





Refund of franking credits: Application & instructions for individuals 2008

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

15 July 2020

Copies of these publications

These publications can be downloaded in Portable Document Format (PDF):

- [Refund of franking credits instructions and application for individuals 2007-08 NAT 4105-6.2008 \(PDF 689KB\)](#) 
- [Application for refund of franking credits for individuals 2007-08 NAT 4098-6.2008 \(PDF 228KB\)](#) 

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What is a refund of franking credits?

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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 may get 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?

If the franking credits you receive exceed the tax you have to pay you can claim this difference back as a tax refund. This is what is known as a refund of excess franking credits.

You may be entitled to a refund of the full amount of franking credits received, even if you don't normally lodge a tax return.

In this publication you will find an [Application for refund of franking credits for individuals 2008 \(PDF 228KB\)](#) .

You can fill in this application yourself following the simple step-by-step instructions, or with help from our free services (see [More information](#)). If you are not familiar with some of the terms used, see [Definitions](#).

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Can you use this application for refund of franking credits?

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See [Do you need to lodge a tax return?](#)

If you answer yes to **all** the points below, you can use this application.

Note: All the statements below relate to the income year 1 July 2007 to 30 June 2008.

- You do **not** have to lodge a tax return. (If you are not sure whether you need to lodge a tax return, phone **13 28 61**.)
- You were an Australian resident for tax purposes for the whole tax year. (If you are not sure whether you were an Australian resident, see [item 2](#).)
- You are **not** claiming a refund of franking credits for a deceased estate.
- Your total dividend income was \$6,000 or less.
or
If you were under 18 years old on 30 June 2008, your total dividend income was \$416 or less.
- 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.
Note: Statements from New Zealand companies must show **Australian franking credits**, New Zealand imputation credits do not qualify.
or
Amounts were withheld from your dividends because you did not provide a tax file number.


If you have franking credits but you were not able to tick all the boxes, you will need to lodge a tax return to claim the benefit of these credits.

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Claiming your refund of franking credits

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What do you do next?

You can apply for your 2008 refund of franking credits any time after 1 July 2008, either by phone or by post. To apply for a refund, you need to fill in an [Application for refund of franking credits for individuals 2008 \(PDF 228KB\)](#) .

You will need **all** your dividend and distribution statements for 1 July 2007 to 30 June 2008. The section [Completing your application](#) will help you fill in the application.

Before you start, read these [frequently asked questions](#) and answers.

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Frequently asked questions

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For definitions of franking credits, dividend statement and other terms used below, see [Definitions](#).

Can I claim franking credits from previous years?

It's not too late to claim a refund of franking credits you received in the 2001 to 2007 income years. If you have not already claimed these credits, phone **13 28 61** to receive an application for the years you wish to claim. You can lodge these applications by phone or by post.

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

No. keep your statements with a copy of your application.

According to my final dividend statement for the year ended 30 June 2008, my final

dividend payment was made after 30 June 2008. 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 actually paid, as shown in the statement (regardless of the year the statement relates to).

The distribution statement from my managed fund shows capital gains, foreign source income and foreign tax credits. 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'.

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.

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.

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

Yes.

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, stating only their share of the dividends and franking credits shown on the joint statement.

Will the refund affect my pension entitlement?

No, in most cases it will not affect your pension entitlement. If, however, you receive a distribution from a private company or trust, your pension entitlement could be affected.

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.

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

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The instructions that follow will take you through each part of the application. Download the [Application for refund of franking credits for individuals 2008 \(PDF 228KB\)](#)  and start with item 1 below.

Item 1: your tax file number (TFN)

Write your TFN on page one of your application. If you are not sure of your TFN or need to apply for one, phone us on **13 28 61**.

Item 2: Were you an Australian resident for the whole income year?

You must be an Australian resident for tax purposes for the whole period 1 July 2007 to 30 June 2008 to apply for a refund of franking credits.

The standards we use to determine your residency status are not the same as those used by the Department of Immigration and Citizenship. Generally, if you have always lived in Australia or you have come to Australia to live permanently, we consider you to be a resident for tax purposes.

If you need help in deciding whether or not you are an Australian resident for tax purposes, use our [Are you a resident tool](#) or phone us on **13 28 61**.

Items 3 to 9: Personal details

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

Note: If you want to lodge your application for refund of franking credits by phone, the name and address we have for you must be current. If anything has changed or you are unsure what details you last gave us, phone us on **13 28 61** to update or check the details before you lodge your application.

