



U.S. Global Investors 2012 Tax Guide

The forms shown in this guide are for illustrative purposes only. All form layouts and information may be subject to change based on IRS updates. Please visit irs.gov for the most updated information.

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The information in this guide does not constitute tax advice and is provided for informational purposes only. Please consider speaking with a legal or a tax adviser regarding your individual situation.

INTRODUCTION

U.S. Global Investors is committed to providing you accurate tax information related to your mutual fund accounts.

What's New?

Under new IRS regulation, mutual fund companies will begin reporting cost basis information for shares purchased on or after January 1, 2012 (known as covered shares). As a result, unless you selected an alternate method, U.S. Global Investors elected to use the average cost method for all your current and future accounts. For more information, and for a description of other IRS-approved methods, see our [Cost Basis Guide](#) in the Tax Center area of our website.

Supplemental Information

To assist you with your tax reporting, we offer the following documents in our Tax Center.

Document Name	Description
Source of Government Income	Helps you calculate what portion of ordinary dividends derived from interest earned on U.S. Government securities (Direct or Primary) and U.S. Government agencies (Indirect or Secondary).
Source of Foreign Income	Helps you calculate whether you can claim foreign taxes withheld as either a credit or deduction.
State Tax Report for Municipal Bonds	Helps assist you with state tax returns by providing a percentage of income earned by state.

2012 Tax Refund Direct Deposit

You can have your IRS refund invested directly into your U.S. Treasury Securities Cash Fund or your U.S. Government Securities Savings Fund by completing [IRS Form 8888](#). It is an easy way to save time and paperwork while building your savings.

Here's how.

Complete Part I of Form 8888 as follows:

Line 1a – Specify the amount to be deposited into your account. (If contributing to your IRA, consider the IRA contribution limits – see section below.)

Line 1b – Reference the U.S. Global routing number as: 101218856.

Line 1d – Reference your U.S. Global account number as 14 digits. To invest into U.S. Treasury Securities Cash Fund (USTXX) reference the first three numbers as 385; for the U.S. Government Securities Savings Fund (UGSXX) reference the first three numbers as 386.

Example: Your account number is 123456.

To invest into USTXX, reference your account number as 38500000123456.

To invest into UGSXX, reference your account number as 38600000123456.

IRA Contribution Limits

The annual contribution limit for Traditional and Roth IRAs is the lesser of:

- The amounts listed in the table below.
- or-
- Your taxable compensation for the year.

Year	Contribution limit	Catch-up contributions (age 50 or older)
2012	\$5,000	\$6,000
2013	\$5,500	\$6,500

See [IRS Publication 590, Individual Retirement Arrangements](#) for more information regarding IRAs and how your modified adjusted gross income (MAGI) affects your ability to deduct contributions and contribute to a Roth.

FORM 1099-DIV Dividends and Distributions (mailed by February 15)

What is form 1099-DIV?

Form 1099-DIV reports all taxable distributions (e.g., capital gains and dividends) paid to you, including those that have been reinvested.

Beginning in 2012, it also reports the total dollar amount of federally tax-exempt income that was paid to you from municipal bonds funds including amounts that were reinvested.

Who receives it?

You will receive Form 1099-DIV if more than \$10.00 of dividends or capital gains were paid to you in your non-retirement account (excluding certain business accounts).

Form 1099-DIV was **not** produced for the following U.S. Global funds:

- All American Equity Fund (GBTFX)
- Global Emerging Markets Fund (GEMFX)
- World Precious Minerals Fund (UNWPX)

Important: You are required to report all interest income, taxable or tax-exempt, even if you do not receive Form 1099-DIV.

What IRS tax forms are needed?

Depending on your tax situation, you may need the following:

- IRS [Form 1040](#) or [1040A](#)
- Possibly [Schedule B](#) or [Schedule D](#)

Help with reporting:

To determine how to report the information provided to you on Form 1099-DIV, see the following resources at www.irs.gov:

- [1040 Instructions 2012](#) – See page 10.
- [1040A Instructions 2012](#) – See page 11.
- [Schedule B](#) – See back of Schedule B for instructions.
- [2012 Instructions for Schedule D \(and Form 8949\)](#)
- [Publication 550, Investment Income and Expenses](#)

Form 1099-DIV Example:

