

Kayne Anderson Energy Total Return Fund, Inc. - (CUSIP: 48660P104)

2006 Form 1099- DIV Dividends & Distributions Information

- Stockholders as of any of the record dates below should receive a 2006 Form 1099 – DIV.
- Although stockholders as of December 30, 2005, received the \$.40625 per share dividend during January 2006, the dividend should not be included in 2006 Form 1099 – DIV and should have been included in 2005 Form 1099 - DIV.
- Although stockholders as of December 29, 2006, received the \$.4450 per share dividend during January 2007, the dividend should be included in 2006 Form 1099 – DIV.
- **Example 1:** Stockholder X owns 100 shares during the entire calendar year of 2006. Stockholder X received \$129.50 (\$1.295 per share X 100 shares) of dividends during the calendar year 2006. Stockholder X received \$44.50 (\$.4450 per share X 100 shares) of dividends during January 2007. Stockholder X should receive a 2006 Form 1099 – DIV including \$170.56 (\$1.7056 per share x 100 shares) of Ordinary Income (Box 1a), \$93.80 (\$0.938 per share x 100 shares) of Qualified Dividends (Box 1b) and \$3.44 (\$.0344 per share X 100 shares) of Non-dividend Distributions (Box 3).
- **Example 2:** Stockholder X purchased 100 shares on December 1, 2006 (held shares as of the December 29 record date) and received \$44.50 (\$.4450 per share x 100 shares) during January 2007. Stockholder X should receive a 2006 Form 1099 – DIV including \$43.62 (\$.4362 per share x 100 shares) of Ordinary Income (Box 1a), \$23.99 (\$.2399 per share x 100 shares) of Qualified Dividends (Box 1b) and \$.88 (\$.0088 per share X 100 shares) of Non-dividend Distributions (Box 3).

All information in the table below is based on ownership of 100 shares of Kayne Anderson Energy Total Return Fund, Inc.

				Year Included in			Box 1a Total	Box 1b Total
				Shareholders' Income				
Record	Ex-Div	Payable	Total				Ordinary	Qualified
Date	Date	Date	Dividends	2004	2005	2006	Dividends	Dividends
4/5/2006	4/3/2006	4/13/2006	\$ 41.50			\$ 41.50	\$ 40.68	\$ 22.37
7/6/2006	7/3/2006	7/13/2006	\$ 44.00			\$ 44.00	\$ 43.13	\$ 23.72
10/4/2006	10/2/2006	10/13/2006	\$ 44.00			\$ 44.00	\$ 43.13	\$ 23.72
12/29/2006	12/27/2006	1/12/2007	\$ 44.50			\$ 44.50	\$ 43.62	\$ 23.99
Total			\$ 174.00			\$ 174.00	\$ 170.56	\$ 93.80

	Box 2a	Box 2b	Box 2c	Box 2d	Box 3	Box 6	Box 8	Box 9	
		Unrecap				Foreign	Cash	Non-cash	Exempt
Record	Total Capital	Sec. 1250	Section 1202	Collectibles	Non-dividend	Tax	Liquidation	Liquidation	Interest
Date	Gain Distr.	Gain	Gain	(28%) Gain	Distributions	Paid	Distr	Distr	Dividends
4/5/2006					\$.82				
7/6/2006					\$.87				
10/4/2006					\$.87				
12/29/2006					\$.88				
Total					\$ 3.44				

- Dividends (Boxes 1a and 1b) are either Qualified Dividends or non-Qualified Dividends. To the extent that Ordinary Dividends (Box 1a) exceeds Qualified Dividends (Box 1b), the difference will be taxed at ordinary income tax rates.
- In addition to other requirements which designate dividends as Qualified Dividends, a stockholder must meet the holding period requirements. Generally, a stockholder must hold the stock for more than 60 days during the 121-day period that begins 60 before the ex-dividend date.
- Non-dividend Distributions (Box 3) are treated as a return of capital for tax purposes (i.e., not as taxable income) and reduce the cost basis of shares owned.