

## 2023 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>If the company is not an SBE, does it meet the \$50 million aggregated turnover threshold? If so, confirm which concessions the company is entitled to.</li> </ul>			
<ul style="list-style-type: none"> <li>Is the company a base rate entity in 2023?</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 Taxation Ruling 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' (see Practical Compliance Guideline PCG 2021/4 which applies from 1 July 2022).</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: <ul style="list-style-type: none"> <li>Have the temporary full expensing rules been considered?</li> <li>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 on an asset by asset basis)</li> </ul> </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 Taxation Ruling 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? (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).</li> </ul>			
<ul style="list-style-type: none"> <li>• Where any part of a prepayment was non-deductible in 2022 as a result of the prepayment rules, is the amount deductible in 2023?</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.</li> </ul>			
<ul style="list-style-type: none"> <li>• Were employee superannuation contributions 'made' in the current income year per Taxation Ruling 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 2023 FBT instalment been deducted per Taxation Ruling 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?</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>			
<ul style="list-style-type: none"> <li>Consider whether the company can carry-back losses from 2020-21, 2021-22 or 2022-23 to any of the 2019-20, 2020-21 or 2021-22 income years.</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 not, 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 September 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>			

<b>International</b>			
<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 2023 form was yet to be released – link provided is to the 2022 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>			
<b>Dividends and franking</b>			
<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 Taxation Ruling 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>			