

Boston Capital's plans for issuing 2018 Schedule K-1's.

As you know, in past years over 99% of our K-1 have been delivered on or before the partnership deadlines.

As compared to past years, Boston Capital's Tax Department is seeing a substantial reduction in the volume of returns from operating partnerships that own the individual properties. This year, through no fault of their own, many of operating partnerships are experiencing delays.

Boston Capital's CPA firms have told us that this is an industry-wide trend due to several factors.

- The numerous changes to the Code resulting from the Tax Cuts and Jobs Act of 2017. These changes in the Code meant that a number of IRS forms had to be updated.
- The 35-day federal government shutdown that began on December 22, 2018, delayed the IRS' issuance of the necessary forms.
- Now that the forms have been released, tax software has to be updated by software vendors. This necessary software update has hampered many CPA's ability to complete the 2018 tax returns for their clients. The CPA firms affected range from small firms to large firms. Several firms have still not completed the necessary updates to their systems.
- Because of the changes to the Code and to the forms, when our Tax Department receives a return, it is applying more scrutiny than in recent years. We are finding that many returns need follow up conversations, edits, and corrections all of which further slows down our process.

We wanted to bring the potential late delivery of your 2018 Schedule K-1(s) to your attention. We have a high level of confidence all K-1s will be completed by March 31st but it may be to your benefit to file an extension for your 2018 taxes in case your K-1 is completed after April 15th.

Thank you for your understanding in this matter. We will keep you informed as we continue processing your K-1's. If you have any questions or concerns please contact Investor Services at (800) 955-2733 or investorservices@bostoncapital.com