

# GUGGENHEIM

## Tax Year 2023 Form 1099-DIV/B Guide

### Form 1099 FAQs

**Q: WHAT SHOULD I DO UPON RECEIVING MY FORM 1099?**

**A:** Upon receiving your form please review the data carefully. Please report any errors immediately to facilitate the filing of corrections with the IRS in a timely manner.

**Q: WHAT DO I DO IF I HAVE QUESTIONS ABOUT THE INFORMATION ON MY 1099?**

**A:** Please contact Guggenheim Client Services at 800.820.0888, Monday through Friday, 8:30 am - 5:30 pm, ET to speak with one of our representatives.

### Form 1099-DIV FAQ's

**Q: WHY DID I RECEIVE A 1099-DIV?**

**A:** This form is a record of all taxable dividend and capital gains earned in your mutual fund account during the 2023 calendar year.

**Q: WHY DIDN'T I RECEIVE A 1099-DIV?**

**A:** Guggenheim provides 1099-DIV forms to the following account types: Individual, Joint, Trust, UGMA, UTMA, Estate, Transfer on Death (TOD) and Association/Partnership. Corporations and any type of retirement account are among the account types that will not receive this form. In accordance with IRS regulations, if you received a distribution that is less than \$10.00 in a fund, this information may not be included or reported on the Form 1099-DIV.

**Q: MY YEAR-END STATEMENT LISTS DIVIDENDS AND SHORT-TERM CAPITAL GAINS BUT MY 1099-DIV ONLY LISTS DIVIDENDS. IS MY 1099-DIV MISSING INFORMATION?**

**A:** No. Box 1a, "Ordinary Dividends," includes both dividend and short-term capital gains distributions. The total of the dividends and short-term capital gains listed on your year-end statement should be the same as the amount reported in box 1a, "Ordinary Dividends."

**Q: WHY IS THE AMOUNT IN BOX 1A AND 1B GREATER THAN THE AMOUNT PAID IN MY ACCOUNT (OR SEEN ON MY YEAR END STATEMENT)?**

**A:** The amount in 1a/1b includes the Income dividend paid plus any foreign tax paid. The foreign tax paid amount is shown in box 7.

**A.** This box shows the portion of the amount in box 1a that may be eligible for the 20% qualified business income deduction under section 199A. See the instructions for Form 8995 and Form 8995-A.

### Form 1099-B FAQ's

**Q: WHY DID I RECEIVE A 1099-B?**

**A:** This form reports redemption and exchange redemption proceeds from your non-money market, non- retirement mutual fund accounts for the calendar year.

**Q: WHY DIDN'T I RECEIVE A 1099-B?**

**A:** You will not receive a 1099-B if you did not sell or exchange shares from a **non-Money Market fund** in 2023. Also, Guggenheim only provides 1099-B forms to the following account types: Individual, Joint, Trust, UGMA, UTMA, Estate, Transfer on Death (TOD), and Association/Partnership. S-Corporations will only receive a 1099-B if they sold shares that were acquired after January 1, 2012.

**Q: IF I HOLD A-CLASS OR C-CLASS SHARES, ARE COMMISSIONS INCLUDED IN THE GROSS PROCEEDS?**

**A:** No, the amount of gross proceeds is reported less any commissions.

**Q: HOW DO I REPORT THIS INFORMATION ON MY TAXES?**

**A:** Please see the Instructions included with your form or the IRS "Instructions for Schedule D (and Form 8949)." We strongly recommend that you contact a tax professional for more information.

**Q: WILL GUGGENHEIM PROVIDE COST BASIS INFORMATION FOR MY TRANSACTIONS?**

**A:** Cost basis information for mutual fund shares purchased on or after January 1, 2012, and subsequently redeemed during 2023 will be reported to you and the IRS on your Combined Form 1099-DIV/B. Cost basis information for shares purchased prior to January 1, 2012 will continue to be reported only to eligible shareholders using the Average Cost method. Cost basis information for shares purchased prior to January 1, 2012 will also appear on the Combined 1099-DIV/B, but this information will not be reported to the IRS.

**Q. WHAT ARE WASH SALES AND HOW DO THEY GET REPORTED ON MY FORM 1099-B?**

**A.** A wash sale occurs when shares are sold at a loss and there is a purchase of shares in the same fund and account 30 days before or 30 days after the sale. Upon the sale of a fund which triggers a wash sale, a portion of the loss, proportionate to the number of newly purchased shares, will be disallowed. This will result in some or all of a "realized" loss being disallowed for tax purposes. The amount disallowed due to the wash sale will then be added to the cost basis of the newly purchased shares. For cost basis purposes, the purchase date of the new shares will also be adjusted based on the purchase date of the original shares. Amounts appearing in Box 1g report the Wash Sale Loss Disallowed.

