

## 2023 YEAR-END TAX REPORTING

*These instructions and the related spreadsheet do not constitute, and should not be considered a substitute for, legal advice. These instructions are not and were not intended or written to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed on a taxpayer. The rules governing the proper tax characterization of distributions by mutual funds can be complex. Each fund should consult its own tax advisor regarding the proper tax characterization and reporting of the fund's distributions.*

### ***DO NOT SEND SPREADSHEETS TO THE INVESTMENT COMPANY INSTITUTE***

#### **INSTRUCTIONS FOR COMPLETING THE PRIMARY LAYOUT SPREADSHEET**

- 1. Spreadsheet Description** – The Primary Layout may be used by RICs to provide year-end tax reporting information. **Note:** All amounts are expressed as per share amounts and include six (6) digits after the decimal point. However, brokers will accept data up to nine (9) digits after the decimal point and, as necessary, truncate it to six (6) digits.
- 2. Target Data Delivery Date** – The brokerage community has requested that funds provide year-end tax data **as soon as it is available** following year-end in order to process the data and send the information to shareholders by the Form 1099-DIV due date. The ICI fully supports this request and encourages funds, in all events, to provide data on this **primary layout** no later than **Tuesday, January 16, 2024**. Funds that require additional time to prepare the data may choose to communicate with the entities that have requested fund year-end tax reporting information to arrange an alternative delivery date and to determine whether to send partial information as it becomes available.
- 3. Primary Layout Report Date** – Identify in the cell provided the date that this spreadsheet is disseminated. Spreadsheets should be distributed no more frequently than daily.
- 4. Which Funds to Include:** The brokerage community has requested that fund complexes report all classes for all active funds, including auction rate preferred classes of closed-end funds. If a fund made no distributions and has no other items to report, complete only Columns 1, 2 and 3.
- 5. Security Description [Column 1]** – Legal name of the fund or portfolio. Where applicable indicate class and type of shares (*e.g.*, preferred or ordinary).
- 6. Estimated (“E”) [Column 4]**– Place an “E” in this column if the dividends reported here are estimates and final information will be reported later. When the final information is reported, the “E” should be removed from this column.
- 7. Reclass (“R”) [Column 5]**– Place an “R” in this column if the character of the dividend as reported on this schedule for tax reporting purposes is different than the designation made when the

amounts were distributed. **Note:** The “R” should continue to be reported for this dividend whenever this dividend appears on future versions of this schedule.

8. **Corrected (“C”) [Column 6]** – Place a “C” in this column if the amounts reported here are corrections of amounts reported on a previous version of the Primary Layout. On subsequent versions of the Primary Layout, the “C” should be removed.
9. **Record Date (MM/DD/YYYY) [Column 7]** – Indicates the record date for a distribution. **Note:** For the income distributions of a fund that goes “ex-dividend” on a daily basis, put the word “DAILY” in the Record Date column. A capital gain distribution with the same payable date should be on a separate line with its corresponding record date.
10. **Ex-Dividend Date (MM/DD/YYYY) [Column 8]** – Indicates the ex-dividend date for a distribution. **Note:** For the income distributions of a fund that goes “ex-dividend” on a daily basis, put the word “DAILY” in the Ex-Dividend Date column. A capital gain distribution with the same payable date should be on a separate line with its corresponding ex-dividend date.
11. **Total Distribution per Share [Column 10]** – Include the total amount of the distribution as declared. **Include any dividend that should be included in whole or in part in the shareholders’ current taxable year**, even if declared in a prior year or that would ordinarily meet the criteria for being reported in the current year (*i.e.*, constructive receipts) but is entirely deferred to the next tax year. The amount entered here would not include foreign tax paid by a mutual fund making a “flow through” election since this is not part of a declared dividend.

For a split-year distribution--where part of the distribution is included in the shareholder’s income in the current taxable year and part of the distribution is included in the shareholder’s income in another taxable year--(1) report the portion of the distribution that was included in the shareholders’ **PRIOR** year in **Column 11**; (2) report the portion of the distribution includible in shareholders’ **CURRENT** year in **Column 13**; and (3) report the portion of the distribution that will be included in the shareholders’ **NEXT** year in **Column 12**.

