What is an annual taxation statement and how to post them in ITR?

Annual Tax Statement:

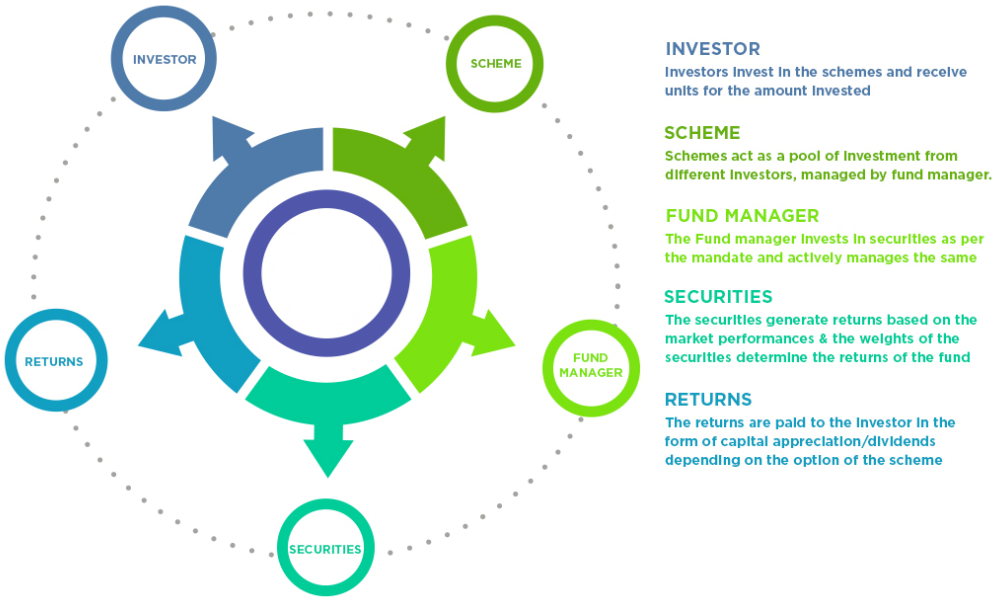
A person who is earning salary income, business income or any other sources of income would have some excess cash with them after meeting all personal expenses and savings goal. This excess cash, instead of keeping it idle, they would want to earn some additional income on this.

So, this person would invest the excess cash into deposits with banks and NBFCs, stock markets, and other financial instruments. One among the investment option is called as Managed Fund. This is similar to Mutual Funds in India.

A Managed Fund is a 'registered managed investment scheme', which is a type of unit trust.

(source - https://www.magellangroup.com.au/insights/what-is-a-managed-fund/)

How it Operates:



(source - https://www.nirmalbang.com/knowledge-center/how-is-mutual-fund-setup.html)

1. From the above, the starting point is the investor, and the ending point is the returns to the investor.
2. The investments made by multiple investors are pooled and then invested into multiple securities depending on the Managed Fund objective.
3. The Fund Management Trust issues "units" which is allotted to the investors, known as "unitholders". The units is a document stating the proportion of the investment made by the investor in the underlying securities.
4. When the fund manager invests in the securities, he not only invests in securities based in Australia, but also securities traded in other countries.
5. The gains from trading the securities and the returns from holding such securities are then transferred to the unitholders periodically.

After the end of every Financial Year, the Investor will receive two documents from the managed Fund trust – Annual Investor Statement and Annual Tax Statement. Both statements will be depicting the transactions made to the unitholders account based on the amount invested.

However, the key difference between the two is that the Annual investor statement will contain all the transactions which were made in cash, income and expenses, and the portfolio value at the year end, while the annual tax statement portrays the taxable income and expenses for the year.

