

## Proceeds from Redemption or Exchange of Securities

All redemptions (sales) or exchanges made in non-retirement mutual fund accounts must be reported on Form 1099-B. Form 1099-B reports the gross proceeds from the sale or exchange of your mutual fund shares in 2023, less any contingent deferred sales charge deducted from the gross proceeds of the transaction.

The 1099-B Form is broken out into the following five sections based on the categorization of the redemption or exchange and the cost basis information available. You will not receive Form 8949 from Virtus Funds. You may obtain a copy of Form 8949 from the IRS website at [www.irs.gov](http://www.irs.gov).

### **Section 1: Short-Term Transactions for which Basis Is Reported to the IRS— Report on Form 8949, Part 1, with Box A checked.**

If information is reported in this section, the portion of the redemption or exchange is categorized as a short-term capital gain or loss. The cost basis information listed in boxes 1e and 1g will be reported to the IRS. This information should be transposed onto Form 8949 where further adjustments may be made, if necessary. Please consult your tax advisor for advice on the cost basis information needed for Form 8949 and Schedule D.

### **Section 2: Short-Term Transactions for which Basis Is Not Reported to the IRS— Report on Form 8949, Part 1, with Box B checked.**

If information is reported in this section, the portion of the redemption or exchange is categorized as a short-term capital gain or loss. The cost basis information listed in boxes 1e and 1g will not be reported to the IRS. This information can be used as a guide to help determine your cost basis.

### **Section 3: Long-Term Transactions for which Basis Is Reported to the IRS— Report on Form 8949, Part II, with Box D checked.**

If information is reported in this section, the portion of the redemption or exchange is categorized as a long-term capital gain or loss. The cost basis information in boxes 1e and 1g will be reported to the IRS. This information should be transposed onto Form 8949 where further adjustments may be made, if necessary. Please consult your tax advisor for advice on the cost basis information needed for Form 8949 and Schedule D.

### **Section 4: Long-Term Transactions for which Basis Is Not Reported to the IRS— Report on Form 8949, Part II, with Box E checked.**

If information is reported in this section, the portion of the redemption or exchange is categorized as a long-term capital gain or loss. The cost basis information listed in boxes 1e and 1g will not be reported to the IRS. This information can be used as a guide to help determine your cost basis.

### **Section 5: Transactions for which Basis Is Not Reported to the IRS and for which Short-Term or Long-Term Determination is Unknown. You must determine short-term or long-term based on your records and report on Form 8949, Part 1, with Box B checked, or on Form 8949, Part II, with Box E checked, as appropriate.**

If information is reported in this section, there is not enough information available to determine the cost basis for your redemption or exchange. Cost basis may not be calculated for some accounts due to the lack of data for certain past transactions. Please consult your tax professional for advice on the cost basis information needed for Form 8949 and Schedule D.

**SAMPLE 2023 TAX FORM 1099-B**

Recipient's Name and Address:  
JOHN Q PUBLIC  
JANE Q PUBLIC JT TEN  
99 MAIN STREET  
HOMETOWN MA 01908-1026

**2023 FORM 1099-B**  
Proceeds From Broker and Barter  
Exchange Transactions  
Copy B for Recipient

For additional information, please call:  
1-111-111-1111

RECIPIENT'S TIN  
\*\*\*-\*\*-9999

FATCA Filing Requirement  
 Q

**Section 1: Short-term transactions for which basis is reported to the IRS. Report on Form 8949, Part I, with Box A checked.**

(1a) Description Shares	(1b) Date Acquired	(1c) Date Sold or Disposed	(1d) Share Price	(1d) Gross Proceeds (less commissions)	(1e) Cost or Other Basis	(1g) Wash Sale Loss Disallowed	(4) Federal Income Tax Withheld	(5) State (15) State ID Number	(16) State Income Tax Withheld	CORRECTED (if checked)
<b>(1a) Description (Payee's Name)</b> ACME INCOME FUND										
		<b>Payee's TIN</b> 99-9999999		<b>CUSIP Number</b> 999999999		<b>(3) Check if a QOF</b>		<b>(5) Check if a Noncovered Security</b>		<b>Fund &amp; Account Number</b> 0092-*****9999
1,078.024	07/31/2022	06/27/2023	\$10.80	\$11,642.66						
<b>(1a) Description (Payee's Name)</b> ACME TRUSTS FUND										
		<b>Payee's TIN</b> 99-9999999		<b>CUSIP Number</b> 999999999		<b>(3) Check if a QOF</b>		<b>(5) Check if a Noncovered Security</b>		<b>Fund &amp; Account Number</b> 0095-*****9999
214.795	07/31/2022	08/21/2023	\$46.22	\$9,927.82						
<b>SECTION 1 TOTALS</b>				\$999.99						

