



EXHIBIT 1 Summary of Current Personal Tax Treatment of Total Return from Bonds		
	Discount/Premium	Basis
PREMIUM BONDS		
Taxable:	<ul style="list-style-type: none"> ■ can be amortized to maturity amortization 	<ul style="list-style-type: none"> ■ reduced to reflect amortization
Tax-exempt:	<ul style="list-style-type: none"> ■ must be amortized to maturity ■ amortization is not deductible 	<ul style="list-style-type: none"> ■ reduced to reflect amortization
Amortization:	<ul style="list-style-type: none"> ■ issued on or before 9/27/85: ■ issued after 9/27/85: 	<ul style="list-style-type: none"> ■ straight line or constant yield ■ constant yield only
MARKET DISCOUNT BONDS		
Taxable:	<ul style="list-style-type: none"> ■ at sale, generates taxable income on accrued interest and taxable capital gain on (price minus basis) 	<ul style="list-style-type: none"> ■ increased to reflect accrual of the discount
Tax-exempt:	<ul style="list-style-type: none"> ■ same as above 	<ul style="list-style-type: none"> ■ adjusted
Accrual of the discount:	<ul style="list-style-type: none"> ■ issued on or before 7/18/84 and bought on or before 4/30/93: ■ issued after 7/18/84 or bought after 4/30/93: 	<ul style="list-style-type: none"> ■ no accrual ■ constant yield
ORIGINAL ISSUE DISCOUNT BONDS		
Taxable:	<ul style="list-style-type: none"> ■ each year, generates taxable phantom income (coupon plus accrued discount) 	<ul style="list-style-type: none"> ■ increased to reflect accrual of the discount
Tax-exempt:	<ul style="list-style-type: none"> ■ tax-exempt 	<ul style="list-style-type: none"> ■ increased to reflect accrual of the discount