12. **Current Year Distribution [Column 13]** – Note that the current year distribution included in Column 10’s Total Distribution Per Share includes income dividends (Column 14), short-term capital gain (Column 15), total capital gain (Column 22), nontaxable distributions (Column 26), cash liquidations (Column 28) and exempt interest dividends (Column 30).
13. **Income Dividends [Column 14]** – The amount of the distribution that is taxable as ordinary income **excluding any amounts arising from either short-term capital gains or foreign tax paid**.
14. **Short-Term Capital Gain [Column 15]** – The amount of the distribution arising from short-term capital gain, and which is taxable as ordinary income. This amount is NOT included within the amount of Income Dividends reported in Column 14 or the amount of foreign tax paid in Column 16.

- 15. Foreign Tax Paid [Column 16]** – Enter the amount of foreign taxes that should be included in “Total Ordinary Dividends,” Box 1a of the Form 1099-DIV. This amount does not include income dividends (Column 14) or short-term capital gain (Column 15). The amount entered in this column is the same as the amount entered in Column 27 for Box 7 of Form 1099-DIV unless the fund received a refund of foreign taxes paid (with an interest adjustment) and is utilizing the netting method described in Notice 2016-10, Section 4.04 *Effect of Netting* (in which case the amount entered in this column may be greater than the amount entered in Column 27).
- 16. Total Ordinary Dividends [Column 17]** – The total amount of the distribution that should be included in Box 1a of Form 1099-DIV. This column should always equal the sum of Income Dividends (Column 14), Short-Term Capital Gain (Column 15), and Foreign Tax Paid (Column 16).
- 17. Qualified Income Dividends [Column 18]** – The amount of the Income Dividends (Column 14) that should be included in “Qualified Dividends,” Box 1b of Form 1099-DIV. This amount does not include Qualified Short-Term Gain (Column 19) or Qualified Foreign Tax Paid (Column 20).
- 18. Qualified Short-Term Gain [Column 19]** – The amount of the Short-Term Capital Gain (Column 15) that should be included in “Qualified Dividends,” Box 1b of Form 1099-DIV. This amount does not include Qualified Income Dividends (Column 18) or Qualified Foreign Tax Paid (Column 20).
- 19. Qualified Foreign Tax Paid [Column 20]** – The amount of the Foreign Tax Paid (Column 16) that should be included in “Qualified Dividends,” Box 1b of Form 1099-DIV. This amount does not include Qualified Income Dividends (Column 18) or Qualified Short-Term Gains (Column 19).
- 20. Qualified Dividends [Column 21]** – The amount of the distribution in Column 17 (Box 1a total ordinary dividends) that should be reported in “Qualified Dividends,” Box 1b of the Form 1099-DIV (which may be eligible for reduced capital gains rates subject to the shareholder level holding period requirement). This amount should always equal the sum of Qualified Income Dividends (Column 18), Qualified Short-Term Gain (Column 19), and Qualified Foreign Tax Paid (Column 20). This amount is included in and **cannot exceed** the amount entered as Total Ordinary Dividends (Column 17).
- 21. Total Capital Gain Distribution [Column 22]** – The total capital gain distribution (Box 2a on Form 1099-DIV) is comprised of all capital gain distributions other than short-term capital gains. This includes, but is not limited to, Unrecaptured Section 1250 Gain (Column 23), Section 1202 Gain (Column 24), Collectibles Gain (Column 25), and Section 897 Capital Gain (Column 41).
- 22. Foreign Tax Paid [Column 27]** – Enter the amount of foreign taxes that should be included in “Foreign Tax Paid,” Box 7 of the Form 1099-DIV. The amount entered in this column is the same as the amount entered in Column 16 (Foreign Tax Paid) for Box 1a of Form 1099-DIV unless the fund received a refund of foreign taxes paid (with an interest adjustment) and is utilizing the

netting method described in Notice 2016-10, Section 4.04 *Effect of Netting* (in which case the amount entered in this column may be less than the amount entered in Column 16).

