

### Worksheet 4 – Working out the tainted income ratio for listed country CFCs for statutory accounting periods commencing before 1 July 1997

Use this worksheet to work out the tainted income ratio for a CFC resident of a listed country for a statutory accounting period commencing before 1 July 1997. All amounts are to be in the currency in which the accounts of the company are kept—do not convert to Australian dollars.

#### Part A – Working out the gross turnover that is EDCI

**Step 1** Work out the CFC’s gross revenue that is eligible designated concession income (EDCI) as shown in the CFC’s accounts. Do not include income from partnerships.

a

**Step 2** Work out the following amounts included in a. Do not include these amounts in the ratio.

Category	Amount \$
Amounts already assessed in Australia	
Amounts from a branch in a listed country	
Exempting profits part of dividend—non CFC	
Non-portfolio dividends—listed country company	
Non-portfolio dividends—unlisted country CFC	
Dividends out of profits previously attributed	
Trust amounts	

Total → b

**Step 3** Work out the following gross amounts included in a. Do not count amounts that fall in the categories in step 2. The net amounts are added back at step 4.

Category	Amount \$
Revenue from commodity contracts	
Revenue from exchange gains	
Revenue from other asset disposals	

Total → c

**Step 4** Work out net gains that are EDCI and included in gross turnover. Do not count amounts that fall in the categories in step 2.

Category of net gain	Amount	\$
Net commodity gains		
Net tainted commodity gains from EDCI		
<b>Smaller amount</b>		
Net exchange gain		
Net tainted exchange gain from EDCI		
<b>Smaller amount</b>		
Net gain from assets		
Net gain from tainted assets		
<b>Smaller amount</b>		
<b>Total</b>		<b>d</b> \$

**Step 5** Work out the CFC’s share of the gross turnover that is EDCI of partnerships in which the CFC is a partner—refer to worksheet 5.

Name of partnership	Amount	\$
<b>Total</b>		<b>e</b> \$
<b>Gross turnover of the CFC that is EDCI (a – b – c + d + e)</b>		<b>A</b> \$

### Part B—Working out the gross tainted turnover of the EDCI

**Step 1** Work out the CFC’s gross revenue that is passive income after exclusions—item (a) from part A less items (b) and (c) from part A.

Category of passive income	Amount \$
Interest	
Annuities	
Tainted royalty income	
Tainted rental income	
Dividends	
Other	

**Total** → a \$

**Step 2** Work out the CFC’s gross revenue that is tainted sales income after exclusions—item (a) from part A less items (b) and (c) from part A.

b \$

**Step 3** Work out the CFC’s gross revenue that is tainted services income after exclusions—item (a) from part A less items (b) and (c) from part A.

c \$

**Step 4** Work out the part of the net gains included in gross turnover that are tainted income.

Category	Amount \$
Net EDCI commodity gain—from part A	
Net EDCI tainted commodity gain	
<b>Smaller amount</b>	

Net EDCI exchange gain—from part A	
Net EDCI tainted exchange gain	
<b>Smaller amount</b>	

Net EDCI gain from assets—from part A	
Net EDCI gain from tainted assets	
<b>Smaller amount</b>	

**Total** → d \$

**Step 5** Work out the CFC’s share of the gross tainted turnover that is EDCI of partnerships in which the CFC is a partner—refer to worksheet 5.

Name of partnership	Amount \$

Total       $\longrightarrow$  e   

Gross tainted turnover (EDCI) of the CFC (a + b + c + d + e)      B   

**Part C—The tainted income ratio**

The tainted income ratio for a CFC resident of a listed country is:

$$\begin{array}{r}
 \text{Amount at label B} \quad \boxed{\phantom{000000}} \\
 \hline
 \text{Amount at label A} \quad \boxed{\phantom{000000}}
 \end{array}
 =
 \text{C} \quad \boxed{\phantom{000000}}$$

Use the amount at label C to answer question 5 on summary sheet 3.