



Software Assistant

2025 Tax webinar

June 2025

Agenda

General updates & product information

- What's New
- Common Validation Errors
- Tips and Tricks
 - Trust Income Schedule
 - Importing Depreciation
 - Ledger – Importing CSV file
- Backing up

2025 Main Tax Changes

- Small Business Support - Extension of \$20,000 Instant Asset Write-Off
- Exempting lump sum payment in arrears from the Medicare levy and removal of threshold
- Partnership Return – Statement of Distribution
- Housing (Build-To-Rent Developments)
- New validations messages for foreign businesses with operations in Australia
- Validation warning message for Significant Global Entities

Other Tax form changes (rates & thresholds)

- Individual Income Tax Rates
- Medicare Levy Surcharge Thresholds
- Luxury Car limit
- Cents per kilometre
- Private Health Insurance
- Study & Loan training
- Super co-contributions
- ETP Lump Sum
- Defined Benefit Income cap
- Senior Australian and Pensioner Tax Offset (SAPTO)

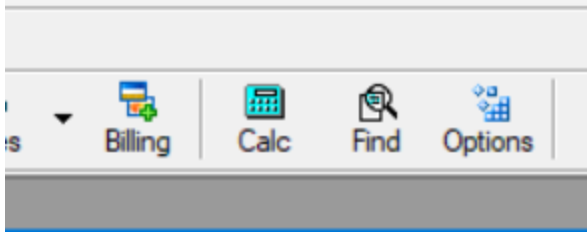
When will the 2025 Tax Forms be available to download?

Approx. 23 June 2025*

***Subject to change depending on ATO legislative changes*

General updates & product information

What's New



- New Calculator and Find shortcut buttons added for quick access
- Annual Taxation Statement removed from non-individual tax returns
- Pro rata discount field added to Capital Gains worksheet
- Item 7 Australian annuities and superannuation income stream worksheet has been redesigned
- Added compatibility with new Microsoft Outlook

Before





What's New


After


Australian annuities and superannuation income streams - New worksheet


New worksheet

New

Delete

Print

Help

Exit

1 of 1

Description

Type

Pay Date

Age 60 (Y/N)

☐

Tax deducted

Annuity gross

Deductible UPP

Taxed

Untaxed

Tax-Free

ACDBIS

LSA-Taxed

LSA-Untaxed

Year

2025

Offset

0



What's New

Item 18 pro rata discount field

17 **Net farm manag**

18 **Capital gains**

19 **Foreign entitie**

Capital Gain Worksheet

ABC
DEF

New Delete Print Help Exit

1 of 2

CGT event | Summary |

Description of asset
ABC

Asset type
Income from ATS
E Real estate in Australia

Date of Acquisition
01/07/2023

Date of CGT event
30/06/2025

Disposal amount
100000

Ownership %
100.00

Expenses

Date incurred	Description of expenditure	Amount	Doc Y/N	Indexed cost	Cost base reduction	Balancing adjustment
01/07/2023		20000		20000		
		20000		20000	0	0

☒ Use discount method

☐ Pro Rata discount

☐ Use Additional 10 % discount

%

☐ Active asset

☐ 50% reduction

☐ 15 year exemption

☐ Retirement exemption

Exemption amount

☐ Rollover relief

Exemption or rollover code

☐

Capital proceeds

100000

Less cost base

20000

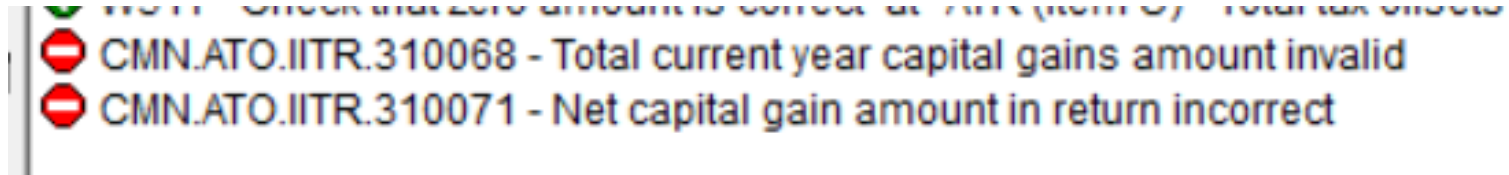
Capital Gain before discount

80000

- Asset owned for 12 months or more

Transfer asset to..

Common Validation Issues



- Caused by discrepancy between the Capital Gains worksheet at item 18 and Capital Gains Tax Schedule
- Worksheet and Schedule are separate items
- Information in the worksheet can transfer to the schedule however not the other way around


Common Validation Issues

- Commonly happens because the schedule is completed and then further changes are made to the worksheet
- Click on the green refresh arrow to reload data from the worksheet.
- Verify that the current year capital gains (label **J**) and net capital gains (label **A**) now matches what is shown on the return

Capital gains tax schedule

New Delete Print Help Exit

Items 1-3 Items 4-8

 Press this button to re-load data from Capital Gains Worksheet (if modified)

1. Current year capital gains and capital losses

	Capital gain	Capital loss
Share in companies listed on ASX	A 1500	K
Other shares	B	L
Units in unit trusts listed on ASX	C	M
Other units	D	N
Real estate situated in Australia	E 80000	O
Other real estate	F	P
Amount of CG from a trust	G	
Collectables	H	Q
Other CGT assets and events	I	R
Amount of capital gain previously deferred under transitional CGT relief for superannuation funds	S	
Total current year CG	J 81500	

Common Validation Issues

✔ 11011 - Check that zero amount is correct at 11011 (item 0) - Total tax offsets

- ✘ CMN.ATO.IITR.310000 - Assessable foreign income amount is incorrect
- ✘ CMN.ATO.INCDTLS.000366 - Other foreign income instance is incorrect
- ✘ CMN.ATO.IITR.730088 - Assessable foreign source income amount is incorrect
- ✘ CMN.ATO.IITR.730097 - Other foreign source income amount is incorrect

- Assessable foreign source income label 20E should be equal to the gross amount before any expenses or tax paid
- Other foreign source income must be on a separate worksheet

Common Validation Issues

- Assessable foreign source income label E should be **1500** instead of **1000** (1000 from Foreign rental gross amount + 500 Other foreign income gross amount)
- Delete **500** from **Other foreign income gross amount**
 - Click **New** at the top to create new worksheet
 - Enter **500** at **Assessable foreign source income** label E
 - Enter **500** at **Other foreign income gross amount**

