

§ 1.1295-0

26 CFR Ch. I (4-1-04 Edition)

(g) Authority to require a bond. Pursuant to the authority granted in section 6165 and in the manner provided therein, and subject to notification, the District Director may require the electing shareholder to furnish a bond to secure payment of the tax, the time for payment of which is extended under this section. If the electing shareholder does not furnish the bond within 60 days after receiving a request from the District Director, the election will be revoked.

(h) Annual reporting requirement. The electing shareholder must attach Form 8621 or a statement to its income tax return for each year during which an election under this section is outstanding. The statement must contain the following information:

- (1) The total amount of undistributed earnings as of the end of the taxable year to which the outstanding elections apply;
- (2) The total amount of the undistributed PFIC earnings tax liability and accrued interest charge as of the end of the year;
- (3) The total amount of distributions received during the taxable year; and
- (4) A description of the occurrence of any other termination event described in paragraph (e) of this section that occurred during the taxable year.

The electing shareholder also shall file by the due date, as extended, for its return a copy of Form 8621 or the statement with the Philadelphia Service Center, P.O. Box 21086, Philadelphia, Pennsylvania 19114.

[T.D. 8178, 53 FR 6773, Mar. 2, 1988; 53 FR 11731, Apr. 8, 1988]

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[T.D. 8750, 63 FR 14, Jan. 2, 1998, as amended by T.D. 8870, 65 FR 5779, Feb. 7, 2000; 65 FR 16319, Mar. 28, 2000]

§ 1.1295-1 Qualified electing funds.

(a) *In general.* [Reserved]

(b) *Application of section 1295 election.* [Reserved]

(1) *Election personal to shareholder.* [Reserved]

(2) *Election applicable to specific corporation only—*

(i) *In general.* [Reserved]

(ii) *Stock of QEF received in a non-recognition transfer.* [Reserved]

(iii) *Exception for options.* A shareholder's section 1295 election does not apply to any option to buy stock of the PFIC.

(3) *Application of general rules to stock held by a pass through entity—*(i) *Stock*