

Notice 2009-17

**Johnson Regina**

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**From:** ASlotkin@aol.com**Sent:** Monday, February 09, 2009 9:09 PM**To:** Notice Comments**Subject:** Notice 2009-17**LEGAL PROCESSING DIVISION  
PUBLICATION & REGULATIONS  
BRANCH**

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I had hoped that this legislation would cure a problem with which I am constantly plagued. It does not.

No brokerage firm with which any of my clients deals adjusts basis for non-taxable dividends. The result is that I spend hours working on Forms 5227 and/or 1041-A because I cannot get the accounts to balance. When I finally adjust the basis of each of the securities so that my balance sheet balances, my basis varies from that on the broker's books. This is cumulative so that a fund or stock that consistently fails to earn its dividend often has a substantially different basis from that appearing on the brokerage statement.

I would like to suggest that this issue be added to any future notice on this subject so that the brokerage firms will have ample time to adjust their software. Failure to address it will create a situation in which any entity that is required to present a balance sheet will have to provide IRS with a reconciliation and any entity that is not required to present a balance sheet will overstate their losses or understate their profits.

Arnold Slotkin, CPA, Florida  
326 71 Street  
Miami Beach, FL 33141

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