

MEMO# 3410

January 6, 1992

THRESHOLD REQUIREMENT FOR PASS-THROUGH OF VERMONT OBLIGATION INTEREST REPEALED AS OF JANUARY 1, 1992

January 6, 1992 TO: MONEY MARKET MEMBERS - ONE PER COMPLEX NO. 1-92 TAX MEMBERS NO. 1-92 RE: THRESHOLD REQUIREMENT FOR PASS-THROUGH OF VERMONT OBLIGATION INTEREST REPEALED AS OF JANUARY 1, 1992

Pursuant to the attached legislation, Vermont has eliminated the threshold requirement for the pass through of the character of interest on Vermont state and local obligations distributed by regulated investment companies ("RICs"), effective for taxable years beginning on or after January 1, 1992. Thus, RIC dividends will be exempt from Vermont income tax to the extent derived from interest on Vermont state and local obligations. Previously, Vermont had only allowed a pass through of the character of interest on Vermont obligations if at least 50 percent of the RIC's assets were invested in obligations of Vermont and its political subdivisions. We will keep you informed of further developments. David J. Mangefrida Jr. Assistant Counsel - Tax Attachment DJM:bmb

Source URL: <https://icinew-stage.ici.org/memo-3410>

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.