



# Family trust distribution tax payment advice

This payment advice must be completed by all entities liable for the family trust distribution (FTD) tax because:

- a distribution has been made, or
- they are now entitled to income or capital need to complete this payment advice.

A separate payment advice should be completed for each distribution of income or capital which attracts an FTD liability.

Please refer to the explanatory notes for a definition of terms used in this payment advice.

If you do not have enough space on the form to answer any question properly or the question needs multiple answers, attach a separate sheet of paper.

Distributing entity tax file number (TFN)

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Year of liability

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**1 Type of distributing entity** (Print  in appropriate box)  Interposed entity  Family trust

**2 Distributing entity details**

Name of entity

--

Current postal address of entity

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Suburb/town

--

State/territory

--

Postcode

--

**3 Distribution details** (Print  in ALL appropriate boxes)

Name of distributee

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If distributee is a company, Australian Company Number (ACN) or Australian Registered Body Number (ARBN)

ACN <input type="checkbox"/>	<input type="text"/>	<input type="text"/>
or ARBN <input type="checkbox"/>	<input type="text"/>	<input type="text"/>

Tax file number (TFN)

It is not an offence not to quote a TFN. However, TFNs help the Tax Office to correctly identify each entity's tax records.

Nature of distribution  Capital  Income

Date of distribution  /  /

Distribution amount **A \$**

**FTD TAX PAYABLE** (46.5% of A) **B \$**

If the distribution was made in the 2005-06 income year or earlier, the FTD tax payable is 48.5% of A.

Payment of the amount shown at B should accompany this payment advice.

**4 Is this payment of the FTD tax in respect of a primary liability or secondary liability?** (Print  in appropriate box)  Primary  Secondary

**5 Details of election made by the distributing entity**

Date election made  /  /

Election commencement time  /  /

## Declaration

I declare that the particulars shown in this payment advice, and any attachments, are true and correct in every detail.

Name of declarer

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Capacity in which declaration made  public officer  director  partner  trustee

Daytime contact phone number

Declarer's signature

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Date  /  /

## Payment details

Distributing entity tax file number

Year of liability

**FTD TAX PAYABLE** (from B above) **B \$**

HOR  
**72**

Dissection code  
**13**

# Family trust distribution (FTD) tax payment advice notes

## FAMILY TRUST DISTRIBUTION TAX

FTD tax must be paid when:

- a trustee of a family group makes a distribution outside the family group of the test individual, or
- an interposed entity of a family trust makes a distribution outside the family group of the test individual.

## PERSONS LIABLE

If a liability arises under 1 above, the trustee(s) must make the payment.

If the trustee is a company, the trustee and director(s) are jointly and singularly liable.

If a liability arises under 2 above, the liable person will depend on the type of interposed entity.

If the interposed entity is a trust, the trustee/s is/are jointly and singularly liable. If the trustee is a company, the trustee and directors are jointly and singularly liable.

If the interposed entity is a company, the company and directors are jointly and singularly liable.

If the interposed entity is a partnership, the partners are jointly and singularly liable.

If any partner is a company, the partners and directors of the company are jointly and singularly liable.

❗ In some circumstances, directors may not be liable. Refer to sections 271-15 to 271-40 and Sections 271-60 to 271-65 of Schedule 2F of the *Income Tax Assessment Act 1936* (ITAA1936).

## WHEN TO COMPLETE THE PAYMENT ADVICE

The payment advice must be completed for all distributions by family trusts or interposed entities outside the family group. Please complete a separate payment advice for each distribution.

Payment is generally required 21 days after the distribution is made. If the distribution was made before an election form was lodged, you don't need to pay until 21 days after the election was made.

## HOW TO PAY

You need to send payment for FTD tax with your payment advice. The calculation of the tax payable is set out in the payment advice.

Send the completed payment advice and your payment to the following address:

**Australian Taxation Office  
Locked Bag 1936  
ALBURY NSW 1936**

Cheques or money orders should be made payable to the Deputy Commissioner of Taxation and crossed 'not negotiable'. Do not send cash in the mail.

## GLOSSARY OF TERMS USED IN THIS PAYMENT ADVICE

*Declarer* means the trustee/partner/company public officer or director making the payment.

*Director* means a company director and includes the director of a corporate trustee or corporate partner.

*Distributee* means a person who receives the distribution which is subject to FTD tax.

*Distribution* means income or capital distributed under Sections 272-45 to 272-60 of schedule 2F of the ITAA 1936, or giving a distributee entitlement to income or capital.

*Distributing entity* is any entity which has a family trust and/or interposed entity election in force and makes a distribution outside the family group.

*Election commencement time* means the time specified on the relevant election form or the first day of the income year specified in the interposed entity election.

*Family group* includes defined family members of the test individual; certain family-owned or controlled companies, partnerships or trusts; and certain other entities such as charities that are exempt from income tax. Refer to sections 272-75 and 272-80 of Schedule 2F of the ITAA 1936 and items 23 and 23A of schedule 1 to the *Taxation Laws Amendment (Trust Loss and Other Deductions) Act 1998*.

*Interposed entity* means a trust, company or partnership with an interposed entity election in force. Refer to section 272-85 of Schedule 2F of the *Taxation Laws Amendment (Trust Loss and Other Deductions) Act 1998*.

*Primary liability* means a FTD liability arising under sections 271-15 to 271-30 of Schedule 2F of the ITAA 1936.

*Secondary liability* means a FTD tax liability arising under sections 271-60 to 271-65 of schedule 2F of the ITAA 1936.

*Test individual* means the person whose family group is taken into account for the purpose of the family trust election. Refer to subsection 272-80(3) of schedule 2F to the ITAA 1936.

*Year of liability* means the income year in which the FTD tax liability arises.