

MEMO# 11834

April 25, 2000

JUNE 12 AND 13 TAX COMMITTEE MEETINGS IN SAN FRANCISCO

1 Lunch will be served at the conclusion of the June 13 meeting. 2 These rules will create new 8-percent and 18-percent maximum capital gains rate categories. The new 8-percent rate will apply to "qualified five year gains" realized after December 31, 2000 by taxpayers (including fund shareholders) in the 15-percent income bracket. The new 18-percent rate will apply to "qualified five year gains" realized no earlier than January 1, 2006 by taxpayers (including fund shareholders) in the 28-percent (or higher) income bracket. On January 1, 2001, taxpayers may elect to mark their previously-acquired assets to market in order to "restart" their holding period for purposes of later realizing "qualified five year gains" subject to the new 18-percent maximum capital gains rate. [11834] April 25, 2000 TO: TAX COMMITTEE No. 20-00 RE: JUNE 12 AND 13 TAX COMMITTEE MEETINGS IN SAN FRANCISCO

The next regularly-scheduled meetings of the Tax Committee will be held at the Radisson Miyako Hotel (1625 Post Street, San Francisco, CA 94115) on June 12 and 13, 2000. Attire for these meetings will be business casual. As in the past, a subcommittee meeting will be held, beginning at 2:00 p.m., on the afternoon of the first day (June 12) and the Tax Committee meeting will be held, beginning at 10:00 a.m., on the morning of the second day (June 13).¹ Preliminary agendas for these meetings will be distributed approximately two weeks before the meetings. June 12 Subcommittee Meeting As you know, the subcommittee meeting that precedes the Tax Committee meeting is intended to provide an opportunity for detailed discussion of an important, current issue. At this time, we plan to spend the afternoon of June 12 discussing the "qualified five year gain" rules that will become effective in 2001.² The primary purpose of the meeting will be to develop the Institute's request for guidance on application of these rules to funds and their shareholders. Should any change be required to the topic for the meeting, we will notify you immediately. Meeting Response Form If you plan to attend either or both of these meetings, please complete the attached meeting response form and fax it to Ezella Wynn at 202/326-5841. We will advise those who return the meeting response form of any other activities (e.g., a committee dinner) that we are able to arrange. Hotel Reservations Please make your hotel reservations by calling the Radisson Miyako Hotel directly at 415/922-3200. To receive the preferred hotel rate of \$169 single/double that has been arranged, reserve your hotel room by May 12, 2000 and mention the Investment Company Institute when making the reservation. Suggestions for Meeting Topics Please forward to Keith Lawson (at 202/326-5832), the undersigned (at 202/371-5436) or Naomi Gendler Camper (at 202/326-5821) any suggestions you have for issues to be discussed on June 12 and June 13. Deanna J. Flores Assistant Counsel Attachment

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