

MEMO# 9971

May 27, 1998

AGENDAS FOR JUNE 1 AND JUNE 2 MEETINGS

[9971] May 27, 1998 TO: TAX COMMITTEE No. 18-98 OTHERS ATTENDING JUNE 1 MEETING ON CAPITAL GAINS ISSUES RE: AGENDAS FOR JUNE 1 AND JUNE 2 MEETINGS

_____ June 1
Meeting on Capital Gains Materials for the June 1 capital gains meeting at the Drake Hotel in Chicago were mailed on May 22 to everyone who has responded that they will be attending the meeting. At the meeting, we will discuss proposals for modifying the interaction between the income tax rules applicable to regulated investment companies ("RICs") under Subchapter M and the excise tax rules of section 4982, including: (1) "unifying" the distribution requirements of Subchapter M and section 4982 (by placing the Subchapter M distribution requirements on the excise tax years); (2) providing an excise tax "safe harbor" for any RIC that distributes an amount equal to the sum of (a) 100 percent of its ordinary income and capital gain for the taxable year that ends before the end of the current excise tax year (i.e., before December 31 with respect to ordinary income and before October 31 with respect to capital gain) and (b) 98 percent of its taxable year-to-date ordinary income and capital gain through December 31 and October 31, respectively; and (3) expanding the "bifurcation" adjustment described by the Internal Revenue Service in Notice 97-64, which is intended to protect the character of various types of long-term gain distributed by RICs to their shareholders. If you plan to attend the June 1 meeting and either have not notified the Institute or have not received the materials, please call Alice Bennett at 202-218-3560. June 1 Dinner Arrangements For those of you interested in visiting one of the Midwest's National Treasures, Mike Piszczek of John Nuveen & Co. has made arrangements for approximately 20 of us to see the Cubs play the Florida Marlins at 7:05 in an Arthur Andersen box at Wrigley Field. Please return the attached "meeting" response form if you would like to attend the Cubs game. Anne Barr will be making alternative dinner arrangements for those Committee members not interested in going to Wrigley Field. The attached "meeting" response form also should be completed if you are interested in the "alternative" dinner. June 2 Tax Committee Meeting The June 2 Tax Committee meeting also will be held at the Drake Hotel. The preliminary agenda for the meeting is attached. If you plan to attend the June 2 meeting and have not yet notified the Institute, please call Alice Bennett at 202-218-3560. Business Casual Attire for Meeting As noted in the prior notice for the June Tax Committee meetings in Chicago, attire will be business casual. * * * Please call the undersigned at 202-326-5832 or Anne Barr at 202-326-5837 if we can provide you with any additional information regarding these meetings. Keith D. Lawson Senior Counsel Attachments

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