One component of the difference between the two is called AMIT (Attributed Managed Investment Trust) Cost Base adjustment. The AMIT cost base net amount broadly represents any difference between amounts that are included in your assessable income (or NANE income) for the AMIT and actual distributions you receive from the AMIT. AMIT cost-base adjustments defer the cash effect for an AMIT member's distribution to the time when their interest in the AMIT is realised. (source - https://support.sf360.com.au/hc/en-au/articles/360018521711-AMIT-cost-base-net-amount-AMMA-statement#:~:text=AMIT%20cost%2Dbase%20adjustments%20defer,in%20the%20AMIT%20is%20realised.&text=The%20investor%20must%20reduce%20the,cost%20base%20net%20amount%20%2D%20excess.)

For the purposes of preparing Tax returns and Workpapers, the document we rely on is the Annual Tax Statement. If the entity maintains separate financials for the investments, then we need to rely on Annual Investor Statement for the preparation of FS

Screenshot of Annual Tax statement:

1. **HUB24 ATS:**

[redacted]

01 Summary of Assessable Income and Deductions

Interest	Amount ($)	Tax Return Reference
Gross Interest	0.00	10L
TFN amounts withheld	0.00	10M

Foreign Income	Amount ($)	Tax Return Reference
Foreign Assessable Income	93.40	20E, 20M
Foreign Tax Offset	8.05	20O
Australian Franking Credits from NZ companies	0.00	20F

Dividends	Amount ($)	Tax Return Reference
Franked Dividends	122,652.07	11T
Unfranked Dividends	1,495.20	11S
Franking Credits	52,565.17	11U
TFN amounts withheld	0.00	11V

Realised Gains/Losses	Amount ($)	Tax Return Reference
Total current year capital gains (gross)	7,881.86	18H
Net Capital Gains	0.00	18A
Net current year capital loss	24,719.67	18V
Profits/gains on disposal of income securities/foreign exchange	0.00	24Y

Trust Distributions	Amount ($)	Tax Return Reference
Franking Credits from trusts	0.81	13Q
TFN amounts withheld from trust distributions	0.00	13R
Primary Production Income		
Share of net income from trusts	0.00	13L
Non-Primary Production Income		
Franked Distributions from trusts	2.70	13C
Share of net income from trusts, less capital gains, foreign income and franked distributions	1,320.00	13U

Deductions	Amount ($)	Tax Return Reference
Expenses	7,109.40	D8H
Loss on disposal of income securities/foreign exchange	0.00	D15J

Other Tax Offsets	Amount ($)	Tax Return Reference
Early Stage Venture Capital Limited Partnership Tax Offset	0.00	T7K
Early Stage Investor Tax Offset	0.00	T8L
Exploration Credits	0.00	T9P (code E)

Note 1: The Tax Return Reference is from the paper Tax return for individuals form that is available on the ATO website. MyTax pre-fill information is available on the following page.

2. Scentre Group ATS:

Attribution Managed Investment Trust Member Annual Tax Statement for the 30 June 2022 Year

Part A: 2022 tax return (supplementary section) items for a resident individual

This Statement includes all distributions paid by the entities in Scentre Group (consisting of Scentre Group Limited, Scentre Group Trust 1, Scentre Group Trust 2 and Scentre Group Trust 3) in respect of the period 1 July 2021 to 30 June 2022.

	SGL	SGT1	SGT2	SGT3	Tax Return Label
Tax Return - Income Section					
Dividends - franked	$89.30			$2.47	11T
Franking credit	$38.27			$1.06	11U
TFN amounts withheld	$0.00			$0.00	11V
Tax Return - Supplementary Section					
Non-primary production income					
- Share of net income from trusts		$73.66	$71.03		13U
- Franked distributions from trusts		$0.09	Nil		13C
Share of franking credits from franked distributions		$0.03	Nil		13Q
TFN amounts withheld		$81.00	$81.00		13R
Total current year capital gains - grossed up		Nil	Nil		18H
Net capital gain		Nil	Nil		18A
Assessable foreign source income		$14.91	$15.53		20E
Other net foreign source income		$14.91	$15.53		20M
Foreign income tax offsets		$0.52	$0.61		20O

