

**centrelink**

## When to use this form



Use this form if you are a sole trader (including a subcontractor) or a partner in a partnership who has:

- commenced new employment or a new business, or
- changed your level of business activity or income from self-employment.

Do not use this form if:

- your previous year's financial statements are indicative of the current business profitability
- you are a wage or salary earner, a pieceworker, or you have been advised by Services Australia that you are in an employee/employer type relationship and you must declare your gross income
- your business operates through a private company or trust.

## Online services



You can upload this form, with any supporting documents, online.

For more information about how to access an online account or how to lodge documents online, go to [servicessaustralia.gov.au/centrelinkuploaddocs](https://servicessaustralia.gov.au/centrelinkuploaddocs)

## Important information

Return this form and any supporting documents to us **within 14 days** so we can process your application or claim. If you cannot do this **within 14 days**, you must contact us at the earliest possible date to make an arrangement.

## For more information

Go to [servicessaustralia.gov.au/businessincome](https://servicessaustralia.gov.au/businessincome) or visit one of our service centres.

Call us on **132 850**.

We can translate documents you need for your claim or payment for free.

To speak to us in your language, call **131 202**.

Call charges apply.

If you have a hearing or speech impairment, you can contact the **TTY service Freecall™ 1800 810 586**. A TTY phone is required to use this service.



## Definitions

### Business partner

A business partner is a person or entity who you operate a business partnership with.

A partnership is 2 or more people or entities operating a business with the intention of making a profit.

### Partner

If you have a partner, we generally consider you a member of a couple. We consider you a member of a couple if you and your partner are:

- married
- in a registered relationship, or
- in a de facto relationship.

A registered relationship is where your relationship is registered under a law of a state or territory. A de facto relationship is where you and your partner are in a relationship similar to a married couple but are not married or in a registered relationship.

We may still consider you a member of a couple if you are not physically living with your partner. For example, your partner may fly-in fly-out or live away for work, like military or oil rig workers.

For more information, go to [servicessaustralia.gov.au/moc](https://servicessaustralia.gov.au/moc)

## Notes

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The following notes are provided as a guide for our assessment purposes only.

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### Allowable deductions

Only expenses necessarily incurred in earning business income are allowed as deductions. For example, travel expenses incurred as part of business operations are allowable but costs of personal travel are not. Where the expenses are incurred for part business and part personal reasons, only that part which relates to your business may be deducted from your business income.

Deductions for superannuation paid to an employee's accounts are allowable in certain circumstances. Ask us for more information.

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Some **legitimate deductions** under tax law are **not allowed** for our income assessment purposes. These include:

- prior year losses (section 8-1 of the *Income Tax Assessment Act 1997*)
- offsetting of losses – losses can be offset only in some situations. Ask us for more information.
- superannuation contributions for the sole trader or partners of the partnership
- borrowing expenses
- donations
- industry concessions or incentives
  - Income Equalisation Deposits/Farm Management Bonds
  - income averaging
  - provisions to defer taxation
  - forced disposal of livestock (section 36AAA or sub-sections 36(3) to (7) *Income Tax Assessment Act 1936* (ITAA 1936))
  - double wool clip (section 26BA ITAA 1936), and
  - insurance received for timber or stock losses (section 26B ITAA 1936).
- insurance – private health insurance or premiums paid on term life, endowment or disability policies.
- capital expenditure deductions

Some **capital expenses** related to primary production that are allowed for tax purposes are **not allowed** as deductions for our purposes. These include:

- equal annual deductions over 10 years under section 75A of the ITAA 1936 for expenditure before 23 August 1983 on such items as:
  - clearing and preparation of land for agriculture and farming
  - drainage of swamps
  - soil conservation measures
  - flood mitigation measures
- water storage and reticulation expenditure (section 75B ITAA 1936)
- fences for disease control (section 75C ITAA 1936)
- prevention of land degradation (section 75D ITAA 1936)
- a deduction from taxable income under section 36AAA of the ITAA 1936
- union fees – union fees are not allowed as a deduction for the agency's income test assessment purposes, unless membership is a requirement for undertaking business activities in the applicable industry. Section 51(1) of the ITAA 1936 provides for a deduction against gross business income in respect of union membership fees.

### Income of recipient

An amount paid and claimed as an expense item may need to be declared as income of the recipient. For example, if the business pays rent or wages to you or your partner, you will need to declare the amount as income.

### Filling in this form

You can complete this form on your computer, print and sign it.

