

MEMO# 1984

June 20, 1990

NOTICE OF MEETING ON PROPOSALS TO REQUIRE FUNDS TO CALCULATE SHAREHOLDER BASIS

June 20, 1990 TO: ACCOUNTING/TREASURERS COMMITTEE NO. 16-90 OPERATIONS
COMMITTEE NO. 11-90 TAX COMMITTEE NO. 12-90 TRANSFER AGENT ADVISORY
COMMITTEE NO. 17-90 RE: NOTICE OF MEETING ON PROPOSALS TO REQUIRE FUNDS TO
CALCULATE SHAREHOLDER BASIS

A meeting has been scheduled on Wednesday, June 27, 1990, at 10:00 A.M. in the Investment Company Institute conference room to discuss the House Ways and Means Committee staff proposal released this week that would require mutual funds to calculate basis in fund shares for shareholders. The Ways and Means Committee staff would generally require funds to calculate a shareholder's basis in his fund shares and provide this information to the Internal Revenue Service upon the shareholder's request. The proposal does not go into detail, but a recent article by Gene Steuerle, a former Treasury Department official, suggests that Congress (1) eliminate optional methods for calculating gains of any one mutual fund account and (2) require mutual funds to calculate gains and losses on shares bought and purchased from each account. The Ways and Means Committee proposal and Steuerle's article will follow by regular mail. Please call Wynetta Culbreath at (202) 955-3525 if you plan on attending the meeting on the 27th. Lunch will be served following the meeting. David J. Mangefrida, Jr. Assistant General Counsel
Attachment

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