



Note: *The draft you are looking for begins on the next page.*

Caution: DRAFT—NOT FOR FILING

This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information. **Do not file draft forms.** We incorporate all significant changes to forms posted with this coversheet. However, unexpected issues occasionally arise, or legislation is passed—in this case, we will post a new draft of the form to alert users that changes were made to the previously posted draft. Thus, there are never any changes to the last posted draft of a form and the final revision of the form. Forms and instructions are subject to OMB approval before they can be officially released, so we post drafts of them until they are approved. Drafts of instructions and pubs usually have some additional changes before their final release. Early release drafts are at [IRS.gov/DraftForms](https://www.irs.gov/DraftForms) and remain there after the final release is posted at [IRS.gov/LatestForms](https://www.irs.gov/LatestForms). Also see [IRS.gov/Forms](https://www.irs.gov/Forms).

Most forms and publications have a page on IRS.gov: [IRS.gov/Form1040](https://www.irs.gov/Form1040) for Form 1040; [IRS.gov/Pub501](https://www.irs.gov/Pub501) for Pub. 501; [IRS.gov/W4](https://www.irs.gov/W4) for Form W-4; and [IRS.gov/ScheduleA](https://www.irs.gov/ScheduleA) for Schedule A (Form 1040), for example, and similarly for other forms, pubs, and schedules for Form 1040. When typing in a link, type it into the address bar of your browser, not a Search box on IRS.gov.

If you wish, you can submit comments to the IRS about draft or final forms, instructions, or pubs at [IRS.gov/FormsComments](https://www.irs.gov/FormsComments). Include “NTF” followed by the form or pub number (for example, “NTF1040”, “NTFW4”, “NTF501”, etc.) in the body of the message to route your message properly. We cannot respond to all comments due to the high volume we receive and may not be able to consider many suggestions until the subsequent revision of the product, but we will review each “NTF” message. If you have comments on reducing paperwork and respondent (filer) burden, with respect to draft or final forms, please respond to the relevant information collection through the Federal Register process; for more info, click [here](#).

Instructions for Form 8612



(Rev. December 2025)

Return of Excise Tax on Undistributed Income of Real Estate Investment Trusts

General Instructions

Future Developments

For the latest information about developments related to Form 8612 and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form8612](https://www.irs.gov/Form8612).

What's New

Electronic payments. If the REIT has access to U.S. banking services or electronic payment systems, it should use direct deposit for any refunds and pay electronically for any payments, whenever possible.

Direct deposit. Direct deposit fields have been added to this form on lines 13b, 13c, and 13d. If there is an overpayment on line 13a, enter the REIT's direct deposit information on lines 13b, 13c, and 13d. See [Line 13a. Overpayment](#), later.

Making a payment. If there is a balance due on line 12, go to [IRS.gov/Payments](https://www.irs.gov/Payments) for information on how to make a payment. See the instructions for [Line 12. Tax due](#), later, for more details.

Purpose of Form

Form 8612 is used by real estate investment trusts (REITs) to figure and pay the excise tax on undistributed income under section 4981. The excise tax is 4% of the excess, if any, of the required distribution over the distributed amount.

Who Must File

Any REIT that is liable for the excise tax on undistributed income under section 4981 must file Form 8612.

When and Where To File

File Form 8612 by March 15 following the calendar year to which the excise tax liability applies. File it with the Department of the Treasury, Internal Revenue Service Center, Cincinnati, OH 45999.

If more time is needed, use Form 7004, Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns. However, Form 7004 does not extend the time for payment of tax.

Who Must Sign

Form 8612 must be signed and dated by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or by any other officer (such as tax officer) authorized to sign. Receivers, trustees, or assignees must sign and date any return that they are required to file on behalf of the REIT.

Rounding Off to Whole Dollars

The REIT may show amounts on the return as whole dollars. To do so, drop any amount less than 50 cents and increase any amount from 50 cents to 99 cents to the next dollar.

Interest and Penalties

Interest. Interest is charged on taxes paid late even if an extension of time to file is granted. Interest is also charged on penalties imposed for failure to file, negligence, fraud, and substantial understatements of tax from the due date

(including extensions) to the date of payment. The interest charge is figured at a rate determined under section 6621.