If you have a printed form:

- Use black or blue pen.
- Print in BLOCK LETTERS.
- Where you see a box like this  **Go to 1** skip to the question number shown.

**1** Your Centrelink Reference Number (if known)

-  -  -

**2** Your name

Family name

First given name

Second given name

**3** Your date of birth

/  /

**4** Name of your business

**5** Type of business

**6** Your contact phone number

**7** Are you self-employed and operating your business as a sole trader?

No  **Go to next question**

Yes  **Go to 9**

**8** Do you operate the business in partnership with other people?

No  You have indicated you are neither a sole trader nor in a partnership. Call us on **132 850** to discuss the nature of your business and to confirm that we need this form completed.

Yes  Number of business partners


Your share of income  %

Your partner's share of income  %

**9** **Read** this before answering the following question.

We need to see a copy of your (and your partner's) latest personal and partnership (if applicable) income tax return(s) and supporting information, such as balance sheet and depreciation schedule.

Have you already provided copies of these documents to us?

No   You will need to provide copies of documents.  
▶ **Go to next question**

Yes  **Go to next question**

**10** Period of this statement

from  /  /  to  /  /

▶ **Continue to the next page**



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**11 Gross business income for the period of statement**

**\$ (A)**

**12 Non variable expenses**

	Annual amount (for example, from tax return)	Amount for <b>period of statement</b>
Accountancy (not tax agents)	\$	\$
Depreciation able to be claimed under Division 40 of the <i>Income Tax Assessment Act 1997</i> (see tax return if available)	\$	\$
Insurance premiums (for example, business premises, public liability, sickness and accident, stock, motor vehicle)	\$	\$
Interest on money borrowed for business use	\$	\$
Levies, licence fees and government charges	\$	\$
Registration of motor vehicles less percentage of private use	\$	\$
Rent or rates less percentage of private use	\$	\$
Other (give details – provide a separate list if needed)	\$	\$
	\$	\$
<b>Subtotal</b>	<b>\$</b>	<b>(B)</b>

**13 Variable expenses**

Amount should reflect the **period of statement** (for example, if the statement covers a 3 month period, divide an annual figure by 4).

\*Cost of goods sold in period  
Opening stock at start of period  
plus purchases in period less  
closing stock at end of period.

Advertising	\$
Bank charges (on business accounts)	\$
Cost of goods sold in period – see description*	\$
Freight, cartage and travelling expenses	\$
Motor vehicle running costs (check tax pack for calculation)	\$
Hire (plant and equipment)	\$
Journals and periodicals for business use	\$
Power cost for business use	\$
Phone costs for business use	\$
Printing and stationery	\$
Materials (for example, hardware, chemicals, parts)	\$
Repairs and maintenance (unless included as part of motor vehicle expenses)	\$
Wages/salary paid	\$
Capital items (for example, tools, office equipment) – each item purchased for less than \$300	\$
Other (give details – provide a separate list if needed)	\$
	\$
<b>Subtotal</b>	<b>\$ (C)</b>

**14 Total of all expenses (B) plus (C)**

**\$ (D)**

**15 Net income (A) less (D)**

**Profit or Loss \$**

▶ Continue to the next page

## Checklist

- 16** Which of the following documents are you (and/or your partner) providing with this form?

Where you are asked to supply documents, provide copies of documents.

If you are not sure, check the question to see if you should provide the documents.

Copies of your (and your partner's) latest personal and partnership (if applicable) income tax return(s) and supporting information, such as balance sheet and depreciation schedule   
(If you answered No at **question 9**)

## Privacy notice

- 17** You need to read this

### Privacy and your personal information

The privacy and security of your personal information is important to us, and is protected by law. We need to collect this information so we can process and manage your applications and payments, and provide services to you. We only share your information with other parties where you have agreed, or where the law allows or requires it. For more information, go to [servicesaustralia.gov.au/privacy](https://servicesaustralia.gov.au/privacy)

- 18** Your declaration

### I declare that:

- the information provided in this form is complete and correct.

### I understand that:

- Centrelink can make relevant enquiries to make sure I receive my correct entitlement.
- giving false or misleading information is a serious offence.

Your signature



Date

/ /

## Returning this form

Return this form and any supporting documents:

- **online** using your Centrelink online account. For more information, go to [servicesaustralia.gov.au/centrelinkuploaddocs](https://servicesaustralia.gov.au/centrelinkuploaddocs)
- in person at one of our service centres, if you are not able to use your Centrelink online account.