

MEMO# 13301

March 22, 2001

DRAFT REVISED 2001 YEAR END REPORTING SPREADSHEETS

[13301] March 22, 2001 TO: TAX COMMITTEE No. 13-01 BROKER/DEALER ADVISORY COMMITTEE No. 6-01 BDAC YEAR END TAX REPORTING TASK FORCE RE: DRAFT REVISED 2001 YEAR END REPORTING SPREADSHEETS As in prior years, this year the Institute will work with representatives of the Securities Industry Association ("SIA"), the American Bankers Association ("ABA") and the National Industry of Real Estate Investment Trusts ("NAREIT") to improve the uniform reporting procedures pursuant to which regulated investment companies ("RICs") and real estate investment trusts ("REITs") will report "reclassified" year-end tax information. For 2001, a task force of representatives from the Broker/Dealer Advisory Committee provided suggestions for revisions to the reporting spreadsheets in order to accommodate 5 year capital gains reporting as well to address several requests from ICI members for improvements to the current spreadsheet reporting formats. Attached to this memorandum is a revised draft of the "primary" uniform file formats to be used by RICs to report year-end tax information to brokers and banks. The primary information file format contains the information required to prepare IRS Form 1099 for shareholders. For comparison purposes, the primary file format for 2000 has also been included. At year-end RIC's also send a "secondary" uniform file format to brokers and banks. This format enables RICs to provide year-end income breakdowns (1) by state for municipal bond funds and (2) by type of security (i.e. Exempt Federal Securities, GNMA's & FNMAs, Repurchase agreements and Other Non-Exempt Securities) for other bond funds. To date, the Institute has not received any requests to modify the secondary file format. We will however, modify the 2001 format for Undistributed Long Term Capital Gains to include a qualified 5-year gain column. Please review the revised spreadsheet and the data element proposals attached. Comments and responses should be directed to either Deanna Flores at dflores@ici.org or 202/371-5436 or to Justine Phoenix at justine@ici.org or 202/326-5850 by April 20. Once all data elements are agreed upon, the Institute will meet with representatives of the SIA, ABA and NAREIT to discuss the proposed revisions. Following these discussions, upon agreement among the ICI, SIA, ABA and NAREIT, the Institute will send out revised spreadsheets by June 11, 2001. Justine Phoenix Director - Operations/ Distribution & Services Attachments Attachment no. 1 (in .pdf format)