

ATTENTION: IMPORTANT TAX INFORMATION!
2004 DISTRIBUTION BREAKDOWN
5.875% Cumulative Preferred Shares

To All Shareholders:

Set forth below is the allocation of net investment income, short-term capital gains and long-term capital gains for the 2004 distributions of the 5.875% Cumulative Preferred 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	4TH QTR	TOTAL
	Record Date	--	--	--	12/17/04	
	Payment Date	--	--	--	12/27/04	
SOURCE						
	Net Investment Income (a)	--	--	--	\$0.191502	\$0.191502
	Short-Term Capital Gains (a)	--	--	--	\$0.047980	\$0.047980
	Long-Term Capital Gains (b)	--	--	--	\$0.066508	\$0.066508
	TOTAL	--	--	--	\$0.305990	\$0.305990

		PERCENTAGES				
		1ST QTR	2ND QTR	3RD QTR	4TH QTR	TOTAL
	Net Investment Income (a)	--	--	--	62.5844%	62.5844%
	Short-Term Capital Gains (a)	--	--	--	15.6802%	15.6802%
	Long-Term Capital Gains (b)	--	--	--	21.7354%	21.7354%
	TOTAL	--	--	--	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%. (c)

- (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) 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.