TaxNewsFlash

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Rev. Proc. 2018-47: Excise tax relief for RICs with section 965 inclusions

The IRS today issued an advance version of Rev. Proc. 2018-47 to provide excise tax relief for certain regulated investment companies (RICs) that have inclusions under section 951(a)(1) by reason of section 965 for the excise tax year ended on December 31, 2017.

Rev. Proc. 2018-47 [PDF 21 KB] applies to any amount that section 965 would (but for this revenue procedure) require a RIC to include in gross income under section 951(a)(1) for the RIC's excise tax year ended on December 31, 2017 (a "2017 inclusion").

Rev. Proc. 2018-47 states that IRS will not challenge a RIC's treatment of a 2017 inclusion if the RIC:

- Treats the 2017 inclusion in the same manner as a specified gain (within the meaning of section 4982(e)(5)(B)(i)) that (but for section 4982(e)(5)) would be properly taken into account during the portion of the RIC's 2017 excise tax year that is after October 31, and
- Treats any deduction under section 965(c) attributable to the 2017 inclusion in the same manner as a specified loss (within the meaning of section 4982(e)(5)(B)(ii)) that (but for section 4982(e)(5)) would be properly taken into account during the portion of the RIC's 2017 excise tax year that is after October 31