

MEMO# 6546

January 13, 1995

FEBRUARY 7 MEETING ON EXCISE TAX DISTRIBUTION ISSUES AND PROPOSAL TO UNIFY DISTRIBUTION REQUIREMENTS

January 13, 1995 TO: TAX COMMITTEE No. 2-95 ACCOUNTING/TREASURERS COMMITTEE No. 3-95 RE: FEBRUARY 7 MEETING ON EXCISE TAX DISTRIBUTION ISSUES AND PROPOSAL TO UNIFY DISTRIBUTION REQUIREMENTS

_____ As you may know, the Tax Committee has on occasion considered legislative proposals to unify the distribution requirements currently contained in Subchapter M (for income tax purposes) and Code section 4982 (for excise tax purposes). These discussions typically result from difficulties experienced in applying the so-called "post-October loss rules" of Treas. Reg. 1.852-11 to distributions required under the excise tax rules and/or Subchapter M. Unifying the distribution requirements would greatly simplify fund accounting by replacing two sets of rules with one distribution requirement tied to the excise tax periods. However, the statutory changes that would be needed to implement a unified distribution proposal would also create complexity. To consider (1) the problems created by these two distribution requirements and (2) whether to develop a unified distribution proposal, a meeting of interested members of the Tax Committee and the Accounting/Treasurers Committee will be held at the Institute on Tuesday, February 7 at 1:30 p.m. Lunch will be available beginning at 12:30 p.m. Anyone interested in attending the meeting should fax the attached Attendance Response Form to the Institute's Theresa Brice at 202-326-5841 no later than February 3. Short memoranda addressing (1) the existing problems with the post-October loss rules and (2) issues arising under unified distribution proposals will be distributed in advance to those Committee members planning to attend the meeting. We will keep you informed of developments. Keith D. Lawson Associate Counsel - Tax Attachment ATTENDANCE RESPONSE FORM UNIFIED DISTRIBUTION REQUIREMENTS MEETING Tuesday, February 7, 1995 Please fax this portion to Theresa Brice, Investment Company Institute, 202-326-5841. YES NO _____ LUNCH - 12:30 p.m. _____ UNIFIED DISTRIBUTION REQUIREMENTS MEETING - 1:30 p.m. _____ or _____ COMMITTEE MEMBER'S NAME ALTERNATE'S NAME _____ COMPANY NAME Please check here if you need special services due to a disability.

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