



# Instructions for refund of franking credits: NFP endorsed entities 2013 - 2014

Instructions for application for refund of franking credits for endorsed not-for-profits for 1 July 2013 to 30 June 2014 (NAT 6715).

**Last updated** 13 March 2015

## When to use this application

Use the Application for refund of franking credits: NFP endorsed entities 2013 - 2014 (NAT 4131) if your organisation is an eligible organisation and one of the following applies – your organisation was:

- paid franked dividends on or between 1 July 2013 and 30 June 2014
- entitled to franked distributions from one or more trusts for the year ended 30 June 2014.

### **Find out about:**

If the franked dividends your organisation was paid – or the franked distributions your organisation was entitled to were for an earlier income year, you will need to use a different application form. Phone us on **1300 130 248**.

Do not use this application form if you are an individual claiming a refund of franking credits in your own capacity. If you are an individual, you will need to use a different application form.

**Who should use this application**



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## Who should use this application

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Provided certain criteria are met, eligible organisations include any of the following:

- a charity endorsed by us as exempt from income tax
- an organisation endorsed by us as a deductible gift recipient in its own right
- a deductible gift recipient listed by name in the tax law
- a public fund declared by the Treasurer to be a developing country relief fund
- an entity that is prescribed as an exempt institution and eligible for a refund under relevant regulations.

An income tax exempt fund, under repealed item 4.1 of section 50-20 of the *Income Tax Assessment Act 1997*, that was endorsed on or before 31 December 2013 is treated as an endorsed charity that is exempt from income tax. As a consequence it can use the application.

There are rules that may affect your organisation's entitlement, refer to [Refund of franking credits information 2013-14](#) .

To check if your organisation is an endorsed DGR or is endorsed as a charity exempt from income tax:

- visit the Australian Business register website at [abn.business.gov.au](http://abn.business.gov.au) 
- phone us on **1300 130 248**.

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## How to complete the application form

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We may have already pre-printed some of your organisation's details on your application form. Notify us in writing if any of these details are incorrect.

### **Next step:**

If you need help filling out the application form, phone us on **1300 130 248**.

## Name of organisation

Make sure the name of the organisation provided is your organisation's full legal name. If your organisation's name has changed, send written advice of the change to:

**Australian Taxation Office**  
**PO Box 3373**  
**PENRITH NSW 2740**

## Postal address

Make sure the postal address provided is your organisation's address for the service of notices. If the address is incorrect, provide the

correct address for service of notices in the space provided on the form.

## **Important changes**

Recent changes to the tax law mean your organisation now has objection rights and time limits in which to amend its claims for tax offset refunds (here being a refund of franking credits). These changes apply to franking credits attached to dividend income and to the entitlement to franked distributions for the year ended 30 June 2014 onwards.

The changes also mean your claim for (or an amendment of) a refund of franking credits will be subject to an income tax assessment.

## **Notices of assessment**

If you are a:

- trust or a government entity, we will issue you with a notice of assessment;
- company, a notice of assessment will be deemed at the time you lodge this form.

If an amendment is made to an original assessment, we will issue you with a notice of amended assessment.

The notices will include the following information:

- the amount of your organisation's taxable or net income (or that the amount is zero)
- the amount of the tax payable on that taxable or net income (or that the amount is zero)
- the total of your organisation's tax offset refunds (or that the amount is zero).

There are time limits for requesting an amendment to an assessment. We cannot amend an assessment if the time limit has passed.

### **Find out about:**

- [Review of your assessment and record keeping](#)

### **Application form changes**

The following changes have been made to the application form as a result of tax offset refunds being brought into the assessment regime:

- Label **B** now specifies that your total of franking credits is your tax offset refunds amount.
- New label **C** has been added, in which you are required to you add the amounts at label A and label **B**. If you do not complete this label correctly, it may take longer for us to process your refund.
- New label **D** has been added to show your taxable or net income. You must be income tax exempt or an income tax exempt deductible gift recipient to be eligible to complete this form, so we have prefilled the new label **D** with '00'.
- New label **E** has been added to show your tax payable. You must be income tax exempt or an income tax exempt deductible gift recipient to be eligible to complete this form, so we have prefilled the new label **E** with '00'.

