

# GUIDE TO THE 2024 NATIONAL STORAGE REIT AMIT MEMBER ANNUAL (AMMA) STATEMENT

## ABOUT THIS GUIDE

This guide has been prepared to assist you in completing your Australian income tax return for the year ended 30 June 2024. It provides general information only and does not constitute, and should not be relied on as, taxation, financial or any other advice. We recommend you seek assistance from a professional tax advisor or the Australian Taxation Office (**ATO**) when completing your tax return.

This guide should only be used if:

- You are an individual investor (i.e. not a company, trust, superannuation fund or other vehicle) and you were an Australian resident for income tax purposes for the entire year ended 30 June 2024;
- You hold your National Storage REIT (**NSR**) securities on capital account and the Capital Gains Tax (**CGT**) provisions apply to you (i.e. you hold the securities for investment purposes rather than for the purpose of resale for a profit); and
- You are using the *Tax return for individuals 2024* and *Tax return for individuals (supplementary section) 2024* to complete your income tax return.

If you hold your NSR securities on revenue account, are a non-resident for income tax purposes or you are a superannuation fund, company, partnership or trust investor you should seek further information from a professional tax adviser as to the tax implications of receiving NSR distributions.

Your AMMA statement does not include any capital gains or capital losses that may have resulted from your disposal of NSR securities during the financial year. If you have transferred or disposed of securities during the financial year, you will need to separately calculate the gain or loss on the transaction based on your investment records and include it in your income tax return.

## ABOUT YOUR AMMA STATEMENT

An NSR stapled security comprises one unit in National Storage Property Trust (**the Trust**) and one share in National Storage Holdings Limited.

Your 2024 NSR AMMA Statement includes distributions declared and paid by NSR in relation to the year ended 30 June 2024 and may include interim distributions. All distributions were paid by the Trust for the year ended 30 June 2024.

## ATTRIBUTION MANAGED INVESTMENT TRUST REGIME

From 1 July 2017, the Trust has chosen to be an Attribution Managed Investment Trust (**AMIT**). The AMIT regime does not change the share of the Trust's taxable income allocated to you, rather, there is a change in the way in which you adjust the cost base of units you hold in the Trust (discussed later in this Guide).

If you hold NSR securities through more than one holding, you may receive a separate annual AMMA Statement for each investment. While completing your income tax return, include the total of each item from all the AMMA Statements that you have received that pertain to the 30 June 2024 financial year.

Distributions made by NSR may include non-primary production income, capital gains, franked distributions, foreign sourced income and tax-deferred distributions. Each component is explained below.

## **TRUST INCOME SCHEDULE**

From the 2024 income year, if you received one or more distributions from trusts, you must complete the **trust income schedule** and attach it to your tax return. The trust income schedule details each distribution that you receive from trusts.

For more information to help you complete the trust income schedule and who must complete the schedule, see: <https://www.ato.gov.au/forms-and-instructions/trust-income-schedule-2024-instructions>

The ATO has provided a table to show how to include the amounts shown on your AMMA statement to the labels on the new Trust Income Schedule: <https://www.ato.gov.au/forms-and-instructions/trust-income-schedule-2024-instructions/using-the-trust-information-to-complete-your-trust-income-schedule>

## **NON-PRIMARY PRODUCTION INCOME**

This component of your distribution may contain income such as rental income, interest income, non-concessional MIT income (**NCMI**) and excluded from NCMI derived from Australian sources. The total of this component is included at **item 13U 'Share of net income from trusts, less capital gains, foreign source income and franked distributions'** of the income tax return.

The NCMI and excluded from NCMI components represent the portion of non-primary production income that is attributable to certain cross-staple arrangements between operating entities and asset entities. This should only be relevant to non-resident taxpayers.

If your annual distribution statement includes any amounts shown as '**Other deductions relating to amounts shown at O, U and C**', include this amount at **item 13Y** of your income tax return.

## **CAPITAL GAINS**

### **Discounted capital gains**

This component of your distribution comprises capital gains made by the Trust on disposal of assets to which a 50% discount has been applied for taxation purposes. The 'discount method' is used to calculate capital gains made from CGT assets that have been held for more than 12 months.

### **AMIT CGT gross up amount**

This item shows the additional amount treated as capital gains of unitholders under subsections 276-85(3) and (4) of the ITAA 1997. This amount is non-assessable to you and accordingly is not required to be included in your tax return.

### **Capital gains – other method**

This component of your distribution comprises capital gains made by the Trust on disposal of assets held for less than 12 months (i.e. to which no CGT discount has been applied by the Trust).

### **TAP and non-TAP capital gains**

The Taxable Australian Property (**TAP**) and non-TAP distinction is only relevant for non-resident taxpayers. This is because Australian resident taxpayers are assessable on all capital gains, whether they are from TAP or non-TAP assets. TAP assets comprise real property located in Australia and non-TAP comprises other property and real property located overseas.

The CGT rules can be complex. For further information, please refer to the ATO publication *Guide to capital gains tax 2024* or seek assistance from a professional tax advisor.

### **NON-ASSESSABLE AMOUNTS**

Non-assessable/attribution amounts represent the difference between the cash distribution received and the attribution amounts recorded in the AMMA Statement. These amounts are broadly made up of tax deferred amounts as a result of capital allowance deductions claimed, etc. and are non-assessable to you.

### **AMIT COST BASE ADJUSTMENTS**

Under the AMIT regime, the Trust is required to provide a reasonable estimate of your 'AMIT cost base net amount'. This AMIT cost base net amount (which can be either a shortfall or an excess) is calculated by netting off 'cost base reduction' amounts against 'cost base increase' amounts.

Cost base reduction amounts reflect actual cash payments received from the Trust and any tax offsets that you have as a result of amounts attributed to you by the Trust. Cost base increase amounts reflect amounts included in your assessable income, including capital gains.

The AMIT cost base net amount (whether a shortfall or an excess) is then applied to the cost base of your units in the Trust.

#### **AMIT cost base net amount – shortfall (increase cost base)**

You should increase the cost base and reduced cost base of your units by the amount of any AMIT cost base net amount - shortfall.

#### **AMIT cost base net amount - excess (reduce cost base)**

You should decrease the cost base and reduced cost base of your units by the amount of any AMIT cost base net amount – excess. A capital gain may also arise if the amount of AMIT cost base net amount – excess is greater than the original cost base of your NSR units.

### **ASSESSABLE FOREIGN SOURCE INCOME**

You should include at **item 20E 'Assessable foreign source income'** of your tax return the assessable foreign source income amount of the distribution from NSR.

### **FOREIGN INCOME TAX OFFSET**

Your distribution may include a foreign income tax offset. This foreign income tax offset represents foreign income taxes paid on the Trust's assessable foreign source income. If your total foreign income tax offset from all sources for the year is \$1,000 or less, then you can claim this amount in full at **item 20O 'Foreign income tax offset'** of your tax return. If not, you will need to refer to the ATO publication *Guide to foreign income tax offset rules 2024* to work out your entitlement to foreign income tax offsets.

### **TAX FILE NUMBER (TFN) AMOUNTS WITHHELD**

If you have not provided your TFN to us, we may be required to withhold tax from your distributions at the highest marginal tax rate plus the Medicare Levy. The tax withheld can be used to offset the tax payable on your income.

Include at **item 13R 'Share of credit for tax file number amounts withheld from interest, dividends and unit trust distributions'** of your tax return the amount shown as TFN tax withheld.

**FURTHER INFORMATION**

For further explanation or advice on taxation matters we recommend you contact an independent, qualified taxation adviser for professional advice.