

2018 Trust Tax Return Checklist

Name of Client

Tax File No
(TFN)

Instructions:

Where relevant, double-click on the check boxes and select "Checked"

The following income tax return checklist should be completed in conjunction with the preparation of tax reconciliation return work papers. The checklist provides a general list of major issues that should be addressed, to provide guidance in the preparation of the income tax return.

The questions are relevant for the Trust return; and are general guidance only.

The checklist is not designed to be an exhaustive list of all issues that may warrant consideration.

The preparer should also consider whether there are specific circumstances relating to the client that are not covered in the checklist.

Preparer and reviewer sign-off:

The attached checklist has been appropriately completed and all issues raised have been appropriately dealt with.

Preparer Name

Preparer Signature

Reviewer / Tax Agent Name

Reviewer/ Tax Agent
Signature

General

	Y	N	N/A
<ul style="list-style-type: none"> Have you reviewed the Trust Deed for any changes made to it during the year of income? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Have you confirmed whether or not the Trust is a personal services entity? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Is the trust a small business entity? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Income

	Y	N	N/A
<ul style="list-style-type: none"> Does the Trust Deed contain a definition of "income" (e.g. so as to include net capital gains)? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Has the Trust's accounting income been adjusted for tax purposes? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> If the accounting income is different to the taxable income, has the taxable income allocated to each beneficiary been calculated using the proportionate method? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Has the income been separated into primary and non-primary production income? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> If the Trust received foreign source income: <ul style="list-style-type: none"> Has the Trust included the foreign tax paid in its assessable income? Is the income exempt from Australian tax? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> If the Trust had an interest in a partnership, has the Trust included its share of net income of the partnership in its assessable income? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dividend Income

	Y	N	N/A
<ul style="list-style-type: none"> If the Trust received dividends in cash or through a dividend re-investment plan, has the Trust grossed up the amount in its assessable income? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Is the Trust in a taxable position so it can distribute franked dividends to its beneficiaries? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Has the Trust satisfied the 45-day rule (ie held the shares at risk for 45 days) so as to give beneficiaries access to the franking credits? If the trust is a discretionary trust does it need to make a family trust election in order to distribute the imputation credits 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Y	N	N/A
<ul style="list-style-type: none"> If dividends were received from a related entity, is the same amount reflected in the related entity's records? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> If the Trust participated in an off-market share buy-back, did any part of the purchase price constitute a dividend or create a capital gain? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Expenses

	Y	N	N/A
<ul style="list-style-type: none"> Have all entertainment/staff expenses which have been included in the Trust's FBT return been claimed as a tax deduction? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Has the depreciation schedule been checked to ensure the correct depreciation rates have been used and balancing adjustments have been made where necessary? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Have prepayments been reviewed and the correct amount claimed? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> If the Trust is carrying on a business, has an immediate deduction been claimed for all assets costing less than relevant threshold)? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Has computer software been capitalised and depreciated at the appropriate rates? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> If the Trust paid any GST for which it was unable to claim an input tax credit, has a deduction been claimed for that GST? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> If a motor vehicle was purchased during the year, was it subject to the motor vehicle depreciation cost limit? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> If the Trust disposed of a motor vehicle acquired from a lessor after the lease ceased, has the profit/loss been correctly calculated? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Have the cost and written down value of assets in the financial statements been reconciled with the depreciation schedule? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Have all motor vehicle expenses been correctly adjusted for the percentage of business usage? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Has the Trust satisfied its superannuation guarantee requirements? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Have all accrual, creditor and provision accounts been reviewed to determine any tax adjustments? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Have all relevant expense accounts been reviewed to determine any tax adjustments? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Have trade debtors been reviewed and all non-recoverable debtors written off before 30 June? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Has total wages included in the financial statements been reconciled with payment summaries? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	Y	N	N/A
<ul style="list-style-type: none"> If the Trust paid a fee to a service entity, does the arrangement with the entity satisfy the Commissioner's guidelines? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> If the Trust had an interest in a partnership, has the Trust claimed its share of any partnership loss as a deduction? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Does the Trust have any business related ("blackhole") capital expenditure in relation to an existing, past or prospective business that is deductible over 5 years? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Does the Trust have any start-up expenses which are immediately deductible from the 2016-17 year under s 40-880 when incurred by a small business entity. 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Division 7A

	Y	N	N/A
<ul style="list-style-type: none"> Does the Trust have a loan from a related private company? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Is there an unpaid present entitlement owed to a corporate beneficiary that may be a loan from the company? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Trust Distributions

	Y	N	N/A
<ul style="list-style-type: none"> Have all necessary trust resolutions been made by year end? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> If the Trust's net income includes capital gains and franked dividends, have you confirmed whether the trust deed allows the Trustee to stream such amounts to particular beneficiaries? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> For streaming purposes, have any beneficiaries been validly made "specifically entitled" to amounts of capital gains and franked dividends? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Have you calculated the beneficiaries' "adjusted Div 6 percentage" to ensure that any capital gains or franked dividends not streamed flow proportionately to the beneficiaries? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Have you calculated the share of franked dividends (and attached franking credits) attributable to the beneficiaries and/or trustee? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> If the Trust distributes to a corporate beneficiary, is the unpaid trust entitlement correctly presented in the financial statements? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Have you determined the share of net small business income for each beneficiary 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Have you checked the accuracy of the distribution statements and confirmed that the correct amounts have been included in the various beneficiary's tax returns? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Miscellaneous

	Y	N	N/A
<ul style="list-style-type: none"> ▪ If the Trust has prior year losses and has not made a family trust election, have you confirmed that the Trust can satisfy the applicable test for recouping those losses? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> ▪ If the taxable income of the Trust needs to be separated into periods because the continuity of ownership, continuity of control or the pattern of distributions tests were not satisfied, has the Trust calculated the taxable income or loss for each period? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> ▪ Has the Trust derived income that might result in the Trust failing the income injection test? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> ▪ If the Trust receives a distribution from another trust: 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> – Has the Trust determined the "classes" of income included in the trust distribution and accordingly included the "classes" of income in its taxable income? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> – Where appropriate, has the cost base of the asset been adjusted? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> – Has any unpaid trust distribution been correctly disclosed in the financial statements? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> ▪ If the Trust has any cross-border interests or transactions has an international dealings schedule been completed? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> ▪ Does the Trust need to lodge a TFN report? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> ▪ Does the Trust need to complete a Trustee-Beneficiary statement? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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