

General Instructions

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:

Recordkeeping	13 min.
Learning about the law or the form	3 min.
Preparing the form	14 min.
Copying, assembling, and sending the form to the IRS	31 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 (1545-0043), Washington, DC 20503.

DO NOT send the tax form to either of these offices. Instead, see **When and Where To File** below.

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, 1992, and ends June 30, 1993. In November 1992, 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, 1993. The shareholder reports the consent dividend as a taxable dividend on its tax return filed for the calendar year ending December 31, 1993.

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.