PAYEE'S Name, Street Address, City, State, ZIP Code and Telephone Number U.S. Global Investors, INC. PO Box 659405 San Antonio TX 78265-9604 1(800) 873-8637		Copy B For Recipient Department of the Treasury-Internal Revenue Service <table border="1"> <tr> <td>RECIPIENT'S identification number</td> <td>XXX-XX-1234</td> </tr> </table>		RECIPIENT'S identification number	XXX-XX-1234	TAX YEAR 2012 This is important tax information and is being furnished to the Internal Revenue Service (except as indicated). If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.							
RECIPIENT'S identification number	XXX-XX-1234												
RECIPIENT'S Name, Street Address (including apt. no.), City, State, and ZIP Code Your Name A 123 Main St San Antonio TX 78265		(Keep for your Records)											
Corrected (if checked) <input type="checkbox"/> (OMB No. 1545-0110)				Page 1 of 1									
FORM 1099-DIV • DIVIDENDS AND DISTRIBUTIONS • 2012													
(1a) C Total ordinary income	(1b) D Qualified dividend	(2a) E Total capital gain distributions	(2b) F Unrecap. sec. 1250 gain	(2d) G Collectibles (28%) gain	(3) H Nondividend distributions	(4) I Federal income tax withheld	(6) J Foreign tax paid*	(8) K Cash liquidation distributions	(10) L Exempt-interest dividends	(11) M Specified private activity bond interest dividends	(12) N1 State	(13) N2 State identification no.	(14) N3 State tax withheld
Fund: Your Fund Name O		Account Number : 800-123456 P				Fund Tax ID: 12-3456789 Q							
999.99	999.99	999.99	999.99	999.99	999.99	999.99	999.99	999.99					
Form 1099-DIV *Please see instructions for additional details.													

FORM 1099-DIV Form Description

- | | | | |
|---|---|------|--|
| A | Your name and address. | I | Box 4 shows backup withholding. A payer must backup withhold on certain payments if you did not give your TIN to the payer or you did not furnish the correct TIN. See <i>Form W-9, Request for Taxpayer Identification Number and Certification</i> , for information on backup withholding. Include this amount on your income tax return as tax withheld. |
| B | Your tax identification number (TIN). | | |
| C | Box 1a shows total ordinary dividends that are tax reportable. Include this amount on line 9a of Form 1040 or 1040A. If required, report on Schedule B. | | |
| D | Box 1b shows the portion of the amount in box 1a that may be eligible for the 15% or zero capital gains rate. See Form 1040 or 1040A instructions for how to determine this amount. Report the eligible amount on line 9b on Form 1040 or 1040A. | J | Box 6 shows the foreign tax that you may be able to claim as a deduction or a credit on Form 1040. See <i>Form 1040 Instructions</i> . |
| E | Box 2a shows total capital gain distributions from a regulated investment company or real estate investment trust. See the Form 1040 or 1040A instructions. | K | Box 8 shows cash liquidation distributions. |
| F | Box 2b shows the portion of the amount in box 2a that is unrecaptured section 1250 gains from certain depreciable real property. Report this amount on the Unrecaptured Section 1250 Gain Worksheet (line 19 in the Schedule D instructions). | L | Box 10 shows tax-exempt interest paid to you. Report this amount on line 8b of Form 1040 or Form 1040A. |
| G | Box 2d shows 28% rate gain from sales or exchanges of collectibles. If required, use this amount when completing the 28% Rate Gain Worksheet (line 18 in the instructions for Schedule D). | M | Box 11 shows tax-exempt interest subject to the alternative minimum tax (AMT). This amount is included in box 10. See <i>Instructions for Form 6251</i> . |
| | | N1-3 | Box 12, 13, and 14 show state related tax information. U.S. Global Investors does not withhold for state taxes. Generally, these boxes are blank. |
| H | Box 3 shows the part of the distribution that is nontaxable because if it is a return of your cost (or other basis). You must reduce your cost (or other basis) by this amount for figuring gain or loss when you sell your stock. If you get back all your cost (or other basis), report future distributions as capital gains. See <i>Publication 550, Investment Income and Expenses</i> . | O | Your fund's name. |
| | | P | Your account number. |
| | | Q | The fund's federal tax ID number. |

FORM 1099-B Redemptions or Exchanges of Mutual Funds (mailed by February 15)

What is form 1099-B?

Form 1099-B reports the redemption proceeds from the sale or exchange of your fund shares (excluding money market funds).

Who receives it?

