



# Refund of franking credits instructions and application for individuals 2023

Use these instructions to help you complete the Application for refund of franking credits for individuals.

**Last updated** 10 August 2023

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# About these instructions

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## Get the form

To get the *Application for refund of franking credits for individuals application form 2023*, there are 2 ways:

- Download *Application for refund of franking credits for individuals 2023* (NAT 4098, PDF 650KB)
- Order a copy through the **ATO Publications Ordering service** – search by typing in either the NAT number '4098' or the form name 'Application for refund of franking credits for individuals'.

## Get the publication

You can download this publication in portable document format (PDF) or have a copy sent to you in the post.

Go to [Refund of franking credits instructions and application for individuals 2023](#)  on our Publications Ordering Service (POS) at [iorder.com.au](http://iorder.com.au) to get a copy.

## What is a refund of franking credits?

Find out what franking credits are and when they are refunded to you.

## What are franking credits?

When you own shares or non-share equity interests in a company or when you invest in a managed fund, you might receive dividend distributions.

Dividends paid to you by Australian companies and some New Zealand companies are taxed under a system known as imputation. The tax paid by the company is allocated (or imputed) to you as franking credits attached to the dividends you receive.

## When are franking credits refunded to you?

You can claim a tax refund if the franking credits you receive exceed the tax you have to pay. This is a refund of excess franking credits.

You may receive a refund of the full amount of franking credits received even if you don't usually lodge a tax return.

You can fill in the application yourself following the simple step-by-step instructions. If you need extra help contact our [Tax Help](#) service. If you are not familiar with some of the terms used, see [Definitions](#).

## Can you use this application for refund of franking credits?

All the criteria must apply for you to be able to use this application. All the statements below relate to the income year 1 July 2022 – 30 June 2023.

Criteria required to use this application for a refund of franking credits:

- You do not have to lodge a tax return (see [Do you need to lodge a tax return?](#)).
- You were an Australian resident for tax purposes for the whole of 2022–23 (see [Item 2 Were you an Australian resident for the whole period of 1 July 2022 – 30 June 2023](#)).
- You are **not** claiming a refund of franking credits for a deceased estate.
- Your total dividend income was either
  - \$18,200 or less
  - \$416 or less if you were under 18 years old on 30 June 2023.
- You received dividends from shares (or non-share equity interests) in an Australian or New Zealand company **or** you were entitled to distributions from investments in a managed fund.
- Your dividend or distribution statement showed franking credits, **or** you had amounts withheld from your dividends because you did not provide your tax file number (TFN). Statements from New Zealand companies must show **Australian franking credits** (New Zealand imputation credits do not qualify).

You will need to lodge a tax return to claim the benefit of these credits if you have franking credits but all the criteria above did not apply.

## Claiming your refund of franking credits

## What do you do next?

You can apply for your 2023 refund of franking credits any time after 1 July 2023, either by phone or by post. To apply for a refund you need a copy of the application form, see [Get this publication](#). You will need **all** your dividend and distribution statements for 1 July 2022 – 30 June 2023. For help filling in the application see [Completing your application](#).

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# Common questions about franking credits and refunds

Common questions asked about franking credits and franking credit refunds.

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For definitions of terms used below, see [Definitions](#).

## Question 1

Can I claim franking credits from previous years?

It is not too late to claim a refund of franking credits you received in previous income years. If you have not already claimed these credits you can order a *Refund of franking credits instructions and application for individuals* (NAT 4105) for the relevant income years, see **Order ATO publications**. You can only lodge these refund applications for previous years by post.

## Question 2

Do I need to send my dividend or distribution statements to the ATO?

No, instead you should keep your statements with a copy of your application.

## Question 3

According to my final dividend statement for the year ended 30 June 2023, my final dividend payment was made after 30 June 2023. The statement also shows a franking credit. In what year do I claim the franking credit?

