



myTax 2018 Dividends

How to report dividends when you lodge your return using myTax.

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This section is about dividends and distributions that were paid or credited to you by Australian companies that you had shares in. These include:

- dividends applied under a dividend reinvestment plan
- dividends that were dealt with on your behalf
- bonus shares that qualify as dividends.

Dividends include:

- distributions by a corporate limited partnership
- dividends paid by a corporate unit trust
- dividends paid by a public trading trust
- dividends paid by a listed investment company.

The following may also be included as dividends:

- earnings you received, or were credited with, on a non-share equity interest

- amounts you received from, or were credited by, a private company as a shareholder or an associate of a shareholder in the form of payments, loans or debts forgiven (these are generally unfranked dividends)
- amounts you received from, or were credited by, the trustee of a trust estate in the form of payments, loans or debts forgiven where a private company in which you were a shareholder, or an associate of a shareholder, had an unpaid present entitlement (or was going to have such an entitlement by a certain time) from the trust (these are generally unfranked dividends).

Do not include dividends paid under a demerger unless the company advised you to include them.

For more information, see [You need to know](#).

Do not show at this section

If you:

- received a distribution from a partnership or trust, show this at **Partnerships or Trusts** in the **Business/sole trader, partnership and trust income (including loss details)** section
- carried on a business of trading in shares, show this at **Business income or losses** in the **Business/sole trader, partnership and trust income (including loss details)** section
- sold, redeemed, cancelled or otherwise disposed of shares during the year (but did not carry on a business of trading in shares), show this at the **Capital gains or losses** section
- received dividends from a foreign company. Show this at **Other foreign income** in the **Foreign income, assets and entities** section
- received dividends from a New Zealand company with Australian franking credits attached. Show this at **Other foreign income** in the **Foreign income, assets and entities** section
- received dividends or a distribution on which family trust distribution tax had been paid, show this at **Amount on which family trust distribution tax has been paid** in the **Adjustments** section.

If you can't see these sections, use the **Personalise return** screen to select those sections that apply to you. For further help with personalising your return, see [How to personalise your return](#).

Completing this section

You will need your statements from each Australian company that paid you dividends or made distributions to you from 1 July 2017 to 30 June 2018 inclusive. Your dividend statements will show the amounts and should show the payment dates. For more information about your statements, see [You need to know](#).

We have pre-filled your tax return with dividend information provided to us. Check for dividends and distributions that were paid or credited to you by Australian companies that are not pre-filled and ensure you add them.

If we have pre-filled a listed investment company capital (LIC) gains deduction, this amount will be 50% of the amount shown as a LIC capital gain on your dividend statement. For more information, see [Dividend deductions](#).

1. For each dividend that has not been pre-filled in your tax return, select **Add** and enter information into the corresponding fields. If your statement does not show franked and unfranked portions of the dividend, enter the total dividend amount at **Total franked amount**.

Joint accounts

If you had shares in joint names, show the number of account holders and the total amount of dividends, credits and tax withheld. MyTax will divide the amounts equally between the number of account holders.

You may alter your share of the amount of dividends, credits and tax withheld if the shares are owned in unequal proportions. If you do, keep a record of how you worked out your share.

2. If you were **not** an Australian resident for tax purposes when the dividend was paid or credited to you and the dividend was:
 - not fully franked and was not declared to be conduit foreign income, and withholding tax was not withheld from the unfranked amount, include that dividend and select the **Country of residence when the dividend was paid or credited**.

This amount will not be included in your taxable income. We will advise you of the amount of withholding tax you have to pay on this dividend.

- fully franked, or was not fully franked, but either the dividend statement shows the unfranked amount to be conduit foreign income, or withholding tax was (or should have been) withheld from the unfranked amount, do not include that dividend.

3. Select **Save**.

4. Select **Save and continue**.

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You need to know

Details of your statements and what it means.

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Your statements may show:

- amounts of franked and unfranked dividends
- amounts of franking credits
- tax file number (TFN) amounts withheld from unfranked dividends.

