

ATTENTION: IMPORTANT TAX INFORMATION!
2004 DISTRIBUTION BREAKDOWN
Common Shares

To All Shareholders:

Set forth below is the allocation of net investment income, short-term capital gains, long-term capital gains and non-taxable return of capital for the 2004 distributions of the Common Shares of **The Gabelli Dividend and Income Trust**

If there are any questions, please contact Carter Austin at (914) 921-5070.

		\$ PER SHARE						
		1ST QTR	2ND QTR	3RD QTR	OCT.	NOV.	DEC.	TOTAL
Record Date		03/17/04	06/16/04	09/16/04	10/15/04	11/15/04	12/16/04	
Payment Date		03/25/04	06/24/04	09/24/04	10/25/04	11/23/04	12/27/04	
SOURCE								
Net Investment Income (a)		\$0.10001	\$0.10001	\$0.10001	\$0.03334	\$0.03334	\$0.03334	\$0.40005
Short-Term Capital Gains (a)		\$0.02506	\$0.02506	\$0.02506	\$0.00835	\$0.00835	\$0.00835	\$0.10023
Long-Term Capital Gains (b)		\$0.03473	\$0.03473	\$0.03473	\$0.01158	\$0.01158	\$0.01158	\$0.13893
Return of Capital (c)		\$0.14020	\$0.14020	\$0.14020	\$0.04673	\$0.04673	\$0.04673	\$0.56079
TOTAL		\$0.30000	\$0.30000	\$0.30000	\$0.10000	\$0.10000	\$0.10000	\$1.20000

		PERCENTAGES						
		1ST QTR	2ND QTR	3RD QTR	OCT.	NOV.	DEC.	TOTAL
SOURCE								
Net Investment Income (a)		33.3357%	33.3357%	33.3357%	33.3357%	33.3357%	33.3357%	33.3357%
Short-Term Capital Gains (a)		8.3521%	8.3521%	8.3521%	8.3521%	8.3521%	8.3521%	8.3521%
Long-Term Capital Gains (b)		11.5774%	11.5774%	11.5774%	11.5774%	11.5774%	11.5774%	11.5774%
Return of Capital (c)		46.7348%	46.7348%	46.7348%	46.7348%	46.7348%	46.7348%	46.7348%
TOTAL		100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%	100.0000%

Ordinary Dividends and Capital Gains:

100% of the ordinary income (net investment income and short-term capital gains) paid by the Gabelli Dividend & Income Trust in 2004 was classified as "Qualified Dividends" subject to a maximum Federal tax rate of 15% for individual taxable accounts (or 5% depending on an individual's tax bracket). Ordinary income is reported in box 1a and qualified income is reported in box 1b of Form 1099-DIV. Capital gain distributions are subject to a maximum Federal tax rate of 15% for individual taxable accounts (or 5% depending on an individual's tax bracket). Capital gain distributions are reported in box 2a of Form 1099-DIV.

Corporate Dividends Received Deduction and U.S. Government Securities Income:

The percentage of the ordinary income paid by the Gabelli Dividend & Income Trust in 2004 that qualifies for the dividends received deduction available to corporations is 86.10%. The percentage of the ordinary income paid by the Gabelli Dividend & Income Trust in 2004 that was derived from U.S. Government Securities was 12.85%. The percentage of U.S. Government Securities held as of December 31, 2004 was 19.37%. (d)

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- (a) Distributions from net investment income and short-term capital gains are taxable as ordinary income and will appear on your Form 1099-DIV under Ordinary Dividends in box 1a.
 - (b) Taxable as long-term capital gains reportable in column (f), line 13 on Form 1040, Schedule D. Since there were no retained capital gains in 2004, Form 2439 will not be necessary.
 - (c) Non-taxable distribution of capital. The tax basis of a shareholder's investment should be reduced by the same amount.
 - (d) Certain states require that 50% of the Fund's portfolio be invested in U.S. Government Securities at the end of each calendar quarter to allow "pass-through" treatment of income derived from U.S. Government Securities. The Trust did not meet this strict requirement in 2004.