

Small Business Tax Interview Checklist

2007 Income Tax Return

- Please answer the following and supply supporting information where applicable
- This will guide the completion of the business and professional items schedule, therefore the numbering system follows the numbers in the individual tax return
- 2006/2007 refers to the period from 1 July 2006 to 30 June 2007
- Unless otherwise stated, this checklist refers to events occurring in 2006/2007
- All figures need to be net of GST
- This checklist is designed to complement the individual checklist and the two documents should be read together
- This checklist is designed for business run by a sole trader. Other business structures may find this checklist helpful

CLIENT DETAILS

1. Tax File Number of Business (if applicable): _____
 ABN (if no ABN, give reasons why not): _____
2. Name: _____ Mr/Mrs/Ms/Miss _____
3. Business Address: _____
 Postal Address: _____
 Has your postal address changed since lodging a tax return? YES NO
4. Telephone: (W) _____ (H) _____ (M) _____
 Fax: _____ Email: _____
5. Name of Business: _____
 Trading Name: _____
6. Type of Business Structure/s (e.g. company, trust, partnership, sole trader)
- if business is run through a company, trust or partnership, complete the relevant form
 - if a service arrangement is used, consider TR 2006/2 _____

INCOME AND EXPENSES STATEMENT

(PLEASE PROVIDE INFORMATION WHERE APPLICABLE)

- S1. Are you electing to enter the Simplified Tax System (STS), continue in it, or exit from it? YES NO
**consider carefully*
- P1. Did you earn Personal Services Income as a sole trader? YES NO
**if yes, seek information on business arrangement*
- P2. What is your main business activity? _____
- P3. How many different types of business activities do you undertake? _____
- P4. Did you cease or commence business in 2006/2007? YES NO
** if yes, consider the Blackhole expenditure changes*
- P5 to P7. See Client Details above
- P8. Please provide the following amounts (with supporting documentation):
Business Income (use the indicated source documents to calculate and provide such documents):
- Business Income where ABN not quoted \$ _____
 - Business Income subject to foreign resident withholding _____
 - Business Income from Voluntary Agreements \$ _____
 - Business Income from labour hire arrangements \$ _____
 - Assessable Govt. Industry payments \$ _____

Small Business Tax Interview Checklist

2007 Income Tax Return

**provide details of any government grants you received, such as export grants.*

- All other income (see and provide the following documents) \$ * Reconciled cash
 - Bank statements indicating the nature of each deposit and interest received
 - Reconciled cash book including drawings taken from the business before banking
 - Debtors listing for sales on credit
 - Rental income received (prepare a rental property schedule)
 - Shares bought, sold and held throughout the 2006/2007 period, including: Original purchase price, date of purchase, date of sale, price on sale and costs associated with sale and purchase such as brokerage and stamp duty. Also provide any dividend statements received (prepare a share trading account).
 - Details of any disposal of any business property or plant (in the below format).

Asset Description	Date of Purchase	Date of Sale	Purchase Price	Sale Price or Nil if Scrapped

- Details on any other personal use or business assets, acquired since 19/09/1985 that have been sold in 2006/2007.
- Details of any of the active assets of the business (including shares in a company or trust carrying on an active business that you or your spouse control)?
- Have you any carried forward capital losses?
- Other Income – provide documents such as bank statements, receipts, invoices or cash book records of any other unusual income

BUSINESS EXPENSES (where applicable, use the source documents to calculate and provide those documents):

- Opening Stock as at 1 July 2006 \$
- Add Purchase of stock \$
 - *Provide receipts, invoices and creditors listing for such purchases of stock*
- Less Closing Stock as at 30 June 2007 \$
- Sub-Total \$
- Foreign resident withholding expenses
- Contractor, sub-contractor expense \$
- Superannuation expenses \$
 - *Provide information relating to contributions on employees' behalf*
 - *Provide details of name of fund, policy number, contributions paid for the operators of the business and if the fund is complying*
- Bad debts \$
- Lease expenses \$
 - *Provide a separate detailed list of all leased plant and motor vehicles (including for private use) and the leasing expenses for each item*
- Rent expenses \$
 - *Provide details of any expenditure incurred, e.g. rates and taxes, insurance, interest repayments, repairs etc and the date of purchase of the rental property (rental property schedule).*
- Interest expenses
 - Australian \$
 - Overseas \$
 - *Include details of any tax withheld from interest or investments*
- Depreciation \$
 - *Provide a list of all business assets showing date of purchase, description and purchase price, and if the asset is under hire purchase or lease (asset register)*
 - *Separately identify all assets depreciated for the first time in 2006/2007*

