

**MEMO# 32038**

November 5, 2019

## **Draft Letter to IRS on Form 1120-RIC -- Comments Requested**

[32038]

November 5, 2019 TO: Tax Advisory Committee

Tax Committee RE: Draft Letter to IRS on Form 1120-RIC -- Comments Requested

Attached for your review is a draft letter to the Internal Revenue Service (IRS) recommending changes to the Form 1120-RIC, US Income Tax Return for Regulated Investment Companies (RICs); Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company (PFIC) or Qualified Electing Fund (QEF); and Form 8990, Limitation on Business Interest Expense under Section 163(j). The IRS is soliciting comments on forms used by business entity taxpayers, including the Form 1120-RIC, as part of its continuing effort to reduce paperwork and respondent burden, as required by the Paperwork Reduction Act of 1995.[\[1\]](#)

ICI recommends that the IRS permit RICs to file the Form 1120-RIC electronically. ICI also recommends eliminating the requirement that RICs file Form 8621 for each foreign investment; instead, RICs should be permitted to file a consolidated statement. Finally, ICI asks the IRS to clarify that a RIC is not required to file the Form 8990 if a RIC does not have any business interest expense. ICI believes that these changes would reduce substantially the time and money that RICs must spend to comply with their tax filing responsibilities. It similarly would reduce the burden on the IRS without impacting the utility of the information received.

In addition, ICI withdraws its comments from 2014 requesting a RIC-specific Schedule D.[\[2\]](#) The draft form is no longer necessary because any capital losses that occurred prior to the effective date of the RIC Modernization Act of 2010 expired in fiscal year 2018.

The IRS has requested comments on the business tax forms by November 29, 2019. Therefore, please provide any comments on the attached draft to me ([kgibian@ici.org](mailto:kgibian@ici.org) or 202/371-5432) no later than **Monday, November 18, 2019**.

Karen Lau Gibian  
Associate General Counsel

[Attachment](#)

## endnotes

[1] See [84 F.R. 51718](#).

[2] See ICI Memorandum [No. 27954](#), dated March 13, 2014.

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