

**Return of Excise Tax on Undistributed Income of Regulated Investment Companies**

For calendar year 19 . . . . .  
**See instructions on back.**

OMB No. 1545-1016  
 Expires: 10-31-90

Please Type or Print	Name of fund	Employer identification number
	Number and street (or P.O. box number if mail is not delivered to street address)	
	City or town, state, and ZIP code	

**Election Under Section 4982(e)(4)**—Check this box if your tax year ends in November or December and you elect to substitute your tax year in lieu of the one-year period ending on October 31 for purposes of line 2a . . . . .

**Computation of Undistributed Income of Regulated Investment Company**

Required Distribution	1a Investment company taxable income under section 852(b)(2) for the <b>calendar year</b> determined without regard to the dividends paid deduction and any gain or loss from the sale or exchange of a capital asset . . . . .	1a		
	b Multiply line 1a by 97% and enter the result here . . . . .			1b
	2a Capital gain net income under section 4982(e)(2) for the <b>one-year period ending on October 31 of the calendar year</b> . . . . .	2a		
	b Multiply line 2a by 98% and enter the result here . . . . .			2b
	3a Grossed up required distribution for the <b>previous calendar year</b> (figured by adding lines 1a and 2a using amounts for the previous calendar year, increased by the prior year's shortfall (if any), as defined under section 4982(b)(2)) . . . . .	3a		
	b <b>Less:</b> Distributed amount for the <b>previous calendar year</b> under section 4982(c) . . . . .	3b		
	c Line 3a less line 3b (if less than zero, enter zero) . . . . .			3c
	4 Total required distribution—Add lines 1b, 2b, and 3c . . . . .			4
Distributed Amount	5 Deduction for dividends paid under section 561 <b>during the calendar year</b> , excluding exempt-interest dividends (Include deficiency dividends as defined in section 860(f), but only if paid during the calendar year.) . . . . .			5
	6 Amount on which tax is imposed under sections 852(b)(1) or (b)(3)(A) for any tax year ending in or with the calendar year . . . . .			6
	7a Distributed amount for the <b>previous calendar year</b> under section 4982(c) . . . . .	7a		
	b <b>Less:</b> Grossed up required distribution for the <b>previous calendar year</b> (figured by adding lines 1a and 2a using amounts for the previous calendar year, increased by the prior year's shortfall (if any), as defined under section 4982(b)(2)) . . . . .	7b		
	c Line 7a less line 7b (if less than zero, enter zero) . . . . .			7c
	8 Total distributed amount—Add lines 5, 6, and 7c. . . . .			8
	9 Undistributed income of regulated investment company—line 4 less line 8 . . . . .			9

**Tax Computation**

10	Excise tax on undistributed income of regulated investment company—Enter 4% of line 9 . . . . .		10
11	Less: Tax paid with Form 2758 . . . . .		11
12	<b>Tax Due</b> —Enter excess of line 10 over line 11. (See instructions for Payment of Tax Due.) . . . . .		12
13	<b>Overpayment</b> —Enter excess of line 11 over line 10. . . . .		13

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of officer	Date	Title
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## General Instructions

(Section references are to the Internal Revenue Code.)

### Paperwork Reduction Act Notice

We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

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

**Recordkeeping** . . . . . 6 hrs., 13 min.

**Learning about the law or the form** . . . . . 1 hr., 59 min.

**Preparing and sending the form to IRS** . . . . . 2 hrs., 10 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to the **Internal Revenue Service**, Washington, DC 20224, Attention: IRS Reports Clearance Officer, TR:FP; or the **Office of Management and Budget**, Paperwork Reduction Project, Washington, DC 20503.

### Important Tax Law Changes

The Technical and Miscellaneous Revenue Act of 1988 made the following changes that affect Form 8613:

- In determining the amount of capital gain net income to be entered on line 2a, such amount is reduced by the amount of the fund's net ordinary loss for the calendar year (but not below the amount of the fund's net capital gain).
- For dividends declared after 1987, dividends declared in October, November, or December and payable to shareholders of record on a specified date in such a month are deemed paid by the regulated investment company and received by each shareholder on December 31 of such year provided the dividends are actually paid in January of the following year.
- The timing of certain foreign currency gains or losses has been changed for purposes of computing the required distribution. See the instructions for lines 1a and 2a for details.
- An exemption from the excise tax has been provided for regulated investment companies in which all the shareholders are certain trusts or segregated asset accounts of a life insurance company.

### Purpose of Form

Form 8613 is used by regulated investment companies to compute and pay the excise tax on undistributed income under section 4982. The excise tax is equal to 4% of the excess, if any, of the required distribution over the distributed amount.

### Who Must File

Any regulated investment company that is liable for the excise tax on undistributed income under section 4982 or that wishes to make an election under section 4982(e)(4) must file Form 8613.