3. Transurban Group ATS:

PART A: SUMMARY OF 2023 INCOME TAX RETURN FOR INDIVIDUAL (INCLUDING SUPPLEMENTARY SECTIONS)

Item	Australian Resident Individual Tax Return Label	Total
Dividends - Franked	11T	$111.12
Franking credit	11U	$47.62
Share of non-primary production income	13U	$1,564.40
Franked distributions from trusts	13C	$10.24
Share of franking credits from franked dividends	13Q	$3.07
Share of credit for TFN amounts withheld	13R	$0.00
Share of credit for foreign resident withholding amounts	13A	$0.00
Net capital gain	18A	$4.88
Total current year capital gains	18H	$9.76

PART B: COMPONENTS

Dividend - Transurban Holdings Limited[1]	30 June 2022 (paid August 2022)	31 December 2022 (paid February 2023)	Total
Dividends - Franked	$111.12	$0.00	$111.12
Franking Credit / Tax Offset	$47.62	$0.00	$47.62

Distribution - Transurban Holding Trust[2] Assessable Australian Income (Attribution Amounts)	31 December 2022 (paid February 2023)	30 June 2023 (paid August 2023)	Total
Interest Income	$386.69	$355.01	$741.70
Rent and Other Income[3]	$389.11	$393.36	$782.47
Non-Concessional MIT Income (NCMI)	$18.00	$22.23	$40.23
Discounted Capital Gains TARP	$0.00	$4.88	$4.88
Other Capital Gains Distribution	$0.00	$4.88	$4.88
Franked Distribution	$0.00	$7.17	$7.17
Franking Credit / Tax Offset	$0.00	$3.07	$3.07

Other - Transurban Holding Trust[4]	31 December 2022 (paid February 2023)	30 June 2023 (paid August 2023)	Total
Non-Assessable Amount	$796.20	$1,042.47	$1,838.67
TFN / ABN Withholding	$0.00	$0.00	$0.00
AMIT Withholding	$0.00	$0.00	$0.00
Non-Resident Withholding	$0.00	$0.00	$0.00

4. Lendlease Group ATS:

Lendlease Corporation Limited Dividends

	Amount	Tax Return Label
Dividend Income		
Franked dividends	$0.00	11T
Franking credits	$0.00	11U
Unfranked dividends[1]	$382.60	11S
TFN amount withheld[2]	$0.00	11V
Non-resident withholding tax	$0.00	

Lendlease Trust Distributions

	Amount	Tax Return Label (Supplementary Section)
Non primary production income	$232.40	13U
Foreign source income	$126.92	20E & 20M
Total current year capital gains[3]	$110.56	18H
Net capital gains[4]	$55.28	18A
AMIT cost base net amount - increase[5]	$0.15	
AMIT cost base net amount - decrease[6]	$39.00	
Non-assessable amounts[7]	$82.52	
Foreign income tax offset	$11.60	20O
TFN amount withheld[2]	$0.00	13R
Non-resident interest withholding tax[8]	$0.00	
Non-resident MIT fund payment withholding tax[9]	$0.00	
Capital gains tax information – additional information for item 18		
Capital gains – discount method	$110.56	(grossed up amount)
Capital gains – indexation method	$0.00	
Capital gains – other	$0.00	
Total current year capital gains[10]	**$110.56**	

Most Annual Tax statements will mention the income label of the individual Tax Return to which the income needs to be updated, in case of an individual investor. The income labels will be updated based on the investor's constitution (Partnership, Trust, company). These can be updated as is, since these are the data that has been disclosed by the managed fund trust to the ATO, which is then updated in the prefill.