Item 10: Do you want your refund paid directly into your financial institution account?

By using electronic funds transfer (EFT) we can deposit your refund directly into an Australian bank, credit union or building society account of your choice. EFT gives you quicker access to your money. Direct deposit is not available on the full range of accounts. If you are in doubt, check with your financial institution. If you would like to use EFT, print **X** in the **YES** box.

Write the following information on your application:

- The bank state branch (BSB) number. This is a six-digit number that identifies the financial institution. The BSB number can be found on your account statement or cheque form.
- Your account number as shown on account records. Your account statement, cheque book or other document from your financial institution will show this information.
- Your account name - also called 'account title' - as shown on your account records. Include a space between each word and between any initials in your account name.

If you print **X** in the **NO** box, a cheque will be sent to your postal address.

Item 11: Dividends

If you received a distribution statement from a managed fund or received 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 11.

At **S**, **T**, **U** and **V** write your:

- unfranked amount
- franked amount
- franking credit (also known as imputation credit)
- TFN amounts withheld or deducted from dividends (if applicable).

Your dividend or distribution statement should show these amounts.

'Tax file number amounts withheld from dividends' are only withheld 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 **S**, **T** and **U** on your application and write the total at **\$ TOTAL DIVIDEND INCOME**.

Note: If you are 18 years of age or over on 30 June 2008 and your total dividend income amount is more than \$6,000, or you are under 18 years of age on 30 June 2008 and your total dividend amount is more than \$416, you cannot 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 two of the application.

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Instructions for the worksheet

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If you have more than one dividend or distribution statement, follow these steps to fill in the [worksheet](#) and calculate the amounts to show at [item 11](#) on your application.

Step 1

Collect all the statements for dividends you received and for distributions you were entitled to for the period 1 July 2007 to 30 June 2008. 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.

If your dividend is from a New Zealand company, and

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

then you must subtract the amount of that supplementary dividend from the amount of franking credits that you include in the worksheet.

Do not include New Zealand imputation credits in column 4 (only include Australian franking credits).

Note: If your statement does not show the franked and unfranked portions of the dividend, include the total dividend amount in column 3 **Franked amount**.

Step 4

Write any TFN amounts withheld (or deducted) from dividends in column 5.

Step 5

Add up the amounts in columns 2, 3, 4 and 5 and write the total for each column at **Total - S, T, U and V** respectively on the [worksheet](#).

Step 6

Print **X** at the **YES** box at [item 11](#) 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 amounts at **S, T** and **U** on your worksheet to **S, T** and **U** at [item 11](#) on your application. Do not show cents.

Step 8

Transfer the amount at **V** on your worksheet to **V** at [item 11](#) on your application. Show cents.

Worksheet

Worksheet

Column 1	Column 2	Column 3	Column 4	Column 5
Company or fund	Unfranked amount S	Franked amount T	Franking credit U	TFN amount withheld V
-	\$	\$	\$	\$
-	\$	\$	\$	\$

-	\$	\$	\$	\$
-	\$	\$	\$	\$
-	\$	\$	\$	\$
-	\$	\$	\$	\$
-	\$	\$	\$	\$
Total	S\$	T\$	U\$	V\$


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

Note: 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

Steven received a dividend statement from Teleco Ltd. His statement showed a franked amount of \$42.00 and a franking credit of \$18.00.

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

 Teleco Ltd Steven McKay, 2 Cable Circle, Telegraph Point, NSW 2441 Security holder reference number: 018 012 111 Date paid: 30 October 2007 Fully franked final dividend for the period ended 30 June 2007. Franked at a 30% tax rate. 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 TFN quoted Dividend paid \$42.00

Steven also received three other statements:

- **JT Corporate Unit Trust** - his dividend statement showed \$120.73 unfranked amount.
- **Koles Bier Pty Ltd** - he did not give the company his TFN so his entitlement of \$180 unfranked amount had \$83.70 tax withheld (therefore he actually received \$96.30).

- **SDW Managed Investment Fund** - his distribution statement shows a franked dividend amount of \$131 and a franking credit of \$56.14.


Column 1	Column 2	Column 3	Column 4	Column 5
Company or fund	Unfranked amount S	Franked amount T	Franking credit U	TFN amount withheld V
Teleco Ltd	\$	\$42.00	\$18.00	\$
JT Corp Unit Trust	\$120.73	\$	\$	\$
Koles Bier Pty Ltd	\$180.00 (see note)	\$	\$	\$83.70
SDW Fund	\$	\$131.00	\$56.14	\$
Total	S \$300.73	T \$173.00	U \$74.14	V \$83.70

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

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

Note: This amount includes both the amount received by Steven and the TFN amount withheld (\$96.70 + \$83.70).

