

**- Committee on Ways and Means -
 ESTIMATED REVENUE EFFECTS OF H.R. 4337,
 THE "REGULATED INVESTMENT COMPANY MODERNIZATION ACT OF 2010"**

Fiscal Years 2011 - 2020

[Millions of Dollars]

Provision	Effective	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-15	2011-20
I. Capital Loss Carryovers of Regulated Investment Companies.....	[1]	3	22	34	39	43	48	53	59	65	-262	142	104
II. Modification of Gross Income and Asset Tests of Regulated Investment Companies													
1. Income from commodities counted toward gross income test of regulated investment companies.....	tyba DOE	----- <i>Negligible Revenue Effect</i> -----											
2. Savings provisions for failures of regulated investment companies to satisfy gross income and asset tests.....	[2]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]
Modification of Gross Income and Asset Tests of Regulated Investment Companies.....		[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]
III. Modification of Rules Related to Dividends and Other Distributions													
1. Modification of dividend designation requirements and allocation rules for regulated investment companies.....	di tyba DOE	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]
2. Earnings and profits of regulated investment companies.....	tyba DOE	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]
3. Pass-thru of exempt-interest dividends and foreign tax credits in fund of funds structure.....	tyba DOE	-2	-4	-4	-4	-4	-4	-4	-5	-5	-5	-18	-41
4. Modification of rules for spillover dividends of regulated investment companies.....	di tyba DOE	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]
5. Return of capital distributions of regulated investment companies.....	di tyba DOE	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]
6. Distributions in redemption of stock of a regulated investment company.....	da DOE	-5	-9	-9	-10	-10	-10	-11	-11	-12	-12	-42	-99

Provision	Effective	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-15	2011-20
7. Repeal of preferential dividend rule for publicly offered regulated investment companies.....	di tyba DOE	----- <i>Negligible Revenue Effect</i> -----											
8. Elective deferral of certain late-year losses of regulated declared exempt-interest dividends.....	tyba DOE	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]
9. Exception to holding period requirement for certain regularly declared exempt-interest dividends.....	[5]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]
Total of Modification of Rules Related to Dividends and Other Distributions.....		-7	-13	-13	-14	-14	-14	-15	-16	-17	-17	-60	-140
IV. Modifications Related to Excise Tax Applicable to Regulated Investment Companies													
1. Excise tax exemption for certain regulated investment companies owned by tax exempt entities.....	cyba DOE	----- <i>Negligible Revenue Effect</i> -----											
2. Deferral of certain gains and losses of regulated investment companies for excise tax purposes.....	cyba DOE	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]
3. Distributed amount for excise tax purposes determined on basis of taxes paid by regulated investment company.....	cyba DOE	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]
4. Increase from 98% to 98.2% the required distribution rate on capital gain income by regulated investment companies.....	cyba DOE	29	23	10	4	4	4	4	4	4	5	70	92
Total of Modifications Regulated to Excise Tax Applicable to Regulated Investment Companies.....		29	23	10	4	4	4	4	4	4	5	70	92
V. Other Provisions													
1. Repeal of assessable penalty with respect to liability for tax of regulated investment companies.	tyba DOE	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]
2. Modification of sales load basis deferral rule for regulated investment companies.....	cii tyba DOE	-6	-8	-5	-2	-1	-1	-1	-1	-1	-1	-21	-26
Total of Other Provisions.....		-6	-8	-5	-2	-1	-1	-1	-1	-1	-1	-21	-26
NET TOTAL		19	24	26	27	32	37	41	46	51	-275	131	30

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. The date of enactment is assumed to be October 1, 2010.

[Legend and Footnotes for Table #10-1 093 appear on the following page]

Legend and Footnotes for Table #10-1 093:

Legend for "Effective" column:

cii = charges incurred in

cyba = calendar years beginning after

da = distributions after

di = distributions in

DOE = date of enactment

tyba = taxable years beginning after

- [1] The provision generally applies to net capital losses for taxable years beginning after the date of enactment. The provision relating to the treatment of present-law carryovers applies to taxable years beginning after the date of enactment.
- [2] The provision applies to taxable years with respect to which the due date (determined with regard to extensions) of the return of tax is after the date of enactment.
- [3] Gain of less than \$500,000.
- [4] Loss of less than \$500,000.
- [5] Effective for stock for which the taxpayer's holding period begins after the date of enactment.