



FNSACC601

PREPARE AND ADMINISTER TAX DOCUMENTATION FOR LEGAL ENTITIES

Assessment 3 of 3



SWINBURNE
OPEN
EDUCATION

Assessment Information

Submission

You are entitled to three (3) attempts to complete this assessment satisfactorily. Incomplete assessments will not be marked and will count as one of your three attempts.

All questions must be responded to correctly to be assessed as satisfactory for this assessment.

Answers must be typed into the space provided and submitted electronically via the LMS. Hand-written assessments will not be accepted unless previously arranged with your assessor.

Reasonable adjustment

Students may request a reasonable adjustment for assessment tasks.

Reasonable adjustment usually involves varying:

- a. the processes for conducting the assessment (e.g. allowing additional time)
- b. the evidence gathering techniques (e.g. oral rather than written questioning, use of a scribe, modifications to equipment)

However, the evidence collected must allow the student to demonstrate all requirements of the unit.

Refer to the Student Handbook or contact your Trainer for further information.



Please consider the environment before printing this assessment.

Task overview

This unit requires you to prepare and administer tax documents for legal entities.

This assessment requires you to complete five (5) tasks to test your understanding and the skills required for this unit:

- Task 1 – Prepare tax documentation that complies with legislation, ATO and organisational requirements
- Task 2 – Role play
- Task 3 – Lodge tax return
- Task 4 – Role-play
- Task 5 – Respond to audit requirements

This assessment uses a simulated business called Sydney Tax Agents. To complete the assessment tasks, you must access information, documents, and templates associated with clients of Sydney Tax Agents. The supporting documents you need to complete the assessment can be downloaded from the learning platform under Module X Assessment 3 tab.

To be assessed as competent, you must complete all tasks in the spaces provided in this assessment document or MYOB Business.

Read the case study and complete each part.

Assessment conditions

FNSACC522 Prepare tax documentation for individuals is a prerequisite and does not require that it be certified prior to this unit. This unit and its prerequisite may be delivered and assessed together.

This unit is designed to meet the regulatory requirements of the Tax Practitioner Board (TPB). Where registration with the TPB is sought, assessment must reflect the conditions described by the regulator, which stipulate that a significant amount (at least 40%) must be completed under some form of independent supervision. Where recognition of prior learning (RPL) is used, it must also meet the requirements of the Board's policy on RPL.

Details of requirements can be accessed on the TPB website at: <http://www.tpb.gov.au>

Assessment note: For this assessment, task 6 must be completed under independent supervision. Please refer to the additional independent supervision instructions.

Tax Practitioners Board (TPB) Tax agent registration

In Australia, if you want to provide tax services for a fee or other reward, you must be registered with the Tax Practitioners Board (TPB).

To become a registered Tax agent, you must satisfy specific qualifications and experience requirements set out in the Tax Agent Services Regulations 2022 (TASR). These requirements include a primary qualification, Board-approved courses, relevant experience and other criteria.

You may apply to register as a BAS agent through one of six options outlined in the TASR (item 201 or 206), depending on your qualifications and experience.

Summary of qualifications and experience requirements for tax agent registration (including renewal)

Item	Primary qualification	Board approved courses			Relevant experience
		Australian taxation law	Commercial law	Basic accountancy principles	
201 Tertiary qualifications in accounting	Degree or post-graduate award in accounting (from an Australian tertiary education institution) or award that is Board approved (from an equivalent institution)	Required ¹	Required	Not required	Equivalent of 1 year full-time experience in past 5 years
202 Tertiary qualifications - specialists	Degree or post-graduate award (from an Australian tertiary institution) or degree or award that is Board approved (from an equivalent institution) in a relevant discipline other than accounting	May be required ²	May be required ²	May be required ²	Equivalent of 1 year full-time experience in past 5 years
203 Diploma or higher award in accounting	Diploma or higher award in accounting (from a registered training organisation or equivalent institution)	Required ¹	Required ³	Not required	Equivalent of 2 years full-time experience in past 5 years
204 Tertiary qualifications in law	Academic qualifications to be an Australian legal practitioner	Required ¹	Not required	Required	Equivalent of 1 year full-time experience in past 5 years
205 Work experience	Not required	Required ¹	Required ³	Required	Equivalent of 8 years full-time experience in past 10 years
206 Membership of a professional association	Individual is a voting member of a recognised tax agent association	Not required	Not required	Not required	Equivalent of 8 years full-time experience in past 10 years

¹ Must include a component in the Tax Agent Services Act 2009, including the Code of Professional Conduct.

² May be required if the Board considers it is relevant to the tax agent services you are applying to provide.

³ If you were previously registered under the Income Tax Assessment Act 1936 you do not need to complete a Board approved course in commercial law to register or renew under items 203 or 205.

TPB approved courses

Board-approved courses are nationally recognised units approved by the Tax Practitioners Board (TPB) for registration purposes.

FNSACC601 - Prepare and administer tax documentation for legal entities, and FNSTPB402 - Establish and maintain payroll systems included in this FNS40217 Certificate IV in accounting and bookkeeping qualification. Together they meet the TPB-approved course in basic GST/BAS taxation principles (GST/BAS course) academic requirements for registration as a BAS agent.

This assessment is designed to meet the education requirements of the Tax Practitioners Board (TPB), which stipulates that a significant amount (at least 40%) of the assessment must be completed under some form of independent supervision.

Tasks that must be completed under independent supervision are:

- Task 1 - Prepare tax documentation that complies with legislation, ATO and organisational requirements
- Task 2 - Role Play
- Task 3 - Lodge Tax Return
- Task 4 - Role Play
- Task 5 - Respond to Audit Requirements

Additional resources and supporting documents

To complete this assessment, you will need:

- Access to a computer with internet
- Access to Microsoft word or similar

- Access to MYOB Business
- Access to learning materials

Supporting documents:

- FNSACC601_02_CaseStudy_Company-tax-return-2022-efrom-reader
- FNSACC601_03_CaseStudy_TaxPreparation Policy
- FNSACC601_02_Case Study_ClientEngagementLetter
- FNSACC601_03_CaseStudy_NoticeOfAssessment

Task instructions: Prepare tax documentation, lodge and respond to audit requirements

Task 1 - Prepare tax documentation that complies with legislation, ATO and organisational requirements

Task 1 contributes to the education requirements of the Tax Practitioners Board (TPB), Board approved course in Australian Taxation Law and must be completed under independent supervision. Please refer to the additional independent supervision instructions.

