§ 1.853–4  Manner of making election.

(a) General rule. To make an election under section 853 for a taxable year, a regulated investment company must file a statement of election as part of its Federal income tax return for the taxable year. The statement of election must state that the regulated investment company elects the application of section 853 for the taxable year and agrees to provide the information required by paragraph (c) of this section.

(b) Irrevocability of the election. The election shall be made with respect to all foreign taxes described in paragraph (c)(2) of this section, and must be made not later than the time prescribed for filing the return (including extensions). This election, if made, shall be irrevocable with respect to the dividend (or portion thereof), and the foreign taxes paid with respect thereto, to which the election applies.

(c) Required information. A regulated investment company making an election under section 853 must provide the following information:

1. The total amount of taxable income received in the taxable year from sources within foreign countries and possessions of the United States and the amount of taxable income received in the taxable year from sources within each such foreign country or possession.

2. The total amount of income, war profits, or excess profits taxes paid during the taxable year attributable to one share of stock of the regulated investment company.

3. The amount of income, war profits, or excess profits taxes paid during the taxable year attributable to one share of stock of the regulated investment company.

4. The date, form, and contents of the notice to its shareholders.

5. The proportionate share of creditable foreign taxes paid to each such foreign country or possession during the taxable year and foreign income received from sources within each such foreign country or possession during the taxable year.

(d) Time and manner of providing information. The information specified in paragraph (c) of this section must be provided at the time and in the manner prescribed by the Commissioner and, unless otherwise prescribed, must be provided on or with a modified Form 1118 “Foreign Tax Credit—Corporations” filed as part of the RIC’s timely filed Federal income tax return for the taxable year.

§ 1.854–1  Limitations applicable to dividends received from regulated investment company.

(a) In general. Section 854 provides special limitations applicable to dividends received from a regulated investment company for purposes of the exclusion under section 116 for dividends received by individuals, the deduction under section 243 for dividends received by corporations, and, in the case of dividends received by individuals before January 1, 1965, the credit under section 34.

(b) Capital gain dividend. Under the provisions of section 854(a) a capital