**A** Your Taxpayer Identification Number; this information will be masked

**B** The Fund's name

**C** The Fund's Federal Taxpayer Identification Number

**D** Your Fund and account number. This information will be masked

**E** Number of shares redeemed

**F** Date shares were purchased or "Various" or blank if multiple purchase dates

**G** Dates of each transaction made during the year

**H** NAV or price per share redeemed for each transaction

**I** Gross proceeds (less commissions) from each transaction made during the year

**J** Shows the cost or other basis of securities sold

**K** Amount of sales price that is disallowed due to purchase and redemption within 30 days

**L** Amount of federal taxes withheld if you were subject to backup withholding

**M** This will be checked if shares were acquired prior to January 1, 2012

**N** State (state where state taxes were withheld from)

**O** State Identification number (identification number for state where state taxes were withheld from)

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

**Q** FATCA Filing Requirement. The box will not be checked as it does not apply to U.S.-based Mutual Funds

**The information on your Form 1099-B is reported to the IRS with the exception of cost basis information that may be displayed within Section 2, Section 4, and Section 5.**

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**FREQUENTLY ASKED QUESTIONS – IRS FORM 1099-B**

- Q.** *Why did I receive Form 1099-B and does the information get reported to the IRS?*
- A.** Form 1099-B is sent to shareholders by mutual fund companies to provide a record of all sales and/or exchanges on non-retirement mutual fund shares. The IRS considers an exchange of shares to be a redemption of one fund and a purchase of another fund. As a result, you may recognize a capital gain or loss on the shares you exchanged. Exchanges within an IRA are not reportable.
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- Q.** *What is the difference between covered shares and non-covered shares?*
- A.** Covered shares are shares purchased on or after January 1, 2012. The cost basis information for covered shares will be included on Form 1099-B to you and to the IRS, as required by law. Non-covered shares are shares that were acquired prior to January 1, 2012. Mutual Fund Companies are not required to report cost basis to the IRS; however, the shareholder is still responsible for calculating cost basis for their individual tax returns.
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- Q.** *Section 5 does not provide my cost basis information. What information will I need to calculate my cost basis for those shares?*
- A.** This section reports transactions for non-covered shares in which there is not enough information available for us to determine the cost basis for your redemption or exchange. You will need to refer back to your year-end statements since inception to assist you. For additional information please visit [Virtus.com/Investor Center/ Cost Basis](https://www.virtus.com/Investor-Center/Cost-Basis) or consult your tax professional for advice on the cost basis information needed for Form 8949 and Schedule D.
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- Q.** *If shares were transferred from a deceased individual's account how do you determine the date acquired for cost basis purposes?*
- A.** A person inheriting mutual funds receives a step-up in basis for the funds' value. The price of the shares on the day the owner dies becomes the heir's cost basis. However, the date acquired may show (1) year prior to the original account holder's date of death and as a result, a sale will be considered long term for tax reporting purposes in accordance with IRS regulations.
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- Q.** *What is a "Wash Sale"?*
- A.** A "wash sale" is the sale and a subsequent repurchase of shares of the same mutual fund within 30 days. The wash-sale period starts 30 days before the share(s) are sold and ends 30 days after the sale. The IRS does not allow investors to use a "wash sale" as a tactic for realizing a capital loss for tax purposes. A portion or all of the loss may be disallowed for tax purposes and generally cannot be used to offset capital gains.
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- Q.** *Haven't I already paid taxes on the reinvested dividends and capital gains?*
- A.** The cost of "reinvested" shares purchased with your distribution proceeds will be added to the amount you originally invested in the fund. This will raise your "basis" in the fund shares you've acquired. This way, you avoid being taxed twice; initially on the distribution and again later as a capital gain when the fund shares are sold. If the reinvested shares are sold at the same value as the reinvestment price, the shareholder would have no gain/loss since those shares would have already been taxed.
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- Q.** *Does Virtus have a tax professional or anyone who can help me fill out my return?*
- A.** Our telephone representatives will be happy to help you with any questions and information about your accounts by calling 1-800-243-1574. However, neither Virtus Mutual Funds, nor any of its representatives may give tax or legal advice. For assistance in filling out your return, you should contact your tax professional. Additional information can be found at <https://www.virtus.com/investor-resources/mutual-fund-account-information-resources/tax-center>.
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