Trusts Tax Return Checklist

General

	Y	N	N/A
▪ Have you reviewed the Trust Deed for any changes made to it in during the year of income?	☐	☐	☐
▪ Have you confirmed whether or not the Trust is a personal services entity?	☐	☐	☐

Income

	Y	N	N/A
▪ Does the Trust Deed contain a definition of "income" (eg so as to include net capital gains)?	☐	☐	☐
▪ Has the Trust's accounting income been adjusted for tax purposes?	☐	☐	☐
▪ If the accounting income is different to the taxable income, has the taxable income allocated to each beneficiary been calculated using the proportionate method?	☐	☐	☐
▪ Has the income been separated into primary and non-primary production income?	☐	☐	☐
▪ If the Trust received foreign source income:	☐	☐	☐
− Has the Trust included the foreign tax paid in its assessable income?	☐	☐	☐
− Is the income exempt from Australian tax?	☐	☐	☐
▪ 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?	☐	☐	☐

Dividend Income

	Y	N	N/A
▪ 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?	☐	☐	☐
▪ Is the Trust in a taxable position so it can distribute franked dividends to its beneficiaries?	☐	☐	☐
▪ 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 dividends were received from a related entity, is the same amount reflected in the related entity's records?	☐	☐	☐

	Y	N	N/A
▪ 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?	☐	☐	☐

Expenses

	Y	N	N/A
▪ Have all entertainment/staff expenses which have been included in the Trust's FBT return been claimed as a tax deduction?	☐	☐	☐
▪ Has the depreciation schedule been checked to ensure the correct depreciation rates have been used and balancing adjustments have been made where necessary?	☐	☐	☐
▪ Have prepayments been reviewed and the correct amount claimed?	☐	☐	☐
▪ If theTrust is carrying on a business, has an immediate deduction been claimed for all assets costing less than relevant threshold)?	☐	☐	☐
▪ Has computer software been capitalised and depreciated at the appropriate rates?	☐	☐	☐
▪ 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?	☐	☐	☐
▪ If a motor vehicle was purchased during the year, was it subject to the motor vehicle depreciation cost limit?	☐	☐	☐
▪ If the Trust disposed of a motor vehicle acquired from a lessor after the lease ceased, has the profit/loss been correctly calculated?	☐	☐	☐
▪ Have the cost and written down value of assets in the financial statements been reconciled with the depreciation schedule?	☐	☐	☐
▪ Have all motor vehicle expenses been correctly adjusted for the percentage of business usage?	☐	☐	☐
▪ Has the Trust satisfied its superannuation guarantee requirements?	☐	☐	☐
▪ Have all accrual, creditor and provision accounts been reviewed to determine any tax adjustments?	☐	☐	☐
▪ Have all relevant expense accounts been reviewed to determine any tax adjustments?	☐	☐	☐
▪ Have trade debtors been reviewed and all non-recoverable debtors written off before 30 June?	☐	☐	☐
▪ Has the Trust satisfied the substantiation requirements?	☐	☐	☐
▪ Has total wages included in the financial statements been reconciled with payment summaries?	☐	☐	☐
▪ If the Trust paid a fee to a service entity, does the arrangement with the entity satisfy the Commissioner's guidelines?	☐	☐	☐

	Y	N	N/A
▪ If the Trust had an interest in a partnership, has the Trust claimed its share of any partnership loss as a deduction?	☐	☐	☐
▪ 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?	☐	☐	☐

Division 7A

	Y	N	N/A
▪ Does the Trust have a loan from a related private company?	☐	☐	☐
▪ Is there an unpaid present entitlement owed to a corporate beneficiary that may be a loan from the company?	☐	☐	☐

Trust Distributions

	Y	N	N/A
▪ 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?	☐	☐	☐
▪ For streaming purposes, have any beneficiaries been validly made "specifically entitled" to amounts of capital gains and franked dividends?	☐	☐	☐
▪ 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?	☐	☐	☐
▪ Have you calculated the share of franked dividends (and attached franking credits) attributable to the beneficiaries and/or trustee?	☐	☐	☐
▪ If the Trust distributes to a corporate beneficiary, is the unpaid trust entitlement correctly presented in the financial statements?	☐	☐	☐
▪ 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?	☐	☐	☐

Miscellaneous

	Y	N	N/A
▪ 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?	☐	☐	☐
▪ 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?	☐	☐	☐

	Y	N	N/A
▪ Has the Trust derived income that might result in the Trust failing the income injection test?	☐	☐	☐
▪ If the Trust receives a distribution from another trust:	☐	☐	☐
– Has the Trust determined the "classes" of income included in the trust distribution and accordingly included the "classes" of income in its taxable income?	☐	☐	☐
– Where appropriate, has the cost base of the asset been adjusted?	☐	☐	☐
– Has any unpaid trust distribution been correctly disclosed in the financial statements?	☐	☐	☐
▪ If the Trust has any cross border interests or transactions has an international dealings schedule been completed?	☐	☐	☐