### **Preventing dividend washing**

In the 2013-14 Federal Budget, the government announced its intention to prevent dividend washing by inserting a specific integrity rule into the tax law applicable from 1 July 2013. Dividend washing is when two sets of franking credits are claimed by selling and then effectively repurchasing the same parcel of shares using a special Australian Securities Exchange (ASX) market.

At the time of publication these changes had not become law.

#### **Find out about:**

- Preventing dividend washing

## **Franked dividend, trust distribution and franking credit details**

To complete this section, you will need:

- dividend statements for dividends paid to your organisation from 1 July 2013 to 30 June 2014
- distribution statements from fund managers and trustees provided to your organisation for distribution entitlements for the income year ended 30 June 2014.

At label **A**, provide the total of the following:

- franked amounts from dividend statements, including those amounts paid from a New Zealand company - if you were paid a dividend from the New Zealand company with an attached Australian franking credit.
- franked distribution amounts from distribution statements from a trust or managed fund.

Do not include the amount of any franking credit at label **A**.

In particular, if the amount of your distribution from a trust or managed fund includes the amount of any franking credit in the distribution amount, the amount to be included at label **A** must be reduced by the franking credit amount.

At label **B**, provide the total franking credits attached to the following:

- dividends, including Australian franking credits attached to dividends paid from a New Zealand company
- franking credits included in distribution statements from trusts and managed funds.

At label **C**, add the amounts at label A and label B.

At label **D**, provide taxable or net income.

At label **E**, provide Tax payable.

You must be income tax exempt or an income tax exempt deductible gift recipient to be eligible to complete this form, so we have pre-filled the new labels D and E with '00'. If you have any taxable net income or tax payable you are not eligible to use this form.

Do not include any New Zealand franking credits.

If the New Zealand company that paid the dividend has not specified that the franking credit is Australian, you should contact the company to work out if it is an Australian or New Zealand franking credit. In most cases, if it is not specified as Australian, it will be a New Zealand franking credit.

**Next step:**

An example of how to complete the **labels** is included on the back of the application form.

Do not show cents at **any** label.

You should keep dividend and distribution statements provided to your organisation. Do not send them to us with your application form unless we ask you to.

## Electronic funds transfer (EFT)

If you complete the EFT details on the application form your organisation will have its refund paid directly to its Australian financial institution account. If you do not complete the EFT details, your organisation will receive a refund cheque in the mail.

### Direct refund

We need your financial institution details to pay any refund owing to you, even if you have provided them to us before.

Complete the following:

- **bank state branch (BSB) number** – this six-digit number identifies the financial institution (do not include spaces or hyphens)
- **account number** – this should not have more than nine characters (do not include spaces)
- **account name** – in most cases, your account name should be shown on your bank account records. It should include spaces between each word and between initials. If your account name exceeds 32 characters, provide the first 32 characters only.

To ask about the progress of your organisation's refund, phone us on **1300 130 248**.

## Privacy

Taxation law authorises the ATO to collect information including personal information about the person authorised to sign the declaration.

### Find out about:

- [ato.gov.au/privacy](http://ato.gov.au/privacy)

## Declaration

The declaration must be read, signed and dated (after completion of the application) by the authorised person for the organisation. Such a person might include:

- the trustee of the trust
- an office holder of the association or organisation
- a director of the company
- the company secretary
- the public officer of the company.

Incomplete declaration details may delay the processing of your organisation's application.

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## Lodging your application

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Send the completed application form to us on or after 1 July 2014:

- by mail to  
**Australian Taxation Office**  
**PO Box 1032**  
**ALBURY NSW 2640**
- by fax to **1300 130 900**.

Only the original application form will be accepted.

This application cannot be lodged using the electronic lodgment service.

We will process your organisation's application form within 28 days, provided it has been completed correctly and sent to the above address or fax number. If you send the application to any other address, the refund may be delayed.

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# How to make a change to your application

**Last updated** 13 March 2015

If you need to change the franked dividend or franked distribution details or any franking credit details you lodged with us, write to the above address explaining the change and reason for the change. Do not lodge another application. Your letter must be signed and dated by the authorised person of your organisation and include your organisation's:

- full name
- postal address
- contact phone number
- Australian business number (ABN).

## More information

### Find out about:

- [Application for refund of franking credits: NFP endorsed entities 2013 - 2014](#)
- [Refund of franking credits information 2013-14](#)
- [Refund of franking credits - frequently asked questions](#)

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## Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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