Attachments

- FNSACC601_02_CaseStudy_Company-tax-return-2022-eform-reader
- FNSACC601_03_CaseStudy_TaxPreparation Policy
- FNSACC601_02_Case Study_ClientEngagementLetter

1. Research INCOME TAX ASSESSMENT ACT 1936 - S.161 ITAA36. List three requirements you must adhere to when lodging the income tax return for Concord Mechanical Workshop Pty Ltd. (Approximately 25-30 words)

1.1. Requirements you must adhere to when lodging the income tax return for Concord Mechanical Workshop Pty Ltd.

MARKING GUIDE

There is no submission due date for this task. Candidates may submit this task when they are ready.

The candidate's response must match any three of the benchmark answers provided.

- It must be in the form provided by the ATO.
- It must be lodged in the prescribed manner.
- It must be lodged within the specific time frame.
- It must contain the required information.
- It must be signed by the taxpayer.

2. Prepare Concord Mechanical Workshop Pty Ltd.'s tax return and calculate its tax obligation:
 - Access FNSACC601_03_CaseStudy_Company-tax-return-2022-eform-reader. (Used in Assessment 2 Task 5)
 - Review:
 - Sydney Tax Agents Tax Preparation Policy [FNSACC601_03_CaseStudy_TaxPreparation Policy](#)
 - The information you have gathered about Concord Mechanical Workshop Pty Ltd
 - The reports from MYOB
 - The information provided by John Edwards in the Client Engagement Letter [FNSACC601_02_Case Study_ClientEngagementLetter](#)
 - Using the Company-tax-return-2022-eform and the information you have gathered, follow standard accounting practices and principles to prepare Concord Mechanical Workshop Pty Ltd.'s 2022 company tax return and calculate its tax obligation.
 - Save the completed eform on your desktop using the naming convention:

student name_ FNSACC601_02_CaseStudy_Company-tax-return-2022.

This eform will be used in Task 2. Note: Depending on the software you use, you may need to recreate the data again in the company tax return form.

b. Complete Tax Return

MARKING GUIDE

This part is designed to ensure that the student can prepare tax documentation, lodge the tax documentation and respond to audit requirements.

The candidate must use the ATO Company Tax Return 2022 eform template to prepare Concord Mechanical Workshop Pty Ltd.'s tax return and calculate its tax obligation. The completed Company Tax Return will be used in Task 2 role-play.

The candidate's response must match the benchmark answers below.

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Day Month Year to Day Month Year
01 / 01 / 2022 to 30 / 06 / 2022

Or specify period if part year or approved substitute period.

Notes to help you prepare this tax return are in the *Company tax return instructions 2022* (the instructions), available from the ATO.

When completing this return

- Print clearly, using a black pen only.
- Use BLOCK LETTERS and print one character in each box.
S H I T H S T
- Place X in all applicable boxes.



Company information

Tax file number (TFN) 1 1 1 1 1 1 1 1 1 1

Name of company

C O N C O R D M E C H A N I C A L W O R K S H O P P T Y L T D

Australian business number (ABN) 2 8 0 0 8 6 7 2 1 7 9

Previous name of company

If the company name has changed, print the previous name exactly as shown on the last tax return lodged and show Australian company number (ACN) or Australian registered body number (ARBN).

Empty boxes for previous company name

ACN or ARBN [] [] [] [] [] [] [] []

Current postal address

If the address has not changed, print it exactly as shown on the last tax return lodged.

P O B O X 2 3 4

Suburb/town F I V E D O C K State/territory N S W Postcode 2 0 4 6

Country if not Australia

Postal address on previous tax return

If the address has changed, print the previous address exactly as shown on the last tax return lodged.

Empty boxes for previous postal address

Suburb/town State/territory Postcode

Country if not Australia

ADDITIONAL INFORMATION FOR THE ASSESSOR

Page 2, Q3 Status of the company must be a small business entity.

Concord Mechanical Workshop Pty Ltd meets the ATO's definition of a small business entity.

From 1 July 2016, you are a small business if you are a sole trader, partnership, company or trust that:

- operates a business for all or part of the income year, and
- has a turnover less than \$10 million (the turnover threshold).



Business address of main business

9 EDWARD BENNETT DRIVE

Suburb/town State/territory Postcode

CONCORD NSW 2538

Country if not Australia

Final tax return No Yes

Electronic funds transfer (EFT)

We need your financial institution details to pay any refund owing to you, even if you have provided them to us before.

Write the BSB number, account number and account name below.

(See relevant instructions.)

BSB number (must be six digits) 311876 Account number 987 654 3

Account name

CONCORD MECHANICAL WORKSHOP

1 Ultimate holding company name and ABN or country code

ABN OR Country code

Immediate holding company name and ABN

ABN

2 Description of main business activity

AUTOMOTIVE REPAIR & MAINTENANCE

Industry code B94199 Percentage of foreign shareholding A0%

3 Status of company – print in all applicable boxes.

Your selections at this question may determine how the tax law applies to you. See 3 Status of company in the instructions for more information about company status.

- Resident **C1** Non-resident no permanent estab. **C2** Non-resident with permanent estab. **C3**
- Cooperative **D1** Non-profit **D3** Strata title **D4** Pooled development fund **D5**
- Limited partnership **D6** Corporate unit trust **D7** Public trading trust **D8** Private **D9**
- Public **D10**
- Multiple business **E1** Ceased business **E2** Commenced business **E3**
- Small business entity **F1** Base rate entity **F2**
- Significant global entity **G1** Country by country reporting entity **G2**
- Consolidated head company **Z1** Consolidated subsidiary member **Z2**



4 Interposed entity election status

If the company has an existing election, write the earliest income year specified.
 If the company is making one or more elections this year, write the earliest income year being specified and complete an *Interposed entity election or revocation 2022* for each election.
 If revoking an interposed entity election, print R and complete and attach the *Interposed entity election or revocation 2022*.

