

# Important Tax Reporting Notice

A Baird 2017 Tax Statement will be issued if you received dividends or interest totaling at least \$10 or any gross proceeds.<sup>1</sup>

## Tax Statement Mailing Dates

- **February 15, 2018** – We anticipate the majority of Baird Tax Statements will be mailed by this date. Certain accounts will not receive a Tax Statement by February 15 if year-end tax adjustments have not been received from third parties prior to this deadline (e.g., exchange-traded funds, mutual funds, real estate investment trusts and/or unit investment trusts).
- **March 1, 2018<sup>2</sup>** – Tax Statements for accounts that have since received year-end tax adjustments will be mailed by this date.
- **March 15, 2018<sup>2</sup>** – All remaining Baird Tax Statements will be mailed by this date. Accounts holding Real Estate Mortgage Investment Conduits (REMICs) and/or Widely Held Fixed Investment Trusts (WHFITs) will receive a consolidated tax form.

## Convenient Access to Your Baird Tax Documents

Baird offers a variety of methods to access your tax documents, in addition to copies you will receive in the mail:

- **Baird Online** – a PDF copy of each of your tax documents will be available on Baird Online before your copies are received in the mail.
- **TurboTax<sup>®</sup>** – you can download the Tax Statement, REMICs/WHFITs Tax Statement and/or Form 1099-R directly into TurboTax<sup>®</sup>.

*Continued*

- **CSV File** – you or your tax preparer can download the Tax Statement into a CSV (comma-separated value) file. The CSV file can then be electronically transferred into most professional tax accounting software.

Learn more about TurboTax® and CSV at [rwbaird.com/taxes](http://rwbaird.com/taxes).

## Effects of Cost Basis Legislation

Baird is required to report adjusted cost basis to the IRS on Form 1099-B (Gross Proceeds) when Covered securities are sold, redeemed or exchanged in taxable (i.e., reportable) accounts in accordance with Cost Basis Legislation.<sup>1</sup>

Cost basis reporting requirements were phased in by security type between 2011 and 2016 as shown below.

### Implementation Schedule of Covered Securities

Type of Security	Acquired After
Equities	January 1, 2011
Mutual funds and dividend reinvestment plans	January 1, 2012
Simple debt <sup>3</sup> and options	January 1, 2014
Complex debt <sup>4</sup>	January 1, 2016
CBL exceptions	Permanently noncovered

We encourage you to contact your Baird Financial Advisor if you have any questions about your Baird tax documents. For specific questions related to your tax reporting obligations, please consult your tax advisor.

Visit [rwbaird.com/taxes](http://rwbaird.com/taxes) for additional information.

<sup>1</sup>Taxable (i.e., reportable) accounts will receive applicable IRS Forms 1099-DIV, 1099-INT, 1099-OID, 1099-B and 1099-MISC.

<sup>2</sup>The March 1 and March 15, 2018, mailing dates are based on a 30-day extension from February 15 granted by the IRS and are intended to reduce the number of corrected 1099s you may receive.

<sup>3</sup>Simple debt instruments acquired after January 1, 2014, are considered Covered securities. Simple debt includes instruments that provide for a single fixed payment schedule for which yield and maturity can be determined.

<sup>4</sup>Complex debt instruments, which became Covered after January 1, 2016, are considered Covered securities and include: (a) stepped rate bonds, (b) convertible bonds, (c) stripped bonds or coupons including U.S. Treasury Strips, (d) bonds payable in a foreign currency, (e) tax credit bonds, (f) payment-in-kind bonds, (g) foreign-issued bonds, (h) bonds for which the term is unknown, (i) bonds held as part of an investment unit, (j) contingent payment bonds, (k) variable rate bonds and (l) inflation-indexed bonds.