

# Consent of Shareholder To Include Specific Amount in Gross Income

(Under Section 565 of the Internal Revenue Code)

(Send this form to the corporation claiming the deduction for consent dividends.  
See instructions.)

Name of shareholder \_\_\_\_\_ Identifying number (see instructions) \_\_\_\_\_

Number, street and room or suite no. (If a P.O. box, see instructions.) \_\_\_\_\_

City, state, and ZIP code \_\_\_\_\_

**1** The shareholder named above agrees to include \$ \_\_\_\_\_ in gross income on its tax return for the tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_. This amount is treated as a taxable dividend

(Month, day, year)

(Month, day, year)

to the shareholder on the stock of the \_\_\_\_\_  
(Name of corporation)

\_\_\_\_\_  
(Number, street, and room or suite no., city, state, and ZIP code (If a P.O. box, see instructions.))

**Important Note.**—If the amount to be included in gross income (on line 1, above) is different than the total shown on line 4, Schedule A, attach a statement to Form 972 explaining the reason and authority for the discrepancy.

### Schedule A.—Statement of Shares in Each Class of Stock Owned by the Shareholder on the Last Day of the Corporation's Tax Year

**2** Enter the last day of the corporation's tax year ► \_\_\_\_\_  
(Month, day, year)

Consent is given to include a specific amount in gross income based on the shares of stock owned on the last day of the corporation's tax year as shown below.

Class of stock	Number of shares	Certificate numbers	Amount of consent distribution allocable to each class of stock owned
<b>3</b>			\$

**4** Total consent distribution . . . . . ► \$

**Signature**

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

Consenting shareholder ► \_\_\_\_\_

Title ►

Date ►

## 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 this 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.

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

<b>Recordkeeping</b> . . . . .	13 min.
<b>Learning about the law or the form</b> . . . . .	3 min.
<b>Preparing the form</b> . . . . .	14 min.
<b>Copying, assembling, and sending the form to the IRS</b> . . . . .	31 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**, Washington, DC 20224, Attention: Tax Forms Committee, PC:FP.

**DO NOT** send the tax form to this office. Instead, see **When and Where To File** on this page.

## General Instructions

**Purpose of Form.**—Form 972 is used by a shareholder who agrees to report a consent dividend as a taxable dividend on the tax return. A dividend is a consent dividend only if it would have been included in the shareholder's gross income if it was actually paid. If the shareholder agrees to treat the dividend as a taxable dividend, the corporation may be able to claim a consent dividend deduction on its income tax return.

**Who May File.**—A shareholder who agrees to treat the consent dividend as a taxable dividend must complete and send Form 972 to the corporation that will claim the consent dividend as a deduction.

**When and Where To File.**—Send the completed Form 972 to the corporation by the due date of the corporation's tax return for the tax year the corporation will claim the consent dividends as a deduction.

The corporation must attach **Form 973**, Corporation Claim for Deduction for Consent Dividends, and a copy of each completed Form 972 to its income tax return.

**Note:** *The shareholder must report the consent dividend as a taxable dividend in the same tax year the corporation will claim the consent dividend deduction. For example, the corporation has a fiscal tax year that starts July 1, 1994, and ends June 30, 1995. In November 1994, a calendar year shareholder agrees to*

*a consent dividend and sends a completed Form 972 to the corporation. The corporation claims the consent dividend deduction on its tax return for the fiscal year ending June 30, 1995. The shareholder reports the consent dividend as a taxable dividend on its tax return filed for the calendar year ending December 31, 1995.*

**Identifying Number.**—Individuals enter their social security number. All others enter their employer identification number.

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

**Signature.**—Form 972 must be signed by the shareholder. If the shareholder is a partnership, one of the partners must sign. If the shareholder is a fiduciary, the fiduciary or officer representing the fiduciary must sign. For a corporate shareholder, the president, vice president, treasurer, assistant treasurer, chief accounting officer, or other authorized officer (such as tax officer) must sign the consent.

The shareholder's attorney or agent may sign this consent if he or she is specifically authorized by a power of attorney which, if not previously filed, must accompany Form 972.