5 Country by country reporting entity

If, at question 3 label **G2**, you indicated that you are a Country by country reporting entity.
 Have you lodged a general purpose financial statement with ASIC in relation to this income year (before the due date for lodgment of the statement with ASIC)? **A** Yes No
 Will you be lodging a general purpose financial statement with ASIC in relation to this income year (before the due date for lodgment of the statement with ASIC)? **B** Yes No

Information statement – To be completed by all companies

6 Calculation of total profit or loss

Income

Gross payments subject to foreign resident withholding (excluding capital gains) **B** \$, , , ~~·~~

Gross payments where ABN not quoted **A** \$, , 5, 3 1 9 ~~·~~

Other sales of goods and services **C** \$, , 3 2 4, 6 8 1 ~~·~~

Gross distribution from partnerships **D** \$, , , ~~·~~ / CODE

Gross distribution from trusts **E** \$, , , ~~·~~ / CODE

Forestry managed investment scheme income **X** \$, , , ~~·~~

Gross interest **F** \$, , , 1 2 5 ~~·~~

Gross rent and other leasing and hiring income **G** \$, , 3 8, 6 4 3 ~~·~~

Total dividends **H** \$, , , ~~·~~

Fringe benefit employee contributions **I** \$, , 3, 5 0 0 ~~·~~ CODE

Assessable government industry payments **Q** \$, , 2, 5 0 0 ~~·~~ /

Unrealised gains on revaluation of assets to fair value **J** \$, , , ~~·~~

Other gross income **R** \$, , , ~~·~~ /

Total income **S** \$, , , 3 7 4, 7 6 8 ~~·~~ /



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6 Calculation of total profit or loss – continued

Expenses

Foreign resident withholding expenses (excluding capital gains)	B	\$							0	· ×
Cost of sales	A	\$				3	8		7 5 0	· × /
Contractor, sub-contractor and commission expenses	C	\$							0	· ×
Superannuation expenses	D	\$				2	8		8 6 6	· ×
Bad debts	E	\$							0	· ×
Lease expenses within Australia	F	\$				4			2 3 6	· ×
Lease expenses overseas	I	\$							0	· ×
Rent expenses	H	\$				1	2		0 0 0	· ×
Interest expenses within Australia	V	\$							8 5	· ×
Interest expenses overseas	J	\$							0	· ×
Royalty expenses overseas	U	\$							0	· ×
Royalty expenses within Australia	W	\$							0	· ×
Depreciation expenses	X	\$				8			4 1 9	· ×
Motor vehicle expenses	Y	\$				2			3 0 0	· ×
Repairs and maintenance	Z	\$							2 9 5	· ×
Unrealised losses on revaluation of assets to fair value	G	\$								· ×
All other expenses	S	\$				3	5	4	4 7 2	· ×

Complete and attach an International dealings schedule 2022.

Do you have a non-resident withholding payment or reporting obligation? See instructions.

Total expenses Q \$, , , , 4 4 9 , 4 2 4 ·~~×~~ /

Total profit or loss

Subtract **Total expenses Q** from **Total income S** **T** \$, , , , 7 4 , 6 5 5 ·~~×~~ / **L**

L

B

Company ABN 28 008 672 179

7 Reconciliation to taxable income or loss

Total profit or loss amount shown at T item 6 \$ 74,655 / L

Did you have a CGT event during the year? G Yes No Answer Yes at G if the company had an amount of a capital gain from a trust.

Have you applied an exemption or rollover? M Yes No CODE

Do you need to complete a Capital gains tax (CGT) schedule 2022?

- Add: Net capital gain A \$ Non-deductible exempt income expenditure U \$ Franking credits J \$ Australian franking credits from a New Zealand company C \$ TOFA income from financial arrangements not included in item 6 E \$ Other assessable income B \$ Non-deductible expenses W \$ Accounting expenditure in item 6 subject to R&D tax incentive D \$

Subtotal \$ 74,655 / L

- Less: Section 46FA deductions for flow-on dividends C \$ Deduction for decline in value of depreciating assets F \$ Forestry managed investment scheme deduction U \$ Immediate deduction for capital expenditure E \$ Deduction for project pool H \$ Capital works deductions I \$ Section 40-880 deduction Z \$ Landcare operations and deduction for decline in value of water facility, fencing asset and fodder storage asset N \$ Deduction for environmental protection expenses O \$ Offshore banking unit adjustment P \$

Complete and attach an International dealings schedule 2022.

Do you need to complete the International dealings schedule 2022?



Less: – continued

Exempt income **V** \$ 0 -X

Other income not included in assessable income **Q** \$ 0 -X

TOFA deductions from financial arrangements not included in item 6 **W** \$ 0 -X

Other deductible expenses **X** \$ 0 -X

Tax losses deducted **R** \$ 0 -X

Tax losses transferred in (from or to a foreign bank branch or a PE of a foreign financial entity) **S** \$ 0 -X

Subtraction items subtotal **P** \$ 1 3 , 9 1 9 -X / L

“Taxable/net income or loss” **T** \$ 8 8 , 5 7 4 -X / L
(an amount must be included even if it is zero)

8 Financial and other information

Functional currency translation rate **N** -

Functional currency chosen **O**

Opening stock **A** \$ 0 -X

Purchases and other costs **S** \$ 3 8 , 7 5 0 -X

Closing stock **B** \$ -X /

Trading stock election Yes No

Trade debtors **C** \$ 5 , 5 0 0 -X

All current assets **D** \$ 3 6 , 3 3 5 -X

Total assets **E** \$ 5 5 , 2 7 3 -X

Trade creditors **F** \$ 1 2 2 , 6 2 6 -X

All current liabilities **G** \$ 3 8 , 7 7 0 -X

Total liabilities **H** \$ 5 0 , 7 7 0 -X

Total debt **J** \$ 0 -X

Commercial debt forgiveness **K** \$ 0 -X

Franked dividends paid **J** \$ 0 -X

Unfranked dividends paid **K** \$ 0 -X

Opening franking account balance **P** \$ 0 -X

Closing franking account balance **M** \$ 0 -X

Select your aggregated turnover range **X** A (select range A to P)

Aggregated turnover **Y** \$ -X

L Page 6

OFFICIAL: Sensitive (when completed)

COMPANY TAX RETURN 2022

ADDITIONAL INFORMATION FOR THE ASSESSOR

Small business entities

The company must account for changes in the value of its trading stock only if the difference between:

- the value of the company's stock on hand at the start of the income year as shown at A Opening stock, and
- a reasonable estimate of the value of the company's stock on hand at the end of the income year is more than \$5,000.

