2025 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?			
• 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.			
• Is the company a base rate entity in 2025?			
• If the company was not incorporated in Australia, has the company's residency been determined in line with Taxation Ruling 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 opening 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 the application of Practical Compliance Guideline PCG 2021/4).			
Expenses			
• Put through depreciation entries and agree asset balances to depreciation schedule (including journaling asset purchases and sales).			
• For asset purchases has the company determined its policy on depreciating additions (on prime cost or diminishing value) where eligible (and assets are not immediately written off under the SBE regime)			
• 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 Taxation Ruling 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 $50 million 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 2024 as a result of the prepayment rules, is the amount deductible in 2025?			
• Has non-deductible 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 Taxation Ruling TR 2010/1 (to determine deductibility)?			
• Do wages on the income statements reconcile to the general ledger and lodged business activity statements?			
• 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 2025 FBT instalment been deducted per Taxation Ruling 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 or the digital tax offset?			
• 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 recoupment rules are met.			

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 GST exclusive 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 (taking into account the ATO's current treatment of unpaid present entitlements)?			
PSI			
• If the company derived any personal services income (PSI), is the company carrying on a personal services business (PSB)? • If not, consider the PSI that must be attributed to an individual. • If yes, consider whether the Commissioner could apply Part IVA to the arrangement as set out in Draft Practical Compliance Guideline PCG 2024/D2.			
Capital gains			
• Has the company sold, redeemed, or disposed of an asset in any other way during the year. If so, have any 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 September 1985), have there been any significant changes to the shareholding of the company since 20 September 1985 that would have triggered Division 149 such that the pre-CGT assets would be regarded as being post-CGT assets upon a change in majority underlying interests?			
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 has been completed (at the time of writing, the 2025 form was yet to be released – but the 2024 form can be downloaded at https://www.ato.gov.au/forms-and-instructions/international-dealings-schedule-2024-instructions).			
• 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 2001* have been satisfied? See Taxation Ruling 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?			