Small Business Tax Interview Checklist

2007 Income Tax Return

- *If you are electing to go into the STS, identify separately those assets valued under \$1,000 or more and less than 25 years effective life, and all other assets*
- * identify the assets that are used partly for private and partly for business use and attribute a percentage to the proportion of time such assets are used for private use*
- Motor Vehicle Expenses \$
 - *Provide the following information if you are operating a business as a sole trader or partner and used a motor vehicle for business purposes:*
 - (i) Log books
 - (ii) Odometer readings as at 1 July 2006 or acquisition date and 30 June 2007 or disposal date
 - (iii) Break up of expenditure for each motor vehicle on Fuel and Oil, Registration, Insurance, Tyres, Repairs and other expenses
 - Repairs and Maintenance \$
 - *Provide details of any repairs and maintenance carried out to any business assets*
 - All Other Expenses \$
 - *Provide statements for all loans owing by the business, including to the operators, showing the balance as at 30 June 2007, when the loan was taken out and the interest paid on those loans for the financial year. Also provide details of any loans forgiven and borrowing expenses incurred during the financial year. Check whether loan agreement needs refreshing.*
 - * Provide employer copies of payment summaries (employee salaries and wages)*
 - * Provide details of prepaid expenses*
 - * Provide a travel diary and other documentation if there are travel expenses*
 - * Provide details of type of insurance policy (including income protection insurance and business insurance), name of insurance company, premium, anniversary date and if the policy has a life insurance component*
 - * Provide a petty cash summary that classifies expense items*
 - * Other expenses - provide documents such as cheque butts, receipts or a reconciled cash book on any unusual expenses that might be deductible*

OTHER ISSUES

- Do you have any environmental protection expenses? YES NO
- Do you have any capital expenditure related to the commencement or cessation of a business? YES NO
- Any capital expenditure directly connected with a business project? YES NO
- Landcare operations and expenses in relation to the decline in value of a water facility? YES NO
- Any deferred non-commercial business losses from prior years? YES NO

OTHER BUSINESS AND PROFESSIONAL ITEMS

(PLEASE PROVIDE INFORMATION WHERE APPLICABLE)

- P9.** Did a company receive or transfer out any losses during the income year? Does it have any carry forward tax losses during the income year or any unrealised losses? If so, provide details. *A loss schedule may need to be completed
- Did you conduct a business activity as a partner in a partnership or as a sole trader that resulted in a loss for that or any related business activities? *Be aware of the rules relating to the deferral of non-commercial business losses
- P10.** See under Depreciation in P8.
- P11. Debtors** - Itemised details of trade debtors including bad debts.
- P12. Creditors** - Itemised details of trade creditors as at 30 June 2007.
- P13.** See under All Other Expenses in P8.
- P14. Payments to associated persons and entities** - Provide information relating to any payments to related people or businesses, especially loans to family members or related businesses.

Small Business Tax Interview Checklist

2007 Income Tax Return

P15 to P18. See under *Depreciation in P8.*

P 19 Trading Stock election? Y for yes or leave blank

OTHER ISSUES

(PLEASE PROVIDE INFORMATION WHERE APPLICABLE)

- | | | | |
|-----|---|--------------------------|---|
| 1. | Provide details of non-deductible expenses (including private or domestic expenses, entertainment (other than employee fringe benefits), items of a capital nature and fines and penalties. | <input type="checkbox"/> | |
| 2. | Provide details of any tax withheld from payments where an ABN has not been quoted | <input type="checkbox"/> | |
| 3. | If your business is operating through a company, provide details of all dividends paid | <input type="checkbox"/> | |
| 4. | Provide details of stock that may have a market selling value or replacement value less than cost. | <input type="checkbox"/> | |
| 5. | Provide the market value of trading stock items that cease to be trading stock without disposal (e.g. stock for own consumption or cessation of business). | <input type="checkbox"/> | |
| 6. | Value of work in progress as at 30 June 2007. | <input type="checkbox"/> | |
| 7. | Payments received from associated persons and other entities – provide information relating to any payments from members and directors since 22 February 1999. | <input type="checkbox"/> | |
| 8. | If your business is operating through a family trust, has the trust made a family trust election? | <input type="checkbox"/> | *Family Trust Election |
| 9. | Have you reconciled your BAS for the 2006/2007 year? | <input type="checkbox"/> | |
| 10. | Please provide copies of each BAS or IAS that you have lodged during 2006/07 where your tax agent has not lodged those activity statements. | <input type="checkbox"/> | |
| 11. | Do you run your businesses through more than one business entity that is directly or indirectly owned 100% by a head company? | <input type="checkbox"/> | *Consider consolidation rules |
| 12. | Provide information so that annual turnover can be calculated for GST and STS. | <input type="checkbox"/> | |
| 13. | Do you own an investment property? | <input type="checkbox"/> | *Consider land tax issues |
| 14. | Personal Income Tax - Complete <i>Tax Interview Checklist for Individuals.</i> | <input type="checkbox"/> | |
| 15. | Spouse's Income – provide any relevant details on income or pension received by your spouse. | <input type="checkbox"/> | |
| 16. | If you are a subcontractor, did you earn the majority of your income from one head contractor? | <input type="checkbox"/> | * Consider whether a personal services business |

TAXPAYER'S DECLARATION

I declare that all the information I have given is true and correct.

Taxpayer's Signature: _____ Date: _____ / _____ / _____