

November 22, 2016

VIA OVERNIGHT DELIVERY AND E-MAIL

Ms. Tuawana Pinkston
Internal Revenue Service
Room 6526
1111 Constitution Avenue N.W.
Washington, D.C. 20224

Re: Comments – Form 8612: Return of Excise Tax on Undistributed Income of Real Estate Investment Trusts (REITs)

Dear Ms. Pinkston:

The National Association of Real Estate Investment Trusts® (NAREIT) appreciates the opportunity, pursuant to a notice published September 28, 2016, 81 F.R. 66125, to provide the following comments with respect to reducing the burden on taxpayers from the Form 8612. NAREIT is the worldwide representative voice for REITs, or Real Estate Investment Trusts, and publicly traded real estate companies with an interest in U.S. real estate and capital markets.

NAREIT believes that, if adopted, the comment set forth below would enhance the quality, utility and clarity of the information to be collected and would minimize the burden of the collection of information on respondents.

In particular, we request that the Department of the Treasury and the Internal Revenue Service modify the Form 8612 and its instructions relating to the “grossed up required distribution for the previous calendar year” in Line 3a of Form 8612.

The Form 8612 instructions provide the following regarding Line 3a: “Add lines 1a and 2a using amounts for the previous calendar year, increased by the *prior year’s shortfall*, if any, as defined in section 4981(b)(2).” Emphasis added.

Section 4981(b)(2) provides as follows:

Increase by prior year shortfall. The amount determined under paragraph (1) for any calendar year shall be increased by the excess (if any) of—
(A) the grossed up required distribution for the preceding calendar year, over
(B) the distributed amount for such preceding calendar year.

In order to enhance the quality, utility, and clarity of the information to be collected and reduce the burden on REITs of complying with Form 8612 and its



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instructions, NAREIT requests that Form 8612 and its instructions be modified so that the carryforward of any shortfall is actually reflected on Form 8612. Doing so would allow the prior year's shortfall to be easily included in the Line 3a calculation of subsequent year's Form 8612.

Thank you for the opportunity to submit these comments.

Please feel free to contact me at 202-739-9446 or dbernstein@nareit.com if you would like to discuss these issues in greater detail.

Respectfully submitted,



Dara F. Bernstein

Vice President & Senior Tax Counsel

cc: Helen Hubbard, Esq.
David Silber, Esq.
Andrea Hoffenson, Esq.
Julanne Allen, Esq.
Kathleen Sleeth, Esq.

