


# ***CR 2022/14A1 - Addendum - Cardno Limited - return of capital and special dividend***

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# Addendum

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## Class Ruling

### Cardno Limited – return of capital and special dividend

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends Class Ruling CR 2022/14 to clarify the assessability of the special dividend for non-residents.

CR 2022/14 is amended as follows:

**1. Paragraph 9**

Omit the paragraph; substitute:

If you are a non-resident, 40 cents of the special dividend is non-assessable non-exempt income and not included in your assessable income, as that part of the special dividend was declared to be conduit foreign income (paragraph 802-15(1)(a)). You are also not liable to pay withholding tax in respect of that part of the special dividend (paragraph 802-15(1)(b)).

**2. Paragraph 10**

(a) Omit the paragraph; substitute:

If you are a non-resident and the special dividend is not attributable to a permanent establishment in Australia, 17 cents of the special dividend is not included in your assessable income and is not exempt income (section 128D of the ITAA 1936). However, you are liable to pay withholding tax in respect of that part of the special dividend if subsection 128B(3) of the ITAA 1936 does not apply to you (subsection 128B(1) of the ITAA 1936).

(b) After the paragraph, insert new paragraph 10A:

10A. If you are a non-resident and the special dividend is attributable to a permanent establishment in Australia, 17 cents of the special dividend is included in your assessable income (paragraph 44(1)(c) of the ITAA 1936). However, you are not liable to pay withholding tax in respect of that part of the special dividend (subsection 128B(3E) of the ITAA 1936).

**3. Paragraph 37**

After 'special dividend declared', omit '70%'; substitute '40 cents'.

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This Addendum applies from 23 February 2022.

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**Commissioner of Taxation**

14 September 2022

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**ATO references**

NO: 1-S8CT1NB

ISSN: 2205-5517

BSL: PGI

ATOlaw topic: Income tax ~~ Assessable income ~~ Dividend income ~~ Dividend income  
Income tax ~~ Capital gains tax ~~ CGT events ~~ CGT events G1 to G3 –  
shares  
Income tax ~~ Capital management ~~ Anti avoidance rules ~~ Section 45A  
Income tax ~~ Capital management ~~ Anti avoidance rules ~~ Section 45B  
Income tax ~~ Capital management ~~ Anti avoidance rules ~~ Section 45C

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