









# KB:National Rental Affordability Scheme Tax Offset

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Knowledge Base: National Rental Affordability Scheme Tax Offset	
Product(s)	Simple Fund
Description	How to record the National Rental Affordability Scheme (NRAS) Tax Offset in Simple Fund
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<p><b>Export to PDF</b>  (<a href="http://wiki.bglcorp.com.au/index.php?title=KB:National_Rental_Affordability_Scheme_Tax_Offset&amp;action=pdfbook&amp;format=single">http://wiki.bglcorp.com.au/index.php?title=KB:National_Rental_Affordability_Scheme_Tax_Offset&amp;action=pdfbook&amp;format=single</a>)</p>	 <b>Comment on this article</b>
     	

## Details

The National Rental Affordability Scheme (NRAS) is designed to encourage affordable housing by offering tax and cash incentives to providers of new dwellings, provided that these dwellings are rented to low- and moderate-income households at 20% below market rates.

For more details, refer to the ATO's website (<http://www.ato.gov.au/General/Property/In-detail/Rental-affordability-scheme/National-rental-affordability-scheme---refundable-tax-offset-and-other-taxation-issues/>) .

### Who can claim the NRAS tax offset?

An individual, corporate tax entity or super fund can claim a refundable offset if **both** of the following apply:

- they have been issued with a certificate from the Housing Secretary under the NRAS

AND

- the income year begins in the NRAS year to which the certificate relates

For further information, refer to the ATO's website ([http://www.ato.gov.au/General/Property/In-detail/Rental-affordability-scheme/National-rental-affordability-scheme---refundable-tax-offset-and-other-taxation-issues/?page=5#Claims\\_by\\_individuals\\_corporate\\_tax\\_entities\\_and\\_super\\_funds](http://www.ato.gov.au/General/Property/In-detail/Rental-affordability-scheme/National-rental-affordability-scheme---refundable-tax-offset-and-other-taxation-issues/?page=5#Claims_by_individuals_corporate_tax_entities_and_super_funds)) .

### How is the NRAS tax offset calculated?

The NRAS certificate will state the amount of the refundable tax offset. Refer to the **ATO's website** ([http://www.ato.gov.au/General/Property/In-detail/Rental-affordability-scheme/National-rental-affordability-scheme---refundable-tax-offset-and-other-taxation-issues/?page=26#Individuals\\_\\_corporate\\_tax\\_entities\\_and\\_super\\_funds](http://www.ato.gov.au/General/Property/In-detail/Rental-affordability-scheme/National-rental-affordability-scheme---refundable-tax-offset-and-other-taxation-issues/?page=26#Individuals__corporate_tax_entities_and_super_funds)) for more information.

## Solution

### How do I record the NRAS tax offset in Simple Fund?

From **Simple Fund Version 2014.1 and later**, you can post the NRAS tax offset as a tax adjustment through the **Create Entries | Tax Adjustments** screen.

**Note:** This entry should be made at year end.

1. Go to **Financial Reports | Create Entries | Tax Adjustments**
2. Input the amount and set the **Tax Label** to **Other - National rental affordability scheme tax offset (E)**.

The screenshot shows the 'Create Entries' window with the 'Tax Adjustments' tab selected. It contains two main sections: 'Tax adjustments' and 'Non deductible expense adjustments'. Each section has a table with 'Amount' and 'Tax Label' columns. In the 'Tax adjustments' section, Tax Adjustment 1 has an amount of 1999.00 and a tax label of 'Other - National rental affordability scheme tax offset (E)'. Tax Adjustments 2 and 3 have amounts of 0.00 and a tax label of 'None'. The 'Non deductible expense adjustments' section has 8 rows, all with amounts of 0.00 and a tax label of 'None'. At the bottom of the window are 'Process' and 'Abort' buttons.