Franking credits are amounts of tax paid by the company that are allocated to your dividend or distribution. You include as assessable income both:

- the amount of your dividend or distribution, and
- the amount of the franking credits allocated to you.

You also receive a tax credit on your tax assessment for an amount equal to the franking credits.

You may not be entitled to claim the franking credits if:

- within 45 days of buying the shares (90 days for certain preference shares), you either sold them or entered into an arrangement to reduce the risk of making a loss on them

- you were under an obligation to make, or were likely to make, a related payment, or
- you received a dividend as a result of a dividend washing arrangement.

For more information, see [Holding period rule](#), [Related payments rule](#) and [Dividend washing integrity rule](#).

TFN amounts are amounts of tax withheld from dividends and some distributions by investment bodies because you did not provide your TFN or ABN to them. TFN amounts are shown on your dividend statement. These amounts must be included in the amount of unfranked dividends you write on your tax return.

If you had any shares in joint names, show only your proportion of the dividends. This would be half if you held the shares equally with one other person. Keep a record of how you worked out your proportion if you and the other joint owners did not own the shares equally.

See also

- Keeping your tax records
- You and your shares
- Guide to capital gains tax

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Holding period rule

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To be able to claim the franking credits the holding period rule requires you to hold shares 'at risk' for at least 45 days (90 days for certain preference shares).

When working out the number of days you held the shares at risk, do not count the day on which you acquired the shares and the day on which you disposed of the shares (or you entered into an arrangement to reduce the risk of making a loss on them).

This rule applies generally to shares bought on or after 1 July 1997.

Even if you do not hold the shares at risk for the required period you may still be entitled to claim the franking credits if:

- your total direct and indirect franking credit entitlement for the income year, including any entitlement you may have through a trust or partnership, is not above \$5,000 (the small shareholder exemption), and
- the [related payments rule](#) does not apply to you.

In determining whether the holding period rule is satisfied for the prescribed minimum period, no account is taken of any days on which you entered into an arrangement to materially reduce the risk of making a loss on your shares, such as through derivatives, hedges, options and futures.

If you do not satisfy the holding period rule, include the franked amount of the dividend at **Total franked amount** but do not include any franking credit amount at **Total franking credits** for that dividend.

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Related payments rule

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The related payments rule applies to arrangements entered into after 7.30pm (Australian Eastern Standard Time) on 13 May 1997. Broadly, it applies to you if you effectively had no interest in a dividend because you were under an obligation to make, or were likely to make, a related payment to another party for the dividend and you did not hold your shares 'at risk' for at least 45 days (90 days for certain preference shares).

When working out the number of days you held the shares 'at risk', do not count the day on which you acquired the shares and the day on which you disposed of the shares (or you entered into an arrangement to reduce the risk of making a loss on them).

A related payment includes you, or your associate, doing something under an arrangement that has the effect of passing the benefit of the dividend to someone else.

If either the holding period rule or related payments rule is likely to affect you, see [You and your shares](#).

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Dividend washing integrity rule

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The dividend washing integrity rule prevents you from claiming franking credits where you have received a dividend as a result of dividend washing.

Dividend washing occurs where you, or an entity connected to you, claim two sets of franking credits by:

- selling shares that are held on the Australian Securities Exchange (ASX) and have become 'ex-dividend', and then
- purchasing some substantially identical shares using a special ASX trading market.

When the dividend washing integrity rule applies, you are not entitled to claim the franking credits for the second dividend. However, if your interest in the second parcel of shares exceeds the interest in the first parcel, you may be entitled to claim a portion of the franking credits for the additional shares. For more information, see [Dividend washing rule](#).

The dividend washing integrity rule does not apply if:

- you are an individual, and
- you received no more than \$5,000 in franking credits during 2017–18.

However, the dividend washing integrity rule applies where dividends flow indirectly to you through your interest in a trust or partnership.

If you are claiming franking credits at this section, certain rules apply. Read [Holding period rule](#) and [Related payment rule](#) to check that you are entitled to claim the credits.

You must be a 'qualified person' to be entitled to a franking credit in respect of a dividend. To be a qualified person you must satisfy the holding period rule and the related payments rule.

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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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