Foreign source income and foreign assets worksheet

Foreign income New Delete Print Help Exit

1 of 1

☐ Income from Managed fund Income from ATS

Details of the foreign source income

Foreign income

Foreign income employer name

Assessable foreign source income **E** 1000

Assessable foreign source income from Managed fund **E**

Employment Income-Non PAYG

Gross employment income

Deductible employment expenses

Other net foreign employment income **T**

Foreign income tax paid

Foreign pensions or annuities

Gross amount

Deductible Expenses

Undeductible purchase price

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

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

Foreign pension or annuity foreign tax paid

Foreign rental income details

Foreign rental income gross amounts 1000

Foreign rental deductible expenses 500

Net foreign rent **R** 500

Net foreign rent from Managed fund **R**

Foreign rental income foreign tax paid

Foreign financial investment detail

Dividend or managed investment scheme income

Foreign financial investment foreign tax paid

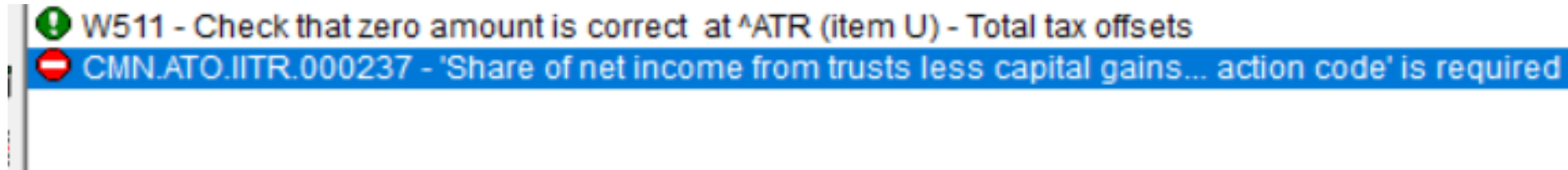
Total other net foreign source income

Other foreign income gross amount 500

Other foreign income deductible expenses

Other net foreign source income **M** 500

Common Validation Issues



- Action code refers to the type of trust entity
- Can be found in either the Annual Taxation Statement or Trust Income Schedule

Common Validation Issues

! W511 - Check that zero amount is correct at ^ATR (item U) - Total tax offsets
 - CMN.ATO.ITR.000237 - 'Share of net income from trusts less capital gains... action code' is required

- Open Annual Taxation Statement
- Select **Entity type** from the drop down list
- If you have multiple worksheets, do the same for each worksheet
- If distribution came from Trust Income Schedule, then the entity type can be found next to the **Non primary production** label **B**

Annual taxation statement

Vanguard

New Delete Print Help Exit

1 of 1

Payer Vanguard

Entity type

Share % 100.00 Transfer income to...

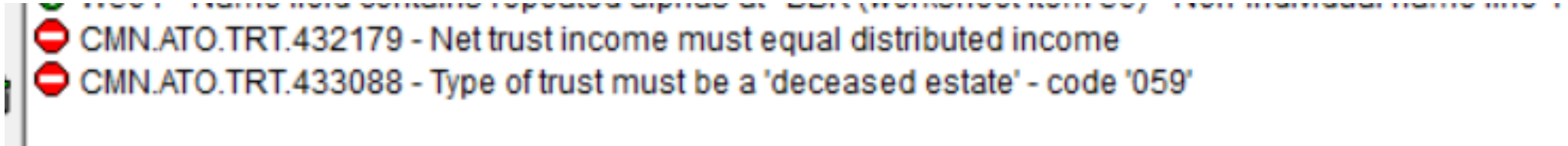
Managed Investment Trust ☒

Managed fund reference number

Account holder 1

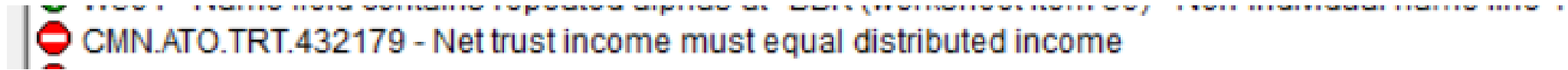
Gross interest	10L		
Tax withheld on gross interest	10M		
Primary production (PP) income	13L		
Deductions incurred in deriving PP income	13X		
Non primary production (NPP) income:			
Managed investments	13U	1000	1000
Franking distributions from trusts:			
Financial investments	13C		
Deductions incurred in deriving NPP income:			
Managed investments	13Y		
Franking credits	13Q		
TFN amounts withheld	13R		

Common Validation Issues



- Amounts in Statement of Distribution do not add up
- Caused by the chosen assessment calculation code in Statement of Distribution worksheet
- Additional information is required for the chosen assessment code
- Need to complete Trustee Beneficiary (TB) statement information

Common Validation Issues



- Distributed amounts for each beneficiary does not add up to the available amount on the right hand side
- Each beneficiary here has **2501** which adds up to **5002** instead of **5001**
- Select one of the beneficiary and click on the **Balance** button which will then adjust their amount down to **2500**
- **Total distributed for all beneficiaries will now equal 5001**

Distribution of net Australian income or loss

AAAS Family Trust
Clark Caitlin A

New Delete Print Help Exit

1 of 2

Trust AAASFAM Client list TFN 639 267 727 /

Name of beneficiary AAAS Family Trust

Assessment calculation code 35

Address 7 St Josephs Fairway

Suburb Success State WA Post Code 6164

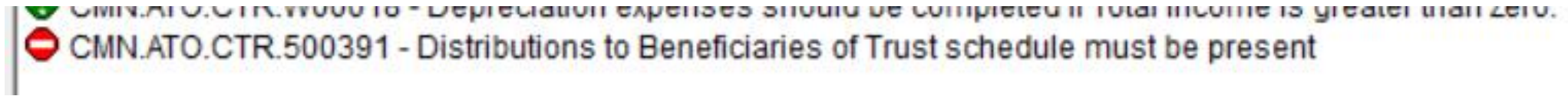
Country

Distribution percent 50.00 Distribut **Balance** Transfer Out

		Distributed	Available
Share of income	Primary production A		
	PP – NCMI A1		
	PP – Excluded from NCMI A2		
	Non-primary production B	2501	5001
	Non-PP – NCMI B1		
	Non-PP – Excluded from NCMI B2		

Credit for tax withheld where ABN not quoted C

Common Validation Issues



- Return has trust distribution amounts however no Trust Income Schedule has been provided
- Beginning with 2024, all trust distributions must be accompanied by a Trust Income Schedule

Common Validation Issues

- Delete trust distribution at label **6E**
- Then open **Trust Income Schedule** and complete the details using the schedule instead
- Data will then transfer to **6E** automatically

Trust income schedule - New worksheet

New worksheet

1 of 1

Name of distributing trust
Trust distribution

ABN ACN

Investment Manager ID

		Distributed	Tax Return label
Share of income of the trust estate	W	<input type="text"/>	-
Credit for tax withheld - foreign resident withholding...	L	<input type="text"/>	H2
Australian franking credits from NZ franking company	N	<input type="text"/>	7 C
Primary production	A	<input type="text"/>	6 E
PP - NCMI	A1	<input type="text"/>	-
PP - Excluded from NCMI	A2	<input type="text"/>	-
Non-primary production	B	10000	6 E
Non-PP - NCMI	B1	<input type="text"/>	-
Non-PP - Excluded from NCMI	B2	<input type="text"/>	-

6 Calculation of total profit or loss Income

Gross payments subject to foreign resident withholding (excluding capital gains)	B	<input type="text"/>
Gross payments where ABN not quoted	A	<input type="text"/>
Other sales of goods and services	C	<input type="text"/>
Gross distribution from partnerships	D	<input type="text"/>
Gross distribution from trusts	E	10000
Forestry managed investment scheme income	X	<input type="text"/>

If you enter an amount at label E, check if you need to lodge a *Trust income schedule 2025*.

