UNSW Tax Clinic

UNSW Business School

Fact Sheet: myTax Business Income – Sole Traders

This fact sheet assumes you have already linked the Australian Tax Office (ATO) to your myGov account. Please contact the ATO on 13 28 61 (or +612 6216 3444 if you are calling from outside of Australia) if you have any problems with linking on myGov. It also assumes you meet the ATO definition of a Small business entity.

- When you log into myTax, click on **Prepare** next to the return you want to prepare

- Confirm your personal information. When you get to the **"Personalise your <Year> return"** page, check your residency status and spouse information

and scroll down until you see a list of income items.

- Place a tick next to **You were a sole trader or had business income or losses, partnership or trust distributions (not from a managed fund).**

- Place a tick next to **Business/Sole trader income or loss**

- Place a tick next to **Business income or loss** (this factsheet assumes you are not earning personal services income)

How can we help

UNSW Tax Clinic provides free, independent and confidential tax advice and support. We have outreach locations across Sydney and also offer phone appointments depending on your circumstances and location. Our tax advice and representation services are often in high demand, so we give priority to people who need our help the most.

If you do not have any other income listed, click **Next** at the bottom of the page

- Click **Add/Edit >** next to **Business/sole trader, partnership and trust income (including loss details)** – this will bring up a question about personal services income (PSI). Answer the PSI questions – if you do not satisfy the PSI tests, please see the Fact Sheet myTax Business Income – PSI or please follow this link for further information - https://www.ato.gov.au/Business/Personal-services-income/

- Complete the questions about your **Business activity, Status of business, Business name, ABN** and **Business address** and click **Save**

- If you received any **Business income statements and payment summaries**, click on **Add** and complete the details for each income statement you receive and save each one.

Business income statements and payment summaries **Add**

Payer	Gross payments	Tax withheld
	$0.00	$0.00

Payer's name

Payer's ABN

Payment type *

- Select -

- If you did not receive any Business income statements and payment summaries, scroll down to the heading **Business income or losses** and click on arrow next to the appropriate **Description**. In the examples below, we assume that you earn income from a Non-primary production activity.

Business income or losses

A primary producer undertakes:

- plant or animal cultivation (or both)
- fishing or pearling (or both)
- tree farming or felling (or both).

If you do not undertake primary production business activities, include your business income and expenses at **Net non-primary production**.

Description	Income	Tax withheld
Net primary production		
Net non-primary production		

You can use the Depreciation and capital allowances tool to work out any decline in value and balancing adjustment amounts.

Use the depreciation and capital allowances tool

Non-primary production – Business income

ABN not quoted
$0.00

- Enter your income in the appropriate boxes (most people will enter their income in **Other business income – manually calculated**)

Assessable government industry payments

$ .00

Other business income – manually calculated

$

- Scroll down and enter your expenses in the appropriate boxes (including **All other expenses – manually calculated**)

All other expenses – manually calculated

$

- If you are using accounting software and your income or expenses in your software is different to your tax income and expenses, complete the **Non-primary production – Business reconciliation items** section

Non-primary production – Business reconciliation items

Section 40-880 deduction

$ .00

Business deduction for project pool

$ .00

Landcare operations and business deduction for decline in value of water facility, fencing asset and fodder storage asset

$ .00

Income reconciliation adjustment – manually calculated

$

Expense reconciliation adjustment – manually calculated

$

Net non-primary production income or loss from business this year
$0.00

- Complete **Deferred non-commercial business losses from a prior year** box if you had deferred non-commercial business losses

Deferred non-commercial business losses from a prior year

$ | .00

Total non-primary production net income or loss from business
$0.00

- Enter the **net income or loss** in the appropriate section

Total non-primary production net income or loss from business
$900.00

You **must** enter amounts in the fields below. The amounts you enter in the three fields below **must** add up to Total non-primary production net income or loss from business.

Net non-primary production income or loss from a business of investing *

$ 0 .00

Net non-primary production income or loss from a rental property business *

$ 0 .00

Remaining net non-primary production income or loss from business *

$ 900 .00

- Click **Save**

- Complete the Other business and professional items where appropriate

Other business and professional items

Small business entity simplified depreciation – Deduction for certain assets

$ .00

Small business entity simplified depreciation – Deduction for general small business pool

$ .00

Trade debtors

$ .00

Trade creditors

$ .00

Total salary and wage expenses

$ .00

Not sure if you are a Small business entity?

Follow this link to the ATO website - https://www.ato.gov.au/business/small-business-entity-concessions/eligibility/

- Click **Save**
- If you have a loss, complete the **Loss details** section by clicking on **Add** - please follow this link for more information about losses to help you complete this section - https://www.ato.gov.au/Business/Non-commercial-losses/
- If you have a profit, click **Save and continue**
- Click **Add/Edit >** to add expenses such as **Dividend deductions, Interest deductions, Gifts or donations** and **Cost of managing tax affairs**
- If you are a small business, click on **Add/Edit >** next to Offsets

Offsets **Add/Edit >**

Small business income tax offset

You may be eligible for this offset. Review this item.

- Enter your net small business income (from sole trading activities) in the appropriate box and then click **Save and continue**

Offsets

All fields marked with * are mandatory.

The tax offset for net medical expenses for disability aids, attendant care or aged care is no longer available for 2019-20 (since 1 July 2019).

Small business income tax offset

You may qualify for this offset if you are:

> a small business entity carrying on a business as a sole trader,
> entitled to a share of net small business income from a small business entity trust or partnership.

Use our small business income tax offset calculator to work out your income amounts that will be used to calculate your offset.
If you already know the amounts enter them below. We will work out the offset for you.

> You are not entitled to this offset for income you have shown at **Personal services income**.
> If you enter amounts below you **must** also enter your sole trader, partnership or trust income or loss amounts in the relevant income sections.

Net small business income (from sole trading activities)

$ 900 .00

- Complete the remainder of the return according to your situation.
- Click Calculate in the Tax Estimate box

- Carefully read and complete the declaration. Tick the box to sign the declaration

☐ Tick this box to sign this declaration with the identification details you used to log on *

- and then click Lodge

More information about how to use myTax can be found on the ATO website

https://www.ato.gov.au/Individuals/Lodging-your-tax-return/Lodge-online-with-myTax/

For more information, contact the UNSW Tax Clinic

Email: taxclinic@unsw.edu.au

Phone: 02 9385 8041

The information on this Fact Sheet is general advice only, please speak to a tax advisor if you require specific advice

How we can help

UNSW Tax Clinic provides free, independent and confidential tax advi ce and support. Our tax advice and representation services are often in high demand, so we give priority to people who need our help the most.

Advice is provided by a registered tax agent, who supervises student volunteers from the UNSW Business School.

Am I eligible?

- Are you experiencing issues with the ATO in relation to prior year returns?
- Would you otherwise not have access to tax advice and support?

At your appointment

- You will first talk to a tax student who will ask you for personal details and about your tax problem.
- The student will then go and talk to a registered tax agent about your tax problems.
- The student and the tax agent will come and speak to you and the tax agent will give you advice.
- Whilst we do our best to avoid it, your appointment may be delayed, depending on how many volunteer tax agents and tax students are present.

Bookings are essential so please

Call 02 9385 8041 or

Visit business.unsw.edu.au/taxclinic