You claim a refund of the franking credits (and declare the dividend as income) in the year in which the final dividend was paid or credited, as shown in the statement (regardless of the year the statement relates to).

## Question 4

The distribution statement from my managed fund shows capital gains, foreign source income and foreign income tax offsets. Where do I include those amounts?

If you don't need to lodge a tax return, don't worry about these amounts even if your statement tells you to include them at a specific item on the tax return. To process your application, we need only the figures shown at 'franked amounts', 'unfranked amounts', 'franking credit' or 'TFN amounts withheld'.

## Question 5

The distribution statement shows an unfranked dividend declared to be conduit foreign income. Where do I include this amount?

Show this amount on your application as an unfranked amount.

## Question 6

Can I use this application to claim a refund for TFN amounts withheld or deducted from interest income?

No, you will need to lodge an income tax return to claim the TFN amounts withheld or deducted from interest income.

## Question 7

I chose to reinvest my dividends. Can I still claim a refund of my franking credits?

Yes.

## Question 8

Can I use this application if I own shares or non-share equity interests in joint names with my spouse?

Yes, if you are eligible you can use this application, stating only your share of the dividends and franking credits shown on the joint statement. If your spouse is also eligible to claim a refund of franking credits, they must complete a separate application or lodge a tax return. They should state only their share of the dividends and franking credits shown on the joint statement.

## Question 9

Will the refund affect my pension entitlement?

No, in most cases it will not affect your pension entitlement. However, if you receive a distribution from a private company or trust the refund could affect your pension entitlement.

## Question 10

I own shares in a New Zealand company. Am I entitled to claim all the franking credits in the dividend statement?

Not all New Zealand companies will pay dividends with Australian franking credits. You can only claim a refund of the Australian franking credits on the dividend.

You cannot claim a refund of any New Zealand imputation credits.

If you have paid New Zealand non-resident withholding tax on the dividend, the amount of franking credits that you can claim is reduced by any supplementary dividend.

## Question 11

My dividend statement from a New Zealand company includes a supplementary dividend. Where should I include this amount?

Include this amount as an unfranked dividend. No franking credits are attached to supplementary dividends.

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## Completing your application

Instructions to help you complete each part of the application for a refund of franking credits.

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## Item 1 Your tax file number (TFN)

Write your TFN on page 1 of your application. If you are not sure of your TFN or need to apply for one, see [Apply for a TFN](#).

## Item 2 Were you an Australian resident for the whole period 1 July 2022 – 30 June 2023?

You must be an Australian resident for tax purposes for the whole period 1 July 2022 to 30 June 2023 to apply for a refund of franking credits.

We work out your residency using our standards rather than those used by the Department of Home Affairs. Generally, if you have always lived in Australia or you have come to Australia to live permanently, you are a resident for tax purposes.

For more information, use our 'Are you a resident?' tool at [Work out your tax residency](#) .

## Items 3 to 8 Personal details

Complete these items accurately to avoid delays in the processing of your application.

We need your current name and address on our records before you lodge your application by **phone**. If anything has changed or you are unsure what details you last gave us, you may need to **update your name and address**.

If you will be lodging your application form by **mail**, we need to have your current name on our records. If your name has changed or you are unsure what name you last gave us, you may need to **update your name**.

## Item 9 Electronic funds transfer (EFT)

To receive a direct refund, complete your account details even if you have provided them to us before. Joint accounts are acceptable.

Complete the following:

- BSB number (this number has 6 digits, do not include spaces or hyphens)
- account number (this number has no more than 9 digits, do not include spaces or hyphens)
- account name, as it appears on the bank account records. Include blank spaces where required. If the account name exceeds 32 characters, provide only the first 32 characters.

## Item 10 Dividends

If you received a distribution statement from a managed fund or Australian franking credits from a New Zealand company, print **X** in the **YES** box.

If you have more than one dividend or distribution statement, you can use the [worksheet](#) to help you calculate the amounts to show at item **10**.