5. BT Panorama ATS:

Summary of assessable income

Item	Amount $
Gross interest	1,896.10
Unfranked dividends from shares	11,817.94
Franked dividends from shares	173,476.30
Franking credits from shares	74,347.00
Franked distributions from trusts	1,746.48
Distributions from trusts	3,840.66
Net capital gain	21,430.17
Foreign income	1,061.21
Foreign trust and CFC income	0.00
Australian franking credits from a New Zealand franking company	0.00
Other income	0.00
Total assessable income	**$289,615.86**

Deductions and credits summary

Deductions

Item	Amount $
Listed investment company capital gain deduction	0.00
Expenses	12,854.28
Loss on sale of traditional security	0.00
Total deductions/expenses	**$12,854.28**

Total taxable income from investment assets **$276,761.58**

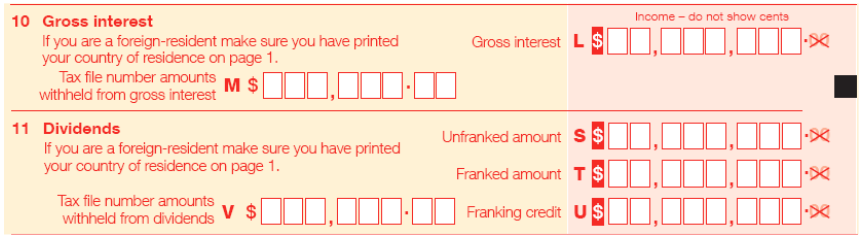
Tax credits

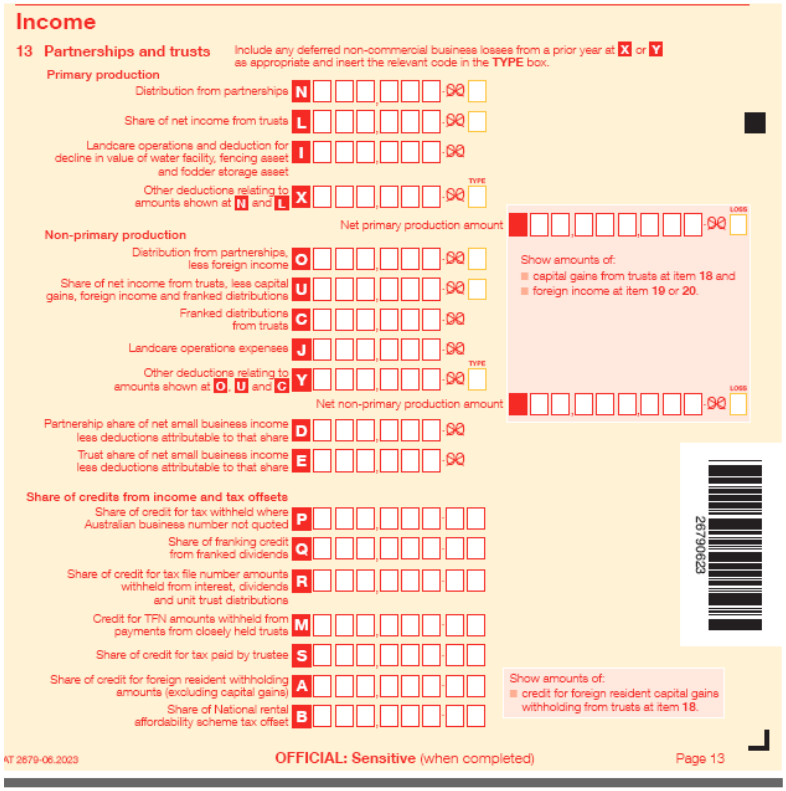
Item	Amount $
TFN amounts withheld from interest	0.00
TFN amounts withheld from unfranked dividends	0.00
TFN amounts withheld from trust distributions	0.00
Credit for tax paid by trustee	0.00
Franking credits from shares (after 45 day rule)	74,347.00
Franking credits from trust distributions (after 45 day rule)	727.84
Australian franking credits from a New Zealand franking company	0.00
Foreign income tax offset (including CG offset)	141.94
Non-resident withholding tax on non-MIT distributions	0.00
Share of ESVCLP Tax Offset	0.00
Share of Early Stage Investor Tax Offset	0.00
Exploration Credits	0.00

