

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
SPIRIT OF AMERICA INCOME FUND		26-3913023	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
ALAN P. CHODOSH	(516) 390-5525	APCHODOSH@DAVIDLERNER.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
477 JERICHO TURNPIKE		SYOSSET, NY 11791	
8 Date of action		9 Classification and description	
SEE ATTACHED		REGULATED INVESTMENT COMPANY (RIC) SHARES	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
SEE ATTACHED	N/A	SEE ATTACHED	N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ THE SPIRIT OF AMERICA INCOME FUND (THE "FUND") IS A REGULATED INVESTMENT COMPANY THAT DISTRIBUTES NET INVESTMENT INCOME MONTHLY. FOR THE MONTHLY NET INVESTMENT INCOME DISTRIBUTIONS PAID BY THE FUND FOR THE 2016 CALENDAR YEAR, 13.6782% OF EACH DISTRIBUTION IS CONSIDERED A NON-TAXABLE RETURN OF CAPITAL. PLEASE SEE THE ATTACHMENT TO IRS FORM 8937 FOR MORE DETAIL.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ FOR THE DISTRIBUTIONS REFERENCED ABOVE, 13.6782% SHOULD BE TREATED AS A NON-TAXABLE RETURN OF CAPITAL. PLEASE SEE THE ATTACHMENT TO IRS FORM 8937 FOR MORE DETAIL.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ THE BASIS OF EACH SHAREHOLDER OF RECORD ON THE DISTRIBUTION DATES REFERENCES IN THE ATTACHEMENT TO IRS FORM 8937 SHALL BE REDUCED BY 13.6782% OF THE AMOUNTS RECEIVED. THIS AMOUNT WAS DETERMINED IN ACCORDANCE WITH IRC SECTIONS 301 AND 316.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC SECTIONS 301 AND 316.

18 Can any resulting loss be recognized? ▶ A LOSS WOULD NOT BE RECOGNIZED AS PART OF THE DISTRIBUTIONS. THE BASIS OF EACH SHAREHOLDER OF RECORD WOULD NEED TO BE ADJUSTED BY THE AMOUNT OF THE DISTRIBUTION THAT WOULD AFFECT REALIZED GAIN OR LOSS RECOGNIZED ON THE DISPOSITION OF FUND SHARES.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ THE AMOUNTS AS REPORTED ABOVE ARE REPORTABLE FOR THE 2016 TAX YEAR.

Sign Here
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.
Signature ▶ _____ Date ▶ _____
Print your name ▶ _____ Title ▶ _____

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

ISSUER'S NAME	RECORD		PAYABLE DATE	TOTAL	ORDINARY	NON-DIVIDEND	RETURN OF
	DATE	EX-DATE		DISTRIBUTION	DISTRIBUTION	DISTRIBUTION	CAPITAL
				PER SHARE	PER SHARE	(RETURN OF CAPITAL)	PERCENTAGE
SPIRIT OF AMERICA INCOME FUND - A BOX 10 CUSIP NUMBER: 848579108 BOX 12 TICKER SYMBOL: SOAIX	DAILY	DAILY	2/1/2016	0.035762145	0.030870531	0.004891614	13.6782%
	DAILY	DAILY	3/1/2016	0.037449610	0.032327181	0.005122429	13.6782%
	DAILY	DAILY	4/1/2016	0.043098980	0.037203819	0.005895161	13.6782%
	DAILY	DAILY	5/2/2016	0.044680240	0.038568792	0.006111448	13.6782%
	DAILY	DAILY	6/1/2016	0.043924116	0.037916092	0.006008024	13.6782%
	DAILY	DAILY	7/1/2016	0.038929306	0.033604481	0.005324825	13.6782%
	DAILY	DAILY	8/1/2016	0.030027147	0.025919977	0.004107170	13.6782%
	DAILY	DAILY	8/2/2016	0.007295775	0.006297845	0.000997930	13.6782%
	DAILY	DAILY	9/1/2016	0.049440261	0.042677728	0.006762533	13.6782%
	DAILY	DAILY	10/3/2016	0.043764318	0.037778151	0.005986167	13.6782%
	DAILY	DAILY	11/1/2016	0.043114200	0.037216958	0.005897242	13.6782%
	DAILY	DAILY	12/1/2016	0.044385529	0.038314392	0.006071137	13.6782%
	DAILY	DAILY	01/03/2017	0.063880355	0.055142678	0.008737677	
	SPIRIT OF AMERICA INCOME FUND - C BOX 10 CUSIP NUMBER: 84860V500 BOX 12 TICKER SYMBOL: SACTX	DAILY	DAILY	4/1/2016	0.017962906	0.015505905	0.002457001
DAILY		DAILY	5/2/2016	0.035089878	0.030290218	0.004799660	13.6782%
DAILY		DAILY	6/1/2016	0.034999255	0.030211990	0.004787265	13.6782%
DAILY		DAILY	7/1/2016	0.036723926	0.031700757	0.005023169	13.6782%
DAILY		DAILY	8/1/2016	0.036303920	0.031338201	0.004965719	13.6782%
DAILY		DAILY	9/1/2016	0.034565075	0.029837198	0.004727877	13.6782%
DAILY		DAILY	10/3/2016	0.035824358	0.030924234	0.004900124	13.6782%
DAILY		DAILY	11/1/2016	0.035139903	0.030333400	0.004806503	13.6782%
DAILY		DAILY	12/1/2016	0.036500676	0.031508044	0.004992632	13.6782%
DAILY		DAILY	1/3/2017	0.040174032	0.034678951	0.005495081	13.6782%