

**MEMO# 28705**

February 3, 2015

# **Draft Supplemental Submission to IRS and Treasury Department Regarding Proposed Money Market Fund Tax Guidance - Comments Requested**

[28705]

February 3, 2015

TO:

ACCOUNTING/TREASURERS COMMITTEE No. 2-15  
BANK, TRUST AND RETIREMENT ADVISORY COMMITTEE No. 3-15  
BROKER/DEALER ADVISORY COMMITTEE No. 4-15  
MONEY MARKET FUNDS ADVISORY COMMITTEE No. 7-15  
MUNICIPAL SECURITIES ADVISORY COMMITTEE No. 4-15  
OPERATIONS COMMITTEE No. 4-15  
SEC RULES COMMITTEE No. 5-15  
SMALL FUNDS COMMITTEE No. 1-15  
TAX COMMITTEE No. 6-15  
TRANSFER AGENT ADVISORY COMMITTEE No. 5-15

RE:

DRAFT SUPPLEMENTAL SUBMISSION TO IRS AND TREASURY DEPARTMENT REGARDING  
PROPOSED MONEY MARKET FUND TAX GUIDANCE - COMMENTS REQUESTED

Attached for your review is a draft supplemental submission to the Internal Revenue Service (IRS) and the Treasury Department addressing several questions raised by the government at the public hearing on the proposed regulations held on November 19, 2014.

[\[1\]](#) Specifically, the letter addresses:

- Permitting the use of the Net Asset Value (“NAV”) method on an account-by-account basis;
- Aligning use of the NAV method by regulated investment companies (RICs) for income and excise tax purposes;
- Clarifying the definition of “fair market value” for purposes of the NAV method to

mean the “next published NAV”; and

- Permitting existing money market funds with existing retail and institutional classes to separate into two separate funds in a tax-free manner.

Please provide any comments on the draft letter to me ([kgibian@ici.org](mailto:kgibian@ici.org) or 202-371-5432) by the close of business on Wednesday, February 11, 2015.

Karen Lau Gibian  
Associate General Counsel

## [Attachment](#)

### **endnotes**

[1] See Institute Memorandum ([28478](#)) dated October 23, 2014.

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