*These notes are for individuals who are leaving Australia to move overseas for work or business purposes or change in lifestyle.*

**AUSTRALIAN RESIDENCY**

A taxpayer is likely to cease being an Australian Resident for tax purposes if he/she:

* Is emigrating to another country on a permanent basis;
* Has been living in Australia on a temporary basis and is leaving to return to their home country or another foreign country; or
* Is planning to set up a home in another country for more than 2 years.

As a result, generally speaking:

|  |  |
| --- | --- |
| **If you…** | **Then you….** |
| * **Go overseas temporarily, and** * **Do not set up a permanent home in another country** | * May continue to be treated as an Australian resident for tax purposes |
| * **Leave Australia permanently** | * Will generally not be considered an Australian resident for tax purposes, from the date of departure. |

In some cases, certain taxpayers who earn income while working overseas would be exempt from tax. Taxpayers who fall into the following main categories:

* The delivery of Australian Official Development Assistance by the individual employers;
* Individuals operating in ‘developing country relief fund’ or ‘a public disaster relief fund’;
* Individuals who are employed by a charitable or religious institution that is exempt from Australian income tax;
* Individuals who are deployed outside Australia by the Australian government as a member of a disciplined force.

**FOREIGN INVESTMENT INCOME**

Non-residents are taxed in Australia on Australian sourced income. As a result, any Australian Real Property that is disposed of will be subject to CGT. For tax purposes, Australian Real Property is defined to include land and buildings, mining, quarrying or prospecting right to minerals, petroleum or quarrying materials that are situated in Australia or either the subject of the right is situated in Australia.

**MISSION SERVICE EXPENSES**

Expenses incurred in earning your income as a missionary are considered as allowable deductions against that income, so that only the net amount is used to determine your Australian taxable income. Consider the following: *costs of travel to and from Australia (if not provided by your employer), costs of travel on work related purposes in the foreign country, office running costs, such as prayer letters, postage, stationery, telephone and office equipment, reference materials, books, journals, freight, insurance and self-education (e.g. professional development courses).*

**FURLOUGH OUTSIDE AUSTRALIA**

If you are likely to be absent from Australia for leave or home service, your Australian tax residency status becomes uncertain. We need to know your actual or expected period of absence from Australia, and any comments regarding your intention to return. If you are an expat missionary arriving here for the first time, you will need to provide your passport to the Australian Tax Office to establish proof of residency and obtain an Australian Tax File Number (TFN).

**OVERSEAS HELP/TSL REPAYMENTS**

If you have moved overseas and have a Higher Education Loan Programme (HELP) or Trade Support Loan (TSL) debt, you now have the same repayment obligations as those who live in Australia. This applies if you already live or intend to move overseas for a total of more than 183 days in any 12-month period.

If this is applicable, you will need to submit an *overseas travel notification* through ATO online services via your myGov account or through an Australian registered tax agent.

From 1 July 2017, if you are living overseas and earning worldwide income (including income derived overseas and in Australia) that exceeds the minimum repayment threshold, you will be required to make compulsory repayments towards your HELP/TSL debt. If you are a non-resident with a HELP/TSL debt you will need to do one of following, depending on the level of worldwide income:

* If your worldwide income is **at or** **less than $11,470 (AUD)**, you will need to lodge a non-lodgement advice form. This can be completed through ATO online services or through an Australian registered Tax Agent. Note that income tax will only be payable on your Australian-sourced income and not Foreign-sourced.
* If your worldwide income is **greater than $11,470 (AUD)**, you will need to report your worldwide income. This can be completed through ATO online services or through an Australian registered Tax Agent. Similar to above, income tax will only be payable on your Australia-sourced income however the HELP/TSL repayments will be calculated on income from Australian and foreign sourced income.

**MAIN RESIDENCE EXEMPTION FOR NON-RESIDENTS**

After 30 June 2020, if you are a non-resident for tax purposes at the time you sell your main residence, you will no longer be able to access the main residence exemption and you will need to pay CGT on any gain you make.

A transitional rule enables foreign residents (non-residents) who have held their property continuously from 9th May 2017 to access the exemption if the property was sold by 30th June 2020 (contract date).

The transition rule will apply as follows:

* The main residence exemption will only be available for property held by non-residents **prior to** 7:30pm (ADST) on 9 May 2017 which is disposed of **before 30 June 2020**;
* The main residence exemption **will not** be available for property purchased on or after 7:30pm (ADST) on 9 May 2017.

It is important to note that after the 30th of June 2020, the main residence exemption will not apply to non-residents regardless of the purchase date of the property. Becoming an Australian resident will reinstate the entitlement to the main residence exemption, subject to satisfying the other general requirements. An exclusion also applies where the individual has been a foreign resident for six years or less and a ‘life event’ occurs such as death or a terminal illness.

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LOCATIONS DURING 2019/20

*Please provide us with the following details so that we can determine any impact on the taxing of your income during the periods of your physical presence overseas.*

|  |  |  |  |
| --- | --- | --- | --- |
| **Country** | **From** | **To** | **Total Number of**  **Days Overseas**  (if applicable) |
|  | 01/07/2019 |  |  |
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**Provide us with a copy of your 2020 tax return or your 2019/20 tax return**

**that has been lodged in your home country.**

**FOREIGN INVESTMENT INCOME** $AUD $AUD

|  |  |  |  |
| --- | --- | --- | --- |
| **Country where invested** | **Type of Income**  **Interest / Dividend / etc** | **Your Share of**  **Income** | **Your Share of**  **Foreign Tax** |
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**FOREIGN INVESTMENT EXPENSES** $AUD

|  |  |  |
| --- | --- | --- |
| **Type of Expense** | **Which Type of Income above**  **is this expense related to?** | **Your Share of Expense** |
|  |  |  |
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