Form **973**

(Rev. December 2000)

Department of the Treasury
Internal Revenue Service

# Corporation Claim for Deduction for Consent Dividends

**(Under Section 561 of the Internal Revenue Code)**

**For tax year beginning , 20 , and ending , 20 .**

OMB No. 1545-0044

Name of corporation

**Employer identification number**

| Class of stock | Number of shares outstanding on first day of tax year | Number of shares outstanding on last day of tax year | Description of dividend rights | Actual distributions per share made in tax year * |
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* If a distribution was not made on all shares of any class, describe any unequal treatment:

Describe any other changes in outstanding stock during the tax year:

*(Use more sheets if necessary.)*

If any stock outstanding on the last day of the tax year is entitled to cumulative dividends, show the amount for earlier years unpaid at the beginning of the tax year. Give the class or classes of stock involved.

*(Use more sheets if necessary.)*

## Signature

Under penalties of perjury, I declare that I have examined this return, including any accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of officer | Date | Title

## Instructions

*Section references are to the Internal Revenue Code unless otherwise noted.*

**Purpose of form.** Form 973 is filed by a corporation claiming a consent dividend deduction under section 565.

**Who may file.** The consent dividend provisions apply to corporations that reasonably believe that they are subject to the accumulated earnings tax, personal holding companies, foreign personal holding companies, regulated investment companies, and real estate investment trusts.

**Limitations.** A consent dividend deduction may only be taken as to the amount stated on Form(s) 972 (see below), for "consent stock" (as defined in section 565(f)(1)), which is not a "preferential dividend" (as defined in section 562(c)), and which would constitute a "dividend" (as defined in section 316) if actually paid.

**When and where to file.** Attach Form 973 to the corporation's income tax return for the tax year the consent dividend deduction is claimed. Also attach a completed **Form 972,** Consent of Shareholder To Include Specific Amount in Gross Income, for each shareholder who agreed to treat the consent dividend as a taxable dividend.

**Nonresident aliens and foreign shareholders.** If the corporation receives a Form 972 from a nonresident alien or other foreign shareholder, the corporation must pay any withholding tax it would have withheld if the dividend had been actually paid (see Regulations section 1.565-5(a) and sections 1441 and 1442). File **Form 1042,** Annual Withholding Tax Return for U.S. Source Income of Foreign Persons, and **Form 1042-S,** Foreign Person's U.S. Source Income Subject to Withholding, to report the tax withheld. See the instructions for these forms for more detailed information on filing and transmitting the payment.

**Signature.** Form 973 must be signed by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or other corporate officer (such as tax officer) authorized to sign.

**Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their content may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

| | |
|---|---|
| **Recordkeeping** | 4 hr., 4 min. |
| **Learning about the law or the form** | 30 min. |
| **Preparing and sending the form to the IRS** | 35 min. |

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service at the address listed in the instructions of the tax return with which this form is filed.