

ICI Applauds U.S. Senate Approval of Bill to Modernize Mutual Fund Tax Laws

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Washington, DC, December 9, 2010 - Investment Company Institute president and CEO Paul Schott Stevens made the following statement about recent U.S. Senate approval of H.R. 4337, as amended, a bill designed to update and streamline a number of mutual fund tax rules:

“U.S. Senate approval of the Regulated Investment Company (RIC) Modernization Act is an important milestone for mutual funds and their 90 million investors. The tax rules governing mutual funds have not kept up with changes during the last 25 years in industry structure, securities laws, and the markets in which funds invest. ICI has long supported Congress’s efforts to clarify and streamline mutual fund tax rules. We are pleased that Congress recognizes the importance of modernizing these laws.

“Most importantly, the bill will eliminate uncertainties and update tax rules so that fund companies can focus on what they do best: innovating and serving shareholders. The bill will improve the efficiency of funds’ investment structures and reduce the need for investors to file amended tax returns.”

While the U.S. House of Representatives approved the bill in September, it must return there for final consideration given a minor amendment made in the U.S. Senate-approved version of the bill.
