

Carindale Property Trust – AMIT FAQs

Carindale Property Trust (the “Trust”) has elected to be an Attribution Managed Investment Trust (AMIT) effective from 1 July 2019.

What is an attribution managed investment trust (AMIT)?

The AMIT regime is a specific tax regime that managed investment trusts (MITs) can elect to apply. A MIT that has elected to apply the AMIT regime is referred to as an AMIT. The AMIT regime is intended to reduce complexity, increase certainty and minimise compliance costs for MITs and their members.

What are the key features of the AMIT regime?

The key features of the AMIT regime are:

- AMITs use an attribution method to allocate taxable income amounts to members of the AMIT (in lieu of the existing proportional method under the present entitlement regime).
- Members of AMITs make annual adjustments to the CGT cost base of their investment in the AMIT. Depending on the circumstances these adjustments may be to increase or to decrease the CGT cost base of their investment. The ability for members to increase the CGT cost base of their investment in the AMIT is a major benefit of the AMIT regime.
- AMITs can carry forward adjustments to their prior year tax amounts rather than amending prior year tax returns.

Does the attribution method of allocating taxable amounts change the method that Carindale Property Trust uses to determine the amount members are taxed on?

Broadly, there is no change to the method used to determine the amount of the Trust’s taxable income that members are taxed on.

Under the AMIT regime, the Trust must attribute its taxable income to members on a fair and reasonable basis. The Trust will attribute taxable income to members in the same proportion as the gross cash distributed to each member for the relevant year. This is the same method that the Trust has applied historically.

What are the CGT cost base adjustments?

Under the AMIT regime, the CGT cost base of each member’s interest in the relevant MIT is adjusted each year for the difference between the gross cash distributions and the taxable income attributed to the member in respect of that income year.

Broadly, if the gross cash distributions for an income year are more than the attributed taxable income for that year (an “excess”), the member’s cost base is reduced by the excess.

Conversely, if the gross cash distributions for an income year are less than the attributed taxable income for an income year (a “shortfall”), the member’s cost base is increased by the shortfall.

The increase in the member’s cost base means that members will avoid the imposition of double taxation on amounts attributed to them but not paid as a cash distribution.

Details of the required annual cost base adjustments will be included in the Annual Tax Statements issued by the Trust to members.

Does the AMIT regime change the way I fill out my tax return?

No, you are still required to include your share of the Trust's taxable income, by component type, in your personal tax return.

The Trust will still provide you with an Annual Tax Statement providing details of the amounts to be included in your tax return. The Annual Tax Statement is now referred to as the Attribution Managed Investment Trust Member Annual ("AMMA") Statement.

Does the AMIT regime change the way in which Carindale Property Trust's income is taxed?

No, the overall way the Trust's income is taxed should not change.

Does the AMIT regime affect Carindale Property Trust's distribution policy?

No, the AMIT regime does not of itself change the Trust's distribution policy. The distribution policy is set by the Board.

Where can I get more information on the AMIT regime?

If you have any further tax questions in relation to the AMIT regime and how that might affect your investment in the Trust, we recommend you consult your tax adviser or refer to the information from the ATO website at <https://www.ato.gov.au/general/trusts/in-detail/managed-investment-trusts/managed-investment-trusts---overview/>.