**Q: IS GAIN/LOSS INFORMATION REPORTED TO THE IRS?**

**A:** Gain/loss information does not get reported to the IRS, even for covered securities.

**Q: IS COST BASIS INFORMATION REPORTED TO THE IRS?**

**A:** It depends. The following sections have all information (except gain/loss) reported to the IRS:

- Short Term Transactions for Which Basis is Reported to the IRS (Covered Security)
- Long Term Transactions for Which Basis is Reported to the IRS (Covered Security).

For the following sections, only amounts in boxes 1a, 1c, 1d, and 4 are reported to the IRS.

- Short Term Transactions for Which Basis Is Not Reported to the IRS (Noncovered Security)
- Long Term Transactions for Which Basis Is Not Reported to the IRS (Noncovered Security)
- Transactions for Which Basis Is Not Reported to the IRS and for Which Short-Term or Long-Term Determination is Unknown (to Broker)

## Tax Year 2023 Form 1099-DIV Instructions for Recipient

**Box 1a.** Shows total ordinary dividends that are taxable. Include this amount on the "Ordinary dividends" line of Form 1040 or 1040-SR. Also report it on Schedule B (Form 1040), if required.

**Box 1b.** Shows the portion of the amount in box 1a that may be eligible for reduced capital gains rates. See the Instructions for Form 1040 for how to determine this amount and where to report.

The amount shown may be dividends a corporation paid directly to you as a participant (or beneficiary of a participant) in an employee stock ownership plan (ESOP). Report it as a dividend on your Form 1040 or 1040-SR but treat it as a plan distribution, not as investment income, for any other purpose.

**Box 2a.** Shows total capital gain distributions from a regulated investment company (RIC) or real estate investment trust (REIT). See *How To Report* in the Instructions for Schedule D (Form 1040). But, if no amount is shown in boxes 2b, 2c, 2d, and 2f and your only capital gains and losses are capital gain distributions, you may be able to report the amounts shown in box 2a on your Form 1040 or 1040-SR rather than Schedule D. See the Instructions for Form 1040.

**Box 2b.** Shows the portion of the amount in box 2a that is unrecaptured section 1250 gain from certain depreciable real property. See the Unrecaptured Section 1250 Gain Worksheet in the Instructions for Schedule D (Form 1040).

**Box 2c.** Shows the portion of the amount in box 2a that is section 1202 gain from certain small business stock that may be subject to an exclusion. See the Schedule D (Form 1040) instructions.

**Box 2d.** Shows the portion of the amount in box 2a that is 28% rate gain from sales or exchanges of collectibles. If required, use this amount when completing the 28% Rate Gain Worksheet in the Instructions for Schedule D (Form 1040).

**Box 2e.** Shows the portion of the amount in box 1a that is section 897 gain attributable to disposition of U.S. real property interests (USRPI).

**Box 2f.** Shows the portion of the amount in box 2a that is section 897 gain attributable to disposition of USRPI.

**Note:** Boxes 2e and 2f apply only to foreign persons and entities whose income maintains its character when passed through or distributed to its direct or indirect foreign owners or beneficiaries. It is generally treated as effectively connected to a trade or business within the United States. See the instructions for your tax return.

**Box 3.** Shows a return of capital. To the extent of your cost (or other basis) in the stock, the distribution reduces your basis and is not taxable. Any amount received in excess of your basis is taxable to you as capital gain. See Pub. 550.

**Box 4.** Shows backup withholding. A payer must backup withhold on certain payments if you did not give your TIN to the payer. See Form W-9 for information on backup withholding. Include this amount on your income tax return as tax withheld.

**Box 5.** Shows the portion of the amount in box 1a that may be eligible for the 20% qualified business income deduction under section 199A. See the instructions for Form 8995 and Form 8995-A.

**Box 7.** Shows the foreign tax that you may be able to claim as a deduction or a credit on Form 1040 or 1040-SR. See the Instructions for Form 1040.

**Box 12.** Shows exempt-interest dividends from a mutual fund or other RIC paid to you during the calendar year. See the Instructions for Form 1040 for where to report. This amount may be subject to backup withholding. See *Box 4* above.

**Box 13.** Shows exempt-interest dividends subject to the alternative minimum tax. This amount is included in box 12. See the instructions for Form 6251.