At item **10** write your:

- unfranked amount at label **S**
- franked amount at label **T**
- franking credit (also known as imputation credit) at label **U**
- TFN amounts withheld or deducted from dividends (if applicable) at label **V**.

Your dividend or distribution statement should show these amounts.

'Tax file number amounts withheld from dividends' are withheld only if you did not provide your TFN to the investment body.

A dividend statement from a New Zealand company will show the amount of Australian franking credits (if any) you can claim.

## Total dividend income

Add up the amounts shown at labels **S**, **T** and **U** on your application and write the total at **\$ Total dividend income**.

You can't use this application if you are either:

- 18 years old or older on 30 June 2023 and your total dividend income amount is more than \$18,200, or
- you are under 18 years old on 30 June 2023 and your total dividend amount is more than \$416.

If you can't use this application, you will need to lodge a tax return to claim your refund of franking credits.

## Your declaration

Read, sign and date **Your declaration** on page 2 of the application form.

Continue to: [Instructions for the worksheet](#)

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## Instructions for the worksheet

Instructions to help you complete item 10, including the steps to follow to complete the worksheet.

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If you have more than one dividend or distribution statement, complete the worksheet and calculate the amounts to show at item **10** on your application.

Access an excel version of the [Refund of franking credits for individuals worksheet](#)  (XLSX, 25 KB).

## Step 1

Collect all the statements for dividends you received and for distributions you were entitled to for the period 1 July 2022 to 30 June

2023. Using steps 2 to 4, transfer the information from each statement to the appropriate columns in the [worksheet](#).

## Step 2

Print the company or fund name shown on your statement under **Company or fund**.

## Step 3

Write the amount of any unfranked (or supplementary), franked or franking credit amounts in the appropriate columns.

You must subtract the amount of any supplementary dividend from the amount of franking credits that you include in the worksheet if:

- your dividend is from a New Zealand company, and
- that company paid you a supplementary dividend, and
- you paid New Zealand non-resident withholding tax on that dividend.

Do not include New Zealand imputation credits in the **Franking credit** column (only include Australian franking credits).

If your statement does not show the franked and unfranked portions of the dividend, include the total dividend amount in the **Franked amount** column.

## Step 4

Write any TFN amounts withheld (or deducted) from dividends in the **TFN amount withheld** column.

## Step 5

The worksheet will automatically provide a total for the amounts you have entered in each column.

## Step 6

Print **X** at the **YES** box at item **10** on your application, if you have received:

- any dividend distributions from a managed fund, or
- Australian franking credits from a dividend paid by a New Zealand company.


## Step 7

Transfer the total amounts of unfranked amount, franked amount and franking credit from your worksheet to item **10** – labels **S**, **T** and **U** on your application. Do not show cents.

## Step 8

Transfer the total **TFN amount withheld** amount from your worksheet to item **10** – label **V** on your application. Show cents.

## Worksheet

This worksheet will help you if you have more than one dividend or distribution statement. Access an excel version of the [Refund of franking credit for individuals worksheet](#)  (XLSX, 25 KB).

Transfer the totals for labels **S**, **T** and **U** to your application. Do not show cents.

Transfer the total for label **V** to your application. Show cents.

This worksheet is to help you work out the amounts you need to put on your application. You do not need to send this worksheet to us.

### Example: Refund of franking credits worksheet


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Steven received a dividend statement from Teleco Ltd.

His statement showed:

- a franked amount of \$42.00
- a franking credit of \$18.00.

The statement below is just an example. There are many different formats of statements.

 This image shows an example of a dividend statement.  
 Company: Telco Ltd Security holder reference number: 018012111  
 Date paid: 30 October 2022 Class description: ordinary shares  
 Dividend rate per ordinary share: 7 cents Number of ordinary shares: 600  
 Franking credit: \$18.00 Unfranked amount: nil  
 Franked amount: \$42.00 Dividend paid: \$42.00

Steven also received 3 other dividend statements from:

- **JT Corporate Unit Trust**, his statement showed
  - \$120.73 unfranked amount.
- **Koles Bier Pty Ltd**, his statement showed
  - Steven did not give the company his TFN
  - his entitlement of \$180 unfranked amount had \$84.60 tax withheld (therefore he actually received \$95.40).
- **SDW Managed Investment Fund**, his statement showed
  - a franked dividend amount of \$131
  - a franking credit of \$56.14.

