

# 2023 Tax guide

## Understanding your Attribution Managed Investment Trust Member Annual (AMMA) Statement

### About this guide

This Tax guide will help you understand your AMMA Statement. Use this guide if you:

- are an Australian resident individual tax payer; and
- hold investments in a Fund/Trust as a capital investment for tax purposes.

We recommend you read this guide alongside your AMMA Statement and the 'Tax return for individuals (supplementary section)' form, from the Australian Tax Office (ATO).

### For Guidance Only

This guide is only to be used by Australian residents for tax purposes in preparing individual tax returns. It contains general information only. It does not consider your personal circumstances or constitute tax advice. It is not designed to substitute any Australian Taxation Office (ATO) requirements or instructions. We recommend you seek professional assistance when completing your tax return. If you have questions about your tax return, please consult your tax adviser or ATO.

### AMMA Statement: Part B – Tax Return (Supplementary Section)

This part in your AMMA Statement summaries the income components which you may have in your distribution. It has been designed to help you complete your tax return for 2023. The tax return labels in your AMMA Statement reflect the labels in the tax return (supplementary section) form.

The table below also highlights the income tax components which you may need to be aware of when completing the form.

Income component on your AMMA Statement	Include amount at this tax return (supplementary section) label	Explanation
Non-primary production income	13U	Your share of Australian sourced non-primary production income from the Fund/Trust. It excludes income which is shown elsewhere on your AMMA Statement, such as franked dividends, capital gains and foreign income.
Franked distributions from trusts	13C	Franked distributions, including franking credits.
Other deductions relating to non-primary production distributions	13Y	The total of other deductible expenses you incurred in deriving the non-primary production income, including any deductible expenses relating to franked distributions from the Fund/Trust.
Franking credits	13Q	This is your share of franking credits which you may be entitled to claim as a tax offset. Please refer to the ATO website for more details: <a href="http://www.ato.gov.au/Individuals/Investments-and-assets/Investing-in-shares/Owning-shares/Refunding-franking-credits--individuals/">www.ato.gov.au/Individuals/Investments-and-assets/Investing-in-shares/Owning-shares/Refunding-franking-credits--individuals/</a>
Credit for tax file number (TFN) amounts withheld	13R	This is withholding tax that has been deducted from payments made to you during the financial year, because you didn't provide a tax file number (TFN).
Net capital gain	18A	This reflects the total capital gains (Label 18H) after applying the 50% discount which is included in your distribution. In understanding the amount to include in 18A in your tax return, you will need to consider whether any of the following items are relevant to you in respect of other capital gains or loss items from other investments you may have: <ul style="list-style-type: none"> <li>• capital losses from this year;</li> <li>• unapplied net capital losses from prior years;</li> <li>• any CGT discounts on discounted capital gains;</li> <li>• the small business 50% active asset reduction; and</li> <li>• the small business retirement exemption or rollover.</li> </ul> More information can be found at the ATO website: <a href="http://www.ato.gov.au/General/Capital-gains-tax/">www.ato.gov.au/General/Capital-gains-tax/</a>

Please note, only those distribution components that apply to your investment will appear on your AMMA Statement.

Income component on your AMMA Statement	Include amount at this tax return (supplementary section) label	Explanation
Total current year capital gains	18H	This includes the following amounts which have been used in determining the amount distributed to you: <ul style="list-style-type: none"> <li>• capital gains – discount method: This item is shown after the application of the 50% discount;</li> <li>• capital gains – indexation method;</li> <li>• capital gains – other; and</li> <li>• AMIT CGT gross up amount.</li> </ul>
Foreign entities - CFC income	19K	The amount of any foreign income earned from direct or indirect interest in a controlled foreign company (CFC).
Assessable foreign source income	20E	The amount of any foreign income earned from investments which is not exempt from paying tax in Australia, before any foreign tax paid or withheld on this income.
Other net foreign source income	20M	This item reflects the assessable foreign source income disclosed in Label 20E after applying any deductible expenses incurred in relation to earning this income.
Australian franking credits from a NZ company	20F	This is your share of Australian franking credits from New Zealand franking companies which you may be entitled to claim as a tax offset.
Foreign income tax offsets	20O	This includes the foreign tax paid or withheld in respect of the assessable foreign source income you disclosed in Label 20E. Your actual entitlement of foreign tax offset depends on your individual circumstances. For assistance, please refer to the ATO website: <a href="https://www.ato.gov.au/Forms/Guide-to-foreign-income-tax-offset-rules-2023/">/www.ato.gov.au/Forms/Guide-to-foreign-income-tax-offset-rules-2023/</a>

Please note, only those distribution components that apply to your investment will appear on your AMMA Statement.