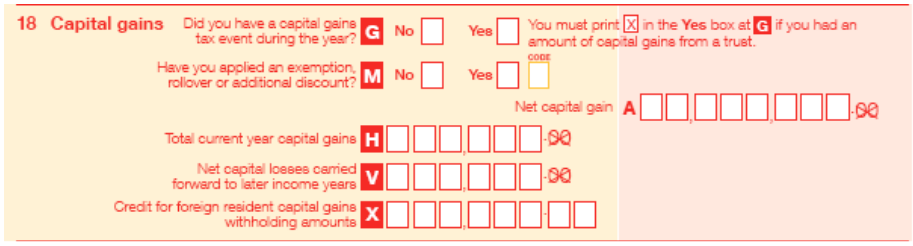
Total tax credits **$75,216.78**

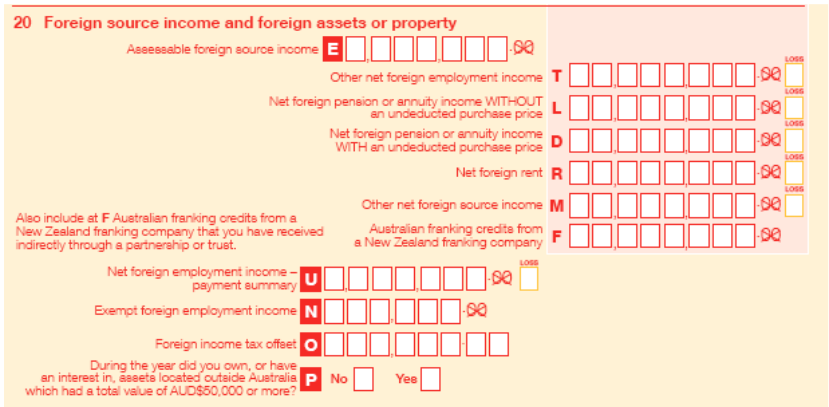
However, in the rare cases where the amounts reflected in the prefill does not reconcile with the numbers available in the Annual Tax Statement, it is prudent to consider the data as per the Annual Tax Statement and not the Prefill Report.

Updating in TR - Individuals:









From the above screenshots, you can see that the field names in the Tax Return correspond with the descriptions in annual tax statement (for example, for Label 13C, 13U, etc).

Additional Points:

1. There is a possibility that the TR might throw an error for the CGT updated in the TR if there is a loss component in the Managed Fund Annual Tax Statement. In such a case, it is advisable to create a CGT worksheet separately for the following:
   a. CGT – Discount Method
   b. CGT – Other method
   c. CGT – Losses

   Please refer the screenshot below of the Annual Tax Statement for a template schedule of how the amounts need to be updated in the worksheet in Tax Return (in this instance, the investment is jointly held by two individuals, hence the amounts reflected in TR will be exactly half the amount reflected in ATS. The prior year losses also include other trading losses other than HUB24 statement losses):

a. Annual Tax Statement:

Realised Capital Gains/Losses Summary

	Trust Distributions (Note 2)	Realised Assets	Total Capital Gains (gross) (Note 3)	Losses Applied	Discount (Note 4)	Net Capital Gains (Note 5)
Capital Gains - Other (Note 1)	334.75	14,874.36	15,209.11	11,694.99		3,514.12
Capital Gains - Index	0.00	0.00	0.00	0.00		0.00
Capital Gains - eligible for Discount	86.68	1,655.71	1,742.39	0.00	871.20	871.20
Total	**421.43**	**16,530.07**	**16,951.50**	**11,694.99**	**871.20**	**4,385.32**

Total capital losses during the period	11,694.99
Capital losses to carry forward	0.00

Realised Profits/Losses - Income Securities Summary

	Total
Profit on Disposal	0.00
Losses on Disposal	0.00
Net Profits / (Losses)	**0.00**

Realised Gains/Losses - Foreign Exchange Summary

	Total
Foreign Exchange Gains	0.00
Foreign Exchange Losses	0.00
Net Gains / (Losses)	**0.00**

