

MEMO# 34312

October 17, 2022

FOR YOUR REVIEW: Draft Submission to IRS on Inflation Reduction Act Funding

[34312]

October 17, 2022

TO: Tax Committee RE: FOR YOUR REVIEW: Draft Submission to IRS on Inflation Reduction Act Funding

Attached please find a draft letter to the Internal Revenue Service (IRS) with recommendations on how to utilize funds provided under the Inflation Reduction Act. The letter recognizes that this historic funding has the potential to transform and modernize taxpayer service capabilities and reduce taxpayer burden. Specifically, the letter recommends that the following tax forms be electronically processed:

1. IRS Form 8802, Application for US Residency Certification;
2. IRS Form 6166, Certification of US Tax Residency (CoRs);
3. IRS Form 1120-RIC, US Income Tax Return for RICs; and
4. IRS Form 8613, Return of Excise Tax on Undistributed Income of RICs.

The letter describes the onerous paper filing and processing of these forms and how it results in investors losing tax treaty relief to which they are entitled. While taxable investors can claim larger foreign tax credits (which result in dollar-for-dollar losses to the US fisc), the cost of unrecovered taxes are borne directly by investors holding through tax-deferred accounts.

Please provide all comments to the draft submission to Katie Sunderland (katie.sunderland@ici.org) no later than Friday, October 21, 2022.

Katie Sunderland
Assistant General Counsel

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.