

2020 Company tax return checklist	Yes	No	N/A
<ul style="list-style-type: none"> <li>Is the company a small business entity (SBE) (i.e., a business that meets the \$10 million aggregated turnover threshold)? If so, confirm which concessions the company is entitled to.</li> </ul>			
<ul style="list-style-type: none"> <li>If the company is an SBE, is it using the simplified depreciation rules?</li> </ul>			
<ul style="list-style-type: none"> <li>Is the company a base rate entity in 2020?</li> </ul>			
<ul style="list-style-type: none"> <li>If the company was not incorporated in Australia, has the company's residency been determined in line with TR 2018/5?</li> </ul>			
<ul style="list-style-type: none"> <li>Is the company required to lodge a Reportable tax position schedule?</li> </ul>			
<b>Income</b>			
<ul style="list-style-type: none"> <li>Check for any cash earnings or payments that may not have been accounted for.</li> </ul>			
<ul style="list-style-type: none"> <li>Ensure trading stock figure equals closing stock account on the profit and loss account.</li> </ul>			
<ul style="list-style-type: none"> <li>Agree investment income e.g. dividends, interest with external source data.</li> </ul>			
<ul style="list-style-type: none"> <li>Have employee contributions for FBT purposes been taken up in the accounts and appropriate GST journal entries made?</li> </ul>			
<ul style="list-style-type: none"> <li>Has the company made/received an allocation of profits from a professional firm? If yes, consider ATO former guidance 'Assessing the risk: allocation of profits within professional firms' (the guidelines could be relied upon in 2017/18 and 2018/19 where arrangements were entered into prior to 14 December 2017 – at the time of writing, the ATO had not issued further guidance in respect of whether the guidelines could be relied upon for 2019/20).</li> </ul>			
<b>Expenses</b>			
<ul style="list-style-type: none"> <li>Put through depreciation entries and agree asset balances to depreciation schedule (including journaling asset purchases and sales).</li> </ul>			
<ul style="list-style-type: none"> <li>For asset purchases post-12 March 2020, have the new rules been considered?</li> </ul>			
<ul style="list-style-type: none"> <li>Perform annual entries for lease and hire purchase transactions.</li> </ul>			
<ul style="list-style-type: none"> <li>Look for unusual balances of the profit and loss items (perhaps compare balances with the prior year).</li> </ul>			
<ul style="list-style-type: none"> <li>Accounting fees – check against billings.</li> </ul>			
<ul style="list-style-type: none"> <li>If fees are being paid to a service entity, ensure that the service fees are in line with TR 2006/2.</li> </ul>			

<ul style="list-style-type: none"> <li>When prepayments were made during the year that cover services in the following tax year, has deductibility been determined in accordance with the prepayment rules?</li> </ul>			
<ul style="list-style-type: none"> <li>Where any part of a prepayment was non-deductible in 2019 as a result of the prepayment rules, is the amount deductible in 2020?</li> </ul>			
<ul style="list-style-type: none"> <li>Has entertainment expenditure been added back for tax purposes, unless it was included in the company's FBT return?</li> </ul>			
<ul style="list-style-type: none"> <li>Have other non-deductible expenses been added back for tax purposes?</li> </ul>			
<ul style="list-style-type: none"> <li>Have movements in provisions been adjusted for (e.g., provisions for annual leave and long service leave)?</li> </ul>			
<ul style="list-style-type: none"> <li>Has the company paid the required superannuation guarantee contributions for employees? If not, ensure that a Superannuation guarantee charge statement has been lodged with the ATO. Consider the superannuation guarantee amnesty for historical errors.</li> </ul>			
<ul style="list-style-type: none"> <li>Were employee superannuation contributions 'made' in the current income year per TR 2010/1 (to determine deductibility)?</li> </ul>			
<ul style="list-style-type: none"> <li>Do wages on the income statements agree to the general ledger and activity statements lodged?</li> </ul>			
<ul style="list-style-type: none"> <li>Has the payment summary information been lodged with the ATO (where required)?</li> </ul>			
<ul style="list-style-type: none"> <li>For single touch payroll purposes, has a finalisation declaration been performed for each employee?</li> </ul>			
<ul style="list-style-type: none"> <li>Did the company fail to meet its PAYGW obligations to withhold or notify the Commissioner? If so, a deduction is denied unless the taxpayer voluntarily discloses the issue to the ATO.</li> </ul>			
<ul style="list-style-type: none"> <li>If the company is liable for workers compensation, have all payments been made in relevant year?</li> </ul>			
<ul style="list-style-type: none"> <li>If the company is not registered for payroll tax, should it be?</li> </ul>			
<ul style="list-style-type: none"> <li>Has the June 2020 FBT instalment been deducted per TR 95/24?</li> </ul>			
<ul style="list-style-type: none"> <li>If the company is engaging contractors, have you checked whether they would be classified as employees for the purposes of PAYG withholding, superannuation guarantee, workers compensation, payroll tax, etc.?</li> </ul>			
<ul style="list-style-type: none"> <li>Have you considered whether the company may be eligible for the R&amp;D tax incentive? <i>(Note that the Treasury Laws Amendment (Research and Development Tax Incentive) Bill 2019 was before Parliament at the time of writing. The Bill proposes changes to the R&amp;D tax incentive rules from 1 July 2019).</i></li> </ul>			
<ul style="list-style-type: none"> <li>Ensure that the financials are in line with ATO benchmarks and investigate discrepancies where necessary.</li> </ul>			

