

BUFFETT PARTNERSHIP, L.T.D.

810 KIEWIT PLAZA
OMAHA 91, NEBRASKA
TELEPHONE 648-4110

Buffett
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WARREN E. BUFFETT, GENERAL PARTNER
WILLIAM SCOTT

December 26, 1963

To All Limited Partners:

The following tax information is very important and should either be clearly understood by you if you prepare your own return, or should be given to your tax advisor if he prepares your return.

- (1) If you have received any distributions from the Partnership during the year, disregard such amounts for federal income tax purposes.
- (2) All items which should be included on your federal income tax return will be sent to you by the 25th of January either by me or directly from our auditors. You will be informed as to the proper handling of these items on your return. Do not file your tax return until you have this information.
- (3) Nebraska residents need not report their interest in the Partnership on their Nebraska Personal Property Return. The Partnership pays personal property taxes directly; the individual partners do not need to pay them.
- (4) If possible income from the Partnership (say 15% or 20% of your equity at market value) is a significant portion of your total income, the safe course to follow in preparing 1964 quarterly estimates is to pay on the basis of your actual 1963 tax. On my personal return I always follow this procedure. This avoids possible penalties for underestimating. You are liable on your quarterly estimates for your proportionate share of partnership income. If your estimate for the current year is the same as the actual tax paid for the preceding year, you cannot be penalized for underestimating.

PARTICULARLY
IMPORTANT!

If you have any questions at all about this information, be sure to let me know.

During January you will receive the following items from us:

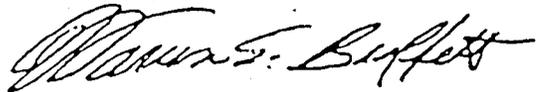
- (1) A copy of the audit report prepared by Peat, Marwick, Mitchell & Company.

- (2) Complete tax figures as mentioned above.
- (3) A statement as to the market value of your interest on January 1, 1964, giving effect to additions and withdrawals, if any, in the early days of January.
- (4) My annual letter reviewing 1963 and dispensing liberal amounts of conservative investment philosophy.

Our results for this year approximate those reported in the last letter. Partners taking monthly payments will have an increase of about 20% in their capital account for the year, and those not taking payments will be plus a bit over 26%.

All commitment letters become absolutely final on December 31st. Should you wish to modify your letter in any way, it is essential that you contact me either in writing or verbally before the close of business on the 31st. Your commitment as we presently have it recorded is shown below.

Cordially,



Warren E. Buffett

WEB:bf

COMMITMENT STATUS ON 12/26/63 FOR:

Account

W. E. Buffett, Inc.

() Nothing due from you or to you between now and Jan. 10, 1964.

() \$ _____ due from you between now and Jan. 10, 1964.

() \$ _____ due to you by Jan. 5, 1964.