Form **1120-RIC**

Department of the Treasury
Internal Revenue Service

U.S. Income Tax Return for Regulated Investment Companies

For calendar year 1996 or tax year beginning ...., 1996, and ending ...., 19 ......

▶ Instructions are separate. See page 1 for Paperwork Reduction Act Notice.

OMB No. 1545-1010

1996

A Year of RIC status election	Please type or print	Name of fund	**C Employer identification number**
		Number, street, and room or suite no. (If a P.O. box, see page 5 of instructions.)	**D** Total assets (See page 5 of instructions.)
B Date fund was established (See page 5 of instructions.)		City or town, state, and ZIP code	$

E Check applicable boxes: (1) ☐ Final return (2) ☐ Change of address (3) ☐ Amended return

F Check if the fund is a personal holding company (attach Sch. PH) **or** if the fund is not in compliance with Regs. sec. 1.852-6 for this tax year ▶ ☐

Part I—Investment Company Taxable Income (See page 6 of instructions.)

Income	1	Dividends	1	
	2	Interest	2	
	3	Net foreign currency gain or (loss) from section 988 transactions (attach schedule)	3	
	4	Payments with respect to securities loans	4	
	5	Excess of net short-term capital gain over net long-term capital loss from Schedule D (Form 1120), line 11 (attach Schedule D (Form 1120))	5	
	6	Net gain or (loss) from Form 4797, Part II, line 20 (attach Form 4797)	6	
	7	Other income (see page 6 of instructions—attach schedule)	7	
	8	**Total income.** Add lines 1 through 7 ▶	8	
Deductions (See page 6 of instructions.)	9	Compensation of officers (Schedule E, line 2)	9	
	10	Salaries and wages (less employment credits)	10	
	11	Rents	11	
	12	Taxes and licenses	12	
	13	Interest	13	
	14	Depreciation (attach Form 4562)	14	
	15	Advertising	15	
	16	Registration fees	16	
	17	Insurance	17	
	18	Accounting and legal services	18	
	19	Management and investment advisory fees	19	
	20	Transfer agency, shareholder servicing, and custodian fees and expenses	20	
	21	Reports to shareholders	21	
	22	Other deductions (attach schedule)	22	
	23	**Total deductions.** Add lines 9 through 22 ▶	23	
	24	Taxable income before deduction for dividends paid. Subtract line 23 from line 8	24	
	25	**Less:** Deduction for dividends paid (Schedule A, line 6a)	25	
Tax and Payments	26	**Investment company taxable income.** Subtract line 25 from line 24	26	
	27	**Total tax** (Schedule J, line 9)	27	
	28	**Payments: a** 1995 overpayment credited to 1996 — 28a		
	b	1996 estimated tax payments — 28b		
	c	Less 1996 refund applied for on Form 4466 — 28c ( ) d Bal ▶ 28d		
	e	Tax deposited with Form 7004 — 28e		
	f	Credit from other regulated investment companies (attach Form 2439) — 28f		
	g	Credit for Federal tax paid on fuels (attach Form 4136) — 28g	28h	
	29	Estimated tax penalty (see page 8 of instructions). Check if Form 2220 is attached ▶ ☐	29	
	30	**Tax due.** If line 28h is smaller than the total of lines 27 and 29, enter amount owed	30	
	31	**Overpayment.** If line 28h is larger than the total of lines 27 and 29, enter amount overpaid	31	
	32	Enter amount of line 31 you want: **Credited to 1997 estimated tax** ▶ **Refunded** ▶	32	

Please Sign Here

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. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ Signature of officer | Date | ▶ Title

Paid Preparer's Use Only

Preparer's signature ▶	Date	Check if self-employed ▶ ☐	Preparer's social security no.
Firm's name (or yours if self-employed) and address ▶		EIN ▶	
		ZIP code ▶	

Part II—Tax on Undistributed Net Capital Gain Not Designated Under Section 852(b)(3)(D)

1	Net capital gain from Schedule D (Form 1120), line 12 (attach Schedule D (Form 1120))	1	
2	Less: Capital gain dividends from Schedule A, line 6b	2	
3	Amount subject to tax. Subtract line 2 from line 1	3	
4	Capital gains tax. Multiply line 3 by 35% (.35). Enter tax here and on line 3b, Schedule J	4	

Schedule A Deduction for Dividends Paid (Do not include exempt-interest dividends or capital gain dividends reported on Form 2438, line 9b.) (See page 8 of instructions.)