The excise tax does not apply to funds in which all the shareholders during the year were certain trusts or segregated asset accounts of a life insurance company. See section 4982(f) for details.

If a regulated investment company has more than one fund, each fund must file a separate Form 8613. As used in these instructions, the term "fund" refers to the definition in section 851(h) and to any regulated investment company that does not have more than one portfolio of assets.

### When and Where To File

File Form 8613 by March 15 following the calendar year to which the excise tax liability applies. File it with the Internal Revenue Service Center where the fund's income tax return will be filed.

If you need more time, you may file **Form 2758**, Application for Extension of Time To File, to request an extension of time to file Form 8613. However, Form 2758 does not extend the time for payment of tax.

### Period To Be Covered by Return

Fill in the space at the top of the form to show the calendar year for which the return is being filed. For purposes of computing the excise tax, you are required to figure your undistributed income on a calendar year basis even though you may file your income tax return and keep your books and records based on a fiscal year.

### Rounding Off to Whole-Dollar Amounts

You may show money items on the return as whole-dollar amounts. To do so, drop any amount less than 50 cents and increase any amount from 50 cents through 99 cents to the next higher dollar.

### Payment of Tax Due

Full payment of the tax due must accompany the return. Make your check or money order payable to "Internal Revenue Service."

### Penalties and Interest

Avoid penalties and interest by correctly filing and paying the tax when due. The fund may have to pay the following penalties unless it can show that failure to file or pay was due to reasonable cause and not willful neglect. (These penalties are in addition to the interest charge on unpaid tax at a rate determined under section 6621.)

**Penalty for Late Filing.**—A fund that fails to file its return when due (including any extensions of time for filing) may be subject to a penalty of 5% a month or fraction of a month, up to a maximum of 25%, for each month the return is not filed. The penalty is imposed on the net amount due. The minimum penalty for failure to file a return within 60 days of the due date (including extensions) is the lesser of the underpayment of tax or \$100.

**Penalty for Late Payment.**—A fund that fails to pay the tax when due generally may be subject to a penalty of ½ of 1% a month or fraction of a month, up to a maximum of 25%, for each month the tax is not paid. The penalty is imposed on the net amount due.

**Note:** If you do not file your return on time, the Service may charge both the late filing penalty and the late payment penalty. See section 6651 for more information.

### Signature

Form 8613 must be signed and dated by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or by any other officer (such as tax officer) authorized to sign. A receiver, trustee, or assignee must sign and date any return that he or she is required to file on behalf of the fund.

**Note:** If this return is being filed for a series fund (as defined in section 851(h)(2)), the return may be signed by any officer authorized to sign for the regulated investment company in which the fund is a series.

### Amended Return

To amend a previously filed Form 8613, file a corrected Form 8613 marked "Amended" in the margin at the top of the form.

## Specific Instructions

### Lines 1a and 2a

For excise tax purposes, adjustments that result in the distribution of deficiency dividends (as defined in section 860(f)) must be taken into account in computing the income on lines 1a and 2a for the year in which such dividends are paid.

For purposes of computing the line 1a amount, any foreign currency gain or loss attributable to a section 988 transaction that would be properly taken into account for the part of the calendar year after October 31 is taken into account in the following year. For a fund that has made an election under section 4982(e)(4), the last day of the fund's tax year is substituted for October 31 in the preceding sentence.

### Line 2a

For excise tax purposes, capital gain net income must be computed on the basis of a one-year period ending on October 31 of the calendar year, unless the election under section 4982(e)(4) is made. This election is available only to those funds whose tax years end in November or December. If you meet this requirement, you may elect to substitute your tax year for the one-year period ending on October 31 for purposes of figuring line 2a. However, if the first year the election is in effect is not the first year the fund is subject to tax under section 4982, a special rule applies to avoid the omission of income. For such a year, the fund must figure capital gain net income on line 2a for the period beginning on November 1 of the year immediately preceding the election year and ending on the last day of the first tax year for which the election was made.

The election is made by checking the box at the top of the form. Such election must be made not later than the time, including extensions, for filing Form 8613 for the year in which the election is to apply. Once made, the election may be revoked only with IRS consent.

### Line 5

For purposes of figuring the amount to enter on line 5, the amount of dividends paid during the calendar year includes dividends declared in October, November, or December of that calendar year and payable to shareholders of record on a specified date in such a month, but only if actually paid by the fund during January of the following calendar year. (See section 852(b)(7).) No other dividends paid after the close of the calendar year may be included on line 5.

### Line 6

This is the total of the amounts required to be shown on line 26, Part I, of Form 1120-RIC; line 3, Part II, of Form 1120-RIC; and line 11 of Form 2438 for the tax year of the fund ending in or with the calendar year for which this excise tax return is being filed.