

# 2016 Tax Form 1099-DIV

## **Dividend and Capital Gain Distributions**

Every shareholder, with certain exceptions, as defined by the Internal Revenue Code, who has received \$10 or more in taxable dividends or capital gains distributions, receives a Form 1099-DIV. Form 1099-DIV is also sent to account holders for whom backup withholding was taken on certain reportable transactions.

Your Form 1099-DIV lists all federally taxable dividend and capital gain distributions of \$10 or more paid to your Virtus mutual fund accounts. If your account is invested in more than one fund, the 1099-DIV information for each fund has been consolidated and mailed to you in a single package. However, shareholders with more than one type of account – for example, an individual account and another account that is jointly owned – will receive a separate package with tax forms for each account.

**The dividends and capital gains shown on Form 1099-DIV must be reported on your 2016 federal income tax return, even if you reinvested your distributions in additional shares instead of receiving them in cash.**

If you have one of the following types of accounts, you will not receive Form 1099-DIV:

- > Individual Retirement Accounts and other tax-deferred accounts (including Roth and traditional IRAs; rollover IRAs, SEP, and SIMPLE IRAs; Coverdell Education Savings Accounts (ESAs); and qualified tuition plan accounts).
- > Pension, 403(b), profit sharing, and money purchase plans.
- > Accounts owned by certain corporations, certified nonresident aliens, and certain tax-exempt organizations.

## **FOREIGN INVESTMENT DISTRIBUTIONS**

Form 1099-DIV may list a foreign tax credit that the fund paid with gross distributions. If an amount is shown in box 6, please consult your tax advisor for assistance.

**Please consult your tax advisor for guidance on reporting the information from Form 1099-DIV on your tax returns.**

# VIRTUS

## MUTUAL FUNDS

### SAMPLE 2016 TAX FORM 1099-DIV

**Recipient's Name and Address:** A

JOHN Q PUBLIC  
JANE Q PUBLIC JOINT TENANTS  
99 MAIN STREET  
HOMETOWN NY 12186-9103  
REGISTRATION LINE 5  
REGISTRATION LINE 6  
REGISTRATION LINE 7  
REGISTRATION LINE 8

OMB NO. 1545-0110

**2016 FORM 1099-DIV**  
Dividends and Distributions  
Copy B for Recipient

**RECIPIENT'S IDENTIFICATION NUMBER** B

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**FATCA Filing Requirement**

**CORRECTED (If Checked)**

For additional information, please call:  
**1-800-555-9999**

Payer's Name: ACME INTERNATIONAL EQUITY FUND	Payer's Federal ID Number: 99-9999999	Fund & Account Number: 0093 - 999999999
1a. Total ordinary dividends \$ 20.10	1b. Qualified dividends \$105.72	2a. Total capital gain distributions \$64.94
7b. Unrecap. Sec. 1250 gain	7c. Section 1202 gain	2d. Collectibles (28%) gain
3. Nondividend distributions	<b>4. Federal income tax withheld</b>	5. Investment expenses
6. Foreign tax paid \$11.31	8. Cash liquidation distributions	10. Exempt-interest dividends
11. Specified private activity bond interest dividends	12. State	14. State income tax withheld \$7.50
	13. State identification no 99999999999	

  

Payer's Name: ACME INTERNATIONAL EQUITY FUND	Payer's Federal ID Number: 99-9999999	Fund & Account Number: 0094 - 999999999
1a. Total ordinary dividends \$120.10	1b. Qualified dividends \$105.72	2a. Total capital gain distributions \$64.94
7b. Unrecap. Sec. 1250 gain	7c. Section 1202 gain	2d. Collectibles (28%) gain
3. Nondividend distributions	<b>4. Federal income tax withheld</b>	5. Investment expenses
6. Foreign tax paid \$11.31	8. Cash liquidation distributions	10. Exempt-interest dividends
11. Specified private activity bond interest dividends	12. State	14. State income tax withheld \$7.50
	13. State identification no 99999999999	