Steven completes the dividend details at item **11** on his application like this:

 11 Dividends If you have more than one dividend or distribution statement, see pages 3-5 in the instructions. 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: \$83.70

Steven will receive a refund of \$157.70 if he has no outstanding tax debts. This is made up of the amount withheld because he didn't provide his TFN (\$83.70) plus his franking credit (\$74).

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How to lodge your application

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Once you have completed and signed your application you can lodge it by phone or by post.

Lodging by phone will take you less than seven minutes and we will process applications lodged by phone within 14 days. We will process applications lodged by post within six weeks.

Phone lodgment - what are the benefits?


- The service is available 24 hours a day, seven days a week. To avoid busy periods, phone before midday, after 5.00pm or on weekends.
- It is available from anywhere in Australia for the cost of a local call (mobiles excluded).
- You get your refund within 14 days.
- It takes less than seven minutes to lodge your application.

Stop: Do we have your current name, postal address and residential address? If you have changed any of these details or are unsure what

details you last gave to the Tax office, you will need to phone us on **13 28 61** before lodging your application by phone.

Lodging by phone

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 2008 \(PDF 228KB\)](#)  before you phone to lodge.
- Phone the lodgment service on **13 28 65** - press **2** and then **1**.
- 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 1, 2, 3, or 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 may ask you to use your phone keypad instead. Wait for the question to finish, then speak clearly when answering.
- Listen carefully as 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.

Note: Make sure you wait for the receipt number before you hang up. Do not post your paper application to us. Keep it for your records.

What to do when lodging by phone

Lodging by phone questions and responses

When you are asked ...	Response
... if you want to lodge a refund of franking credits, an income tax return, or an ongoing baby bonus claim	Press 2 on your phone keypad.
... if you want to apply for a refund of franking credits	Press 1 on your phone keypad.
... for your tax file number	Say each number individually - for example 1, 2, 3, 4, 5, 6, 7, 8, 9, 0. For 0, say 'Zero' or 'Nought'.
... for your date of birth	Say your date of birth - for example '10 June nineteen forty two', or '10th of June 1942' or '10th of the 6th 1942'.
... for your postal address postcode	say each number individually - for example, 2, 3, 4, 5. For 0, say 'Zero' or 'Nought'.
... what financial year would you like to lodge	Say the year - for example, '2008' (this would be for the period 1 July 2007 to 30 June 2008). On completing your lodgment for that year, you will be asked if you want to lodge another application for any other year.
... for your daytime phone number	Say your phone number as individual numbers including your area code - for example, '07 1, 2, 3, 4, 5, 6, 7, 8' (do not say double or triple numbers).
... if you have changed any of your details since you last notified us - that is,	Say either 'yes' or 'no' depending on your

residency, postal or residential address	circumstances, and follow the prompts.
... if you have received any dividend distributions from a managed fund or Australian franking credits from a New Zealand company	Say either 'yes' or 'no' depending on your circumstances.
... for your amounts at S, T and U - separately	For each label, say the amount in whole dollars - for example, 'one hundred and seventy-three dollars', or say '1, 7, 3'. Do not provide cents. If you did not have any amounts, say 'zero', 'nil' or 'nought' when asked for an amount.
... for any TFN amounts withheld from dividends shown at V	Say dollars and cents for this amount - for example, 'eighty-seven dollars and thirty cents'. If you did not have any amounts withheld, say 'zero', 'nil' or 'nought'.
... to confirm the total dividend amount	If you agree, say 'yes'. If the total is incorrect say 'no'. You will then be able to check and adjust the amounts at S , T and U if required.
... if you are ready to lodge your application	Say either 'yes' or 'no' depending on your circumstances. If you say 'yes' the system will read out a receipt number to confirm your successful lodgment. The receipt number will be up to 10 digits. Write it in the space provided at the bottom of the application. (You can have it repeated if you need to.)

Lodging by post

You can post your application to:

Australian Taxation Office
GPO Box 9845
[insert the name and postcode of your capital city]

For example;

Australian Taxation Office
GPO Box 9845
SYDNEY NSW 2001

Feedback

If you would like to provide feedback about your experience with the phone lodgment service or have any problems with lodging, phone **13 28 61**.