Note 1: These are capital gains not eligible for the Capital Gains Tax (CGT) Discount due to the asset being held less than 12 months.

b. Tax Return – Losses:

Asset Type: Other CGT asset/event		Description: HUB24 - Losses
Have you applied an exemption or roll over?	M	No
Date of acquisition		
Date of disposal		
CGT Method		Other
Less Total Costs		$5,847.50
Gross Capital Loss		**$5,847.50**
Prior Year losses available to apply		$39,866.74
Current Year losses available to apply		$0.00
Apply losses manually		No
Losses Applied		$0.00
Subtotal		**($5,847.50)**
Discount applied		
Do you qualify for an additional CGT discount for affordable rental housing?		
Additional discount for qualifying affordable housing		
Subtotal		**($5,847.50)**
Net Capital Loss		**$5,847.50**

c. Tax Return – Non-Discounted Gains:

Asset Type: Trust distribution or managed funds		**Description:** HUB24 - Non Discounted
Have you applied an exemption or roll over?	M	No
Date of acquisition		
Date of disposal		
CGT Method		Other
Capital proceeds		$15,209.11
Ownership %		50%
Share of Capital Proceeds		$7,604.56
Less Total Costs		$0.00
Gross Capital Gain		**$7,604.56**

INDIVIDUAL TAX RETURN	[redacted]
Prior Year losses available to apply	$39,866.74
Current Year losses available to apply	$0.00
Apply losses manually	No
Losses Applied	$7,604.56
Subtotal	**$0.00**
Discount applied	
Do you qualify for an additional CGT discount for affordable rental housing?	
Additional discount for qualifying affordable housing	
Subtotal	**$0.00**
Net Capital Gain/Loss	**$0.00**

d. Tax Return – Discounted Gains:

Asset Type: Trust distribution or managed funds		**Description:** HUB24 - Discounted
Have you applied an exemption or roll over?	M	No
Date of acquisition		
Date of disposal		
CGT Method		Discount
Capital proceeds		$1,742.39
Ownership %		50%
Share of Capital Proceeds		$871.20
Less Total Costs		$0.00
Gross Capital Gain		**$871.20**
Prior Year losses available to apply		$39,866.74
Current Year losses available to apply		$0.00
Apply losses manually		No
Losses Applied		$871.20
Subtotal		**$0.00**
Discount applied		
Do you qualify for an additional CGT discount for affordable rental housing?		
Additional discount for qualifying affordable housing		
Subtotal		**$0.00**
Net Capital Gain/Loss		**$0.00**

2. It is possible to have a deduction to be updated in label D8 without having an income in label 11. In that case, it is possible to claim the deductions in Label 13Y, with the approval of the client.
3. In case there is no loss for the CY, there might be a scenario where the amount taken from the Prefill report for CGT, to be updated in the Managed Fund worksheet in the individual TR, might be updated with an erroneous amount with regards to the highlighted numbers in the

below screenshot:

Managed Fund Worksheet - Individual

Managed fund name			Praemium Series 1 SMA
Client / Investor name			[redacted]
Number of Account Holders			1
Share percentage (%)			100
Non-primary production		**Total**	**My share**
NPP income	U	$1.91	$1.91
Franking distributions from trusts	C	$0.03	$0.03
Franking credits	Q	$0.01	$0.01

INDIVIDUAL TAX RETURN (DRAFT) [redacted]

Capital gains	**Total**	**My share**
Current year capital gains - Discount method (Grossed-up amount)	$98.28	$98.28
Current year capital gains - Other method	$16.35	$16.35
18H Total current year capital gains	$114.63	$114.63
18A Net capital gains	$56.92	$56.92

The total of Current year Capital Gains – Discounted method (Grossed up Amount) ($ 98.28) and Current year Capital Gains – Other method ($ 16.35) must total to the amount updated in Label 18H ($ 114.63).