**Steven would complete the worksheet like this:**

| <b>Company or fund</b> | <b>Unfranked amount (S) \$</b> | <b>Franked amount (T) \$</b> | <b>Franking credit (U) \$</b> | <b>TFN amount withheld (V) \$</b> |
|------------------------|--------------------------------|------------------------------|-------------------------------|-----------------------------------|
| Teleco Ltd             | -                              | 42.00                        | 18.00                         | -                                 |
| JT Corp Unit Trust     | 120.73                         | -                            | -                             | -                                 |
| Koles Bier Pty Ltd     | 180.00                         | -                            | -                             | 84.60                             |
| SDW Fund               | -                              | 131.00                       | 56.14                         | -                                 |
| <b>Total</b>           | <b>300.73</b>                  | <b>173.00</b>                | <b>74.14</b>                  | <b>84.60</b>                      |


Transfer the totals for labels **S**, **T** and **U** to your application. Do not show cents.

Transfer the total for label **V** to your application. Show cents.

This amount includes both the amount received by Steven and the TFN amount withheld (\$95.40 + \$84.60).

Steven completes the dividend details at item **10** on his application like this:

- Did you receive any dividend distributions from a managed fund or Australian franking credits from a New Zealand company? – **Yes**
- Label **S** Unfranked amount: \$300
- Label **T** Franked amount: \$173
- Label **U** Franking credit: \$74
- Label **V** Tax file number amounts withheld from dividends: \$84.60

 This image is an example of completing item 10. ■ Did you receive any dividend distributions from a managed fund or Australian franking credits from a New Zealand company? – Yes ■ Label S Unfranked amount: \$300 ■ Label T Franked amount: \$173 ■ Label U Franking credit: \$74 ■ Label V Tax file number amounts withheld from dividends: \$84.60

Steven will receive a refund of \$158.60 if he has no outstanding tax debts, worked out as.

TFN amount withheld + Franking credit = Refund

**\$84.60 + \$74 = \$158.60**

Continue to: [How to lodge your application](#)

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## How to lodge your application

Instructions for lodging your application once you have completed and signed it.

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## Lodging by phone

Lodging by phone will take you less than 7 minutes and we will process applications lodged by phone within 12 business days.

You will need your tax file number.

Check that you satisfy all the conditions before trying to lodge this application by phone.

- Complete your **Application for refund of franking credits for individuals 2023**.
- Phone the lodgment service on **13 28 65**, provide your TFN and press **2**.
- Listen to the questions which are based on your completed application.
- Speak naturally, as in normal conversation. There is no need to slow down.
- Say all the numbers individually, for example, 0, 1, 2, 3, 4. For 0, say 'zero' or 'nought'.
- If you need help with a question, say 'help'.
- If you need a question repeated, say 'repeat'.
- If you hear a message saying 'I'm having trouble getting that', the system will ask you to try again, or the service might ask you to use your phone keypad instead. Wait for the question to finish, then speak clearly when answering.

- Listen carefully because at certain questions the information you have provided will be read back to you to allow you to confirm it is correct. If you have made a mistake you will be given the opportunity to correct the details.
- If you hang up or have to leave the call because of a problem with the system, the information you have provided will be retained when you return to continue with your lodgment.
- At the end of the call you will be given a receipt number to confirm that your application has been lodged. Write the number in the boxes provided on page 2 of your application above your signature.
- Your call will be recorded in case we need to refer to it later.
- Wait for the receipt number before you hang up. Do not post your paper application to us, but keep it for your records.

