IT 2417 - Income tax: imputation of company tax: form approved by commissioner of taxation for issue to shareholders receiving dividends

This cover sheet is provided for information only. It does not form part of *IT 2417 - Income tax: imputation of company tax: form approved by commissioner of taxation for issue to shareholders receiving dividends*

There is an Addendum (1) notice for this document.

There is an Addendum (1) notice for this document.

Generated on: 14 November 2026, 10:43:53 PM

TAXATION RULING NO. IT 2417

INCOME TAX: IMPUTATION OF COMPANY TAX:
FORM APPROVED BY COMMISSIONER OF TAXATION FOR ISSUE TO
SHAREHOLDERS RECEIVING DIVIDENDS

F.O.I. EMBARGO: May be released

REF N.O. REF: 87/4738-5 DATE OF EFFECT:

B.O. REF: DATE ORIG. MEMO ISSUED:

F.O.I. INDEX DETAIL

REFERENCE NO:	SUBJECT REFS:	LEGISLAT. REFS:
I 1218625	IMPUTATION OF COMPANY TAX	
	DIVIDEND STATEMENT TO SHAREHOLDERS	160AQH 160AQT

PREAMBLE A new system of taxing company dividends known as the "Imputation System" has effect from 1 July 1987. Under this system, a dividend paid by an Australian resident company will have an imputation credit attached to it, to the extent of the Australian income tax borne at the company level.

2. Dividends with an imputation credit attached are called "franked dividends", and the extent to which they are franked is known as the "franked amount". The taxation treatment of franked dividends depends upon the taxation status of the recipient shareholder.

3. Individual resident shareholders will include the actual dividend paid as assessable income as in the past. In addition, an extra amount (equal to the imputation credit) will be included as assessable income, but a rebate of tax equal to this extra amount will be allowed in the shareholder's assessment.

4. Resident company shareholders will also include the actual dividend paid as in the past and, where appropriate, claim a section 46 rebate in respect of the dividend. While the imputation credit is not included in the assessable income of resident companies, the franked amounts of dividends paid to these companies are credited to their own franking accounts.

5. Non-resident shareholders will not be liable to withholding tax in relation to the franked amount of franked dividends received, but will be liable to withholding tax on the unfranked amount of dividends received.

FACTS

6. Section 160AQH of the Income Tax Assessment Act requires a resident company to give to shareholders, either before or at the time of payment of a dividend, a statement that includes the following details:

(a) if the dividend is not franked - a declaration to that effect;

(b) if the whole or part of the dividend is franked then:

(i) the franked amount of the dividend;

(ii) the amount remaining after deducting the franked amount from the amount of the dividend (i.e. the unfranked amount);

(iii) the gross-up amount calculated in accordance with section 160AQT, i.e. 49/51 times the franked amount (i.e. the imputation credit);

(iv) any amount of withholding tax deducted from the dividend under section 221YL; and

(c) any other information required on the approved form of shareholder dividend statement.

RULING

7 For the purpose of paragraph (c) above, the following additional information is required on the shareholder dividend statement:

(a) the name of the company paying the dividend;

(b) the date of payment of the dividend;

(c) the name of the shareholder; and

(d) in the case of a franked dividend, whether it is fully or partially franked.

8. Approval is granted for resident companies to use their own shareholder dividend statement providing it is substantially in accordance with one of the aproved forms of the statement set out in Appendix "A" to this Ruling. Alternatively, the required information may be incorporated in to existing dividend warrants.

9. Requests for approval of any substantial variation of the shareholder dividend statement format should be directed to the Deputy Commissioner of Taxation at the office at which the company lodges its income tax returns.

Decimal Places on Shareholder Dividend Statement

10. In the event of a company paying a partially franked dividend, it is possible that calculation of the percentage apportionment between the franked and unfranked components may run to more than two decimal places. For the purposes of recording the franked and unfranked components respectively on the shareholder dividend statement, these calculations may be rounded off to the nearest cent. The amount of the imputation credit may also be rounded off to the nearest cent. However, this amount must be calculated having regard to the franked amount of the dividend prior to rounding.

COMMISSIONER OF TAXATION
22 June 1987

Form 1 (Partially franked dividends or general use)

SHAREHOLDER DIVIDEND STATEMENT

Name of company:
Date of payment:
Name of shareholder:

Dividend type			Inputed Credit	
FRANKED/UNFRANKED	$	C	$	C
Franked amount Unfranked amount				

Withholding Tax (only where dividend paid to non-residents)		

Note: You will need to retain the above information to assist you in preparing your income tax return.

Form 2 (Fully franked divdidends only)

SHAREHOLDER DIVIDEND STATEMENT

Name of company:
Date of payment:
Name of shareholder:

	$	C
Dividend paid		
Imputed Credit		

FOR INCOME TAX PURPOSES THIS DIVIDEND IS FULLY FRANKED

Note: You will need to retain the above information to assist you in preparing your income tax return.

Form 3 (Unfranked dividneds only)

SHAREHOLDER DIVIDEND STATEMENT

Name of company:
Date of payment:
Name of shareholder:

	$	C
Dividend paid		
Withholding tax deducted		

FOR ICOME TAX PURPOSES THIS DIVIDEND IS "UNFRANKED"

Note: You will need to retain the above information to assist you in preparing your income tax return.