Late payment of tax. A REIT that doesn't pay the tax when due may be charged a penalty for the failure to pay tax. The amount of the penalty is $\frac{1}{2}$ of 1% of the unpaid tax for each month or part of the month the tax is not paid, up to a maximum of 25% of the unpaid tax. This penalty won't be imposed if the REIT can show that the failure to pay on time was due to reasonable cause.

Late filing of return. A REIT that doesn't file its tax return by the due date, including extensions, may be penalized 5% of the unpaid tax for each month or part of a month the return is late, up to a maximum of 25% of the unpaid tax. The penalty won't be imposed if the REIT can show that the failure to file on time was due to reasonable cause. REITs that file late should send an explanation of reasonable cause after receiving a notice from the IRS. Do not attach an explanation when the return is filed.

Other penalties. Other penalties can be imposed for negligence, substantial understatements of tax, reportable transaction understatements, and fraud. See sections 6662, 6662A, and 6663.

Amended Return

To amend a previously filed Form 8612, file a corrected Form 8612 and write "Amended" at the top of the form.

Specific Instructions

Period covered. Fill in the space at the top of the form to show the calendar year for which this return is filed. The REIT is required to figure its undistributed income on a calendar year basis even though it may file its income tax return and keep its books and records on a fiscal year basis.

Address. Include the suite, room, or other unit number after the street address. If the Post Office does not deliver mail to the street address and the REIT has a P.O. box, show the box number instead.

If the REIT receives its mail in care of a third party (such as an accountant or an attorney), enter on the street address line "C/O" followed by the third party's name and street address or P.O. box.

Line 1a. Refigure real estate investment trust taxable income, treating the calendar year as the REIT's tax year. When refiguring this amount, exclude the deduction for dividends paid and any gain or loss from the sale or exchange of a capital asset. Include adjustments that result in the distribution of deficiency dividends (defined in section 860(f)) for the year in which the dividends are paid. Also, include the REIT's share of partnership ordinary income (loss) and deductions when they are taken into account by the partnership. For details and exceptions, see Rev. Rul. 94-40, 1994-1 C.B. 274; and Rev. Proc. 94-71, 1994-2 C.B. 810.

Line 2a. To determine capital gain net income, figure the excess, if any, of the gains over the losses from the sale or exchange of capital assets, determined by treating the calendar year as the REIT's tax year. Reduce the result by the REIT's net ordinary loss (as defined in section 4981(e)(2)(C)), if any, for the calendar year. Include adjustments that result in the distribution of deficiency dividends (defined in section 860(f)) and that affect capital gain net income for the year in which the dividends are

paid. Also, include the REIT's share of partnership items that affect capital gain net income when they are taken into account by the partnership. For details and exceptions, see Rev. Rul. 94-40 and Rev. Proc. 94-71.

Line 3a. Add lines 1a and 2a using amounts for the previous calendar year, increased by the prior year's shortfall, if any, as defined in section 4981(b)(2).

Line 5. Enter the deduction for dividends paid (as defined in section 561) during the current calendar year figured without regard to the dividends paid, if any, attributable to net income from foreclosure property. Include deficiency dividends (defined in section 860(f)) paid during the calendar year. Also, include dividends declared in October, November, or December, but only if they were actually paid by the REIT during January of the following calendar year. See section 857(b)(9). Do not include on this line any other dividends paid after the close of the calendar year.

Line 6. Line 6 is the total of the following amounts figured for the tax year of the REIT ending in or with the calendar year for which this excise tax return is filed.

1. Real estate investment trust taxable income from Form 1120-REIT, Part I, line 22.
2. Undistributed capital gains designated under section 857(b)(3)(D) from Form 2438, line 11.

Line 12. Tax due. All payments made to the federal government are to be processed electronically. Go to [IRS.gov/Payments](https://www.irs.gov/Payments) for more information on using any of the payment options below.