## Tax Year 2023 Form 1099-B Instructions for Recipient

Brokers and barter exchanges must report proceeds from transactions to you and the IRS on Form 1099-B.

**CUSIP number.** Shows the CUSIP (Committee on Uniform Security Identification Procedures) number or other applicable identifying number.

**Applicable checkbox on Form 8949.** Indicates where to report this transaction on Form 8949 and Schedule D (Form 1040), and which checkbox is applicable. See the instructions for your Schedule D (Form 1040) and/or Form 8949.

**Box 1a.** Shows a brief description of the item or service for which amounts are being reported. For regulated futures contracts and forward contracts, "RFC" or other appropriate description may be shown. For Section 1256 option contracts, "Section 1256 option" or other appropriate description may be shown. For a corporation that had a reportable change in control or capital structure, this box may show the class of stock as C (common), P (preferred), or O (other).

**Box 1b.** This box may be blank if box 5 is checked or if the securities sold were acquired on a variety of dates. For short sales, the date shown is the date you acquired the security delivered to close the short sale.

**Box 1c.** Shows the trade date of the sale or exchange. For short sales, the date shown is the date the security was delivered to close the short sale. For aggregate reporting in boxes 8 through 11, no entry will be present.

**Box 1d.** Shows the cash proceeds, reduced by any commissions or transfer taxes related to the sale, for transactions involving stocks, debt, commodities, forward contracts, non-Section 1256 option contracts, or securities futures contracts. May show the proceeds from the disposition of your interest(s) in a widely held fixed investment trust. May also show the aggregate amount of cash and the fair market value of any stock or other property received in a reportable change in control or capital structure arising from the corporate transfer of property to a foreign corporation. Losses on forward contracts or non-Section 1256 option contracts are shown in parentheses. This box does not include proceeds from regulated futures contracts or Section 1256 option contracts. Report this amount on Form 8949 or on Schedule D (Form 1040) (whichever is applicable) as explained in the Instructions for Schedule D (Form 1040).

**Box 1e.** Shows the cost or other basis of securities sold. If the securities were acquired through the exercise of a noncompensatory option granted or acquired on or after January 1, 2014, the basis has been adjusted to reflect your option premium. If the securities were acquired through the exercise of a noncompensatory option granted or acquired before January 1, 2014, your broker is permitted, but not required, to adjust the basis to reflect your option premium. If the securities were acquired through the exercise of a compensatory option, the basis has not been adjusted to include any amount related to the option that was reported to you on a Form W-2. If box 5 is checked, box 1e may be blank. See the Instructions for Form 8949, the Instructions for Schedule D (Form 1040), or Pub. 550 for details.

**Box 1g.** Shows the amount of nondeductible loss in a wash sale transaction. For details on wash sales, see the Schedule D (Form 1040) instructions, the Instructions for Form 8949, and Pub. 550. If box 5 is checked, box 1g may be blank.

**Box 2.** The short-term and long-term boxes pertain to short-term gain or loss and long-term gain or loss. If the "Ordinary" box is checked, your security may be subject to special rules. For example, gain on a contingent payment debt instrument subject to the noncontingent bond method is generally treated as ordinary interest income rather than as capital gain. See the Instructions for Form 8949, Pub. 550, or Pub. 1212 for more details on whether there are any special rules or adjustments that might apply to your security. If box 5 is checked, box 2 may be blank.

**Box 3.** If checked, proceeds are from a transaction involving collectibles or from a Qualified Opportunity Fund (QOF).

**Box 4.** Shows backup withholding. Generally, a payer must backup withhold if you did not furnish your TIN to the payer. See Form W-9 for information on backup withholding. Include this amount on your income tax return as tax withheld.

**Box 5.** If checked, the securities sold were noncovered securities and boxes 1b, 1e, 1f, 1g, and 2 may be blank. Generally, a noncovered security means: stock purchased before 2011, stock in most mutual funds purchased before 2012, stock purchased in or transferred to a dividend reinvestment plan before 2012, debt acquired before 2014, options granted or acquired before 2014, and securities futures contracts entered into before 2014.

**Box 12.** If checked, the basis in box 1e has been reported to the IRS and either the short-term or the long-term gain or loss box in box 2 will be checked. If box 12 is checked on Form(s) 1099-B and NO adjustment is required, see the instructions for your Schedule D (Form 1040) as you may be able to report your transaction directly on Schedule D (Form 1040). If the "Ordinary" box in box 2 is checked, an adjustment may be required.