



Australian Government

Department of Infrastructure, Transport,
Regional Development, Communications and the Arts

Digital Games Tax Offset

Dos and Don'ts

Do...

- ✓ Track your expenditure from day one. If you can, engage an experienced accountant and use industry-specific software to track your expenditure during production and post-production/ongoing development. Backup your records.
- ✓ Read and re-read the [Guidelines](#). Reach out to the Office for the Arts if you need anything clarified or to discuss your game:
Phone 02 6271 1006 or email DigitalGames@arts.gov.au.
- ✓ Seek out tax advice on the best company structure for your game. Keep in mind that the DGTO has restrictions around claiming expenditure incurred by entities that are not at arm's length or are associates.
- ✓ Have all contracts and agreements in place with the applicant company.
- ✓ Make sure the applicant company is the one incurring the costs that are potentially Qualifying Australian Development Expenditure (QADE).
- ✓ Make sure you accurately record all expenditure incurred and all transactions, ensuring that your general ledger has sufficient detail. In particular, make sure you record the following:
 - Names and positions of individuals.
 - Dates of employment and work on the game.
 - Wages, salaries and other costs.
- ✓ Make sure that you keep sufficient records to back up what you claim as QADE. Documentation you may need to provide could include:
 - employment contracts
 - payroll summary details
 - invoices
 - change orders
 - letters of engagement
 - schedules
 - timesheets
 - letters of authorisation
 - foreign currency calculations (if relevant)

When drafting your application:

- ✓ Include the correct contact person in the application form. The Office for the Arts can only contact the people listed in the application form about matters related to the application. You can include up to two people in the application form – if you would like to include additional contacts, you can notify the Office for the Arts by email.
- ✓ Use the General Ledger Template embedded in the application form, and make sure you attach evidence to support any expenditure you claim as QADE. There is an opportunity at the end of the application form to upload attachments, and more evidence is always better than less.
- ✓ Clearly title all documents – this includes contracts, invoices, budgets and any other relevant materials. The easier your application is to navigate, the easier and quicker it is to assess.
- ✓ Remember, the DGTO is tax law, administered under Division 378 of the [Income Tax Assessment Act 1997](#) and the [Income Tax Assessment \(Digital Games Tax Offset\) Rules 2023](#) (the Rules). The Office for the Arts has a legal obligation to ensure that applications meet the requirements of the legislation.
- ✓ Contact the Office for the Arts if you have any concerns around eligibility, particularly if your game includes gambling or gambling-like elements, including certain loot box mechanics, or potentially unclassifiable material.
- ✓ Contact the Office for the Arts if there are any special circumstances that may inform your assessment.

Don't...

- ✗ Don't submit an incomplete application. If you're unsure about something or need some guidance, the Office for the Arts is happy to assist.
- ✗ Don't assume assessment timeframes are the same for every application. Depending on the complexity and completeness of each application, an external assessor may need extra time to review an application. We always endeavour to process your application as quickly as possible, but there are lots of factors that impact timeframes.
- ✗ Don't apply too soon. Each certificate stream has a different milestone which triggers your eligibility to claim, and applying too early might mean you miss out on claiming costs you otherwise could have. Please read the Guidelines for full details on the different certificate streams, but in summary:
 - Apply for a **Completion Certificate** once a new game has been released to the public. Apply for a certificate per game.
 - Apply for a **Porting Certificate** once an existing game has been ported and released on a new platform/s. Apply for a certificate per game.
 - Apply for the **Ongoing Development Certificate** once per income year only, and include all the eligible games and live services costs incurred that year as part of a single application.