

MEMO# 25413

August 15, 2011

Letter to Treasury Department and IRS Requesting Deemed Election for RICs Under Check-The-Box Regulations

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TO: TAX COMMITTEE No. 48-11 RE: LETTER TO TREASURY DEPARTMENT AND IRS
REQUESTING DEEMED ELECTION FOR RICs UNDER CHECK-THE-BOX REGULATIONS

The attached draft letter to the Treasury Department and the IRS requests that the “check-the-box” regulations be amended to provide that an eligible entity electing to be treated as a regulated investment company (“RIC”) will be deemed to have elected to be classified as an association taxable as a corporation. The deemed election would be effective as of the first day the entity is treated as a RIC.

The “check-the-box” regulations already provide such a deemed election in the case of real estate investment trusts, certain entities claiming tax-exempt status, and for entities electing to be taxable as S corporations. As with these other entities, a deemed election for RICs would be consistent with taxpayer expectations, streamline the administrative process by avoiding needless elections, and remove a trap for the unwary.

We will discuss the letter during the Tax Committee conference call on Wednesday, August 17th.

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[Attachment](#)

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