## Part C of your AMMA Statement - Components of an attribution

You will need to include in your 2023 Annual Tax Return, all the distributions attributed to you by the Fund/Trust for the period 1 July 2022 to 30 June 2023. The Cash distributions column and the Attribution column of the AMMA Statement may have different amounts, always use the Attribution column.

The distributions may include several tax components that have different tax treatments.

A summary of these and the likely tax treatment of certain components which appear on the AMMA Statement for the Fund/Trust are set out below.

### Australian income

These details are included in:

- Label 13U Non-primary production – Share of net income from the Fund/Trust **less** capital gains, foreign income and franked distributions, and
- Label 13C Non-primary production – Franked distributions from trusts.

This, if applicable for your 2023 tax return, is the amount after the deductions to the franked dividend and franking credits (grossed-up) have been allocated. The franking credits (grossed-up) amount, once reduced by deductions, could be less than the franking credits tax offset you may enter in Label 13Q.

This information may be necessary if you need to complete the *Application for refund of franking credits for individuals 2023 form*. More information and to access the *Refund of franking credits instructions and application for individuals 2023* can be found on the ATO's website.

### Capital gains

#### Taxable Australian Property (TAP) and Non-Taxable Australian Property (Non-TAP) capital gains

Your AMMA Statement will outline the extent to which any taxable capital gains are attributable to TAP or Non-TAP. Australian tax residents are assessed on both TAP and Non-TAP capital gains. However, non-Australian tax residents are only assessed on TAP gains.

#### Capital gains discount

This shows the discounted capital gains after applying the 50% capital gains tax (CGT) discount.

#### Capital gains – other method

This is the capital gains from your share of the net income which was not eligible for the 50% CGT discount.

#### Net capital gain

Net capital gains (discount and other methods) is included in your share of the net income.

If in the current year you **don't** have any capital losses or net capital losses which were previously not applied, this figure can be used directly to complete Label 18A.

If in the current year you **do** have capital losses or net capital losses which were previously not applied, these can be applied against your share of capital gains for the current year.

More information can be found in the *Guide to capital gains tax 2023* or *Personal investors guide to capital gains tax 2023* on the ATO's website.

## Attribution managed investment trust (AMIT) CGT gross up amount

This shows the additional amount treated as capital gains for AMIT members under subsections 276-85(3) and (4) of the Income Tax Assessment Act 1997 (ITAA 1997).

The amount of this should equal the sum of the Attribution column for the discounted capital gains. This is generally not assessable to individual investors who are Australian residents.

## Other capital gains distribution

This is in the Cash distribution column. It represents the total amount of cash distributed in relation to AMIT CGT gross-up. This amount may not be equal to the AMIT CGT gross-up amount.

## Total current year capital gains

This is the total amount of capital gains attributed. It includes the grossed-up amount of the gains at discounted capital gains-TAP and discounted capital gains -Non-TAP, in the Attribution column. The total amount of capital gains distributed in cash is shown in the Cash distribution column.

## Foreign income

### Other net foreign source income

The income derived from foreign sources including dividend, interest, any other foreign source investment income and foreign tax paid on those amounts.

## Tax offsets

### Franking credit tax offset

The total amount of the franking credits available to you, to claim as a tax offset.

The amount of franking credits may be greater than the franking credits (grossed-up) amount shown at Australian income of your AMMA Statement.

## Foreign income tax offset

The foreign income tax offset is an amount of foreign income tax paid that counts towards a tax offset under Division 770 of the ITAA 1997.

This is the maximum amount which you may be able to claim in respect of the foreign income attributed to you by the Fund/Trust.

More information can be found in the *Guide to foreign income tax offset rules 2023* on the ATO's website.

## Other non-assessable amounts

### Other non-attributable amount

This is cash distribution and other entitlements from the Fund/Trust that exceed the attribution amount, which haven't already been shown in other tables.

## AMIT cost base adjustment

### AMIT cost base net amount – excess

For this you must adjust downwards the cost base or reduced cost base of your membership interests in the AMIT by the AMIT cost base – excess. A capital gain may arise if your AMIT cost base – excess is greater than your cost base in the membership interests.

### AMIT cost base – shortfall

You must adjust upwards the cost base or reduced cost base of your membership interests in the AMIT by the AMIT cost base – shortfall, for this figure.

## Other deductions from distributions

### TFN amounts withheld

This shows the amount withheld from your distributions where you have not provided a Tax File Number (TFN) or details of TFN exemption to the Fund/Trust.

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