			(a) Ordinary dividends	(b) Capital gain dividends
1	Dividends paid (other than dividends paid after the end of the tax year). Do not include dividends considered paid in the preceding tax year under section 852(b)(7) or 855(a), or deficiency dividends as defined in section 860	1		
2	Dividends paid in the 12-month period following the close of the tax year that the fund elects to treat as paid during the tax year under section 855(a)	2		
3	Dividends declared in October, November, or December and deemed paid on December 31 under section 852(b)(7)	3		
4	Consent dividends (section 565) (attach Forms 972 and 973)	4		
5	Foreign tax paid deduction (section 853(b)(1)(B)), if applicable	5		
6	Deduction for dividends paid:			
a	**Ordinary dividends.** Add lines 1 through 5 of column (a). Enter here and on page 1, line 25	6a		
b	**Capital gain dividends.** Add lines 1 through 4 of column (b). Enter here and on Part II, line 2, above	6b		

Schedule B Information Required With Respect to Income From Tax-Exempt Obligations

1 Did the fund qualify under section 852(b)(5) to pay exempt-interest dividends for 1996? ▶ ☐ Yes ☐ No
If "Yes," complete lines 2 through 5. If "No," go to Schedule E. (See page 8 of instructions.)

2	Amount of interest excludible from gross income under section 103(a)	2	
3	Amounts disallowed as deductions under sections 265 and 171(a)(2)	3	
4	Net income from tax-exempt obligations. Subtract line 3 from line 2	4	
5	Amount of line 4 designated as exempt-interest dividends	5	

Schedule E Compensation of Officers (See instructions for line 9, page 1.)

Complete Schedule E only if total receipts are $500,000 or more.

	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	(d) Percent of fund stock owned	(e) Amount of compensation
1			%	%	
			%	%	
2	Total compensation of officers. Enter here and on line 9, page 1			2	

Schedule J Tax Computation (See page 9 of instructions.)

1 Check if the fund is a member of a controlled group (see sections 1561 and 1563) ▶ ☐
Important: Members of a controlled group, see instructions on page 9.

2a If the box on line 1 is checked, enter the fund's share of the $50,000, $25,000, and $9,925,000 taxable income brackets (in that order):
(1) $ **(2)** $ **(3)** $

b Enter the fund's share of:
(1) Additional 5% tax (not more than $11,750) $
(2) Additional 3% tax (not more than $100,000) $

3a	Tax on investment company taxable income	3a			
b	Capital gains tax. Enter amount from Part II, line 4	3b			
c	**Income tax.** Add lines 3a and 3b			3c	
4a	Foreign tax credit (attach Form 1118)	4a			
b	Check: ☐ Nonconventional source fuel credit ☐ QEV credit (attach Form 8834)	4b			
c	General business credit. Enter here and check which forms are attached: ☐ 3800 ☐ 3468 ☐ 5884 ☐ 6478 ☐ 6765 ☐ 8586 ☐ 8830 ☐ 8826 ☐ 8835 ☐ 8844 ☐ 8845 ☐ 8846 ☐ 8820 ☐ 8847	4c			
d	Credit for prior year minimum tax (attach Form 8827)	4d			
e	**Total credits.** Add lines 4a through 4d			4e	
5	Subtract line 4e from line 3c			5	
6	Personal holding company tax (attach Schedule PH (Form 1120))			6	
7	Recapture taxes. Check if from: ☐ Form 4255 ☐ Form 8611			7	
8	Alternative minimum tax (attach Form 4626)			8	
9	**Total tax.** Add lines 5 through 8. Enter here and on line 27, page 1			9	

Schedule K **Other Information** (See pages 10 and 11 of instructions.) — Yes | No

1 Check method of accounting:
a ☐ Cash
b ☐ Accrual
c ☐ Other (specify) ▶ ....

2 Did the fund at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)
If "Yes," attach a schedule showing **(a)** name and identification number, **(b)** percentage owned, and **(c)** taxable income or (loss) before a net operating loss (NOL) and special deductions of such corporation for the tax year ending with or within your tax year.

3 Is the RIC a subsidiary in a parent-subsidiary controlled group?
If "Yes," enter the employer identification number and the name of the parent corporation ▶ ....

4 Did any individual, partnership, corporation, estate or trust at the end of the tax year own, directly or indirectly, 50% or more of the RIC's voting stock? (For rules of attribution, see section 267(c).)
If "Yes," attach a schedule showing name and identification number. (Do not include any information already entered in **3** above.) Enter percentage owned ▶ ....

5 Did one foreign person at any time during the tax year own, directly or indirectly, at least 25% of:
a The total voting power of all classes of stock of the fund entitled to vote, **or**
b The total value of all classes of stock of the fund?
If "Yes,":
(1) Enter percentage owned ▶ ....
(2) Enter owner's country ▶ ....
(3) The fund may have to file Form 5472. Enter number of Forms 5472 attached ▶ ....

