

Notes

Complete this return only if the company has elected to keep an FDP account.

Question 48 – Opening balance

This is the same as the closing balance at 31 March 2008. Tick either “Debit” or “Credit” below Box 48.

New companies will not have a closing balance to bring forward. Write “0.00” in Box 48.

Question 49 – Credits

Question 49A – FDP paid

In Box 49A, write the total FDP paid during the year. If the company elected to maintain an FDP account part-way through the year, include only the payments made after the election.

Question 49B – FDP credits attached to dividends received

If the company received dividends with FDP credits attached, write the total credits in Box 49B. If the company elected to maintain an FDP account part-way through the year, include only the credits received after the election.

Note: This is the total FDP credits attached to dividends received. This amount is **not** limited to the tax payable on your dividends and is not necessarily the same amount as the FDP credits being claimed in Box 14B of your *Company income tax return (IR 4)*.

Question 50 – Debits

Question 50A – FDP credits attached to dividends paid

In Box 50A write the total FDP credits attached to dividends the company paid to its shareholders.

Question 50B – FDP refunded

In Box 50B, write the total amount of FDP refunded to the company during the year.

Question 50C – Other debits

List any other debits and write the total in Box 50C.

Examples of other types of debits are:

- an adjustment for an FDP ratio change
- an adjustment if there is a change in shareholding of more than 34%.

Qualifying companies

Any adjustment required because of a change in shareholding of more than 34% is not made until the company ceases to be a qualifying company.

Question 52 – Transfer to the ICA

If the FDP account has a credit balance at the end of the tax year, the company can transfer all or part of that credit to the ICA.

Write the amount to be transferred in Box 52 and also include it in Box 43E of the imputation return on page 6 of the IR 4 return.

Question 53 – Closing balance

If the company has a credit closing balance after transfers to the ICA, the credit balance is carried forward to the next tax year to be the opening balance. Alternatively, if the company has a loss, it may apply for a refund of all or any part of the credit closing balance of payments made by reducing any income tax loss it has incurred.

Question 54 – FDP penalty tax

If the closing balance is a debit, it must be paid by **20 June 2009**. FDP penalty tax of 10% of the debit closing balance is also payable by that date. Work out the 10% penalty in Box 54. If the total in Box 54A exceeds \$100 and is not paid by 20 June 2009, late payment penalties and interest will apply. For more details about late payment penalties and instalment arrangements, see page 45 of the IR 4 guide.

If the company overpays its tax by more than \$100, Inland Revenue will pay the company interest.

Question 55 – If you are an FDP company and have elected to be a CTR company you will need to complete an IR 406 form.

If you need more help, read our booklet *Imputation (IR 274)* or call us on 0800 377 774. You can get this booklet and the IR 406 from www.ird.govt.nz or order a copy by calling INFOexpress on 0800 257 773.