

**MEMO# 11238**

September 10, 1999

## **SPONSOR TAX TREATMENT OF NEW MUTUAL FUND COSTS**

[11238] September 10, 1999 TO: TAX COMMITTEE No. 26-99 TASK FORCE ON  
ADVISER/DISTRIBUTOR TAX ISSUES RE: SPONSOR TAX TREATMENT OF NEW MUTUAL FUND  
COSTS \_\_\_\_\_

Attached is the first draft of a memorandum that the Institute plans to submit to the Internal Revenue Service in support of a proposal (discussed therein) for resolving the industry-wide issue regarding the appropriate tax treatment of a fund sponsor's costs of creating new funds. This draft will be discussed at the meeting that has been scheduled for September 28. See Institute Memorandum to Tax Committee No. 25-99, dated September 8, 1999. If you have any questions or comments with regard to the memorandum or proposal, please contact Naomi Gendler Camper (202/326-5821) or the undersigned (202/326-5832). Keith Lawson Senior Counsel Attachment

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