



# Instructions

**1. Deficiency Dividends.**—Deficiency dividends must be distributed on, or within 90 days after the determination date (see instruction 4) and prior to filing this claim.

The deficiency dividend must be of such a nature as would have permitted its inclusion in the computation of the deduction for dividends paid under section 561 for the taxable year for which the tax liability exists, if it had been distributed during that year.

**2. Who Must File.**—This form is to be used in cases where a personal holding company, regulated investment company or real estate investment trust may be relieved from payment of a tax deficiency, or may be entitled to a credit or refund of part or all of any such deficiency which has been paid, pursuant to section 547 or 860 (whichever is applicable). In general, a real estate investment trust and a regulated investment company may use this form only with respect to determinations made after October 4, 1976, and November 6, 1978, respectively.

**3. How to File.**—This claim must be filed within 120 days after the determination date. If filed by a personal holding company it shall be filed with the District Director's office where the determination was made. If filed by a regulated investment company or real estate investment trust, it may be filed with the District Director, or Director of the Internal Revenue Service Center, with whom the income tax return for the taxable year with respect to which the determination applies was filed. In the event that the determination is an agreement with the District Director (or his delegate) described in section 860(e)(3), the claim may be filed with the District Director with whom the agreement was made.

**4. Determination Date.**—The determination date is:

- (a) In the case of a decision of the Tax Court, the date the decision becomes final, as prescribed in section 7481.
- (b) In the case of a judgment, decree or order by a court, the date the judgment, decree or order becomes final.
- (c) In the case of a closing agreement made under section 7121, the date the agreement is approved by the Commissioner.
- (d) In the case of an agreement under section 547(c)(3) or section 860(e)(3) executed by the District Director (or other authorized official) and the taxpayer, if the signed copy of the agreement is sent to the taxpayer by registered mail, the determination date is the date of registration. If it is sent by certified mail, the determination date is the date of the postmark on the sender's receipt. However, if a dividend is paid by the taxpayer before such registration or postmark date but on or after the date the

agreement is signed by the District Director, the determination date shall be the date of such signing.

**5. Claim for Credit or Refund.**—If, subsequent to payment of a tax deficiency, an overpayment results from the allowance of a deficiency dividend deduction, a claim, in addition to this form, must be filed on an appropriate amended income tax return to obtain a credit or refund for the overpayment.

**6. Corporate Acquisitions.**—In the case of the acquisition of assets of a corporation by another corporation in a distribution or transfer described in section 381(a), see sections 381(c)(17) and 381(c)(25) for special rules for claiming a deficiency dividend deduction.

**7. Signature.**—The return must be signed and dated by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or any other corporate officer (such as tax officer) authorized to sign. A receiver, trustee, or assignee must sign and date any return required to be filed on behalf of a corporation.

If your corporate officer filled in Form 976, the space under the signature of officer should remain blank. If someone prepares Form 976 and does not charge the corporation, that person should not sign the return. Certain others who prepare Form 976 should not sign. For example, a regular, full time employee of the corporation such as clerk, secretary, etc. does not have to sign. (This list is not all inclusive.)

Generally, anyone who is paid to prepare Form 976 must sign the return and fill in the other blanks in the Paid Preparer's Information area of the return.

When more than one person prepares Form 976, the preparer with primary responsibility for the overall accuracy of the return must sign as the preparer.

If the preparer is self-employed (i.e., is not employed by any person or business entity to prepare the return), he or she should check the "SE" box.

If you have questions about whether a preparer is required to sign Form 976, please contact an IRS office.

The person required to sign the return MUST:

—Sign it, by hand, in the space provided for the preparer's signature (Signature stamps or labels are not acceptable);

—Give a copy of Form 976 to the taxpayer in addition to the copy filed with IRS.

**Publication 1054** is a guide listing some of the preparer's other responsibilities and penalties for which he or she may be liable. The publication also contains the regulation citations which govern their work. Tax return preparers should be familiar with their responsibilities. This publication is available at IRS offices.