- 23. Exempt-Interest Dividends [Column 30]** – The amount of the distribution attributable to Federal tax-exempt interest income included in Box 12 of Form 1099-DIV.
- 24. Alternative Minimum Tax [Column 31]** – The **percentage (not the amount)** of Exempt Interest Dividends (*Column 30*) that must be treated as a “preference item” by those taxpayers subject to the alternative minimum tax included in Box 13 of Form 1099-DIV. **Do not report a per share rate amount. Report a percentage.** This percentage should be expressed in its decimal form (should always be a number between 0 and 1) but could be formatted as a percentage within Excel so that it is displayed with the percent sign. For example, .70 formatted as a percentage within Excel is displayed as 70%. Funds may report the percentage either as a detailed percentage or an annualized percentage (annualized percentages were used when AMT percentages were reported on the Secondary Layout).
- 25. Merger or Other Changes Resulting in New CUSIP numbers [Column 32]** – Place an “M” for Merger in this column if (a) the fund was merged into another fund during the year and this is the last dividend that will be reported under that fund name or (b) the fund’s CUSIP number has changed and this is the last dividend that will be reported under the prior CUSIP number.

Place a “Y” in this column if the fund’s CUSIP number has changed for any reason other than a merger (*e.g.*, conversion) and this is the last dividend that will be reported under the prior CUSIP number.

- 26. Section 199A Income Dividends [Column 33]** – The amount of the Income Dividends (Column 14) that should be included in “Section 199A Dividends,” Box 5 of the Form 1099-DIV. This amount does not include Section 199A Short-Term Gain (Column 34) or Section 199A Foreign Tax Paid (Column 35).
- 27. Section 199A Short-Term Gain [Column 34]** – The amount of the Short-Term Capital Gain (Column 15) that should be included in “Section 199A Dividends,” Box 5 of the Form 1099-DIV. This amount does not include Section 199A Income Dividends (Column 33) or Section 199A Foreign Tax Paid (Column 35).
- 28. Section 199A Foreign Tax Paid [Column 35]** – The amount of the Foreign Tax Paid (Column 16) that should be included in “Section 199A Dividends,” Box 5 of the Form 1099-DIV. This amount does not include Section 199A Income Dividends (Column 33) or Section 199A Short-Term Gain (Column 34).
- 29. Section 199A Dividends [Column 36]** – The amount of the distribution in Column 17 (Box 1a total ordinary dividends) that should be reported in “Section 199A Dividends,” Box 5 of the Form 1099-DIV (which may be eligible for the 20% qualified business income deduction subject to the shareholder level holding period requirement). This amount should always equal the sum of Section 199A Income Dividends (Column 33), Section 199A Short-Term Gains (Column 34),

and Section 199A Foreign Tax Paid (Column 35). This amount is included in and **cannot exceed** the amount entered as Total Ordinary Dividends (Column 17).

- 30. Section 897 Income Dividends [Column 37]** – The amount of the Income Dividends (Column 14) that should be included in “Section 897 Ordinary Dividends,” Box 2e of the Form 1099-DIV. This amount does not include Section 897 Short-Term Gain (Column 38) or Section 897 Foreign Tax Paid (Column 39).
- 31. Section 897 Short-Term Gain [Column 38]** – The amount of the Short-Term Capital Gain (Column 15) that should be included in “Section 897 Dividends,” Box 2e of the Form 1099-DIV. This amount does not include Section 897 Income Dividends (Column 37) or Section 897 Foreign Tax Paid (Column 39).
- 32. Section 897 Foreign Tax Paid [Column 39]** – The amount of the Foreign Tax Paid (Column 16) that should be included in “897 Dividends,” Box 2e of the Form 1099-DIV. This amount does not include Section 897 Income Dividends (Column 37) or Section 897 Short-Term Gain (Column 38).
- 33. Section 897 Ordinary Dividends [Column 40]** – The amount of the distribution in Column 17 (Box 1a total ordinary dividends) that should be reported in “Section 897 Ordinary Dividends,” Box 2e of the Form 1099-DIV. (Note: Box 2e does not need to be completed for recipients that are US individuals.) This amount should always equal the sum of Section 897 Income Dividends (Column 37), Section 897 Short-Term Gains (Column 38), and Section 897 Foreign Tax Paid (Column 39). This amount is included in and **cannot exceed** the amount entered as Total Ordinary Dividends (Column 17).
- 34. Section 897 Capital Gain [Column 41]** – The amount of the distribution in Column 22 (Box 2a total capital gain distribution) that should be reported in “Section 897 Capital Gain,” Box 2f of the Form 1099-DIV. (Note: Box 2f does not need to be completed for recipients that are US individuals.) This amount is included in and **cannot exceed** the amount entered as Total Capital Gain Distribution (Column 22).