



Division 7A calculator and decision tool

Result

Minimum yearly repayment not met.

The amount of the loan not repaid at the end of income year 2016-17 is \$50,007.78.

The private company may be taken to pay a dividend under Division 7A to the shareholder or shareholder's associate because the amount repaid during income year 2016-17 in relation to the amalgamated loan is less than the minimum yearly repayment required.

Interest received by the private company must be included in the income tax return for 2016-17.

Minimum yearly repayment

\$11,679.00

Benchmark interest rate

5.4%

Opening balance:

Date: 30/06/2016

Balance: \$50,007.78

Days: 365

Interest: \$2,700.42

Total repayments

\$0

Total interest

\$2,700.42

Total principal

\$0

Closing balance

Date: 30/06/2017

Balance: \$50,007.78

$$\text{Interest} \quad 2018 \text{ Jan} \\ + 2,700.42 + 9,200 = 61,908.20$$

Disclaimer

This result is based on the information you have provided.

Select one of the following options

Calculate a minimum yearly repayment and the amount of the loan not repaid by the end of an income year

Income year of loan

2013-14

Is the loan secured or unsecured?

Unsecured loan

Full term of the amalgamated loan in years

7

Income year which you are enquiring as to whether Division 7A applies

2016-17

Amount of the amalgamated loan not repaid by the end of income year 2015-16

\$50,007.78