You will receive Form 1099-B if you processed an exchange or redemption from your non-retirement account (excluding money market funds and certain business accounts).

Cost Basis Information

When available, you may use the cost basis information on Form 1099-B to determine gains or losses for sales or exchanges. See our [Cost Basis Guide](#) in the Tax Center area of our website for more information.

What IRS tax forms are needed?

Depending on your tax situation, you may need the following:

- IRS [Form 1040](#) or [1040A](#)
- IRS [Schedule D](#) with [Form 8949](#)

Help with reporting:

To determine how to report the information provided to you on Form 1099-B, see the following resources at www.irs.gov:

- [1040 Instructions 2012](#) – See page 10.
- [1040A Instructions 2012](#) – See page 11.
- [2012 Instructions for Schedule D \(and Form 8949\)](#)
- [Publication 550, Investment Income and Expenses](#)

Form 1099-B Example:

PAYER'S Name, Street Address, City, State, ZIP Code and Telephone Number U.S. GLOBAL INVESTORS, INC. PO BOX 859405 SAN ANTONIO, TX 78265-9604 1 (800) 873-8637	Copy B For Recipient Department of the Treasury-Internal Revenue Service	TAX YEAR 2012 This is important tax information and is being furnished to the Internal Revenue Service (except as indicated). If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported. You are ultimately responsible for the accuracy of your tax return.
RECIPIENT'S Name, Street Address (including apt. no.), City, State, and ZIP Code Your Name 123 Main St San Antonio TX 78265	RECIPIENT'S identification number XXX-XX-1234	(Keep for your Records)

Corrected (if checked) (OMB No. 1545-0715)

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FORM 1099-B • PROCEEDS FROM BROKER & BARTER EXCHANGE TRANSACTIONS • 2012

C	D	E	F	G	H	I	J	(8) K	L1	L2	L3	M	N	
(1a) Date of sale or exchange	(1b) Date of acquisition	(1c) Quantity sold	(2a) Sales price of stocks, bonds, etc.*	(3) Cost or other basis	(4) Federal income tax withheld	(5) Wash sale loss disallowed	(6) Non-covered security	Description Transaction	Share Price	(13) State	(14) State identification no.	(15) State tax withheld	Cost Basis Method	Gain/(Loss)
Fund: Your Fund Name		Account Number: 800-123456		Payer's Fed. ID no: 12-3456789		CUSIP no: 123456789								
FUND TOTAL:														

Form 1099-B * Less commissions, if any, for funds subject to a contingent deferred sales charge.
 † Sales load basis deferral adjustment applies, please see instructions.
 Ⓞ Basis information not available, please see instructions.

FORM 1099-B Form Description

A	Your name and address.	J	Box 6 will indicate if the shares sold were non-covered securities. If this box indicates yes, the shares sold were non-covered shares. Generally, non-covered shares are shares purchased on or before December 31, 2011.
B	Your tax identification number (TIN).	K	Box 8 shows a description of the transaction and the share price.
C	Box 1a shows the trade date of the sale or exchange.	L1-L3	Box 13, 14, and 15 show state related tax information. U.S. Global Investors does not withhold for state taxes. Generally, these boxes are blank.
D	Box 1b may be blank if box 6 indicates yes or if the securities sold were acquired on a variety of dates.	M	Reports the accounting method used to report the basis of the shares sold. If box 6 indicates yes, this box may be blank.
E	Box 1e show the number of shares sold or exchanged.	N	Reports the amount of the capital gain or loss. If box 6 indicates yes, this box may be blank.
F	Box 2a shows the aggregate cash proceeds from the sale or exchange. Report this amount on Form 8949 as explained in the instructions for Schedule D.	O	Your fund's name.
G	Box 3 shows the cost or other basis of the shares sold. If box 6 indicates yes, box 3 may be blank. See the <i>Schedule D (Form 1040) Instructions</i> or <i>Publication 550</i> for more details about basis.	P	Your account number.
H	Box 4 shows backup withholding. A payer must backup withhold on certain payments if you did not give your TIN to the payer or you did not furnish the correct TIN. See <i>Form W-9, Request for Taxpayer Identification Number and Certification</i> , for information on backup withholding. Include this amount on your income tax return as tax withheld.	Q	The fund's federal tax ID number.
I	Box 5 shows the amount of nondeductible loss in a wash sale transaction. For details on wash sales, see <i>Schedule D (Form 1040) Instructions</i> or <i>Publication 550</i> .	R	Your fund's Cusip number.

