



## Supplementary tax return

Instructions on how to complete each question in your paper supplementary tax return.

### **Income questions 13–24**

How to complete the income questions 13 to 24 in your paper supplementary tax return.

### **Deduction questions D11–D15**

How to complete the deduction questions D11 to D15 in your paper supplementary tax return.

### **Tax offset questions T3–T9**

How to complete the tax offset questions T3 to T9 in your paper supplementary tax return.

### **A5 Amount on which family trust distribution tax has been paid 2023**

Complete question A5 if you received a distribution on which family trust distribution tax has been paid.

# A5 Amount on which family trust distribution tax has been paid 2023

Complete question A5 if you received a distribution on which family trust distribution tax has been paid.

Last updated 25 May 2023

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## Things you need to know

Family trust distribution tax is payable on any distribution made to a person outside a 'family group' by:

- a trust which has elected to be a family trust, or
- a trust, partnership or company which has made an interposed entity election to be included in the 'family group' of a family trust.

You do not include in your assessable income any part of a distribution to you on which family trust distribution tax has already been paid, and which would otherwise be assessable income.

However, to determine your liability for the Medicare levy surcharge, we take into account any part of a distribution to you on which family trust distribution tax has already been paid (that would otherwise have been assessable income) reduced by any expenses that would have been deductible against it. This is the amount that you need to show at this item.

### Example: Family trust distribution

During 2022–23 the Jones family trust distributed \$1,000 to Anne-Marie. The 'family trust election' of the Jones family trust was in force when the distribution was made. Because Anne-

Marie is not a member of the family group of the Jones family trust, family trust distribution tax is payable on the \$1,000 distribution. This was paid in full by the trustee of the Jones family trust from other funds.

As a result, Anne-Marie does not include the \$1,000 distribution in her assessable income. Instead, Anne-Marie shows at this item the \$1,000 distribution from the Jones family trust less any expenses that would have been deductible against it.

However, had family trust distribution tax **not** been paid, Anne-Marie would have had to include in her assessable income any part of the distribution that was assessable under the normal income tax rules.

**In 2022–23, did a trust, partnership or company distribute anything to you on which family trust distribution tax has been paid?**

Distributions on which family trust distribution tax is payable include:

- income and property from a trust or partnership
- dividends and property from a company
- the use of property owned by the trust, partnership or company for which you have not paid full value, such as the free use of a holiday house.

The trust, partnership or company should be able to tell you if family trust distribution tax has been paid on a distribution to you.

<b>No</b>	Return to main menu <a href="#">Individual tax return instructions 2023</a> .
<b>Yes</b>	Read on.

## Completing your supplementary tax return

To complete this question, follow the steps below.

### Step 1

Add up the amounts or value of all distributions to you by a trust, partnership or company during 2022–23 which would have been

assessable income if family trust distribution tax had not been paid.

## **Step 2**

Add up any expenses which you would have been able to claim as a deduction if the distributions had been included in your assessable income.

## **Step 3**

Take away your step 2 amount, if any, from your step 1 amount.

## **Step 4**

Write the amount from step 3 at question **A5** – label **X** in your tax return. Do not show cents.

If the amount from step 3 is zero or less than zero, do not write anything.

## **Where to go next**

- Go to question Checklist – supplement 2023.
- Return to main menu Individual tax return instructions 2023.
- Go back to Total supplement tax offsets 2023.

QC 72257

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