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8 Financial and other information – continued

Excess franking offsets **H** \$ [] [] [] [] [] [] [] [] [] [] 0 ·X

Loans to shareholders and their associates **N** \$ [] [] [] [] [] [] [] [] [] [] 0 ·X / [] CODE

Total salary and wage expenses **D** \$ [] [] [] [] [] [] [] [] [] [] 3 0 0 , 7 6 5 ·X / [] CODE

Payments to associated persons **Q** \$ [] [] [] [] [] [] [] [] [] [] 0 ·X

Gross foreign income **G** \$ [] [] [] [] [] [] [] [] [] [] 0 ·X

Net foreign income **R** \$ [] [] [] [] [] [] [] [] [] [] 0 ·X / []

Attributed foreign income

- Listed country **B** \$ [] [] [] [] [] [] [] [] [] [] 0 ·X
- Unlisted country **U** \$ [] [] [] [] [] [] [] [] [] [] 0 ·X
- Transferor trust **V** \$ [] [] [] [] [] [] [] [] [] [] 0 ·X

Total TOFA gains **T** \$ [] [] [] [] [] [] [] [] [] [] 0 ·X

Total TOFA losses **U** \$ [] [] [] [] [] [] [] [] [] [] 0 ·X

TOFA gains from unrealised movements in the value of financial arrangements **S** \$ [] [] [] [] [] [] [] [] [] [] 0 ·X

9 Capital allowances

Depreciating assets first deducted in this income year

Intangible depreciating assets first deducted **A** \$ [] [] [] [] [] [] [] [] [] [] 0 ·X

Other depreciating assets first deducted **B** \$ [] [] [] [] [] [] [] [] [] [] 4 0 , 0 0 0 ·X

Have you self-assessed the effective life of any of these assets? **C** Yes No

Are you making a choice to opt out of temporary full expensing for some or all of your eligible assets? **P** A (A – Some eligible assets; B – All eligible assets)

Number of assets you are opting out for **Q** [] [] [] [] 8

Value of assets you are opting out for **R** \$ [] [] [] [] [] [] [] [] [] [] 3 4 , 5 0 0 ·X

Temporary full expensing deductions **S** \$ [] [] [] [] [] [] [] [] [] [] 5 , 5 0 0 ·X

Number of assets you are claiming for **T** [] [] [] [] 1 2

Are you using the alternative income test? **U** Yes No

For all depreciating assets

Did you recalculate the effective life for any of your assets this income year? **D** Yes No

Total adjustable values at end of income year **E** \$ [] [] [] [] [] [] [] [] [] [] 3 0 , 6 0 9 ·X

Assessable balancing adjustments on the disposal of intangible depreciating assets **F** \$ [] [] [] [] [] [] [] [] [] [] 0 ·X

Deductible balancing adjustments on the disposal of intangible depreciating assets **G** \$ [] [] [] [] [] [] [] [] [] [] 0 ·X

Termination value of intangible depreciating assets **H** \$ [] [] [] [] [] [] [] [] [] [] 0 ·X

Termination value of other depreciating assets **I** \$ [] [] [] [] [] [] [] [] [] [] 0 ·X

Subsequent year accelerated depreciation deductions for assets using Backing business investment **N** \$ [] [] [] [] [] [] [] [] [] [] 0 ·X



9 Capital allowances – continued

For entities connected with mining operations, exploration or prospecting

Total mining capital expenditure and/or transport capital that you allocated to a project pool and for which you can claim a deduction this income year **J** \$, , , 0

Total deduction for decline in value of intangible depreciating assets used in exploration or prospecting **K** \$, , , 0

Total deduction for decline in value of other depreciating assets used in exploration or prospecting **L** \$, , , 0

10 Small business entity simplified depreciation

Deduction for certain assets **A** \$, , 5, 5 0 0

Deduction for general small business pool **B** \$, , , 0

11 Consolidation deductions relating to rights to future income, consumable stores and work in progress

Prospective rules deductions **F** \$, , , 0

12 National rental affordability scheme

National rental affordability scheme tax offset entitlement **J** \$, , , 0

13 Losses information

Complete and attach a Consolidated groups losses schedule 2022 or a Losses schedule 2022, as applicable, if the sum of **U** and **V** is greater than \$100,000. Refer to the applicable schedule instructions for full details of who must complete the schedule.

Tax losses carried forward to later income years **U** \$, , , 0

Net capital losses carried forward to later income years **V** \$, , , 0

Tax loss 2019–20 carried back to 2018–19 **A** \$, , , 0

Tax loss 2020–21 carried back to 2018–19 **B** \$, , , 0

Tax loss 2020–21 carried back to 2019–20 **C** \$, , , 0

Tax loss 2021–22 carried back to 2018–19 **D** \$, , , 0

Tax loss 2021–22 carried back to 2019–20 **E** \$, , , 0

Tax loss 2021–22 carried back to 2020–21 **F** \$, , , 0

Tax Rate 2019–20 **G** . 0 %

Tax Rate 2020–21 **H** . 0 %

Net exempt income 2018–19 **I** \$, , , 0

Net exempt income 2019–20 **J** \$, , , 0

Net exempt income 2020–21 **K** \$, , , 0

Income tax liability 2018–19 **L** \$, , , 0

Income tax liability 2019–20 **M** \$, , , 0

Income tax liability 2020–21 **N** \$, , , 0



13 Losses information – continued

Select your aggregated turnover range for 2019–20 **O** (select range A to P)

Aggregated turnover for 2019–20 **P** \$, , , 0

Select your aggregated turnover range for 2020–21 **Q** (select range A to P)

Include amount in calculation statement at label **E – Refundable tax offsets**

Aggregated turnover for 2020–21 **R** \$, , , 0

Loss carry back tax offset **S** \$, , , 0

14 Personal services income

Does your income include an individual's personal services income? **N** Yes No

Total amount of PSI included at item 6 income labels **A** \$, , , 0

Total amount of deductions against PSI included at item 6 expense labels **B** \$, , , 0

Did you satisfy the results test in respect of any individual? **C** Yes No

Do you hold a personal services business (PSB) determination in respect of any individual? **D** Yes No

For any individual for whom you did not satisfy the results test or hold a PSB determination, and each source of their PSI income yielded less than 80% of their total PSI, indicate if you satisfied any of the following personal services business tests – print X in the appropriate box(es).

