

Claim for Deficiency Dividends Deductions by a Personal Holding Company, Regulated Investment Company or Real Estate Investment Trust

(Under Section 547 or 860 of the Internal Revenue Code)

Name of personal holding company, regulated investment company or real estate investment trust _____ **Employer identification number** _____

Address (Number and street) _____

City, State and ZIP code _____

1 Amount of tax deficiency \$ _____

2 Tax year(s) involved _____

3 (a) Amount paid \$ _____

3 (b) Date paid _____

4 Amount unpaid \$ _____

6 Determination date (see instruction 4) _____

5 How was the deficiency established?

Tax Court Decision—Attach a copy and explain how the decision became final.

Court Judgment—Attach a copy and explain how the decision became final. If established by a final judgment in a suit against the United States for refund:

(a) Date the deficiency was paid ▶ _____

(b) Date the claim for refund was filed ▶ _____

(c) Date the suit was brought ▶ _____

Closing Agreement Under Section 7121.

If a Personal Holding Company, Agreement Under Section 547(c)(3)—Attach a copy of the agreement.

If a Regulated Investment Company or Real Estate Investment Trust, Agreement Under Section 860(e)(3)—Attach a copy of the agreement.

7 Date the deficiency dividend was distributed ▶ Attach a certified copy of the resolution of the board of directors or other authority authorizing the payment of the deficiency dividend. _____

Deficiency dividend was distributed as follows ▶

8 (a) Cash \$ _____

8 (b) Other property (attach description):

(i) Fair market value ▶ \$ _____

(ii) Adjusted basis ▶ \$ _____

9 (a) Amount claimed as a deduction for deficiency dividends \$ _____

(b) For a regulated investment company or real estate investment trust, enter the amount of line 9(a) designated as capital gains dividends . . \$ _____

10 A regulated investment company or real estate investment trust does not have to complete line 10

(a) Name and address of each shareholder

(b) Class of stock and number of shares of each class held at date of payment of deficiency dividend

(c) Amount of deficiency dividend paid to each shareholder on each class of stock

Please Sign Here Under penalties of perjury, I declare that I have examined this claim, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____ Title _____

Preparer's signature _____ Date _____ Check if self-employed Preparer's social security no. _____

Firm's name (or yours, if self-employed), and address _____ E.I. No. _____

ZIP code _____

Instructions

(References are to the Internal Revenue Code.)

Paperwork Reduction Act Notice.—The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. 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. You are required to give us this information.

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).

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 Paid Preparer's space under "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 a 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 Use Only area of the return.

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

The preparer required to sign the return **MUST** complete the required preparer information and:

- 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.

Tax return preparers should be familiar with their responsibilities. See **Publication 1045**, Information and Order Blanks for Preparers of Federal Income Tax Returns, for more details.