

MEMO# 20948

March 12, 2007

Institute Comment Letter on Revised California Apportionment Regulation Regarding Mutual Fund Service Providers

[20948]

March 12, 2007

TO: ADVISER DISTRIBUTOR TAX ISSUES TASK FORCE No. 5-07
TAX MEMBERS No. 13-07 RE: INSTITUTE COMMENT LETTER ON REVISED CALIFORNIA
APPORTIONMENT REGULATION REGARDING MUTUAL FUND SERVICE PROVIDERS

Attached is the Institute's comment letter regarding the California Franchise Tax Board's ("FTB") revised draft of its proposed regulation on apportionment for mutual fund service providers. [\[1\]](#) The letter expresses appreciation regarding the FTB's efforts to reflect Institute comments in its revised draft and reiterates our concerns regarding the regulation's throwback rules. The letter requests that the FTB eliminate the throwback rules or, alternatively, provide clarifications that narrow the scope of these rules consistent with the goals of market-based apportionment.

Lisa Robinson
Associate Counsel

[Attachment](#)

endnotes

[\[1\]](#) See Institute [Memorandum](#) (20915) to Tax Members No. 11-07, dated March 2, 2007.

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