

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

2016 Form 1099-DIV Dividends & Distributions Information

- Kayne Anderson Energy Total Return Fund, Inc. is a regulated investment company (“RIC”) and is designating the tax character of dividends and distributions as set forth below.
- Stockholders as of any of the record dates below should receive a 2016 Form 1099-DIV.
- Although stockholders as of December 30, 2015, received the distribution of \$0.33 per share during January 2016, the distribution, as a result of the fund’s RIC status, should not be included in 2016 Form 1099-DIV and should have been included in the 2015 Form 1099-DIV.
- Although stockholders as of December 30, 2016, received the distribution of \$0.25 per share during January 2017, the distribution, as a result of the fund’s RIC status, should be included in the 2016 Form 1099-DIV.
- Example 1: Stockholder X owns one share during the entire calendar year of 2016 and received \$1.00 of distributions. Stockholder X should receive a 2016 Form 1099-DIV including \$0.8892 of Ordinary Dividends (Box 1a), of which \$0.3288 will be treated as Qualified Dividends (Box 1b), and \$0.1108 treated as Nondividend Distributions (Box 3).
- Example 2: Stockholder X purchased one share on December 27, 2016 (held the share as of the December 30 record date) and received \$0.25 in January 2017. Stockholder X should receive a 2016 Form 1099-DIV including \$0.25 of Ordinary Dividends (Box 1a), of which \$0.0924 will be treated as Qualified Dividends (Box 1b).

Record Date	Ex-Dividend Date	Payable Date	Total Distribution Per Share	Year Included in Shareholders' Income			Box 1a Total Ordinary Dividends	Box 1b Total Qualified Dividends
				2015	2017	2016		
4/6/2016	4/4/2016	4/15/2016	\$ 0.2500			\$ 0.2500	\$ 0.2130	\$ 0.0788
7/8/2016	7/6/2016	7/15/2016	\$ 0.2500			\$ 0.2500	\$ 0.2131	\$ 0.0788
10/7/2016	10/5/2016	10/14/2016	\$ 0.2500			\$ 0.2500	\$ 0.2131	\$ 0.0788
12/30/2016	12/28/2016	1/13/2017	\$ 0.2500			\$ 0.2500	\$ 0.2500	\$ 0.0924
			\$ 1.0000			\$ 1.0000	\$ 0.8892	\$ 0.3288

Record Date	Box 2a Total Capital Gain Distr.	Box 2b Unrecap Sec. 1250 Gain	Box 2c Section 1202 Gain	Box 2d Collectibles (28%) Gain	Box 3 Nondividend Distributions	Box 6 Foreign Tax Paid	Box 8 Cash Liquidation Distr	Box 9 Noncash Liquidation Distr	Exempt Interest Dividends
4/6/2016					\$ 0.0370				
7/8/2016					\$ 0.0369				
10/7/2016					\$ 0.0369				
12/30/2016					\$ -				
					\$ 0.1108				

- Total Ordinary Dividends (Box 1a) are either Qualified Dividends or non-Qualified Dividends. To the extent that Total Ordinary Dividends (Box 1a) exceeds Qualified Dividends (Box 1b), the difference will be taxed at the applicable ordinary income tax rate.
- 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 days before the ex-dividend date.
- Nondividend 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 the investment owned.

This notice is not intended to constitute tax, legal, investment or other professional advice. This is general information and should not be relied upon without consulting your tax advisor.