6 Was the fund a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.)
If "Yes," attach Form 5471 for each such corporation.
Enter number of Forms 5471 attached ▶ ....

7 At any time during the 1996 calendar year, did the fund have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?
If "Yes," the fund may have to file Form TD F 90-22.1.
If "Yes," enter the name of the foreign country ▶ ....

8 During the tax year, did the fund receive a distribution from, or was it the grantor of, or transferor to, a foreign trust?
If "Yes," see page 11 of the instructions for other forms the fund may have to file.

9 During this tax year, did the fund pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the fund's current and accumulated earnings and profits? (See sections 301 and 316.)
If "Yes," file Form 5452.

10 Check this box if the fund issued publicly offered debt instruments with original issue discount ▶ ☐
If checked, the fund may have to file Form 8281.

11 Enter the amount of tax-exempt interest received or accrued during the tax year. ▶ $ ....

12 If this return is being filed for a series fund (as defined in section 851(h)(2)), complete **a** and **b**:
a Enter the name of the regulated investment company in which the fund is a series ▶ ....
b Enter the date the regulated investment company was incorporated or organized ▶ ....

13 **Section 853 election.—**Check this box if the fund meets the requirements of section 853(a) **and** elects to pass through the deduction or credit for foreign taxes it paid to its shareholders. See the instructions on page 11 for additional details and requirements ▶ ☐

14 **Regulations section 1.852-11 election.—**Check this box if, for purposes of computing taxable income, the fund elects under Regulations section 1.852-11(f)(1) to defer all or part of its post-October capital loss or post-October currency loss for this tax year ▶ ☐
If the election is made, enter the amounts deferred:
a Post-October capital loss ▶ ....
b Post-October currency loss ▶ ....

Schedule L Balance Sheets per Books

Assets		Beginning of tax year (a)	(b)	End of tax year (c)	(d)
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	( )		( )	
3	U.S. government obligations				
4	Tax-exempt securities (see page 11 of instructions)				
5	Other current assets (attach schedule)				
6	Loans to stockholders				
7	Mortgage and real estate loans				
8	Other investments (attach schedule)				
9a	Buildings and other fixed depreciable assets				
b	Less accumulated depreciation	( )		( )	
10	Land (net of any amortization)				
11a	Intangible assets (amortizable only)				
b	Less accumulated amortization	( )		( )	
12	Other assets (attach schedule)				
13	Total assets				
	Liabilities and Stockholders' Equity				
14	Accounts payable				
15	Mortgages, notes, bonds payable in less than 1 year				
16	Other current liabilities (attach schedule)				
17	Loans from stockholders				
18	Mortgages, notes, bonds payable in 1 year or more				
19	Other liabilities (attach schedule)				
20	Capital stock				
21	Paid-in or capital surplus				
22	Retained earnings—Appropriated (attach schedule)				
23	Retained earnings—Unappropriated				
24	Less cost of treasury stock		( )		( )
25	Total liabilities and stockholders' equity				

Note: *The fund is not required to complete Schedules M-1 and M-2 if the total assets on line 13, column (d), of Schedule L are less than $25,000.*

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (See page 11 of instructions.)

1	Net income (loss) per books		7	Income recorded on books this year not included on this return (itemize): Tax-exempt interest $	
2	Federal income tax		8	Deductions on this return not charged against book income this year (itemize):	
3	Excess of capital losses over capital gains		a	Depreciation $	
4	Income subject to tax not recorded on books this year (itemize):		b	Deduction for dividends paid (line 25, page 1) $	
5	Expenses recorded on books this year not deducted on this return (itemize):		9	Net capital gain from Form 2438, line 9a	
a	Depreciation $		10	If the fund did not file Form 2438, enter the net capital gain from Schedule D (Form 1120), line 12. Otherwise, enter -0-	
b	Expenses allocable to tax-exempt interest income $		11	Add lines 7 through 10	
c	Section 4982 tax $		12	Investment company taxable income (line 26, page 1)—line 6 less line 11.	
d	Travel and entertainment $				
6	Add lines 1 through 5				

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 23, Schedule L)

1	Balance at beginning of year		5	Distributions: a Cash	
2	Net income (loss) per books			b Stock	
3	Other increases (itemize):			c Property	
			6	Other decreases (itemize):	
			7	Add lines 5 and 6	
4	Add lines 1, 2, and 3		8	Balance at end of year (line 4 less line 7)	