Unrelated clients test **E1** Employment test **E2** Business premises test **E3**

15 Licensed clubs only

Percentage of non-member income **A** 0 %

16 Life insurance companies and friendly societies only

Complying superannuation class **B** \$, , , 0

Net capital gain – complying superannuation class **C** \$, , , 0

Net capital gain – ordinary class **D** \$, , , 0

Assessable contributions **E** \$, , , 0

Fees and charges **F** \$, , , 0

18 Pooled development funds

Small and medium sized enterprises income **G** \$, , , 0

Unregulated investment income **H** \$, , , 0

19 Retirement savings accounts (RSAs) providers only

No-TFN contributions income **U** \$, , , 0

(an amount must be included even if it is zero)

Income tax payable on no-TFN contributions income **X** \$, , , 0

(an amount must be included even if it is zero)

Net taxable income from RSAs **V** \$, , , 0

20 Foreign income tax offset

Foreign income tax offset **J** \$, , , 0



21 Research and development tax incentive

Non-refundable R&D tax offset

Include total amounts from labels **A** and **B** in calculation statement at label **D** – *Non-refundable carry forward tax offsets*

Non-refundable R&D tax offset **A** \$, , , 0 •

Non-refundable R&D tax offset carried forward from previous year **B** \$, , , 0 •

Non-refundable R&D tax offset to be utilised in current year **C** \$, , , 0 •

Non-refundable R&D tax offset carried forward to next year **D** \$, , , 0 •

(A plus B less C)

Refundable R&D tax offset

Include amount in calculation statement at label **E** – *Refundable tax offsets*

Refundable R&D tax offset **U** \$, , , 0 •

If you have completed labels **A** or **U** a *Research and development tax incentive schedule 2022* is required to be completed and lodged with your Company tax return.

Adjustments

Clawback amounts – additional assessable income **W** \$, , , 0 •

(include this amount at item 7B – Other assessable income)

Balancing adjustments – catch up deduction **X** \$, , , 0 •

(include this amount at item 7X – Other deductible expenses)

22 Early stage venture capital limited partnership tax offset

Current year tax offset **L** \$, , , 0 •

Tax offset carried forward from a previous year **P** \$, , , 0 •

(include these amounts in the calculation statement at label **D** – Non-refundable carry forward tax offsets)

23 Early stage investor tax offset

Current year tax offset **M** \$, , , 0 •

Tax offset carried forward from a previous year **R** \$, , , 0 •

(include these amounts in the calculation statement at label **D** – Non-refundable carry forward tax offsets)

25 Reportable tax position

Are you required to lodge a reportable tax position schedule? **B** Yes No

If you answered **Yes** at **B** complete and attach a *Reportable tax position schedule 2022*.

Overseas transactions or interests/thin capitalisation

– the following questions must be answered.

If you answer **Yes** at item **27**, **28** or **29** complete and attach an *International dealings schedule 2022*.

International related party dealings/transfer pricing

26 Did you have any transactions or dealings with international related parties (irrespective of whether they were on revenue or capital account)? Such transactions or dealings include the transfer of tangible or intangible property and any new or existing financial arrangements. **X** Yes No

27 Was the aggregate amount of the transactions or dealings with international related parties (including the value of property transferred or the balance outstanding on any loans) greater than \$2 million? **Y** Yes No

28 Overseas interests

Did you have overseas branch operations or a direct or indirect interest in a foreign trust, foreign company, controlled foreign entity or transferor trust? **Z** Yes No

29 Thin capitalisation

Did the thin capitalisation provisions affect you? **O** Yes No

30 Transactions with specified countries

Did you directly or indirectly send to, or receive from, one of the countries specified in the instructions, any funds or property OR
Do you have the ability or expectation to control, whether directly or indirectly, the disposition of any funds, property, assets or investments located in, or located elsewhere but controlled or managed from one of those countries? **I** Yes No



Calculation statement

***Important:** Item 7 label **T** and labels **A**, **T1**, **T5** and **I** of the calculation statement are mandatory. If you leave these labels blank, you will have specified a zero amount.

Please refer to the *Company tax return instructions 2022* on how to complete the calculation statement.

***Taxable or net income **A** \$** 0 -
(an amount must be included even if it is zero)

***Tax on taxable or net income **T1** \$** 0 - 0 0
(an amount must be included even if it is zero)

R&D recoupment tax **M** \$ 0 - 0 0

Gross tax **B** \$ 0 - 0 0
(T1 plus M)

Non-refundable non-carry forward tax offsets **C** \$ 0 - 0 0

Subtotal 1 **T2** \$ 0 - 0 0
(B less C – cannot be less than zero)

Non-refundable carry forward tax offsets **D** \$ 0 - 0 0

Subtotal 2 **T3** \$ 0 - 0 0
(T2 less D – cannot be less than zero)

Refundable tax offsets **E** \$ 0 - 0 0

Subtotal 3 **T4** \$ 0 - 0 0
(T3 less E – cannot be less than zero)

Franking deficit tax offset **F** \$ 0 - 0 0

H1 0 - 0 0
 Credit for interest on early payments – amount of interest

H2 0 -
 Credit for tax withheld – foreign resident withholding (excluding capital gains)

H3 2, 5 0 0 0 -
 Credit for tax withheld where ABN is not quoted

H4 0 - 0 0
 Tax withheld from interest or investments

H5 0 - 0 0
 Credit for TFN amounts withheld from payments from closely held trusts

H7 0 - 0 0
 Other credits

H8 0 - 0 0
 Credit for foreign resident capital gains withholding amounts

***TAX PAYABLE **T5** \$** 0 - 0 0
(T4 less F – cannot be less than zero; an amount must be included even if it is zero)

Section 102AAM interest charge **G** \$ 0 - 0 0

Eligible credits **H \$** 2, 5 0 0 0 - 0 0
(Add H1, H2, H3, H4, H5, H7 and H8)

***Tax offset refunds **I** \$** 0 - 0 0
(Remainder of refundable tax offsets) (unused amount from label E – an amount must be included even if it is zero)

PAYG instalments raised **K** \$ 0 - 0 0

AMOUNT DUE OR REFUNDABLE **S \$** - 2, 5 0 0 0 - 0 0
*A positive amount at **S** is what you owe, while a negative amount is refundable to you. (T5 plus G less H less I less K)*

Task 2 - Role play

Task 2 contributes to the education requirements of the Tax Practitioners Board (TPB), Board approved course in Australian Taxation Law and must be completed under independent supervision. Please refer to the additional independent supervision instructions.

