

MEMO# 1444

October 4, 1989

IRS DELAYS MAILING OF B NOTICES UNTIL 1990

- 1 - October 4, 1989 TO: TAX MEMBERS NO. 34-89 UNIT INVESTMENT TRUST MEMBERS NO. 51-89 CLOSED-END FUND MEMBERS NO. 46-89 OPERATIONS MEMBERS NO. 30-89 TRANSFER AGENT SHAREHOLDER ADVISORY COMMITTEE NO. 25-89 RE: IRS DELAYS MAILING OF B NOTICES UNTIL 1990

As we previously advised you, the Internal Revenue Service has been working for some time to implement the so-called "B Notice mailings" which require a payor of dividends, such as a RIC, to contact a shareholder if the IRS determines that the taxpayer identification number and the name on the shareholder's account do not "match." (See Institute Memorandum to Tax Members No. 23-89, Unit Investment Trust Members No. 36-89, Closed-End Fund Members No. 29-89, Operations Members No. 20-89, and Transfer Agent Shareholder Advisory Committee No. 16-89, dated July 14, 1989.) Backup withholding would be required under the B Notice procedure for the accounts of any shareholder who does not provide timely certification of the TIN to the payor following the B Notice mailing. This summer, the Institute sent to the Commissioner of Internal Revenue and the Assistant Secretary of the Treasury for Tax Policy a letter requesting a deferral of the B Notice mailing scheduled for October 1989. (See Institute Memorandum to Tax Committee No. 11-89, Unit Investment Trust Committee No. 38-89, Closed-End Fund Committee No. 29-89, Operations Committee No. 12-89, and Transfer Agent Shareholder Advisory Committee No. 19-89, dated July 26, 1989). In the attached announcement, the IRS delays the mailing of B Notices until 1990. We will keep you informed of developments. Keith D. Lawson Assistant General Counsel Attachment