QUESTIONS & ANSWERS

If I am not subject to the maximum long-term capital gain rate, what rate would apply to my capital gain distributions?

Capital gain tax rates have their own brackets and are tied to ordinary income levels. If you qualify (see IRS Instructions) to enter your long-term capital gain distributions directly on Form 1040, Schedule D Line 13, you must refer to the Qualified Dividends and Capital Gain Worksheet included in the official 2019 IRS Form 1040 instructions to compute your tax.

Why did I receive a Form 1099-DIV for my account?

Federal regulations require reporting taxable dividends and distributions of $10.00 or more except if earned in certain exempt accounts, such as retirement or IRA accounts. Tax-exempt dividend distributions paid in 2019 are also reported on Form 1099-DIV even though these distributions may be excludable from income.

What if I did not receive a Form 1099-DIV for my account?

You should only receive a Form 1099-DIV if your taxable dividends and distributions were $10.00 or more. You must report all taxable dividends even if you don't receive a Form 1099-DIV. If you have additional questions, please consult your tax advisor.

Can I add all of the amounts on my Form 1099-DIV and report them as one total on my tax returns?

No. Form 1099-DIV contains individual lines of information for each fund account you held during 2019. Unless otherwise provided for in the tax return instructions, report each amount separately on your tax returns.

How can I obtain information on the percentage of my fund dividends that was derived from interest income on U.S. government obligations? Is that amount exempt from state personal income tax?

If your fund invested in U.S. government obligations, percentage information is shown on your year-end Account Statement or will be included with your Form 1099-DIV. In most states, the portion of your dividends derived from U.S. government obligations will be exempt from state personal income tax. Please consult your tax advisor for the treatment of these dividends in your state.

Why is there an amount shown in Box 7 (“Foreign Tax Paid”) of my Form 1099-DIV and what does it represent?

Your fund has made investments in foreign securities, the income from which is subject to foreign tax withholding. This is your portion of those taxes, which you may take as an itemized deduction or tax credit on your federal personal income tax return. Further information is contained on an enclosure with your Form 1099-DIV.
The portion of the total capital gain distribution represented as unrecovered section 1250 gain, if any, in 2019.

The portion of the total capital gain distribution represented as collectibles (28%) gain, if any, in 2019.

The return of capital distributions paid to you, if any, in 2019. This amount reduces the cost basis of your fund shares. If you get back all of your cost (or other basis), report any additional distributions as capital gains. See IRS Publication 550, Investment Income and Expenses.

THIS AMOUNT IS NOT TAX-EXEMPT INCOME.

Federal income tax withheld, if any, from dividends and distributions paid to you in 2019. This amount will either reduce the amount of tax you owe to the IRS or increase the amount the IRS will refund to you.

Should be entered on Form 1040, Line 17.

Dividends eligible for the 20% qualified business income deductions under Section 199A. See instructions for Form 1040.

Your share of expenses of a nonpublicly offered regulated investment company, generally a nonpublicly offered mutual fund.

Foreign income taxes paid in 2019 on interest and dividend income derived from the fund’s investment in foreign securities. Federal tax law generally permits U.S. taxpayers to either deduct or take a credit against their U.S. tax liability for taxes paid to foreign governments. Should be entered on:

1. Form 1040, Schedule A, Line 6, if you choose to deduct foreign taxes. Write “Foreign Taxes Paid” next to the amount entered on Line 6.
2. If you choose to take a credit please refer to the 2019 Foreign Tax Paid Information statement for instructions on how to take the credit. This statement is expected to be mailed out in February 2020.

For all liquidated funds (except money funds) during 2019, your gross proceeds from your liquidation is reported in this box. This information will not be reported on Form 1099-B.

For all exempt-interest dividends that were paid to you, if any, in 2019. The portion of the total capital gain distribution represented as collectibles (28%) gain, if any, in 2019.

Your share of expenses of a nonpublicly offered regulated investment company, generally a nonpublicly offered mutual fund.

Box (7). FOREIGN TAX PAID

Foreign income taxes paid in 2019 on interest and dividend income derived from the fund’s investment in foreign securities. Federal tax law generally permits U.S. taxpayers to either deduct or take a credit against their U.S. tax liability for taxes paid to foreign governments. Should be entered on:

1. Form 1040, Schedule A, Line 6, if you choose to deduct foreign taxes. Write “Foreign Taxes Paid” next to the amount entered on Line 6.
2. If you choose to take a credit please refer to the 2019 Foreign Tax Paid Information statement for instructions on how to take the credit. This statement is expected to be mailed out in February 2020.

Box (9). CASH LIQUIDATION DISTRIBUTIONS

For all liquidated funds (except money funds) during 2019, your gross proceeds from your liquidation is reported in this box. This information will not be reported on Form 1099-B.

Box (10). UNRECAP. SEC. 1250 GAIN

The portion of the total capital gain distribution represented as unrecovered section 1250 gain, if any, in 2019.

Box (12). SPECIFIED PRIVATE ACTIVITY BOND INTEREST DIVIDENDS

Shows exempt-interest dividends subject to the Alternative Minimum Tax (AMT). This amount is included in Box 11. See the instructions for Form 6251.

Box (13) and (14). STATE AND STATE IDENTIFICATION NUMBER

Shows state where account owner resided at the time of the trade and state identification number from which state taxes were withheld. If no state withholding amount is applicable, the state identification number will be blank.

Box (15). STATE INCOME TAX WITHHELD

Amount of state taxes withheld if you were subject to backup withholding.