FORM 1099-R Retirement Plan Distributions (mailed by January 31)

What is form 1099-R?

Form 1099-R reports distributions taken from your retirement account.

Who receives it?

You will receive Form 1099-R if you processed a distribution from your retirement account (e.g., normal or premature distributions, direct rollovers).

A Form 1099-R will **not** be received if you transfer assets directly from one trustee to another or if you exchanged shares within the same retirement plan.

What IRS tax forms are needed?

Depending on your tax situation, you may need the following:

- IRS [Form 1040](#) or [1040A](#)
- Possibly, Forms [4972](#), [5329](#), [8606](#)

Help with reporting:

To determine how to report the information provided to you on Form 1099-B, see the following resources at www.irs.gov:

- [1040 Instructions 2012](#) – See page 11.
- [1040A Instructions 2012](#) – See page 11.
- [Publication 590 Individual Retirement Accounts \(IRAs\)](#)

Form 1099-R Example:

FORM 1099-R • Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. • 2012			
PAYER'S Name, Street Address, City, State, ZIP Code, and Telephone Number UNITED SHAREHOLDER SRVCS BANK OF TEXAS CUST PO BOX 659405 SAN ANTONIO TX 78265-9604 1 (800) 873-8637			OMB No. 1545-0119
RECIPIENT'S Name, Street Address (including apt. no.), City, State, and ZIP Code			
Your Name A 123 Main St San Antonio TX 78265			
Copy B Report this income on your federal tax return. If this form shows federal income tax withheld in box 4, attach this copy to your return. This information is being furnished to the Internal Revenue Service.			
Account number 800-123456 B	RECIPIENT'S identification number XXX-XX-1234 C		
1 Gross distribution 999.99 D	PAYER'S federal identification number 12-3456789 E		
2a Taxable amount 999.99 F	4 Federal income tax withheld 999.99 G		
2b Taxable amount not determined <input type="checkbox"/> H	7 Distribution code(s) # I	IRA/SEP/SIMPLE <input type="checkbox"/> J	
			12 State tax withheld 999.99 K
13 State/Payer's state no. YZ L			14 State distribution 999.99 M
FORM 1099-R Department of the Treasury-Internal Revenue Service <input type="checkbox"/> Corrected (if checked)			

FORM 1099-R Form Description

- | | | | |
|---|---|---|---|
| A | Your name and address. | H | If the first box in 2b is checked, we were unable to determine the taxable amount. |
| B | Your account number. | | If the second box is checked, the distribution was a total distribution that closed out your account. |
| C | Your tax identification number. | | Important: U.S. Global Investors does not determine the taxable amount. See Form 1040 or 1040A instructions to compute the taxable amount. See <i>Publication 590</i> for more information on IRAs. |
| D | Box 1 shows the total amount you received this year including any federal income tax withholding (if applicable). The amount may have been a direct rollover, a transfer or conversion to a Roth IRA, or a recharacterized IRA contribution, as periodic payments, nonperiodic payments, or a total distribution.

Report the amount on Form 1040 or 1040A on the line for "IRA distributions" or "Pensions and annuities" (or the line for "taxable amount), and on Form 8606, as applicable. If this is a lump-sum distribution, see Form 4972. | I | Box 7 identifies the type of distribution you received. See the back of your Form 1099-R for a list of codes and their definitions.

Certain distribution codes may be subject to an additional 10% tax. See the instructions for Forms 5329. |
| E | The payer's federal tax ID number | J | If this box is checked, the distribution occurred from a Traditional IRA, SEP, or SIMPLE. |
| F | Box 2a shows the part of the distribution that is generally taxable. If there is no entry in this box, the first section in box 2b will be checked.
Important: U.S. Global Investors does not determine the taxable amount. See Form 1040 or 1040A instructions to compute the taxable amount. See <i>Publication 590</i> for more information on IRAs. | K | U.S. Global Investors does not withhold for state taxes. Generally, box 12 will be blank. |
| G | Box 4 Shows federal income tax withheld.

Include this amount on your income tax return as tax withheld. If box 4 shows an amount (other than zero), attach Copy B to your return. | L | Box 13 reports your residential state. U.S. Global Investors does not report state taxes. |
| | | M | U.S. Global Investors does not withhold for state taxes. Generally, box 14 will be blank. |

FORM 1099-Q Coverdell ESA Distributions (mailed by January 31)

What is form 1099-Q?

