

LIC capital gain tax deduction

Fact sheet

What is it?

When Argo makes a capital gain on the sale of a long-term holding in its portfolio, a capital gains tax discount can be passed on to shareholders as though they made the gain themselves.

The benefit is passed through when we declare part of a dividend to have a listed investment company (LIC) capital gain component, which provides a tax deduction that most Australian individuals, partnerships, trusts and SMSFs can claim on their tax return.

Argo is one of only a handful of Australian companies able to do this, because the Australian Taxation Office recognises our special status as a long-term investor, not a trader.

Where is my tax deduction shown?

Refer to the 'Important tax information' section in the centre of your dividend statement to find the deductible amount relevant to you:

Important tax information:

For income tax purposes, the attributable part of the LIC capital gain dividend is \$XX.XX.

1. If you are an Australian resident when the dividend is paid and an individual, a trust (except a trust that is a complying superannuation entity) or a partnership, you are entitled to a tax deduction of \$XX.XX (i.e. 50% of the attributable part) at the "dividend deductions" label of the income tax return for individuals or retirees.
2. If you are an Australian resident when the dividend is paid and a complying superannuation entity or a life insurance company receiving this dividend in respect of shares that are virtual PST assets, you are entitled to a tax deduction of \$XX.XX (i.e. 33 1/3% of the attributable part).
3. If you are any other type of entity, you are not entitled to a tax deduction.

How do I claim my tax deduction?



Paper return

To lodge a paper tax return, include the LIC capital gain tax deduction amount under 'Deductions - D8 Dividend deductions'



Online return

To lodge a return using myTax, your annual dividend details, including the LIC capital gain tax deduction, are automatically pre-filled, usually each year late July



Tax agent

If an accountant or tax agent submits your return, please remind them to check whether a LIC capital gain tax deduction is available for you to claim

Share registry enquiries

BoardRoom Pty Ltd
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More information

Australia Taxation Office (ATO)
13 28 61
ato.gov.au

Disclaimer

This fact sheet does not provide tax advice. Please contact your accountant or financial adviser for further information.