

MEMO# 26004

March 29, 2012

Draft Comment Letter to IRS on Form 8937 - Comments Requested

[26004]

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TO: BDAC COST BASIS REPORTING TASK FORCE No. 4-12
BANK, TRUST AND RETIREMENT ADVISORY COMMITTEE No. 12-12
BROKER/DEALER ADVISORY COMMITTEE No. 15-12
OPERATIONS COMMITTEE No. 9-12
SMALL FUNDS COMMITTEE No. 9-12
TAAC COST BASIS REPORTING TASK FORCE No. 1-12
TAX COMMITTEE No. 15-12
TRANSFER AGENT ADVISORY COMMITTEE No. 19-12 RE: DRAFT COMMENT LETTER TO IRS
ON FORM 8937 - COMMENTS REQUESTED

Attached for your review is a draft comment letter to the Internal Revenue Service (“IRS”) and Treasury Department regarding the public reporting option for Form 8937, “Report of Organizational Actions Affecting Basis of Securities.” The Institute asks the IRS and Treasury Department to permit issuers, including regulated investment companies (“RICs”), more flexibility in determining the format for posting the required information on their public websites. Issuers who wish to take advantage of the public reporting exception currently must post a completed Form 8937 on their public website. We argue that posting the actual form is not required by the statute, is not necessary to achieve the intended results of section 6045B, and will be confusing to shareholders and others seeking basis information. It also raises information privacy concerns. Permitting issuers to determine the best format for relaying the required information to the public will benefit both taxpayers and the IRS.

The draft comment letter includes a mock-up of a fund company’s public website dedicated to issuer reporting. The mock-up includes information for both fund mergers and a return of capital. It illustrates one way in which the information on RIC corporate actions could be better presented to shareholders.

Please provide any comments on the draft letter to me (kgibian@ici.org or 202-371-5432) no later than Friday, April 13, 2012.

Karen Lau Gibian
Associate Counsel

[Attachment](#)

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