Tips and Tricks – Trust Income Schedule

- New Trust Income Schedule introduced in 2024
- Must be completed whenever a trust distribution is received
- New change to how trust distributions are reported
- Different reporting requirements depending on entity type

For Individual Returns

- Trust Income Schedule only required for trust distributions **excluding** from Managed Funds
- Trust income from a Managed Fund or ETF continue to be added to the Annual Taxation Statement worksheet

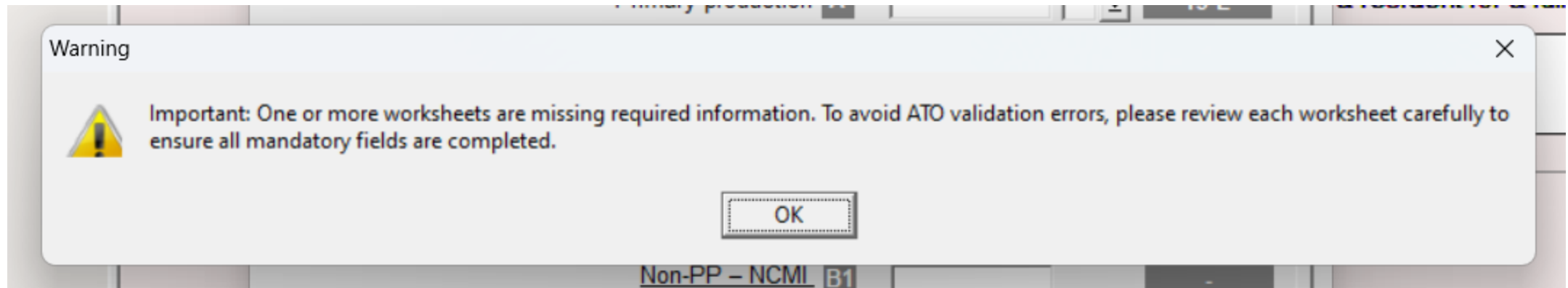
For Non Individual Returns

- Trust Income Schedule required for **all** trust income **including** from Managed Funds
- Entering data into the Annual Taxation Statement instead will result in a validation error as previously shown

Tips and Tricks – Trust Income Schedule cont.

- Transfers from Trust return Statement of Distribution will automatically be entered into the beneficiary's Trust Income Schedule
- Mandatory labels will be highlighted in blue in the Trust Income Schedule and will be accompanied with a warning

Note : Required fields are highlighted in blue. Please enter a value or '0' if you have no information to report.



Tips and Tricks – Trust Income Schedule cont.

- Transfers from trust returns will automatically be entered into the Trust Income Schedule
- Mandatory labels are highlighted in blue and will depend on which other labels have been completed
- Mandatory labels cannot be left blank. Enter '0' in the mandatory fields

Trust income schedule

This Is A Trust [New] [Delete] [Print] [Help] [Exit]
1 of 1

Note : Please use the TIS to enter the distribution details from Trust. Please enter the Managed fund income details in ATS.

Name of distributing trust
This Is A Trust [Edit]

ABN **87 058 914 766** ACN []

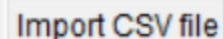
Investment Manager ID []

Note : Required fields are highlighted in blue. Please enter a value or '0' if you have no information to report.

		Distributed	Tax Return label
Share of income of the trust estate	W		-
Credit for tax withheld - foreign resident withholding...	L		13 A
Australian franking credits from NZ franking company	N		20 F
Primary production	A		13 L
PP - other deductions from trusts			13 X
Non-primary production	B	2501	13 U
Managed investment scheme			-
Other income		2501	-
PP - NCM	A1		-
PP - Excluded from NCM	A2		-
Non-PP - NCM	B1		-
Non-PP - Excluded from NCM	B2		-
Credit for tax withheld where ABN not quoted	C		13 P
Franked distributions	U	100	13 C
Financial investments			-
Other income		100	-
Non-PP - Other deductions			-
Managed investment scheme			-
Depreciation			-

Importing Depreciation

- Depreciation data can be imported in bulk
- Ideal when taking over a client from a previous tax agent or if you have recently switched from a different software
- Must be in CSV file format
- Available wherever you see the '**Import CSV file**' button, eg. Stand alone assets, D5 Work related expenses, Rental schedule, Business worksheet, Ledger Asset Manager

A rectangular button with a light blue border and the text "Import CSV file" in a sans-serif font.

- Data that can be imported includes:
 - Description of asset
 - Category
 - Purchase Date ('DD/MM/YYYY' format)
 - Purchase Price
 - OWDV – Original written down value
 - Depreciation rate (without % sign)
 - Depreciation method (**D** - Diminishing, **P** – Prime cost, **W** – Write off)



B	Buildings
F	Furniture and Fittings
M	Motor Vehicles
O	Office Equipment
P	Plant & Equipment
S	Staff Amenities
N	Freehold Land
D	Leasehold Land
I	Leasehold Improvements
V	Low value Pool
G	General Small Business Pool

Importing Depreciation

- Click on the **Import CSV file** button (where available) and then select the CSV file from your computer
- After selecting the CSV file, you need to assign column headers to each column. Click on the grey bar above each column and then select the right header
- Once you are done, click the **Import** button at the bottom

Importing depreciation from CSV file

(click here)						
Description	Category	Purchase Price	Purchase Date	OWDV	Depreciation Rate	Depreciation Method
MacBook Air	O	1699	1/07/2024	1699	20	D
Toyota Camry	M	39990	1/07/2023	33991	15	D
Brother Printer	O	400	1/01/2025	400	20	D
Apple Studio Display	O	2499	1/07/2024	2499	20	D
Coffee Machine	S	299	1/07/2022	200	25	D

? Help ☐ Import first row **Import** X Close

Importing Ledger Transactions

- Similar to the asset import that we just did
- Ideal when you need to enter data that was previously done on a different software or if you need to import a client's bank statement
- Must be in a CSV file format
- Data that can be imported are:
 - Transaction date ('DD/MM/YYYY' format)
 - Account number
 - Debit *
 - Credit *
 - Description
 - GST amount
 - GST code
- * Debit and credit does not have to be separate as long as they are distinguishable

Importing Ledger Transactions

- CSV file must not have any blank rows or totals
- Highlighted sections shown must be deleted prior to importing
- Here is a before/after of what the CSV file should look like

