

MEMO# 27083

March 7, 2013

Draft Letter to IRS Regarding Form 8949 - Comments Requested

[27083]

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TO: TAX COMMITTEE No. 4-13 RE: DRAFT LETTER TO IRS REGARDING FORM 8949 -
COMMENTS REQUESTED

Attached for your review is a draft letter regarding use of IRS Form 8949, "Sales and Other Dispositions of Capital Assets," by regulated investment companies ("RICs"). The Internal Revenue Service ("IRS") recently released instructions for the Form 8949, initially intended only as an attachment to IRS Form 1040, which now require all taxpayers, including corporations and partnerships, to include the Form 8949 with their tax returns. RICs thus must complete and attach the Form 8949 to their Forms 1120-RIC.

The draft letter explains to the IRS the burden of this requirement on RICs, given the volume of capital transactions effected each year by a single fund. Requiring RICs to list every capital transaction, with applicable tax adjustments, would require significant resources and would increase RICs' tax returns exponentially. It is unclear what benefit, if any, this additional reporting would provide to the IRS. The letter thus asks the IRS to exclude the Form 1120-RIC from the Form 8949 requirements. Alternatively, RICs should be permitted to state on the Form 8949 that the relevant information is available upon request.

Please provide any comments on this draft letter to me no later than the close of business on Thursday, March 14, 2013. I can be reached at kgibian@ici.org or (202) 371-5432.

Karen Lau Gibian
Associate Counsel

[Attachment](#)

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