





information, see “Marking the Proper Tax Period” in the instructions for Form 8109.

For more information on deposits, see the instructions in the coupon booklet (Form 8109) and Pub. 583, *Starting a Business and Keeping Records*.

If the RIC or REIT owes tax when it files Form 2438, do not include the payment with the tax return. Instead, mail or deliver the payment with Form 8109 to an authorized depository, or use EFTPS.

## Specific Instructions

**Period covered.** File the 2005 return for calendar year 2005 and fiscal years that begin in 2005. For a fiscal year, fill in the tax year space at the top of the form.

**Address.** Include the suite, room, or other unit number after the street address. If the Post Office does not deliver mail to the street address and the RIC or REIT has a P.O. box, show the box number instead of the street address.

### Lines 1 and 5

**Column (b)—Date acquired.** A RIC’s or REIT’s acquisition date for an asset it held on January 1, 2001, for which it made an election to recognize any gain (under section 311 of the Taxpayer Relief Act of 1997) is the date of the deemed sale and reacquisition.

**Column (d).** Enter either gross sales price or net sales price. If net sales price is entered, do not increase the cost or other basis in column (e) by any expenses reflected in the net sales price.

**Column (e).** If gross sales price is reported in column (d), increase the cost or other basis by any expense of sale such as broker’s fees, commissions, or option premiums before entering an amount in column (e).

A RIC’s or REIT’s basis in an asset it held on January 1, 2001, for which the RIC or REIT made an election to recognize any gain (under section 311 of the Taxpayer Relief Act of 1997) is the asset’s closing market price or fair market value, whichever applies, on the date of the deemed sale and reacquisition, whether the deemed sale resulted in a gain or unallowed loss.

### Line 4

Enter any net short-term capital gain from line 4 on line 1 of Schedule D (Form 1120) as “Net short-term capital gain from line 4, Form 2438.”

### Line 12

Enter the amount from line 12 on line 6 of Schedule D (Form 1120) as “Undistributed capital gains not designated (from Form 2438).”

### Line 13

Deposit the tax due by the 30th day after the end of the tax year.

### Privacy Act and Paperwork

**Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying

with these laws and to allow us to figure and collect the right amount of tax. Section 6109 requires return preparers to provide their identifying numbers on the return.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

**Recordkeeping** . . . 7 hr., 39 min.

**Learning about the law or the form** . . . . 24 min.

**Preparing and sending the form to the IRS** . . . 32 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service; Tax Products Coordinating Committee; SE:W:CAR:MP:T:T:SP; 1111 Constitution Ave., NW, IR-6406; Washington, DC 20224. Do not send the tax form to this office. Instead, see *Where To File*.