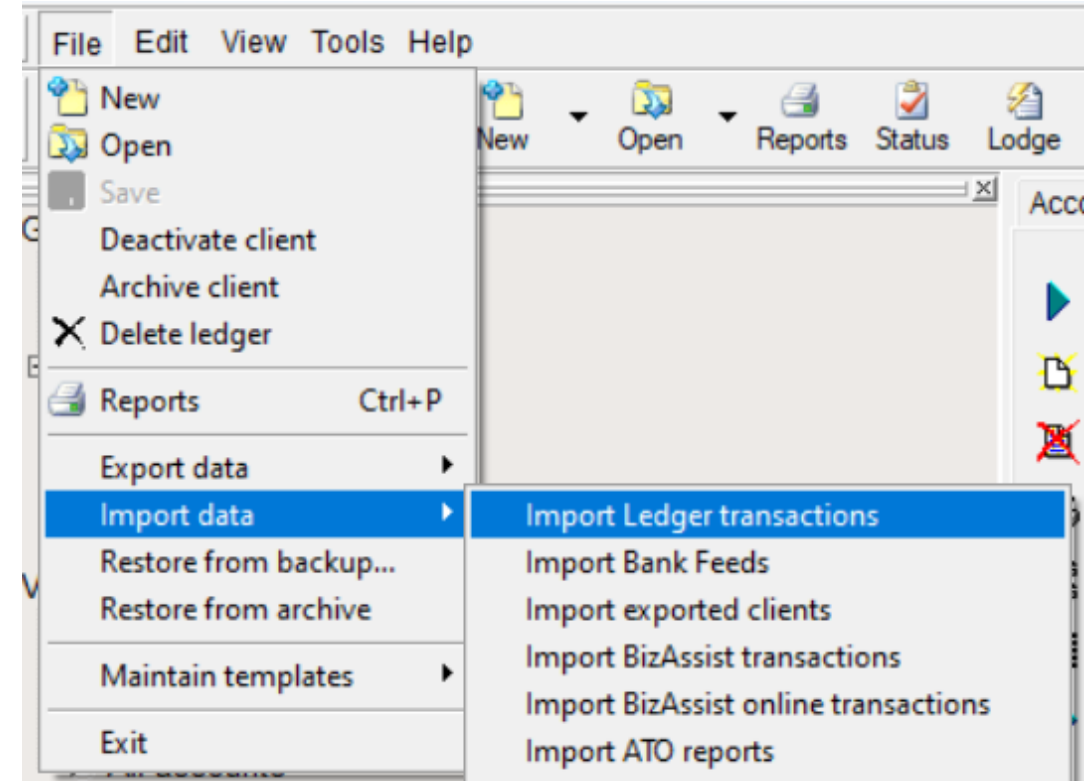
Statement period - 01/07/2024 - 31/12/2024				
Opening Balance				5000
Date	Debit	Credit	Description	
1/07/2024	900		Vicroads Registration	4100
1/07/2024	15		Magazine subscription	4085
2/07/2024	75.45		Retail - Shell express	4009.55
2/07/2024		100	Sales	4109.55
2/07/2024		110	Bank interest	4219.55
3/07/2024	65.19		Motor Insurance	4154.36
3/07/2024	450		Melbourne city council - Rates	3704.36
4/07/2024		2150	Rental income	5854.36
4/07/2024	50		Melbourne water - Water	5804.36
4/07/2024		150	Sales	5954.36
4/07/2024	107.5		Agent fees	5846.86
5/07/2024		120	Sales	5966.86
6/07/2024	150		Land tax	5816.86
8/07/2024		250	Sales	6066.86
9/07/2024	120		Retail - Officeworks	5946.86
12/07/2024	45.1		Retail - Shell express	5901.76
12/07/2024	100		Mobile cleaning service	5801.76
15/07/2024		250	Sales	6051.76
15/07/2024		110	Sales	6161.76
16/07/2024		220	Sales	6381.76
19/07/2024		150	Sales	6531.76
22/07/2024	99		Telstra	6432.76
1/08/2024	73		Retail - Shell express	6359.76
1/08/2024	15		Magazine subscription	6344.76
Total Debits				2265.24
Total Credits				3610.00
Closing Balance				6344.76

Date	Debit	Credit	Description
1/07/2024	900		Vicroads Registration
1/07/2024	15		Magazine subscription
2/07/2024	75.45		Retail - Shell express
2/07/2024		100	Sales
2/07/2024		110	Bank interest
3/07/2024	65.19		Motor Insurance
3/07/2024	450		Melbourne city council - Rates
4/07/2024		2150	Rental income
4/07/2024	50		Melbourne water - Water
4/07/2024		150	Sales
4/07/2024	107.5		Agent fees
5/07/2024		120	Sales
6/07/2024	150		Land tax
8/07/2024		250	Sales
9/07/2024	120		Retail - Officeworks
12/07/2024	45.1		Retail - Shell express
12/07/2024	100		Mobile cleaning service
15/07/2024		250	Sales
15/07/2024		110	Sales
16/07/2024		220	Sales
19/07/2024		150	Sales
22/07/2024	99		Telstra
1/08/2024	73		Retail - Shell express
1/08/2024	15		Magazine subscription

Importing Ledger Transactions

- To import the CSV file, open the client's ledger and go to '**File > Import data > Import ledger transactions**'
- Select the CSV file

Field value	Field type
Date	Date
Debit	Debit
Credit	Credit
Description	Description



- Then assign the correct column headers
- Once you are finished, click the green tick icon on the top right

Importing Ledger Transactions

- Click on the **Bank account** field to assign a bank account, otherwise leave blank for a journal
- Then assign each transaction to an account by clicking on the **Account** column next to each transaction
- You can use **Rules** to speed things up when you have reoccurring transactions

Import transactions

View ? Profiles Rules Next Transfer Bank account Find ? Help Close

Date	Reference	Import	Account	Qty	Debit	Credit	GST	GST Amt	Description
1/07/2024					900				Vicroads Registration
1/07/2024					15				Magazine subscription
2/07/2024					75.45				Retail - Shell express
2/07/2024						100			Sales
2/07/2024						110			Bank interest
3/07/2024					65.19				Motor Insurance
3/07/2024					450				Melbourne city council - Rates
4/07/2024						2150			Rental income
4/07/2024					50				Melbourne water - Water
4/07/2024						150			Sales
4/07/2024					107.5				Agent fees
5/07/2024						120			Sales
6/07/2024					150				Land tax
8/07/2024						250			Sales
9/07/2024					120				Retail - Officeworks
12/07/2024					45.1				Retail - Shell express
12/07/2024					100				Mobile cleaning service
15/07/2024						250			Sales
				0	2,265.24	3,610.00		0.00	

Importing Ledger Transactions

- Active column must be set to 'Y' for the rule to work
- Select the account that you want the rule to automatically assign
- Set whether you want to apply GST or not
- Select to apply the rule to all transactions or just Deposits or Withdrawals
- Enter the description to filter the right transactions
- Other options include the amount range and also the date range
- Click **Save & Apply** to run the rules

Accounts allocation rules

Active	Account #	GST	Type	Description contains	Reference	Min value \$	Max value \$	Apply from	Apply to	Replace	Date last used
Y	7510	P10	Withdraw	SHELL EXPRESS							3/06/2025
Y	5110	C01	Deposits	SALES							3/06/2025