3. Click **Process**.
4. The following two transactions will be posted by Simple Fund:

<input type="checkbox"/>	30/06/2013	300613	850/001	U		1999.00		National rental affordability scheme tax offset at 30/06/2013
<input type="checkbox"/>	30/06/2013	300613	490	U			1999.00	National rental affordability scheme tax offset at 30/06/2013

5. This amount will appear in the following Financial Reports:

#### Statement of Taxable Income

<b>BGL TRAINING FUND</b>	
<b>STATEMENT OF TAXABLE INCOME</b>	
<b>FOR THE YEAR ENDED 30 JUNE 2013</b>	
	2013
	\$
Benefits Accrued as a Result of Operations before Income Tax	658,566.00
<b>Less:</b>	
Increase in Market Value of Investments	(552,233.00)
	<u>(552,233.00)</u>
	106,333.00
	<u>106,333.00</u>
<b>Taxable Income</b>	<b>106,333.00</b>
<b>Tax Payable on Taxable Income</b>	<b>15,949.95</b>
<b>Less:</b>	
Imputed Credits	300.00
National rental affordability scheme tax offset	1,999.00
	<u>2,299.00</u>
<b>Income Tax Payable/(Refund)</b>	<b>13,650.95</b>
<b>Add:</b>	
Supervisory levy	321.00
<b>Total Amount Due or Refundable</b>	<b>13,971.95</b>

### Notes to Financial Statements

<b>BGL TRAINING FUND</b>	
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	
<b>FOR THE YEAR ENDED 30 JUNE 2013</b>	
<b>1. Income Tax</b>	
Income Tax is payable by the superannuation fund at the rate of 15% on the contributions received and the income of the fund. There has been no change in the Income Tax rate during the year.	
The Income Tax payable by the superannuation fund has been calculated as follows:	
	2013
	\$
Benefits accrued as a result of operations before income tax	658,566
	<hr/>
Prima facie income tax on accrued benefits	98,785
Add/(Less) Tax Effect of:	
Increase in Market Value of Investments	(82,835)
Movement in Deferred Tax Liability/Deferred Tax Asset	55,223
	<hr/>
	(27,612)
	<hr/>
Income Tax Expense	71,173
	<hr/>
Income tax expense comprises:	
Income Tax Payable/(Refundable)	13,651
Imputed Credits	300
Movement in Deferred Tax Liability/Deferred Tax Asset	55,223
National rental affordability scheme tax offset	1,999
	<hr/>
	71,173
	<hr/>

6. Simple Fund will also post this amount to Label E3 under the **Tax Calculation/Losses** tab in the SMSF Annual Return.

SMSF AR Data - BGL Training Fund

Year 2013

Information Income Deductions Tax Calculation/Losses Members Assets/Liabilities TOFA Other

**Section D : Income tax calculation statement**

Taxable Income <b>A</b>	<input type="text" value="106333"/>	Gross Tax <b>B</b>	<input type="text" value="15949.95"/>
Tax on taxable income <b>T1</b>	<input type="text" value="15949.95"/>	Non-refundable non-carry forward tax offsets <b>C</b>	<input type="text" value="0.00"/>
Tax on no-TFN quoted contributions <b>J</b>	<input type="text" value="0.00"/>	Subtotal (B less C - cannot be less than zero) <b>T2</b>	<input type="text" value="15949.95"/>
Foreign income tax offset <b>C1</b>	<input type="text" value="0.00"/>	Refundable tax offsets (E1 plus E2 plus E3 plus other refundable tax offset amounts) <b>E</b>	<input type="text" value="2299.00"/>
Rebates and tax offsets <b>C2</b>	<input type="text" value="0.00"/>		
Complying fund's franking credits offset <b>E1</b>	<input type="text" value="300.00"/>		
No-TFN tax offset <b>E2</b>	<input type="text" value="0.00"/>		
National rental affordability scheme tax offset <b>E3</b>	<input type="text" value="1999.00"/>		

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Category: **KB:Simple Fund:How Do I / How to**

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