You will complete a role-play activity with your assessor.

You must complete and submit Task 1- Prepare tax documentation that complies with legislation, ATO and organisational requirements before this task 2.

Role play instructions

The role-play/meeting will include two participants, you and the assessor (acting as the client), must not exceed 15 minutes duration and must address all elements of the Observation Checklist below.

Contact your assessor to organise a time to conduct the role play. This assessment can be conducted in a face-to-face environment or a simulated online office environment using a system such as Zoom, Skype or Teams.

If the assessment is conducted using a simulated online office environment using simulated meeting software, consent to participate in the recording must be captured for all participant/s at the start of the meeting. This is achieved by the student reading the following statement at the start of the recording, with all participants replying their name and job title to inform consent.

"This session/presentation is being recorded for assessment purposes for my course with Swinburne Open Education. This session will be recorded and submitted through my course online learning platform to my assessor for grading. All participant/s in this session indicate their consent to be included in this recording by stating their name and job title."

The time taken to capture consent at the start of the recording does not count towards the recording time limit.

Include this recording as part of your assessment submission.

Role-play Context

You work as a bookkeeper and BAS Agent with Sydney Tax Agents. Your current qualification meets the Tax Practitioners Board (TPB) requirement to become a registered tax agent. To gain additional experience in tax-related work, you are assisting your manager Peter Pollock in preparing the tax returns for clients, consulting with clients about their returns and asking clients to complete a declaration to verify the accuracy of tax documentation, as required by law.

In task 1, you prepared the Company Tax Return 2022 for John Edwards, owner of Concord Mechanical Workshop Pty Ltd. In this role-play, you will meet with John Edwards (your assessor) to present and confirm the details of the tax return.

Prepare for the meeting by:

- Reviewing the completed tax return from task 1
- Access all supporting documentation used to calculate the figures entered in Concord Mechanical Workshop Pty Ltd.'s 2022 company tax return.

During the meeting, you must **present the tax documentation to the client for verification and approval.**

This will require you to:

- present the company tax return that you prepared in task 1 to John Edwards (your assessor), including:
 - your treatment of income and expenses
 - your computation of the client's tax obligations
- explain to John Edwards, Concord Mechanical Workshop Pty Ltd.'s tax obligations, the requirement to follow advice from tax authorities and the consequences of non-compliance.
- ask questions to confirm Concord Mechanical Workshop Pty Ltd.'s income and allowable deductions.
- establish what evidence Concord Mechanical Workshop Pty Ltd has to support deductions if the substantiation rule applies. The substantiation rule is the requirement of the ATO for taxpayers to have written evidence to prove the expense for allowable deductions.
- request John's signature to verify and approve the details in the tax return, as required by law.

Trainer/Assessors Role

The trainer/assessor will role-play John Edwards, owner of Concord Mechanical Workshop Pty Ltd. They will participate in a meeting with the student who will role-play an employee of Sydney Tax Agents who is currently gaining experience to become a registered tax agent.

During the meeting, John Edwards [assessor] will be:

- presented with the 2022 company tax return for Concord Mechanical Workshop Pty Ltd
- asked to confirm the information included in the document is correct
- asked to confirm he has evidence to prove the expense for allowable deductions
- asked to sign the document.

During the meeting, the student must **present the tax documentation to the client [assessor] for verification and approval.**

This will require the student to:

- present the company tax return that you prepared in task 1 to John Edwards (your assessor), including:
 - your treatment of income and expenses
 - your computation of the client's tax obligations
- explain to John Edwards Concord Mechanical Workshop Pty Ltd.'s tax obligations, his obligation to follow advice from tax authorities and the consequences of non-compliance.
- ask questions to confirm Concord Mechanical Workshop Pty Ltd's income and allowable deductions.
- establish what evidence Concord Mechanical Workshop Pty Ltd has to support deductions if the substantiation rule applies. The substantiation rule is the requirement of the ATO for taxpayers to have written evidence to prove the expense for allowable deductions.
- request John's signature to verify and approve the details in the tax return, as required by law.

During the role-play, the assessor must:

- listen to the student.

- ask questions about the treatment of income and expenses to encourage the student to provide detailed responses, if necessary. For example, Is Fringe benefit employee contributions included as income? Explain the deduction for capital expenditure.
- Respond to all questions to confirm Concord Mechanical Workshops' income and allowable deductions.
- Agree that all written evidence and receipts can be produced at the audit. Acknowledge that you understand the penalties for filing a fraudulent return or failing to pay taxes owed.
- Sign and verify the tax return to confirm and agree to the details.

Observation checklist

The assessor observed the student skills and satisfactorily [S] covered the following criteria or not yet satisfactory [NYS] and requires re-assessment.

MARKING CRITERIA / OBSERVATION CHECKLIST (To be completed by the Assessor when they watch the video or observe the assessment in real-time as they conduct the assessment)		Satisfactory [S]	Not Yet Satisfactory [NYS]
1.	<p>Presented the tax documentation to the client (assessor) for verification and approval, including:</p> <ul style="list-style-type: none"> • presented the company tax return, including: <ul style="list-style-type: none"> ○ treatment of income and expenses ○ computation of the client's tax obligations and • explained Concord Mechanical Workshop Pty Ltd.'s tax obligations, his obligation to follow advice from tax authorities and the consequences of non-compliance. • asked questions to confirm Concord Mechanical Workshop Pty Ltd.'s income and allowable deductions. • established what evidence Concord Mechanical Workshop Pty Ltd has to support deductions if the substantiation rule applies. <p>Look for:</p> <ul style="list-style-type: none"> • The student presented and explained all parts of the tax return • Asked open and closed questions to confirm Concord Mechanical Workshop Ltd's income position and allowable deductions • Checked with the client that there is written evidence to prove the expenses for allowable tax deductions according to the ATO substantiation rule. 	<input type="checkbox"/>	<input type="checkbox"/>
2.	<ul style="list-style-type: none"> • requested John's signature to verify and approve the details in the tax return, as required by law. <p>Look for:</p> <ul style="list-style-type: none"> • Received verification by asking John to approve and sign the return. 	<input type="checkbox"/>	<input type="checkbox"/>

Task 3 - Lodge Tax Return

You lodged Concord Mechanical Workshop Pty Ltd.'s tax return on the lodgement due date. You did not apply for the special extension under the Tax Agent Lodgement Program.

