **C** you must complete item **P9** on page 14.

Net small business income **A** ·00

Tax withheld – voluntary agreement **D** ·00

Tax withheld where Australian business number not quoted **W**

Tax withheld – foreign resident withholding (excluding capital gains) **E**

Tax withheld – labour hire or other specified payments **F** ·00

16 Deferred non-commercial business losses

Item P9 on page 14 must be completed before you complete this item.

Your share of deferred losses from partnership activities **F** .00

Deferred losses from sole trader activities **G** .00

Primary production deferred losses **I** .00

Non-primary production deferred losses **J** .00

Foreign Income

- Foreign employment
- Foreign pension or annuity
- Lump sum payment from a foreign superannuation fund
- Transfer money from a foreign superannuation fund to an Australian superannuation fund
- Any other foreign source income including interest, dividends, royalties, rent, business income or a share of income from a partnership or trust

Foreign Tax Credit

- To claim a foreign income tax offset, you must:
- Have actually paid or deemed to have paid an amount of foreign income tax
- Include the foreign income or gain on which you paid the tax
- You need to complete this item to claim a foreign income tax offset (formerly known as foreign tax credits) for foreign tax you have paid.
- It should be reported in 20-O in the TR.

Conversion Rate

- When we earned the income in foreign currencies, then it should be converted for the Australian currency value and then it should be reported on the TR.
- For the currency conversion we need to use the currency conversion by the Australian Reserve Bank Exchange Rate.

20 Foreign source income and foreign assets or property

Assessable foreign source income **E** ·00

Other net foreign employment income **T** ·00 LOSS

Net foreign pension or annuity income WITHOUT an undeducted purchase price **L** ·00 LOSS

Net foreign pension or annuity income WITH an undeducted purchase price **D** ·00 LOSS

Net foreign rent **R** ·00 LOSS

Other net foreign source income **M** ·00 LOSS

Australian franking credits from a New Zealand franking company **F** ·00

Also include at **F** Australian franking credits from a New Zealand franking company that you have received indirectly through a partnership or trust.

Net foreign employment income – payment summary **U** ·00 LOSS

Exempt foreign employment income **N** ·00

Foreign income tax offset **O**

During the year did you own, or have an interest in, assets located outside Australia which had a total value of AUD$50,000 or more? **P** Print **Y** for yes or **N** for no.

THANK YOU