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## The Taxation System in Australia

Topic	Explanation	Law
Assessable income	Includes ordinary & statutory income Ordinary Income Statutory Income	<i>s6-1(1)</i> <i>s6-5</i> <i>s6-10</i>
Constructive receipt	Pay income to a different person	
Deductions	General deductions Specific deductions Gifts or contributions Personal superannuation contribution  Never capital amounts unless tax depreciation Can take it as deduction if it's connected to income	<i>s 8-1</i> <i>s 8-5</i> <i>division 30</i> <i>Subdivision 290-C</i>
Direct and indirect tax	Direct – person who owes money pays to ATO eg. Company would have to do company tax return to work out what they owe to ATO & pay it over  Indirect – eg. Grocery shopping, part of what you pay for grocery is what you owe to govt. Coles pay GST to government, not you. Coles is the middleman/vendor who is responsible for paying the indirect tax	
FBT	You will only get taxed on your cash salary, the rest of the stuff you receive is not taxed eg. Company car from employer, mobile phone given by employer. Employer pays tax on FB	
Foreign income tax offset	Double taxation agreement If you pay tax in another country, convert in AUD and get deduction Have offset because it'll stop foreign investment if there wasn't	
Franking credits	Deduction against taxes payable Belong to dividends Dividends is after tax income for us – company has paid some of our taxes Prepayment of taxes = franking credit Take franking credits and deduct of taxes payable	
GST	If you are carrying on a business in Australia and have a turnover of more than \$75,000 you have to register for GST	
HELP	Have to repay the HELP debt once HRI >\$54,126	