Use the email template below to draft an email to John Edwards to:

- advise of the date you submitted Concord Mechanical Workshop Pty Ltd.'s tax return
- remind John of his future tax obligations, including:
 - Tax Agent Lodgement Program
 - Penalties for Late lodgement of returns
 - Extension of time for lodgements

Approximate word count 250 -275 words

MARKING GUIDE

The student must submit the relevant tax documentation to the ATO within established timelines. This e-mail confirms that the tax documentation has been submitted and also advises of ATO timelines.

Student wording will vary but must align with the following benchmark:

Email Template	
To:	John Edwards
From:	Students Name
Subject:	Concord Mechanical Workshop Pty Ltd.'s tax return

Dear John

I am writing to advise you that I have submitted Concord Mechanical Workshop Pty Ltd.'s tax return for the 2022 financial year on your behalf. The tax return was lodged with the Australian Taxation Office (ATO) on 31 October 2022.

I would like to take this opportunity to remind you of your future tax obligations and provide some important information to ensure you meet your obligations under relevant legislation.

Tax Agent Lodgment Program

As a registered tax agent, I have access to the Tax Agent Lodgment Program. This program allows me to lodge your tax return electronically with the ATO. This means that your tax return can be lodged faster, and you can receive any refund owed to you more quickly.

Penalties for Late Lodgment of Returns

If you fail to lodge your tax return by the due date, you may be liable for penalties and interest charges. The penalties can range from \$220 for returns up to one month late to \$1,100 or more for returns lodged more than 12 months late. Interest will also be charged on any amounts owed to the ATO.

Extension of Time for Lodgments

If you are unable to lodge your tax return by the due date, you may be eligible for an extension of time to lodge. However, it is crucial that you apply for an extension before the due date to avoid any penalties or interest charges.

If you have any questions or concerns, please do not hesitate to contact me.

Best regards,
Students Name

Task 4 – Role play: Advise client of tax obligations

Task 4 contributes to the education requirements of the Tax Practitioners Board (TPB), Board approved course in Australian Taxation Law and must be completed under independent supervision. Please refer to the additional independent supervision instructions.

Role play instructions

The role-play/meeting will include two participants, you and the assessor (acting as the client), must not exceed 15 minutes duration and must address all elements of the Observation Checklist below.

Contact your assessor to organise a time to conduct the role play. This assessment can be conducted in a face-to-face environment or a simulated online office environment using a system such as Zoom, Skype or Teams.

If the assessment is conducted using a simulated online office environment using simulated meeting software, consent to participate in the recording must be captured for all participant/s at the start of the meeting. This is achieved by the student reading the following statement at the start of the recording, with all participants replying their name and job title to inform consent.

"This session/presentation is being recorded for assessment purposes for my course with Swinburne Open Education. This session will be recorded and submitted through my course online learning platform to my assessor for grading. All participant/s in this session indicate their consent to be included in this recording by stating their name and job title."

The time taken to capture consent at the start of the recording does not count towards the recording time limit.

Include this recording as part of your assessment submission.

Role-play Context

In the previous tasks, you prepared and lodged the Company Tax Return 2022 for John Edwards, owner of Concord Mechanical Workshop Pty Ltd.

You have received the attached Notice of Assessment:



CONCORD MECHANICAL WORKSHOP PTY LTD
PO BOX
FIVE DOCK NSW 2046

Tax period ending 30 June 2022
Tax file number 111 111 111
Date of issue 15 November 2022
Our reference 12321312
Internet: www.ato.gov.au Phone enquiries: 13 28 61

Notice of assessment - year ended 30 June 2022

Income Tax Assessment Act 1936 and Income Tax Assessment Act 1997

Description	Debits \$	Credits \$
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Your taxable income is -\$81,736

Tax on your taxable or net income	0.00	
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Outcome of this notice **Refund Amount \$2,500.00**

Total amount payable/refundable **Refer to Statement of Account**

Please keep this notice for future reference

Please see over for important information about your assessment

Melinda Smith
Deputy Commissioner of Taxation

Other information relevant to your assessment:

The Commissioner rounds down certain small amounts that may be owed by you or may be refunded to you. You may have transactions on your account where this has occurred.

Based on your income for surcharge purposes, you are entitled to an amount of private health insurance rebate. This amount has been included in your notice under refundable tax offsets. For more information about the private health insurance rebate, visit our website, www.ato.gov.au/privatehealthinsurance

You have also received the following information from the ATO.

This letter is to notify you that the Australian Tax Office (ATO) has selected your income tax return for the financial year ending 30 June 2022 for an audit. The audit will focus on the mileage deductions you have claimed.

The purpose of this audit is to verify the accuracy of your mileage claims and ensure compliance with Australian tax laws. To assist us in completing this audit, we kindly request that you provide the following documentation by 20 December 2022:

A detailed log of your business-related mileage for the financial year ending 30 June 2022, including the date, purpose, starting point, destination, and total kilometres travelled for each trip.

Supporting documentation for the claimed mileage, such as meeting invitations, email correspondence with clients, or calendar entries that confirm the purpose of each trip.

A summary of the total mileage claimed, calculated using the appropriate cents-per-kilometre rate.

Please submit the requested documentation by mail to the following address:

Australian Tax Office Attn: Mileage Audit Department GPO Box 9990 Sydney, NSW 2001

Failure to provide the requested information by the specified deadline may result in penalties, interest charges, or adjustments to your tax return. If you require additional time to gather the requested documentation or have any questions regarding this audit, please contact our office at 13 28 61, quoting your Tax File Number.

