

MEMO# 24254

April 20, 2010

IRS Issues Draft Schedule and Instructions for Uncertain Tax Positions; RICs Exempt for 2010

[24254]

April 20, 2010

TO: TAX MEMBERS No. 10-10

ADVISER DISTRIBUTOR TAX ISSUES TASK FORCE No. 5-10

ACCOUNTING/TREASURERS MEMBERS No. 14-10 RE: IRS ISSUES DRAFT SCHEDULE AND INSTRUCTIONS FOR UNCERTAIN TAX POSITIONS; RICS EXEMPT FOR 2010

In connection with its recently announced proposal to require certain taxpayers to report uncertain tax positions on their tax returns, [\[1\]](#) the Internal Revenue Service ("IRS") has issued a draft schedule and instructions for public comment. [\[2\]](#) The draft schedule and instructions provide that, beginning with the 2010 tax year, the following taxpayers with both uncertain tax positions and assets equal to or exceeding \$10 million will be required to file Schedule UTP if they or a related party issued audited financial statements:

- Corporations who are required to file a Form 1120, U.S. Corporation Income Tax Return;
- Insurance Companies who are required to file a Form 1120 L, U.S. Life Insurance Company Income Tax Return, or Form 1120 PC, U.S. Property and Casualty Insurance Company Income Tax Return; and
- Foreign corporations who are required to file Form 1120 F, U.S. Income Tax Return of a Foreign Corporation.

The draft schedule and instructions also provide that, for 2010 tax years, the IRS will not require a Schedule UTP from Form 1120 series filers other than those identified above; this exception for 2010 includes regulated investment companies (RICs). The IRS will determine the timing of the requirement to file Schedule UTP for these entities after comments have been received and considered.

Comments on the IRS's uncertain tax positions proposal and the draft schedule and instructions must be submitted by June 1, 2010. The Institute intends to submit comments by this deadline.

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endnotes

[1] See Institute [Memorandum](#) (24106) to Tax Members No. 2-10, Advisor Distributor Tax Issues Task Force No. 2-10, and Accounting/Treasurers Members No. 7-10, dated January 27, 2010.

[2] Announcement 2010-30 and the draft schedule and instructions can be found on the IRS's website at: <http://www.irs.gov/pub/irs-drop/a-10-30.pdf> (Announcement 2010-30); <http://www.irs.gov/pub/irs-drop/schedule-utp.pdf> (draft schedule); <http://www.irs.gov/pub/irs-drop/instructions-for-schedule-utp.pdf> (draft instructions).

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