2025 Partnership Tax Return Checklist

	Yes	No	N/A
• Is there a partnership agreement?			
• Could the partnership be classified as a corporate limited partnership for tax purposes (i.e. if so, it would be taxed as a company)?			
• Is the partnership a small business entity (SBE) (i.e. a business that meets the $10 million aggregated turnover threshold)? If so, confirm which concessions the partnership is entitled to.			
• If the partnership is an SBE, is it using the simplified depreciation rules?			
• If the partnership's aggregated turnover is less than $5 million, complete the 'net small business income' labels for 'small business income tax offset' purposes. ▪ Net small business income (item 5, label V) ▪ Each partner's 'Share of net small business income' (item 54, label H)			
• If the partnership is not an SBE, does it meet the $50 million aggregated turnover threshold? If so, confirm which concessions the partnership is entitled to.			
Income			
• Have partners 'salaries' been excluded for tax purposes (see Taxation Ruling TR 2005/7)?			
• Check for any cash earnings or payments that may not have been accounted for.			
• Consider goods taken for own use by partners (refer Taxation Determination TD 2024/8).			
• 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 partnership 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 are additions being depreciated at prime cost or diminishing value (assuming the partnership is not eligible to apply the simplified depreciation regime where the partnership is not an eligible SBE)			
• 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 within the Taxation Ruling TR 2006/2 guidelines.			
• 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?			
• 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 entertainment expenditure been added back for tax purposes, unless it was included in the partnership's FBT return?			
• Have other non-deductible expenses been added back for tax purposes?			
• Has the partnership 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 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 partnership 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 partnership is liable for workers compensation, have all payments been made in relevant year?			
• If the partnership 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 partnership 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.?			
• Ensure that the financials are in line with ATO benchmarks and investigate discrepancies where necessary.			

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			
PSI			
• If the partnership derived any personal services income (PSI), is the partnership 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 as set out in Draft Practical Compliance Guideline PCG 2024/D2.			
Capital gains			
• If the partnership sold, redeemed, or disposed of an asset in any other way during the year, has the partnership advised the partners of the CGT event?			
• If so, have any exemptions, reductions, or rollovers been considered?			
• If there was a partnership reconstitution (e.g., admission of a new partner), has the CGT impact been considered?			
GST			
• If the partnership is not registered for GST, should it be registered?			
• If the partnership 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 partnership 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 partnership have a bank account in another country or buy/sell products offshore? If so, consider the foreign exchange rules.			
Distributions			
• If there is a partnership agreement, has the partnership distribution been made in accordance with the partnership agreement?			