## Phone lodgment benefits

- The service is available 24 hours a day, 7 days a week (to avoid busy periods, phone before midday, after 5.00pm or on weekends).
- It is available from anywhere in Australia.
- Most refunds are issued within 12 business days.
- It takes less than 7 minutes to lodge your application.
- However, you cannot use this service to lodge for previous years – only for 2022–23.

Do we have your current name, address and financial account details? If you have changed any of these details or are unsure what details you last gave us, contact us before lodging your application by phone.

For more information, see [Update your TFN details](#).

## Lodging by post

We will process applications lodged by post within 50 business days.

You can post your application to:

**Australian Taxation Office**

**GPO Box 9845**

(insert the name and postcode of your nearest capital city)

For example:

**Australian Taxation Office  
GPO Box 9845  
SYDNEY NSW 2001**

Continue to: [How to make a change to your application](#)

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## How to make a change to your application

Instructions for making a change to your application after you have lodged it.

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If you need to change the dividend or distribution details you lodged with us, [write to us](#) explaining the change required. **Do not lodge another application.**

In your letter include:

- your TFN
- your contact details
- what needs to be changed.

Make sure you sign and date the letter and include the following declaration:

**I declare that all the information I have given in this letter is true and correct.**

If you claim too much franking credit, you might have to repay the extra amount with interest.

If your income has increased, check whether you need to lodge a tax return as a result of the increase.

Continue to: [Definitions](#)

# Definitions

Definitions of terms used in these Application for refund of franking credits for individuals instructions.

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## Conduit foreign income

Australian corporate entities (companies, trusts or partnerships taxed as companies) with certain types of foreign income can declare all or

part of an unfranked dividend as conduit foreign income. Show any conduit foreign income as an unfranked dividend on your application.

## **Distribution statement**

Managed funds or unit trusts send a distribution statement, AMMA statement or taxation statement to investors. The statement might include unfranked dividends, franked dividends, TFN amounts withheld and franking credits.

## **Dividend income**

If you own shares in a company, you will generally be paid some of the company's profits as a dividend.

## **Dividend statement**

Companies send a dividend statement to shareholders and holders of non-share equity interests to advise them of the amount of dividends paid to them. It also advises whether the dividends are franked or unfranked, the amount of franking credit, and TFN amounts withheld (if any).

## **Franked dividend**

Franked dividends are paid to shareholders and holders of non-share equity interests out of profits on which the company has already paid tax.

## **Franking credit**

A franking credit is your share of tax paid by a company on the profits from which your dividends or distributions are paid. A franking credit is also known as an:

- imputation credit
- imputation tax credit
- imputed credit
- imputed tax credit

- Australian imputed tax credit
- Australian franking credit
- Class C imputation credit, or
- Class C imputed credit

## **Imputation credit**

See [Franking credit](#).

## **Managed fund**

A managed fund is generally run by an organisation that manages investors' money through a diversified portfolio for a fee. Managed funds might include investment in any or all the major asset groups such as cash, bonds, shares and property.

## **New Zealand imputation credit**

New Zealand imputation credits are credits arising under New Zealand's imputation system. We cannot refund your New Zealand imputation credits.

Australian imputation credits are called franking credits. We refund Australian franking credits attached to dividends you receive from a New Zealand company.

## **Non-share equity interest**

Certain interests which are not shares are treated in a similar way to shares for tax law purposes. These interests are called non-share equity interests.

## **Supplementary dividend**

Supplementary dividends from New Zealand companies are treated the same as unfranked dividends.

## **Tax file number (TFN) amount withheld**

'TFN amounts withheld' are amounts withheld or deducted by the company or managed fund because you did not give them your TFN.

## **Total dividend income**

Total dividend income is the total of your unfranked dividends, franked dividends and franking credits.

## **Unfranked dividend**

Unfranked dividends have had no Australian company tax paid on the profits from which they are paid. If the dividend is unfranked, there is no franking credit.

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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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