

MEMO# 29773

March 17, 2016

Letter to IRS for Your Review Regarding EU Reclaims and Notice 2016-10

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TO: TAX COMMITTEE No. 7-16 RE:
LETTER TO IRS FOR YOUR REVIEW REGARDING EU RECLAIMS AND NOTICE 2016-10

Attached for your review is a draft letter from ICI to the Treasury Department and Internal Revenue Service (IRS). The letter urges modifications to Notice 2016-10 in order to enhance its value to both the industry and the IRS. Specifically, we request that:

1. RICs be permitted to “carry forward” the amount of any refunded taxes that cannot be offset in the year refunded;
2. netting be permitted for RICs that are held predominantly by insurance companies;
3. guidance clarify that RICs may estimate, before December 31, the post-refund interest due;
4. guidance clarify the manner in which qualified dividend income is calculated; and
5. guidance “standardize,” to the extent possible, the terms of any required closing agreements.

Also attached are examples that illustrate the netting mechanism implemented in Notice 2016-10.

Please provide any comments on the draft letter to Ryan Lovin (ryan.lovin@ici.org or 202-326-5826) or Keith Lawson (Lawson@ici.org or 202-326-5832) by noon on Friday, March 25, 2016.

Ryan Lovin
Assistant General Counsel

[Attachment](#)

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