Electronic Federal Tax Payment System (EFTPS). The REIT must use electronic funds transfers (EFT) to make all federal tax deposits (such as deposits of employment tax, excise tax, and corporate income tax). An EFT can be made using the Electronic Federal Tax Payment System (EFTPS). However, if the REIT does not want to use EFTPS, it can arrange for its tax professional, financial institution, payroll service, or other trusted third party to make deposits on its behalf. Also, it may arrange for its financial institution to submit a same-day payment (discussed below) on its behalf. EFTPS is a free service provided by the Department of the Treasury. Services provided by your tax professional, financial institution, payroll service, or other third party may have a fee.

To get more information about EFTPS, or to enroll in EFTPS, visit the EFTPS website at [EFTPS.gov](https://www.eftps.gov) or call 800-555-4477. To contact EFTPS using Telecommunications Relay Services (TRS) for people who are deaf, hard of hearing, or have a speech disability, dial 711 and provide the TRS assistant the 800-555-4477 number above or 800-733-4829.

Depositing on time. EFTPS accepts same day payments of \$1 million or less if the payment is submitted before 3:00 p.m. Eastern time on a business day. If the REIT's payment is more than \$1 million, the REIT must submit the deposit by 8:00 p.m. Eastern time the day before the date the deposit is due. If the REIT uses a third party to make deposits on its behalf, they may have different cutoff times.

Same-day wire payment option. If the REIT fails to submit a deposit transaction on EFTPS, it can still make its deposit on time by using the Federal Tax Collection Service (FCTS). To use the same-day wire payment method, the REIT will need to make arrangements with its financial institution ahead of time regarding availability, deadlines, and cost. Financial institutions may charge a fee for payments made this way. To learn more about the information the REIT will need to provide to its financial institution to make a same-day wire payment, go to [IRS.gov/SameDayWire](https://www.irs.gov/SameDayWire).

Line 13a. Overpayment. If the REIT has access to U.S. banking services, it should use direct deposit for any refunds, whenever possible. The benefits of a direct deposit include a

faster refund, the added security of a paperless payment, and the savings of the tax dollars associated with the reduced processing costs.

If the REIT wants its refund directly deposited into its checking or savings account at any U.S. bank or other financial institution, complete lines 13b through 13d. See the instructions for lines 13b, 13c, and 13d, later.

The REIT is not eligible to request a direct deposit if:

- The receiving financial institution is a foreign bank or a foreign branch of a U.S. bank, or
- The REIT has applied for an EIN but its filing its tax return before receiving one.

Line 13b. Routing number. The routing number must be nine digits. The first two digits must be between 01 and 12 or 21 through 32. Ask the REIT's financial institution for the correct routing number to enter on line 13b if:

- The routing number on a deposit slip is different from the routing number on the REIT's checks,
- The deposit is to a savings account that does not allow the REIT to write a check, or
- The REIT's checks state that they are payable through a financial institution different from the one at which the REIT has its checking account.

Line 13c. Type of account. Check the appropriate box for the type of account. Don't check more than one box. The REIT must check the correct box to ensure the deposit is accepted.

Line 13d. Account number. The account number can be up to 17 characters (both numbers and letters). Include hyphens but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes blank. Don't include the check number.

If the direct deposit to the REIT's account is different from the amount it expected, the REIT will receive an explanation in the mail about 2 weeks after the refund is deposited.

Conditions resulting in a refund by check. If the IRS is unable to process the request for a direct deposit, a refund by check will be generated instead. Reasons for not processing a request include:

- The name of the REIT on the tax return does not match the name on the account.
- The financial institution rejects the direct deposit because of an incorrect routing or account number.
- The REIT fails to indicate the type of account the deposit is to be made to (that is, checking or saving).

Note: The IRS isn't responsible for a lost refund if the REIT enters the wrong account information. Check with the REIT's financial institution to get the correct routing and account numbers and to make sure the direct deposit will be accepted.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

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Recordkeeping	6 hr., 13 min.
Learning about the law or the form ..	1 hr., 40 min.
Preparing and sending the form to the IRS	1 hr., 52 min.

be happy to hear from you. You can send us comments from [IRS.gov/FormComments](https://www.irs.gov/FormComments). Or, you can write to the Internal Revenue Service, Tax Forms and Publications, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *When and Where To File*, earlier.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would

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