



Australia Pre-Initiation Visual Aids

December 2021



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Topic 1 - Residency

Tax resident

A tax resident is taxable in Australia on their worldwide income, including net capital gains.

Tax resident who qualifies for the 'temporary resident' tax concession

To be considered a temporary resident, all the following need to apply:

- You held a valid temporary visa for the entire tax year, and
- You (and/or your spouse/partner, if applicable) are not an Australian citizen or permanent resident, and
- You (and/or your spouse/partner, if applicable) are not otherwise excluded from the application of this concession (for example, a New Zealand citizen who holds a protected special category visa and was residing in Australia on 26 February 2001; and/or was present in Australia for 12 months or more between 26 February 1999 and 26 February 2001; and/or had previously claimed welfare benefits in Australia).

Cont. Residency

A temporary tax resident of Australia is subject to Australian tax on:

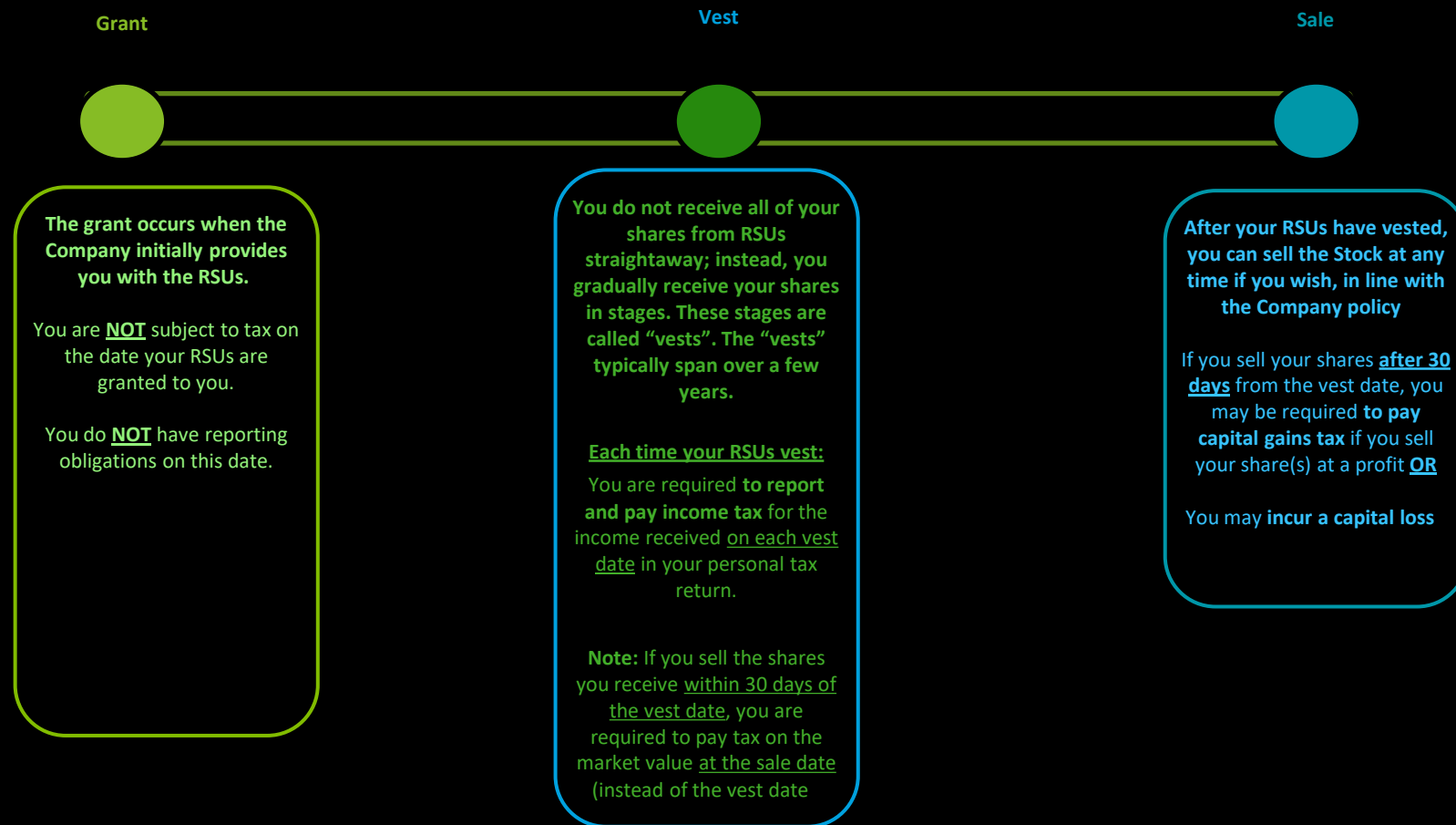
- Worldwide employment income (including employee share scheme income) derived whilst resident and relating to employment while temporary resident
- Australian-sourced investment income
- Capital gains from the sale of Taxable Australian Property (TAP) being, broadly, Australian real property
- If you are also a tax resident of another country, please reach out to your Deloitte tax representative, as we would need to review your facts and consider any applicable Double Tax Treaty.

Foreign tax resident

A foreign tax resident is only taxed in Australia on Australian sourced income and on capital gains in relation to TAP (e.g., Australian real estate) or gains on the sale of assets that you chose to treat as TAP on ceasing Australian tax residency (subject to any Double Tax Treaty relief).

Topic 2 - Taxation of certain income

Taxation of Restricted Stock units (RSU)



Cont. Taxation of RSU

When your RSUs vest:

- You are required to pay income tax at your marginal tax rate through your personal tax return. No tax is payable in Australia at the date of vest
- Tax payable is dependent on your Australian tax residency position at the date of vest
- The tax payable on your personal tax return is calculated based on the share's fair market value on each vest date
- You are required to pay the tax either:
 - In the year that your share(s) vest, if you do not sell your shares within 30 days of the vest date **OR**
 - In the year that you sell your share(s), if you sell your shares within 30 days of the vest date.

NOTE: there is no withholding or sell to cover in AU on RSU income. You pay tax upon assessment of your income tax return.

Taxation of Capital Gains Tax (CGT)

Some basic concepts of CGT are as follows:

- The taxable amount is the difference between the sales proceeds and the 'cost base' of the asset. The 'cost base' is usually the purchase price of the asset, plus certain additional costs such as agent fees and brokerage
- Your capital gain is added to your taxable income and taxed at your marginal tax rate
- Capital losses can be claimed against capital gains, and excess capital losses can be carried forward and deducted against future capital gains in later years.

Note: there may be Australian tax implications at the time you become an Australian resident and at the time you cease tax residency. There may also be tax implications where you sell your Main Residence as a non-resident of Australia. This will be discussed in detail in your tax return and additional information should be sent in the post-briefing material.

Topic 3 – Filing deadlines and Compliance timeline

July	
August	1 ► August: GlobalAdvantage Tax and Location Information requested
September	2 ► September: GlobalAdvantage Tax and Location Information due
October	3 ► 31 October: Australia tax filing due (without extension)
November	
December	
January	
February	
March	4 ► 31 March: 1st Australian tax return extended due date (special circumstances)
April	
May	5 ► 15 May: 2nd Australian tax return extended due date (special circumstances)
June	