<ul style="list-style-type: none"> <li>If there are prior year losses, consider whether the company loss rules are met.</li> </ul>			
<b>Balance sheet</b>			
<ul style="list-style-type: none"> <li>Agree bank and loan balances against statements/bank reconciliations</li> </ul>			
<ul style="list-style-type: none"> <li>Agree hire purchase balances against schedule</li> </ul>			
<ul style="list-style-type: none"> <li>Agree debtor and creditor balances</li> </ul>			
<ul style="list-style-type: none"> <li>Verify with client all plant and equipment is still on hand (i.e., identify sales, purchases, items scrapped)</li> </ul>			
<ul style="list-style-type: none"> <li>Agree trading stock figures to stock take</li> </ul>			
<ul style="list-style-type: none"> <li>Verify all other balance sheet balances</li> </ul>			
<ul style="list-style-type: none"> <li>Do the debt and equity rules apply in respect of shareholders' loans? (Only relevant where turnover exceeds \$20 million).</li> </ul>			
<ul style="list-style-type: none"> <li>Have the Division 7A provisions been considered in respect of loans, payments and debts forgiven to shareholders and their associates?</li> </ul>			
<ul style="list-style-type: none"> <li>Have the Division 7A provisions been considered in respect of unpaid distributions from trusts?</li> </ul>			
<b>PSI</b>			
<ul style="list-style-type: none"> <li>If the company derived any personal services income (PSI), is the company carrying on a personal services business (PSB)?</li> <li>If no, consider the PSI that must be attributed to an individual.</li> <li>If yes, consider whether the Commissioner could apply Part IVA to the arrangement.</li> </ul>			
<b>Capital gains</b>			
<ul style="list-style-type: none"> <li>If the company sold, redeemed, or disposed of an asset in any other way during the year, have exemptions, reductions, or rollovers been considered?</li> </ul>			
<ul style="list-style-type: none"> <li>For any share issues or transfers made during the year, have the value shifting rules been considered?</li> </ul>			
<ul style="list-style-type: none"> <li>If the company holds any pre-CGT assets (acquired prior to 20/09/1985), have there been any significant changes to the shareholding of the company since 20 September 1985?</li> </ul>			
<b>GST</b>			
<ul style="list-style-type: none"> <li>If the company is not registered for GST, should it be registered?</li> </ul>			
<ul style="list-style-type: none"> <li>If the company is registered for GST, do the GST accounts reconcile to the BAS lodged?</li> </ul>			
<ul style="list-style-type: none"> <li>Does the income declared in the activity statements reconcile with the income disclosed in the tax return?</li> </ul>			

International			
<ul style="list-style-type: none"> <li>Does the company have transactions/loans with international related parties? If yes, consider the transfer pricing rules, and consider whether an <a href="#">international dealings schedule</a> has been completed (at the time of writing, the 2020 form was yet to be released – link provided is to the 2019 form)</li> </ul>			
<ul style="list-style-type: none"> <li>Does the company have a bank account in another country or buy/sell products offshore? If so, consider the foreign exchange rules.</li> </ul>			
Dividends and franking			
<ul style="list-style-type: none"> <li>Has a distribution statement been prepared and provided to shareholder/s and a minute prepared?</li> </ul>			
<ul style="list-style-type: none"> <li>Is there documentation prepared by the directors that demonstrates that the requirements of s 254T of the Corporations Act have been satisfied? See TR 2012/5</li> </ul>			
<ul style="list-style-type: none"> <li>Have the benchmark franking rules been satisfied?</li> </ul>			
<ul style="list-style-type: none"> <li>Has the franking account been prepared?</li> </ul>			
<ul style="list-style-type: none"> <li>Is there a franking account deficit at year end?</li> </ul>			
<ul style="list-style-type: none"> <li>Has the company's corporate rate for imputation purposes been determined?</li> </ul>			