Save & Apply Cancel

Importing Ledger Transactions

- Transactions that match the description entered will then be assigned an account based on the rule that you created
- You can then manually assign the rest
- Click **Transfer** to import the transactions into the ledger
- Any unassigned transactions will automatically be placed in the **Temporary holding account 0000** and can be assigned later

Batch Description	Date created	Type	Bank Account	Balance			
Imported from Bank statement.csv	13/06/2025	Bank	1850 0	\$686.78			
Date	Ref	Account	Debit	Credit	Type	GST	Description
31/03/2021		0000 Temporary Holding Account	900.00			0.00	Vicroads Registration
31/03/2021		0000 Temporary Holding Account	15.00			0.00	Magazine subscription
31/03/2021	7510	Fuel and motor oil	75.45		P10	6.86	Retail - Shell express
31/03/2021	5110	Sales of retail		100.00	C01	-9.09	Sales
31/03/2021	0000	Temporary Holding Account		110.00		0.00	Bank interest
31/03/2021	0000	Temporary Holding Account	65.19			0.00	Motor Insurance
31/03/2021	0000	Temporary Holding Account	450.00			0.00	Melbourne city council - Rates
31/03/2021	0000	Temporary Holding Account		2150.00		0.00	Rental income
31/03/2021	0000	Temporary Holding Account	50.00			0.00	Melbourne water - Water
31/03/2021	5110	Sales of retail		150.00	C01	-13.64	Sales
31/03/2021	0000	Temporary Holding Account	107.50			0.00	Agent fees
31/03/2021	5110	Sales of retail		120.00	C01	-10.91	Sales
31/03/2021	0000	Temporary Holding Account	150.00			0.00	Land tax
31/03/2021	5110	Sales of retail		250.00	C01	-22.73	Sales
31/03/2021	0000	Temporary Holding Account	120.00			0.00	Retail - Officeworks
31/03/2021	7510	Fuel and motor oil	45.10		P10	4.10	Retail - Shell express
31/03/2021	0000	Temporary Holding Account	100.00			0.00	Mobile cleaning service
31/03/2021	5110	Sales of retail		250.00	C01	-22.73	Sales
31/03/2021	5110	Sales of retail		110.00	C01	-10.00	Sales
31/03/2021	5110	Sales of retail		220.00	C01	-20.00	Sales
31/03/2021	5110	Sales of retail		150.00	C01	-13.64	Sales
31/03/2021	0000	Temporary Holding Account	99.00			0.00	Telstra
31/03/2021	7510	Fuel and motor oil	73.00		P10	6.64	Retail - Shell express
31/03/2021	0000	Temporary Holding Account	15.00			0.00	Magazine subscription
31/03/2021	*AUTO*	1850 Cheque account - CBA Account	1344.76			0.00	

Import transactions									
View ? Profiles Rules Next Transfer Bank account Find ? Help Close									
Date	Reference	Import	Account	Qty	Debit	Credit	GST	GST Amt	Description
1/07/2024					900				Vicroads Registration
1/07/2024					15				Magazine subscription
2/07/2024			7510		75.45		P10	6.86	Retail - Shell express
2/07/2024			5110			100	C01	9.09	Sales
2/07/2024						110			Bank interest
3/07/2024					65.19				Motor Insurance
3/07/2024					450				Melbourne city council - Rates
4/07/2024						2150			Rental income
4/07/2024					50				Melbourne water - Water
4/07/2024			5110			150	C01	13.64	Sales
4/07/2024					107.5				Agent fees
5/07/2024			5110			120	C01	10.91	Sales
6/07/2024					150				Land tax
8/07/2024			5110			250	C01	22.73	Sales
9/07/2024					120				Retail - Officeworks
12/07/2024			7510		45.1		P10	4.10	Retail - Shell express
12/07/2024					100				Mobile cleaning service
15/07/2024			5110			250	C01	22.73	Sales
15/07/2024			5110			110	C01	10.00	Sales
16/07/2024			5110			220	C01	20.00	Sales
19/07/2024			5110			150	C01	13.64	Sales
				0	2,265.24	3,610.00		0.00	

Backing Up

- Tax Assistant is a **desktop-based** application
- Your data is stored locally on your computer or server
- Thomson Reuters do not keep a copy of your database on our end
- Users should maintain a strict and regular backup procedure using either our built-in utility or 3rd party solution.
- Causes of data loss can include but not limited to:
 - Malicious software such as viruses or ransomware
 - Unstable network connection
 - Power failure
 - Hardware failure

By default, Tax Assistant's built-in backup utility will prompt you to do a backup everyday when you exit the software.

However, it will only appear:

- After the last person has logged off, and
- If you have not already done a backup for the day

Backing Up

Note:

Once the backup process has started, please leave it to complete and do not interact with the window anymore. This includes clicking inside the window or moving it to a different spot on the screen. Doing either of these will cause the backup process to hang.

The backup should generally take around 5 minutes, but this would depend on a few factors:

- Number of clients in the database
- Which backup options have been selected ie. Backup ledger and backup documents
- Database location - Databases stored on a network drive will take much longer to complete

A large database that has thousands of clients and stored on a network drive can easily take over half an hour to complete.

Limitations

- Maximum backup file size of 4GB
- If greater than 4GB, exclude clients' documents or use a 3rd party solution

2025 Tax Changes

\$20,000 Instant Asset Write Off Extension

Overview

- The \$20,000 instant asset write-off for small business entities has been extended until 30 June 2025 to improve cash flow and reduce compliance costs for small businesses.
- Small businesses, with aggregated annual turnover of less than \$10 million, can immediately deduct the business use portion of the cost of eligible assets costing less than \$20,000 that are first used or installed ready for use between 1 July 2024 and 30 June 2025.
- The \$20,000 limit threshold applies on a per asset basis, so small businesses can instantly write off multiple assets.
- Assets valued at \$20,000 or more (which cannot be immediately deducted) can continue to be placed into the small business simplified depreciation pool and depreciated at 15% in the first income year and 30% each income year thereafter.

Changes to Software Assistant

- Changes implemented in 2023-24 income year will be rolled forward to the 2024-25 income year.

ATO resource - <https://www.ato.gov.au/about-ato/new-legislation/in-detail/businesses/small-business-support-20000-dollar-instant-asset-write-off>

FORMS IMPACTED

- Ledger
- Depreciation worksheets

Exempting lump sum payment in arrears from Medicare Levy and removal of threshold

Overview

- This measure will ensure low-income taxpayers do not pay higher amounts of the Medicare levy as a result of receiving an eligible lump sum payment. For example, as compensation for underpaid wages.
- Eligibility requirements will ensure that relief is targeted to taxpayers who are genuinely low income and should be eligible for a reduced Medicare levy.
- To qualify for relief, taxpayers must:
 - be eligible for a reduction in the Medicare levy in the 2 most recent years, or income year, to which the lump sum accrues.
 - satisfy the 10% threshold test as used for the eligibility requirements of the existing lump sum payment in arrears tax offset.