FORM 1099-DIV (Keep for your records) Department of the Treasury - Internal Revenue Service

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|---|---|--|
| <p><b>A</b> Account registration and address</p> <p><b>B</b> Your Taxpayer Identification Number; this information may or may not be masked</p> <p><b>C</b> The Fund's name</p> <p><b>D</b> Total amount of qualified and non-qualified dividends and short-term capital gains distributed in 2016</p> <p><b>E</b> Shows unrecaptured Section 1250 gain from certain depreciable real property</p> <p><b>F</b> Lists any part of your distribution that is nontaxable because it is a return of your cost or other basis</p> <p><b>G</b> Box 6 lists your proportionate share of any foreign taxes you paid in 2016</p> | <p><b>H</b> Amount of tax-exempt interest subject to the Alternative Minimum Tax (AMT)</p> <p><b>I</b> The Fund's Federal Taxpayer Identification Number</p> <p><b>J</b> Amount of qualified dividends distributed in 2016</p> <p><b>K</b> Section 1202 gain</p> <p><b>L</b> Amount of taxes withheld if you were subject to backup withholding</p> <p><b>M</b> Total amount of liquidation distributions paid to you in 2016</p> <p><b>N</b> Shows State and State Identification number (state where state taxes were withheld from)</p> <p><b>O</b> Your Fund and account number</p> | <p><b>P</b> Total amount of long-term capital gains distributed in 2016</p> <p><b>Q</b> Shows 28% rate gain from sales or exchanges of collectibles</p> <p><b>R</b> Your share of expenses of a nonpublicly offered regulated investment company, generally a nonpublicly offered mutual fund</p> <p><b>S</b> Amount of tax-exempt interest, including exempt interest dividends from mutual fund, paid in 2016</p> <p><b>T</b> Amount of state taxes withheld if you were subject to backup withholding</p> <p><b>U</b> FATCA Filing Requirement<br/>The box will not be checked as it does not apply to U.S. based Mutual Funds.</p> |
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***The information on your Form 1099-DIV is reported to the IRS.***

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

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- Q.** *Does information on Form 1099-DIV get reported to the IRS?*
- A.** Yes, tax reporting information is reported to the IRS. Form 1099-DIV is sent to shareholders by mutual fund companies to provide a record of all dividends and capital gains paid.
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- Q.** *Why do mutual funds pay capital gain distributions?*
- A.** When securities are sold within a mutual fund, gains and losses are usually realized. If the gains are greater than losses, the funds distribute most of their net gains to their shareholders before the end of the year to satisfy federal excise tax rules.
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- Q.** *What software does Virtus Mutual Funds use for downloading account specific tax information?*
- A.** Shareholders of Virtus Mutual Funds may be able to use TurboTax® for importing your 1099-DIV account tax information. Please visit the tax center at Virtus.com for important information and instructions on how to import your tax related data into TurboTax.
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- Q.** *Why is foreign tax information reported on my Form 1099-DIV?*
- A.** The amount in Box 6 represents your share of the Funds' foreign taxes paid. The foreign taxes paid are based on the earnings the Fund received from its investments in foreign securities and the taxes the Fund paid to foreign governments at the mutual fund level.
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- Q.** *Why doesn't the income amounts on my Form 1099-DIV match the amounts on my year-end or quarterly statements?*
- A.** Occasionally, mutual funds determine that income previously distributed to shareholders as one type of income may need to be reclassified into a different category of income for tax reporting purposes. For example, qualified dividend income is not segregated from non-qualified income on your periodic statements, but is correctly broken out in box 1b on your 2016 Form 1099-DIV. Another example is when a tax-exempt dividend distribution must be reclassified as a taxable distribution. Also, Box 1a includes both ordinary income and short term capital gains.
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- Q.** *Does Virtus have a tax advisor 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; however, we cannot provide tax advice. For assistance in filling out your return, you should contact your tax advisor.
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