We appreciate your cooperation in this matter and look forward to resolving this audit promptly and efficiently.

In this role-play, you will meet with your client, John Edwards (your assessor), to advise of their current tax obligations, inform them that advice from the tax office must be followed and respond to the above request from the ATO.

Prior to the meeting, consider what John Edwards needs to do if he has not been maintaining his mileage records.

Prepare for the meeting by reviewing the following:

- the Notice of assessment information
- Letter from the ATO

During the meeting, you must:

- Advise John of the Notice of Assessment
- Explain the impact the assessment will have on next year's pay-as-you-go instalment tax (PAYG)
- Explain that all advice from the ATO must be followed
- Respond to the ATO letter by advising John of the actions required for the ATO audit and when this must be completed
- Advise if others in your office should be involved in the audit process

Trainer/Assessors Role

The trainer/assessor will role-play John Edwards, owner of Concord Mechanical Workshop Pty Ltd. They will participate in a meeting with the candidate who will role-play an employee of Sydney Tax Agents who is currently gaining experience to become a registered tax agent.

During the meeting, the student must **advise the client of current tax obligations** [assessor] to advise of their current tax obligations and inform them that advice from the tax office must be followed and that it is a requirement to respond to requests from the ATO.

This will require the student to:

- Advise John of the Notice of Assessment
- Explain the impact the assessment will have on next year's pay-as-you-go instalment tax (PAYG), such as changing PAYG amounts
- Respond to the ATO letter by advising John of the actions required for the ATO audit and when this must be completed
- Advise if others in your office should be involved in the audit process. This addresses the foundation skill of considering whether others should be involved. The student must provide justification as to their response and if the experience of the supervisor is required.
- Respond to your problem of not keeping a mileage logbook and implement a contingency plan.

During the role-play, the assessor must:

- listen to the student.
- engage in conversation and ask questions, as necessary, such as 'When is the assessment usually due?' 'How does this impact PAYG?' 'Can I just ignore the audit?' 'Are you able to handle the audit, or is someone else in the office with more experience required?' The student must discuss all of these areas, and if not, the assessor must ask these questions for the assessment criteria to be satisfactorily covered.
- Advise that they have not been keeping logbook mileage records. The student must implement a contingency plan by advising of any of the following steps:

- Importance of maintaining a logbook and to start keeping one immediately.
- Gather alternative documentation from the client to support their car mileage claims. This may include fuel receipts, service records, calendar appointments, or GPS data that can help establish a pattern of business usage.
- Estimate business usage by estimating the percentage of car usage based on the documentation provided.
- Prepare a written statement with circumstances and method used to estimate the business usage of car and supporting documents.

Review all evidence and mark using the assessment checklist and assessment marking criteria.

Observation checklist

The assessor observed the student skills and satisfactorily [S] covered the following criteria or not yet satisfactory [NYS] and requires re-assessment.

MARKING CRITERIA / OBSERVATION CHECKLIST (To be completed by the Assessor when they watch the video or observe the assessment in real-time as they conduct the assessment)		Satisfactory [S]	Not Yet Satisfactory [NYS]
1.	<ul style="list-style-type: none"> • Advised the client of the Notice of Assessment and current tax obligations. <p>Look for:</p> <ul style="list-style-type: none"> • Information matched the Notice of Assessment 	<input type="checkbox"/>	<input type="checkbox"/>
2.	<ul style="list-style-type: none"> • Explained the impact of the assessment on next year's pay-as-you-go instalment tax (PAYG) <p>Look for:</p> <ul style="list-style-type: none"> • Explained the impact, including adjustments to PAYG required. • Loss exceeded income, so the loss can be carried forward and used to offset future income. • May be entitled to a refund of PAYG already paid 	<input type="checkbox"/>	<input type="checkbox"/>
3.	<ul style="list-style-type: none"> • Explained that advice from ATO must be followed. <p>Look for:</p> <ul style="list-style-type: none"> • Advised of Notice of Assessment amount and payment not required 	<input type="checkbox"/>	<input type="checkbox"/>
4.	<ul style="list-style-type: none"> • Respond to tax office enquiry by discussing audit requirements and timeframe. • Explained ATO requirements for logbooks. <p>Look for:</p> <ul style="list-style-type: none"> • All records for mileage discussed, including start and end dates of each trip, odometer readings, total kms for each trip, and the purpose of the trip. Logbook must cover 12 continuous weeks. • Timeframe was made clear as 20 December 2022 • Contingency plan was implemented to address issue of not having a logbook 	<input type="checkbox"/>	<input type="checkbox"/>
5.	<ul style="list-style-type: none"> • Advised if others in the office should be involved in the audit process. <p>Look for:</p>	<input type="checkbox"/>	<input type="checkbox"/>

	<ul style="list-style-type: none">• Justification if others should be involved, including the qualified supervisor		
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Submission instructions

Submit your assessment via the LMS.

Assessment submission checklist

Students must have completed all tasks within this assessment before submitting. This includes:

Task 1 - Prepare tax documentation that complies with legislation, ATO and organisational requirements		
1.	Three requirements to adhere to when lodging the income tax return	<input type="checkbox"/>
2.	Case study company tax return from	<input type="checkbox"/>
Task 3 - Lodge Tax Return		
1	E-mail to John Edwards	<input type="checkbox"/>

Assessment marking criteria

Assessor instructions: All sections must be completed. Refer to the template for sample answers and benchmarks.

The evidence submitted demonstrates that the student has satisfactorily (S) covered the following criteria, or the evidence is not yet satisfactory (NYS) and requires resubmission.

MARKING CRITERIA		Satisfactory (S)	Not Yet Satisfactory (NYS)
1.	The student submitted three requirements to adhere to when lodging the income tax return All answers match the benchmark guidance to the assessor	<input type="checkbox"/> S	<input type="checkbox"/> NYS
2.	The student submitted the company tax return form and all fields have been completed. All answers match the benchmark guidance to the assessor	<input type="checkbox"/> S	<input type="checkbox"/> NYS
3.	The student submitted the e-mail to John Edwards e-mail template and all fields have been completed All answers match the benchmark guidance to the assessor	<input type="checkbox"/> S	<input type="checkbox"/> NYS

Congratulations, you have reached the end of Assessment 3!



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