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| **2021 Company tax return checklist** | **Yes** | **No** | **N/A** |
| * 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. |  |  |  |
| * If the company is an SBE, is it using the simplified depreciation rules? |  |  |  |
| * Is the company a base rate entity in 2021? |  |  |  |
| * If the company was not incorporated in Australia, has the company’s residency been determined in line with TR 2018/5? |  |  |  |
| * Is the company required to lodge a Reportable tax position schedule? |  |  |  |
| **Income** |  |  |  |
| * Check for any cash earnings or payments that may not have been accounted for. |  |  |  |
| * Ensure trading stock figure equals closing stock account on the profit and loss account. |  |  |  |
| * Agree investment income e.g., dividends, interest with external source data. |  |  |  |
| * Have employee contributions for FBT purposes been taken up in the accounts and appropriate GST journal entries made? |  |  |  |
| * 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 can be relied upon in 2017-18 to 2020-21 where arrangements were entered into prior to 14 December 2017, see PCG 2021/D2 which applies from 1 July 2021). |  |  |  |
| **Expenses** |  |  |  |
| * Put through depreciation entries and agree asset balances to depreciation schedule (including journaling asset purchases and sales). |  |  |  |
| * For asset purchases: * Have the rules both pre- and post-6 October 2020 been considered? * Have the accelerated depreciation rules been considered? * Should the company consider opting out of temporary full expensing and/or accelerated depreciation? (Note the opt-out is not available to SBEs using simplified depreciation) |  |  |  |
| * Perform annual entries for lease and hire purchase transactions. |  |  |  |
| * Look for unusual balances of the profit and loss items (perhaps compare balances with the prior year). |  |  |  |
| * Accounting fees – check against billings. |  |  |  |
| * If fees are being paid to a service entity, ensure that the service fees are in line with TR 2006/2. |  |  |  |
| * 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? (Note that from 1 July 2020, businesses with aggregated turnover less than $50m can immediately deduct certain prepaid expenditure where the payment covers a period of 12 months or less that ends in the next income year). |  |  |  |
| * Where any part of a prepayment was non-deductible in 2020 as a result of the prepayment rules, is the amount deductible in 2021? |  |  |  |
| * Has entertainment expenditure been added back for tax purposes, unless it was included in the company’s FBT return? |  |  |  |
| * Have other non-deductible expenses been added back for tax purposes? |  |  |  |
| * Have movements in provisions been adjusted for (e.g., provisions for annual leave and long service leave)? |  |  |  |
| * 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. |  |  |  |
| * Were employee superannuation contributions ‘made’ in the current income year per TR 2010/1 (to determine deductibility)? |  |  |  |
| * Do wages on the income statements agree to the general ledger and activity statements lodged? |  |  |  |
| * Has the payment summary information been lodged with the ATO (where required)? |  |  |  |
| * For single touch payroll purposes, has a finalisation declaration been performed for each employee? |  |  |  |
| * 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. |  |  |  |
| * If the company is liable for workers compensation, have all payments been made in relevant year? |  |  |  |
| * If the company is not registered for payroll tax, should it be? |  |  |  |
| * Has the June 2021 FBT instalment been deducted per TR 95/24? |  |  |  |
| * 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.? |  |  |  |
| * Have you considered whether the company may be eligible for the R&D tax incentive?   (Note that the *Treasury Laws Amendment (A Tax Plan for the COVID-19 Economic Recovery) Act 2020* has introduced changes to the R&D tax incentive rules from 1 July 2021). |  |  |  |
| * Ensure that the financials are in line with ATO benchmarks and investigate discrepancies where necessary. |  |  |  |
| * If there are prior year losses, consider whether the company loss rules are met. |  |  |  |
| * Consider whether the company can carry-back losses from 2019-20 or 2020-21 to any of the 2018-19 or 2019-20 income years. |  |  |  |
| **Balance sheet** |  |  |  |
| * Agree bank and loan balances against statements/bank reconciliations |  |  |  |
| * Agree hire purchase balances against schedule |  |  |  |
| * Agree debtor and creditor balances |  |  |  |
| * Verify with client all plant and equipment is still on hand (i.e., identify sales, purchases, items scrapped) |  |  |  |
| * Agree trading stock figures to stock take |  |  |  |
| * Verify all other balance sheet balances |  |  |  |
| * Do the debt and equity rules apply in respect of shareholders’ loans? (Only relevant where turnover exceeds $20 million). |  |  |  |
| * Have the Division 7A provisions been considered in respect of loans, payments and debts forgiven to shareholders and their associates? |  |  |  |
| * Have the Division 7A provisions been considered in respect of unpaid distributions from trusts? |  |  |  |
| **PSI** |  |  |  |
| * If the company derived any personal services income (PSI), is the company carrying on a personal services business (PSB)? * If no, consider the PSI that must be attributed to an individual. * If yes, consider whether the Commissioner could apply Part IVA to the arrangement. |  |  |  |
| **Capital gains** |  |  |  |
| * If the company sold, redeemed, or disposed of an asset in any other way during the year, have exemptions, reductions, or rollovers been considered? |  |  |  |
| * For any share issues or transfers made during the year, have the value shifting rules been considered? |  |  |  |
| * 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 2985? |  |  |  |
| **GST** |  |  |  |
| * If the company is not registered for GST, should it be registered? |  |  |  |
| * If the company is registered for GST, do the GST accounts reconcile to the BAS lodged? |  |  |  |
| * Does the income declared in the activity statements reconcile with the income disclosed in the tax return? |  |  |  |
| **International** |  |  |  |
| * Does the company have transactions/loans with international related parties? If yes, consider the transfer pricing rules, and consider whether an [international dealings schedule](https://www.ato.gov.au/Forms/International-dealings-schedule-instructions-2020/) has been completed (at the time of writing, the 2021 form was yet to be released – link provided is to the 2020 form) |  |  |  |
| * Does the company have a bank account in another country or buy/sell products offshore? If so, consider the foreign exchange rules. |  |  |  |
| **Dividends and franking** |  |  |  |
| * Has a distribution statement been prepared and provided to shareholder/s and a minute prepared? |  |  |  |
| * 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 |  |  |  |
| * Have the benchmark franking rules been satisfied? |  |  |  |
| * Has the franking account been prepared? |  |  |  |
| * Is there a franking account deficit at year end? |  |  |  |
| * Has the company’s corporate rate for imputation purposes been determined? |  |  |  |