

### INTCO'S SHAREHOLDERS

Retain entity/sell (0/1)	1	1	1	1	0	Interests sold each year	0	0
Retain/distribute	0	0	1	0	1	All cash distributed in Years 3 & 5	0	0
Value (share)	2000	2200	4840	4719	5075	0	Tax value of entity interests - annual tax value changes equal IntCo's taxable income (of both foreign and domestic assets) less actual distributions ('post-tax cash flow') and IntCo's local taxes ('tax paid') plus foreign taxes for the year ('foreign tax non-div' plus 'foreign i'tax and DWT on div')	
Tax value adjusted	2000	2000	4620	4690	4990	534		
Tax value (share)	2000	2200	4840	4719	5075	534		
Franked div int (share)	0	0	319	271	729	0		
Unfrank div int (share)	0	0	0	0	0	0		
For'n non-div (share)	0	0	0	0	0	0	No special ledgers required to implement foreign tax flow-through with integration of taxable income	
Foreign divs (share)	0	0	0	0	0	0		
Total foreign dividends	0	0	0	0	0	0	0	0
Return of cap (share)	-2000	0	0	0	0	4270	Tax at 47% on grossed-up franked dividends (dividend/0.7) each year whether or not distribution occurs	
Gross tax	0	0	214	182	490	0	Credits for all local plus foreign taxes on IntCo's income	
Credit	0	0	137	116	312	0	Starting with \$5075 Year 4 tax value and adding Year 5 taxable income of IntCo's foreign and domestic assets (\$1042) less Year 5 actual distribution (\$5270) and foreign taxes (\$208) and domestic tax (\$104) for that year results in \$-534. Thus, a \$534 capital loss is realised on liquidation by those buying IntCo's shares in Year 4.	
FTC non-dividends	0	0	0	0	0	0		
FTC dividends	0	0	0	0	0	0		
FTC DWT	0	0	0	0	0	0		
Xs for'n tax cr non-div	0	0	0	0	0	0		
Xs for'n tax cr divs	0	0	0	0	0	0	Shareholders' 5.3% post-tax return each year (annual 10% pre-tax return from IntCo's assets reduced by shareholders' 47% tax rate) results from economic income being taxed each year through taxable income component integrated with personal incomes and rest via CGT.	
Tax paid	0	0	77	66	177	0		
CGT base	200	220	29	85	-534	0		
CGT	94	103	14	40	-251	0	\$522 local tax consistent with single layer of tax at 47%	
Post-tax cash flow	-2000	2106	2317	5097	4969	5344		
Post-tax return	0.0	0.0	0.0	0.0	0.0	0.0		
Return(sales) Delete		5.30%	5.30%	5.30%	5.30%	5.30%		
Acc overall i'tax paid		94	197	341	492	522		

**INTCO'S SHAREHOLDERS (SELLING EACH YEAR) WITH FLOW-THROUGH OF FOREIGN TAX CREDITS (INTEGRATION OF TAXABLE INCOME)**