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How to make a change to your application

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If you need to change the dividend or distribution details you lodged with us, write to the address on this page explaining the change required. **Do not lodge another application.**

In your letter, include your TFN, your contact details and 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 may have to repay the extra amount with interest.

Important: If your income has increased, check whether you need to lodge a tax return as a result of the change. If you are unsure, phone **13 28 61**.

Definitions

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Conduit foreign income

Australian corporate entities (that is companies, trusts and partnerships taxed as companies) deriving certain types of foreign income can declare all or a portion of an unfranked dividend to be conduit foreign income. Show any conduit foreign income as unfranked dividend on your application.

Distribution statement

Managed funds or unit trusts send a distribution statement (also called a taxation statement) to investors. The statement may include any unfranked dividends, franked dividends, TFN amounts withheld and franking credits.

Dividend income

If you own shares in a company, you will generally be paid a share 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 (or 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 can also be referred to as an imputation credit, imputed tax credit, imputed credit, class C imputation credit, imputation tax credit, class C imputed credit, Australian franking credit or Australian imputed tax credit at the rate of 30%.

Imputation credit

See [Franking credit](#) above.

Managed fund

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

New Zealand imputation credits

New Zealand imputation credits are credits arising under New Zealand's imputation system. Australian imputation credits are now called franking credits.

We cannot refund your New Zealand imputation credits but will refund Australian franking credits attached to dividends you receive from a New Zealand company.

Non-share equity interest

From 1 July 2001, 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) amounts 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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More information

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Internet

For general tax information and to download publications and rulings, visit ato.gov.au

Infolines

- **Phone lodgment 13 28 65**

Lodge your application for refund of franking credits by phone 24 hours a day, seven days a week.

- **Progress of refunds 13 28 65**

Check the progress of your refund of franking credits. This is an automated self-help service available 24 hours a day, every day.

You will need to key in your tax file number (TFN) using your phone keypad.

If you sent your application by ordinary post, wait seven weeks before phoning to check on the progress of your application.

If you lodged your application by phone, wait three weeks before phoning.

- **Personal tax 13 28 61**

Individual income tax and general personal tax enquiries, including:

- refund of franking credits
- TFN
- whether you need to lodge a tax return
- requests for extra copies of the application for refund of franking credits
- whether you are an Australian resident for tax purposes.

- **Business 13 28 66**

General business tax enquiries including capital gains tax, GST rulings, Australian business number (ABN), pay as you go (PAYG) instalments, business deductions, activity statements (including lodgment and payment), accounts and business registration (including ABN and TFN), dividend and royalty withholding tax.

- **Superannuation 13 10 20**

Other services

- **Translating and Interpreting Service 13 14 50**

If you do not speak English well and want to talk to a tax officer, phone the Translating and interpreting service for help with your call.

- **Hearing or speech impairment**

If you are deaf or have a hearing or speech impairment, you can phone the Tax office through the **National Relay Service**:

If you are a TTY or modem user, phone **13 36 77** and ask for the number you want. For 1800 free call numbers, phone **1800 555 677** and ask for the number you want.


If you are a voice-only (speak and listen) user, phone **1300 555 727** and ask for the number you want. For 1800 free call numbers, phone **1800 555 727** and ask for the number you want.

Tax Help

Tax Help is a free and confidential service for people on low incomes. People who use Tax Help include seniors, people from non-English speaking backgrounds, people with a disability, Aboriginal people, Torres Strait Islander people, and students.

We train and support this network of community volunteers to help you.

If you need assistance with completing your application, there are Tax Help centres throughout Australia. If you want to visit one of the trained volunteers, you need to make an appointment first. When you visit, you will need to bring:

- this publication [Refund of franking credits instructions and application for individuals 2007–08 \(PDF 689KB\)](#) , and
- all your dividend and distribution statements.

For more information or to find out where your nearest Tax Help centre is, phone us on **13 28 61**.

Feedback

Reader feedback helps us to improve the information we provide. if you have any feedback about this publication, write to:

**The Director
Publishing Coordination Marketing and Education
Micro Enterprises and Individuals
Australian Taxation Office
PO Box 900
CIVIC SQUARE ACT 2608**

As this is a publications area only, any tax matters will be passed on to a technical area. Alternatively, you can phone our Personal Infoline on **13 28 61** for help.

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Our commitment to you

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We are committed to providing you with guidance you can rely on. If you feel this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for a more recent version on our website at ato.gov.au or contact us.

This publication was current at May 2008.

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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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