Removal of lump sum E \$1,200 threshold

- For employers reporting through STP enabled products, the removal of \$1,200 threshold will change the amount that is reported at the Lump Sum E label.
- From 1 July 2025, for each lump sum payment in arrears accrued more than 12 months before the date of payment, include the total:
 - gross amount of the payment (including allowances) at 'Lump sum E'.
 - any amounts withheld at 'Total tax withheld'.

FORMS IMPACTED

- Individual

Exempting lump sum payment in arrears from Medicare Levy and removal of threshold

Changes to Software Assistant

- A new Lump sum payments in arrears label and worksheet added to the Other tab
- The Medicare levy reduction calculations are complex and will be calculated by the ATO using lump sum payment in arrears information provided by clients. As with the lump sum payment in arrears tax offsets, there will be no online calculator.
- We strongly recommend that you conduct your own Medicare Levy calculation verification checks if your clients are impacted by this measure. Do not solely rely on the tax estimate as this is just an estimate and is based on what you have entered in the return.

ATO example - <https://www.ato.gov.au/individuals-and-families/income-deductions-offsets-and-records/income-you-must-declare/lump-sum-payment-in-arrears#Medicarelevyexemption>

Example: entitled to Medicare levy exemption

Heather receives a lump sum payment in arrears of \$8,500 from her employer on 15 January 2025.

Heather's situation in 2024-25:

Age: 45 years old, not eligible for senior and pension tax offset

Taxable income: \$34,000 (including the LSPIA amount)

Heather's employer provides her advice that the LSPIA amount relates to prior income year, as follows.

LSPIA summary

Income year	Amount
2022	\$4,000
2023	\$4,500

When we process Heather's tax return, we work out her threshold test income as follows in the table.

Heather's threshold test income

Description	Amount
Taxable income	\$34,000
Subtract LSPIA	\$8,500
Threshold test income	\$25,500
10% of threshold test income	\$2,550

As the LSPIA of \$8,500 is more than \$2,550 (10% of Heather's threshold test income), it meets the 10% threshold test.

We also check her Medicare levy status for 2022 and 2023 and confirm if she had received the LSPIA amount in these years, she would have been eligible for a Medicare levy reduction.

Heather's LSPIA meets all the eligibility requirements and is exempt from the Medicare levy.

In 2024-25 Heather's income for ML purposes is \$25,500 and no Medicare levy is applied.

FORMS IMPACTED

- Individual

Exempting lump sum payment in arrears from Medicare Levy and removal of threshold

- Make sure you have entered the Lump sum in arrears payments in the Salary and Wages worksheet

Item 1, 2, 3, IT1 and IT2 salary, wages, PAYG summary and Foreign income

AAA Pty Ltd

New Delete Print Help Exit

1 of 1

Items 1, 2, 3, IT1 and IT2 Foreign Employment Income

Tax Withheld 8000

Gross Income 25500

Lump Sum A Withheld

Lump Sum A Income Type Code

Lump Sum B Withheld

Lump Sum B Income 5% of Lump B

Lump sum Amount

Lump sum Year	Lump sum
2022	4000
2023	4500
	8500

Lump sum Amount 8500

Exempting lump sum payment in arrears from Medicare Levy and removal of threshold

Detail **Other** Income Deduction Medicare Adjust Tests Spouse Inc2 Inc3 Inc4 Deduct2 Business

Does Primary production averaging apply? **N** Print Y for yes

Lump sum payments in arrears

New Delete Print Help Exit

Medicare levy exemption

10% threshold test

Taxable income

Less

Eligible lump sum payment in arrears (LSPIA) **B**

Amounts you receive on termination of employment in lieu of annual or long service leave **C**

Employment termination payments **D**

Income stream and lump sum superannuation payments **E**

Net capital gains - (18 A) **F**

Taxable professional income that exceeds the average for the profession.
(If it applies to you and you meet the 10% threshold test without including this amount then you satisfy this test) **G**

Threshold test income

10% of Threshold test income

LSPIA is MORE than 10% of Threshold Test Income - Passed

I confirm that the client received the LSPIA amount in the prior years and was eligible for the Medicare Levy reduction ☒

Lump sum payment in arrears Tax offset (Manually calculated by user)

- Then open the new Lump sum payments in arrears worksheet by clicking on the '**Other**' tab and then selecting **Lump sum payments in arrears** link
- Enter the total lump sum payments in arrears at label **B**, along with any other information if applicable
- Ensure that the 10% of Threshold test income result is **Passed**
- Tick the **checkbox** to confirm that the client received the LSPIA amount in the prior years and was eligible for the Medicare Levy reduction

Partnership Return - Statement of Distribution

Overview

- Partnership tax forms have now been converted to XML format which allows the ATO to accept **2000** Statement of Distributions (SoD) to be lodged for the 2025 tax years and onwards.

FORMS IMPACTED

- Ledger
- Depreciation worksheets

Changes to Software Assistant

- At this stage, we have not updated Tax Assistant to allow 2000 SoD and our current limit remains at **255**.
- If you have a partnership return that has over 255 SoDs please contact our support team.

Housing (Build-To-Rent Developments) accelerating tax deductions and reducing managed investment trust withholding tax rate

Overview

- On 28 April 2023, the Government announced that for eligible new build-to-rent projects where construction commences after 7.30 pm (AEST) on 9 May 2023 (Budget night) this measure will:
 - increase the rate for the capital works tax deduction (depreciation) to 4% per year, up from 2.5% (reducing the depreciation period from 40 to 25 years)
 - reduce the final withholding tax rate on eligible fund payments from managed investment trust (MIT) investments from 30% to 15% as of 1 July 2024 (for investors from an information exchange country).
- This measure aims to encourage investment and construction in the build-to-rent sector, expanding Australia's housing supply.

FORMS IMPACTED

- Company
- Trust
- Partnership
- Ledger
- Depreciation worksheets

Changes to Software Assistant

New reporting labels added to:

- PTR, TRT - Rental Property Schedule, Label Y
- CTR – Item 7 Label Y

ATO resource - <https://www.ato.gov.au/businesses-and-organisations/assets-and-property/build-to-rent-development-tax-incentives>

9 Rent

Gross rent	F	<input type="text" value="00"/>
Interest deductions	G	<input type="text" value="00"/>
Capital works deductions	X	<input type="text" value="00"/>
Other rental deductions	H	<input type="text" value="00"/>
		F less (G+X+H)
		Net rent <input type="text" value="00"/> / <input type="text"/>
Build to rent capital works deduction at 4%		Y <input type="text" value="00"/>

Additional validation warning messages for foreign businesses with operations in Australia

Overview

- The additional validation warning message aims to assist tax return preparers to understand their lodgment obligations and complete their client’s return correctly.
- It will alert tax return preparers to respond to required questions and provide additional documents if the client is a Significate Global Entities (SGE) or Country-by-Country (CBC) reporting entity.

