

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

Department of the Treasury  
Internal Revenue Service

For calendar year 19 . . . . .  
See instructions on back of form.

<b>Please Type or Print</b>	Name of fund	Employer identification number
	Number, street, and room or suite no. (If a P.O. box, see instructions.)	
	City or town, state, and ZIP code	

**Election Under Section 4982(e)(4)**—For purposes of line 2a (see instructions), check the box if the tax year of the regulated investment company ends in November or December **and** the fund elects to substitute its tax year instead of the 1-year period ending on October 31.

<b>Required Distribution</b>	<b>1a</b> 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 (see instructions) . . . . .	1a			
	<b>b</b> Multiply line 1a by 98% . . . . .			<b>1b</b>	
	<b>2a</b> Capital gain net income under section 4982(e)(2) for the <b>1-year period ending on October 31 of the calendar year</b> (see instructions) . . . . .	2a			
	<b>b</b> Multiply line 2a by 98% . . . . .			<b>2b</b>	
	<b>3a</b> Grossed up required distribution for the <b>previous calendar year</b> (add 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</b> Distributed amount for the <b>previous calendar year</b> under section 4982(c) . . . . .	3b			
	<b>c</b> Subtract line 3b from line 3a. If zero or less, enter -0- . . . . .			<b>3c</b>	
	<b>4 Total required distribution.</b> Add lines 1b, 2b, and 3c . . . . .				<b>4</b>
<b>Distributed Amount</b>	<b>5</b> Deduction for dividends paid under section 561 during the <b>calendar year</b> , excluding exempt-interest dividends. (Include deficiency dividends as defined in section 860(f), but only if paid during the calendar year.) (see instructions) . . . . .			<b>5</b>	
	<b>6</b> Amount on which tax is imposed under sections 852(b)(1) or 852(b)(3)(A) for any tax year ending in or with the calendar year (see instructions) . . . . .			<b>6</b>	
	<b>7a</b> Distributed amount for the <b>previous calendar year</b> under section 4982(c). Enter amount from line 3b . . . . .	7a			
	<b>b</b> Grossed up required distribution for the <b>previous calendar year.</b> Enter amount from line 3a . . . . .	7b			
	<b>c</b> Subtract line 7b from line 7a. If zero or less, enter -0- . . . . .			<b>7c</b>	
<b>8 Total distributed amount.</b> Add lines 5, 6, and 7c . . . . .				<b>8</b>	
<b>Tax and Payments</b>	<b>9 Undistributed income.</b> Subtract line 8 from line 4. If zero or less, enter -0- . . . . .			<b>9</b>	
	<b>10</b> Excise tax on undistributed income. Multiply line 9 by 4% . . . . .			<b>10</b>	
	<b>11</b> Tax paid with extension of time to file (Form 2758) . . . . .			<b>11</b>	
	<b>12 Tax due.</b> Subtract line 11 from line 10 (see instructions) . . . . .			<b>12</b>	
	<b>13 Overpayment.</b> Subtract line 10 from line 11 . . . . .			<b>13</b>	

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
----------------------	------	-------

## General Instructions

(Section references are to the Internal Revenue Code.)

### 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.

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

**Recordkeeping** . . . . . 6 hr., 13 min.

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

**Preparing and sending the form to the IRS** . . . . . 2 hr., 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 both the **Internal Revenue Service**, Washington, DC 20224, Attention: IRS Reports Clearance Officer, T:FP; and the **Office of Management and Budget**, Paperwork Reduction Project (1545-1016), Washington, DC 20503. **DO NOT** send this form to either of these offices. Instead, see **When and Where To File** below.

### Purpose of Form

Form 8613 is used by regulated investment companies (RICs) 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 RIC that is liable for the excise tax on undistributed income under section 4982 or that makes an election under section 4982(e)(4) must file Form 8613. A RIC that makes the election must file the form even if no excise tax is due.

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).

If a RIC has more than one fund, each fund must file a separate Form 8613. For these instructions, the term "fund" refers to the definition in section 851(h) and to any RIC 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 in 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 more time is needed, use **Form 2758**, Application for Extension of Time To File Certain Excise, Income, Information, and Other Returns, to request an extension of time to file Form 8613. However, Form 2758 does not extend the time for payment of tax.

### Rounding Off to Whole Dollars

The fund may show amounts on the return as whole dollars. 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.

### Interest and Penalties

**Interest.**—Interest is charged on taxes not paid by the due date even if an extension of time to file is granted. Interest is also charged on penalties imposed for failure to file, negligence, fraud, gross valuation overstatements, and substantial understatements of tax from the due date (including extensions) to the date of payment. The interest charge is figured at a rate determined under section 6621.

**Late filing of return.**—A fund that does not file its tax return by the due date, including extensions, may have to pay a penalty of 5% of the unpaid tax for each month or part of a month the return is late, up to a maximum of 25% of the unpaid tax. The minimum penalty for a return that is more than 60 days late is the smaller of the tax due or \$100. The penalty will not be imposed if the fund can show that the failure to file on time was due to reasonable cause. Funds that file late must attach a statement explaining the reasonable cause.

**Late payment of tax.**—A fund that does not pay the tax when due may have to pay a penalty of ½ of 1% of the unpaid tax for each month or part of a month the tax is not paid up to a maximum of 25% of the unpaid tax. This penalty may also apply to any additional tax not paid within 10 days of the date of the notice and demand for payment. The penalty will not be imposed if the fund can show that the failure to pay on time was due to reasonable cause.

### 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. Receivers, trustees, or assignees 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 (see section 851(h)(2)), the return may be signed by any officer authorized to sign for the RIC in which the fund is a series.*

### Specific Instructions

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 the dividends are paid.

**Amended return.**—To amend a previously filed Form 8613, file a corrected Form 8613 and write "Amended" at the top of the form.

**Period covered.**—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, the fund is required to figure its undistributed income on a calendar year basis even though it may file its income tax return and keep its books and records based on a fiscal year.

**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 fund has a P.O. box, show the box number instead of the street address.

### Line 1a

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. However, for an election under section 4982(e)(4), the last day of the fund's tax year is substituted for October 31.

### Line 2a

Capital gain net income is computed on the basis of a 1-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 the fund qualifies, it may elect to substitute its tax year for the 1-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 that year, the fund figures 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.

A RIC that makes the election must file Form 8613 even if no excise tax is due. The election is made by checking the box at the top of the form. It must be made no later than the time for filing Form 8613 (including extensions) for the year in which the election will apply. Once made, the election is revocable only with IRS consent.

### Line 5

Enter the amount of dividends paid during the calendar year. Include dividends declared in October, November, or December of that calendar year and payable to shareholders of record on a specified date in that 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 are included on line 5.

### Line 6

Line 6 is the total of the following amounts:

1. Taxable income from Form 1120-RIC, Part I, line 26, and the amount subject to tax on Form 1120-RIC, Part II, line 3; and
2. Undistributed capital gains designated under section 852(b)(3)(D) from Form 2438, line 11.

All these amounts are computed for the tax year of the fund ending in or with the calendar year for which this excise tax return is being filed.

### Line 12

Full payment of the tax due on line 12 must accompany the return. Make the RIC's check or money order payable to "Internal Revenue Service."