Form 1099-Q reports distributions taken from your Coverdell Education Savings Account under section 530.

Who receives it?

You will receive Form 1099-Q if you processed a distribution, including an in-kind transfer, from your ESA account.

Taxable Distributions

A portion of the distribution is generally taxable to the beneficiary if the:

- Total distribution is more than the beneficiary's adjusted qualified education expenses for the year.
- or-
- Designated beneficiary was changed and the new designated beneficiary is not a family member or is over age 30 (except for individuals with special needs).

To figure your earnings and basis, use the Coverdell ESA – Taxable Distributions and Basis worksheet in *Publication 970*.

Form 1099-Q Example:

Tax-Free Distributions

Generally, distributions are tax free if they are used to pay for qualified education expenses, transferred between trustees, or rolled over to another qualified education program within 60 days.

Important: Do not report tax-free distributions (including qualifying rollovers) on your tax return. For more information, see *Publication 970*.

What IRS tax forms are needed?

Depending on your tax situation, you may need the following:

- IRS [Form 1040](#) or [1040A](#)
- Possibly [Form 5329](#)

Help with reporting:

To determine how to report the information provided to you on Form 1099-Q, see the following resources at www.irs.gov:

- [1040 Instructions 2012](#) – See page 11.
- [1040A Instructions 2012](#) – See page 11.
- [Publication 970 Tax Benefits for Education](#)

PAYER'S/TRUSTEE'S Name, Street Address, City, State, ZIP Code and Telephone Number: UNITED SHAREHOLDER SERVICES, INC. PO BOX 859405 SAN ANTONIO, TX 78265-9604 1 (800) 873-8637		TAX YEAR 2012 Payments From Qualified Education Programs (Under Sections 529 and 530) (OMB No. 1545-1760)					
RECIPIENT'S Name, Street Address (including apt. no.), City, State, and ZIP Code Your Name A 123 Main St San Antonio TX 78265		Form 1099-Q Copy B For Recipient Department of the Treasury-Internal Revenue Service (Keep for your Records) This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.					
		RECIPIENT'S social security number B 12-3456789	PAYER'S/TRUSTEE'S federal identification number C 98-7654321				
		Corrected (if checked) <input type="checkbox"/>					
Form 1099-Q • 2012 PAYMENTS FROM QUALIFIED EDUCATION PROGRAMS (UNDER SECTIONS 529 AND 530)							
Account Number D	(1) Gross distribution* E	(2) Earnings** F	(3) Basis G	(4) Trustee-to-trustee transfer H	(5) Program type I	(6) If this box is checked, the recipient is not the designated beneficiary J	Coverdell ESA fair market value (FMV) as of 12-31-12* K
Fund: L 98-7654321	999.99	999.99	999.99	<input type="checkbox"/>	Coverdell ESA	<input type="checkbox"/>	999.99
Form 1099-Q * For Coverdell ESA Accounts, please see Publication 970 (Tax Benefits for Education) for information about how to calculate the earnings portion of the gross distribution. ** For Coverdell ESA Accounts, the earnings amount shown includes earnings on excess contribution returns only.							

FORM 1099-Q Form Description

- | | | | |
|---|--|---|--|
| A | Your name and address. | G | Box 3 reports the basis of the gross distribution.
Important: U.S. Global Investors does not determine the basis for the distribution. To figure your earnings and basis, use the Coverdell – ESA Taxable Distributions and Basis worksheet in Publication 970. |
| B | Your tax identification number (TIN). | H | If checked, the distribution was made direct to another Coverdell ESA Plan or qualified tuition plan (QTP). |
| C | The payer’s federal tax ID number. | I | Reports the program type – Coverdell ESA. |
| D | Your fund and account number. | J | Box 6 will be checked if the recipient is not the designated beneficiary. |
| E | Box 1 reports the gross distributions, including in-kind distributions, paid to you. | K | Reports the fair market value as of December 31, 2012. |
| F | Box 2 reports earnings on the gross distribution.
An additional 10% tax may apply to part or all of any amount included in income. See Form 5329 and your tax return for more information.
Important: U.S. Global Investors does not determine the earnings for the distribution. To figure your earnings and basis, use the Coverdell – ESA Taxable Distributions and Basis worksheet in Publication 970. | L | Your fund’s name. |