FORMS IMPACTED

- Company
- Trust
- Partnership
- Fund

Changes to Software Assistant

- Validation message will appear when the following labels are completed:

Company	Partnership	Trust	Fund
<ul style="list-style-type: none">• Item 3 status of company, label C3 Non-resident with permanent estab.• Item 3 status of company, label G2 Country by Country reporting entity• Item 8Y Aggregated turnover• Item 28 – Overseas interests and Australian branch operations (with yes or no)	<ul style="list-style-type: none">• Item 2 status of business, label G2 Country by Country reporting entity• Item 22S – Attributed foreign income (with yes or no)• Item 48 – Aggregated turnover	<ul style="list-style-type: none">• Item 2 status of business, label G2 Country by Country reporting entity• Item 22S – Attributed foreign income (with yes or no)• Item 49– Aggregated turnover	<ul style="list-style-type: none">• Item 8 status of company, label N2 Country by Country reporting entity• Item 17 – Overseas interests and Australian branch operations (with yes or no)

Additional Validation warning message for Significant Global Entities

Overview

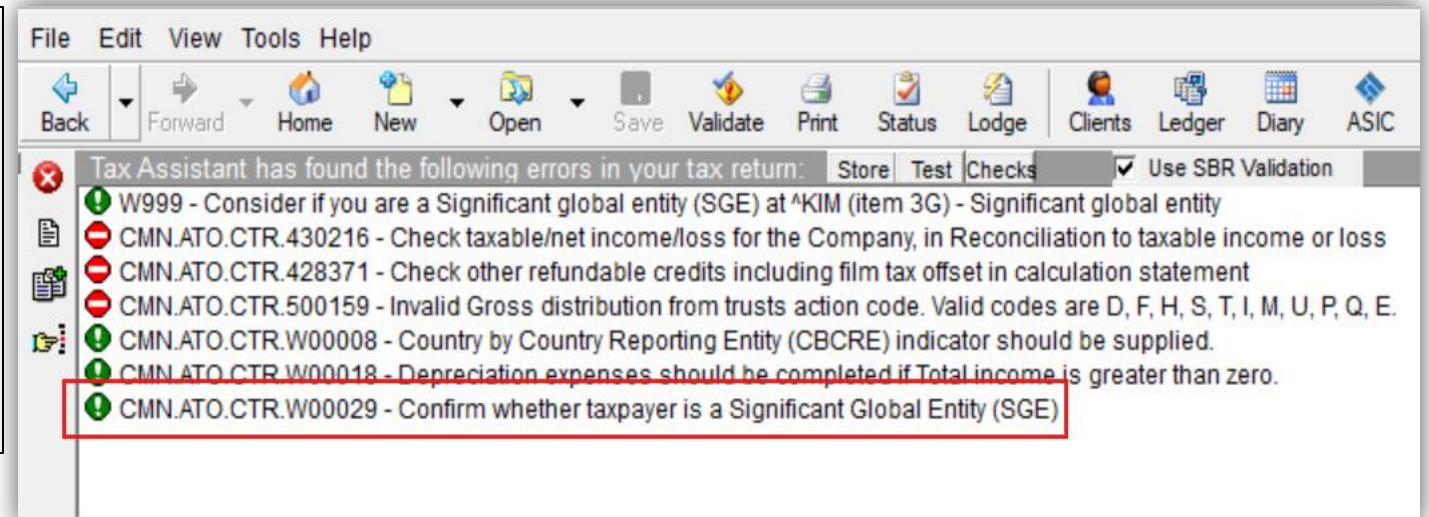
- The ATO have identified many non-individual entities, especially small business entities, incorrectly reported themselves as a Significant Global Entity (SGE).
- An entity is an SGE for a period if it is any of the following:
 - an entity is a global parent entity with an annual global income of A\$1 billion or more
 - a member of a group of entities consolidated for accounting purposes as a single group and one of the other group members is a global parent entity, or
 - a member of a notional listed company group and one of the other group members is a global parent entity with an annual global income of A\$1 billion or more.

FORMS IMPACTED

- Company
- Trust
- Partnership
- Fund

Changes to Software Assistant

- The ATO warning message will appear when the following form questions are answered:
 - **Company tax return** – Item 3 – Label G1
 - **Trust tax return** – Item 2 – Label G1
 - **Partnership return** – Item 2 – Label G1
 - **Fund income tax return** – Item 8 – Label N1



2025 Rates & Threshold changes

Individual Income Tax Rates

Overview

- Australian resident tax rates update for 2025
- Tax Assistant Estimate calculations have been updated to reflect the change

FORMS IMPACTED

- Individual

Resident tax rates 2024-25

Taxable income	Tax on this income
0 – \$18,200	Nil
\$18,201 – \$45,000	16c for each \$1 over \$18,200
\$45,001 – \$135,000	\$4,288 plus 30c for each \$1 over \$45,000
\$135,001 – \$190,000	\$31,288 plus 37c for each \$1 over \$135,000
\$190,001 and over	\$51,638 plus 45c for each \$1 over \$190,000

The above rates **do not** include the Medicare levy of 2%.

Medicare Levy Surcharge (MLS)

Overview

- Medicare Levy Surcharge (MLS) income thresholds updated for 2025.
- Tax Assistant Estimate calculations have been updated to reflect the new thresholds.

FORMS IMPACTED

- Individual

MLS income thresholds and rates for 2024–25

Threshold	Base tier	Tier 1	Tier 2	Tier 3
Single threshold	\$97,000 or less	\$97,001 – \$113,000	\$113,001 – \$151,000	\$151,001 or more
Family threshold	\$194,000 or less	\$194,001 – \$226,000	\$226,001 – \$302,000	\$302,001 or more
Medicare levy surcharge	0%	1%	1.25%	1.5%

ATO Resource - <https://www.ato.gov.au/individuals-and-families/medicare-and-private-health-insurance/medicare-levy-surcharge/medicare-levy-surcharge-income-thresholds-and-rates#ato-Incomethresholdandrates202425>

Luxury Car limit

Overview

- Luxury car limit for 2025 has increased to \$69,674
- Depreciation worksheets for 2025 updated with new limit when the 'Luxury car limit applies' indicator has been selected.

FORMS IMPACTED

- Individual
- Company
- Partnership
- Trust
- Ledger

Depreciable Asset Maintenance - New worksheet

New worksheet

1 of 1

Description BMW Model 996

Category Motor Vehicles ☒ Luxury car limit applies

Purchase Date 01/01/2025

Purchase Price 90000

Date put to use 01/01/2025

Improvement Date

Second element cost

Depreciation Method Prime Cost

Balancing In

Original Value 90000

Private Use %

Ownership % 100.00

Disposal Date

Effective life

Disposal Price

Depreciation Rate %

Actual cost Undeducted cost

OWDV 69674 69674

Deductible

Depreciation

Assessable

CWDV 69674 69674

Balancing Out

Net Depreciation

Net Share of depreciation

Import CSV file

Financial year	Car limit	ATO reference
2024-25	\$69,674	The indexation factor is 1.023, calculated as 445.7 divided by 435.5.
2023-24	\$68,108	The indexation factor is 1.052, calculated as 435.5 divided by 413.8.
2022-23	\$64,741	The indexation factor is 1.066, calculated as 413.8 divided by 388.1.

ATO Resource - <https://www.ato.gov.au/businesses-and-organisations/income-deductions-and-concessions/depreciation-and-capital-expenses-and-allowances/simpler-depreciation-for-small-business/assets-and-exclusions#Carcostlimit>

Motor Vehicle - Cents per kilometre

Overview

- Cents per kilometre method rate for 2025 has increased to 88 cents per kilometre
- The Motor Vehicle Maintenance worksheet has the cents per kilometre updated to 88 cents in the 2025 tax return.

FORMS IMPACTED

- Individual

Motor Vehicle Maintenance - New worksheet

New worksheet

1 of 1

Vehicle (Make, Model, etc.)
BMW Model 996

☐ **B Log book**

Depreciation		Lease/Interest		Total expenses	
Fuel/oil		Insurance		% Shown in log book	100
Services		Tyres/Batteries		% Claimed	100
Rego		Other		Claim B	
Evidence or calculation	<input type="text"/>				
Details of "other" evidence	<input type="text"/>				

☒ **S Set Rate/Business KMS**

Total business kms (up to 5000km)	3000	* Rate (cents)	88.00	Claim S	2640.00
				Claimed	2640.00

Rates

Rates are reviewed regularly. The rate is:

- 88 cents per kilometre for 2024-25
- 85 cents per kilometre for 2023-24
- 78 cents per kilometre for 2022-23

ATO resource - <https://www.ato.gov.au/businesses-and-organisations/income-deductions-and-concessions/income-and-deductions-for-business/deductions/deductions-for-motor-vehicle-expenses/cents-per-kilometre-method#ato-Rates>

Private Health Insurance

Overview

- Private Health Insurance (PHI) income thresholds for 2025
- Tax Assistant tax estimate calculations have been updated to reflect the new thresholds

FORMS IMPACTED

- Individual

2024-25 income thresholds

Family status	Base tier	Tier 1	Tier 2	Tier 3
Single	\$97,000 or less	\$97,001 – \$113,000	\$113,001 – \$151,000	\$151,001 or more
Family	\$194,000 or less	\$194,001 – \$226,000	\$226,001 – \$302,000	\$302,001 or more

The family income threshold is increased by \$1,500 for each Medicare levy surcharge dependent child after the first child.

ATO resource - https://www.ato.gov.au/individuals-and-families/medicare-and-private-health-insurance/private-health-insurance-rebate/income-thresholds-and-rates-for-the-private-health-insurance-rebate#Incomethresholds2024_25

Repayment income thresholds and rates

Overview

- Study and training loan repayment threshold and rates updated for 2025.
- Tax Assistant Estimate calculations have been updated to reflect the new thresholds and rates for 2025.

ATO resource - <https://www.ato.gov.au/tax-rates-and-codes/study-and-training-support-loans-rates-and-repayment-thresholds>

2024–25 repayment income thresholds and rates

Repayment income (RI) thresholds	Repayment rate (% of repayment income)
Below \$54,435	Nil
\$54,435-\$62,850	1.0%
\$62,851-\$66,620	2.0%
\$66,621-\$70,618	2.5%
\$70,619-\$74,855	3.0%
\$74,856-\$79,346	3.5%
\$79,347-\$84,107	4.0%
\$84,108-\$89,154	4.5%
\$89,155-\$94,503	5.0%
\$94,504-\$100,174	5.5%
\$100,175-\$106,185	6.0%
\$106,186-\$112,556	6.5%
\$112,557-\$119,309	7.0%
\$119,310-\$126,467	7.5%
\$126,468-\$134,056	8.0%
\$134,057-\$142,100	8.5%
\$142,101-\$150,626	9.0%
\$150,627-\$159,663	9.5%
\$159,664 and above	10%

FORMS IMPACTED

- Individual

Super co-contributions

Overview

- Co-contributions lower income threshold has been updated to \$45,400 and Higher income threshold has been updated to \$60,400.
- Maximum entitlement of \$500 remains unchanged.
- Tax estimate calculations have been updated to reflect the updated thresholds

FORMS IMPACTED

- Individual

Table 24: Co-contribution income thresholds

Year	Maximum entitlement	Lower income threshold	Higher income threshold
2025-26	\$500	\$47,488	\$62,488
2024-25	\$500	\$45,400	\$60,400
2023-24	\$500	\$43,445	\$58,445

ATO resource - <https://www.ato.gov.au/tax-rates-and-codes/key-superannuation-rates-and-thresholds/government-contributions#Supercocontributions>

ETP Lump Sum

Overview

- Low cap has increased to \$245,000 and Untaxed plan cap increased to \$1,780,000 in 2025
- Tax estimate calculations have been updated to reflect the updated thresholds.

FORMS IMPACTED

- Individual

Table 9: Low rate cap amount

Income year	Amount of cap
2025-26	\$260,000
2024-25	\$245,000
2023-24	\$235,000
2022-23	\$230,000

Table 10: Untaxed plan cap amount

Income year	Amount of cap
2025-26	\$1,865,000
2024-25	\$1,780,000
2023-24	\$1,705,000

ATO resource –

- <https://www.ato.gov.au/tax-rates-and-codes/key-superannuation-rates-and-thresholds/payments-from-super#ato-Untaxedplancapamount>
- <https://www.ato.gov.au/tax-rates-and-codes/key-superannuation-rates-and-thresholds/payments-from-super#ato-Lowratecapamount>

Defined Benefit Income Cap

Overview

- Defined benefit income cap has increased to \$118,750
- Tax estimate calculations have been updated to reflect the updated amount.

FORMS IMPACTED

- Individual

Defined benefit income cap

Table 26: Defined benefit income cap

Year	Defined benefit income cap
2025-26	\$125,000
2024-25	\$118,750
2023-24	\$118,750

ATO resource - <https://www.ato.gov.au/tax-rates-and-codes/key-superannuation-rates-and-thresholds/transfer-balance-cap#ato-Definedbenefitincomecap>

Senior Australian and Pensioner Tax Offset (SAPTO)

Overview

- SAPTO thresholds updated from 1 July 2024
- Tax estimate calculations have been updated to reflect the updated thresholds

FORMS IMPACTED

- Individual

Senior Australian and pensioner tax offset (SAPTO) thresholds from 1 July 2024

Status	Maximum tax offset amount	Shade out threshold	Cut-out threshold
Single	\$2,230	\$34,919	\$52,759
Each partner of a couple	\$1,602	\$30,994	\$43,810
Each partner of an illness separated couple	\$2,040	\$33,732	\$50,052

ATO resource - <https://www.ato.gov.au/individuals-and-families/income-deductions-offsets-and-records/tax-offsets/seniors-and-pensioners-tax-offset#ato-Incomelimits>

Help and Support

Phone & Email Support



1800 074 333 (MENU OPTION 1, 2)
MON-FRI, 8:45AM TO 7:15PM (AEST)



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- F1 within a tax return for tax year specific information