(December 2017

Department of the Treasury

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-0123

Internal Revenue Service Reporting Issuer Part I 2 Issuer's employer identification number (EIN) 1 Issuer's name SPIRIT OF AMERICA INCOME FUND 26-3913023 3 Name of contact for additional information 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 SYOSSET, NY 11791 **477 JERICHO TURNPIKE** 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 Part II Organizational Action Attach additional statements if needed. See back of form for additional questions. 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. A PORTION OF EACH DISTRIBUTION PAID BY THE FUND DURING THE 2018 CALENDAR YEAR IS CONSIDERED A NON-TAXABLE RETURN OF CAPITAL. PLEASE REFER TO THE ATTACHMENT TO IRS FORM 8937 FOR A MORE DETAILED EXPLANATION. 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 ▶ THE AMOUNTS SHOWN AS A RETURN OF CAPITAL IN THE ATTACHED STATEMENT REPRESENTS A REDUCTION OF THE SHAREHOLDER'S TAX BASIS ON SHARES HELD. PLEASE REFER TO THE ATTACHMENT TO IRS FORM 8937 FOR A MORE DETAILED EXPLANATION 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 REFERENCED IN THE ATTACHMENT TO IRS FORM 8937 SHALL BE REDUCED BY THE AMOUNT OF THE DISTRIBUTION DETERMINED TO BE A NON-TAXABLE RETURN OF CAPITAL. PLEASE REFER TO THE ATTACHMENT TO IRS FORM 8937 FOR A MORE DETAILED EXPLANATION.

| Part | Ц (| Orga | nızatıonal | Action (con | itinued) | | | | | | | | | |
|---------------|---------|-------------|-------------------------------|---|-------------|-------------------|--------------------------|------------|--------------|---------------|----------|------------------------|----------|-------------|
| | st the | applic | able Internal | Revenue Code | e section(s | s) and sub | osection(s) | upon whic | h the tax tr | eatment is | based ► | IRC SEC | TIONS 30 | 1 AND |
| 316. | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | ecognized? ► | | | | | | | | | | |
| | | | | CORD WOULD | | | | | | THE DISTR | RIBUTION | N THAT WO | OULD AFF | ECT |
| REALIZ | ED GA | AIN OI | R LOSS REC | COGNIZED ON | THE DIS | SPOSITIO | N OF FUN | D SHARES | S | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | - | | ion necessary t | | | djustment, | such as th | e reportab | le tax year ▶ | ► THE AN | MOUNTS AS | S REPORT | ΓED |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| Sign | | | | I declare that I h d complete. Decla | | | | | | | | | | owledge and |
| Here | Signa | Signature ▶ | | | | | | | Date ► | | | | | |
| | | | | | | | | | | | | | | |
| | Print y | your na | ame ► | | | | | | | Title ► | | | | |
| Paid Prepa | aror | Print/ | Type preparer' Elisabeth M | | | Preparer's Sig | signature nature on l | File | | Date 2/14/19 | | Check if self-employed | | ile |
| Prepa | | Firm's | s name 🕨 | Tait, Weller & | Baker L | LP | | | | 1 | | Firm's EIN ▶ | On File | <u> </u> |
| Use C | חוא | | s address > | 50 South 16th | | |) Philadel _l | hia, PA 1 | 9102 | | | | On File | |

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

| | | | | | NON-DIVIDEND | | |
|-----------------------------------|--------|---------|-----------|--------------|--------------|--------------|------------|
| | | | | TOTAL | ORDINARY | DISTRIBUTION | RETURN OF |
| | RECORD | | PAYABLE | DISTRIBUTION | DISTRIBUTION | (RETURN OF | CAPITAL |
| ISSUER'S NAME | DATE | EX-DATE | DATE | PER SHARE | PER SHARE | CAPITAL) | PERCENTAGE |
| SPIRIT OF AMERICA INCOME FUND - A | DAILY | DAILY | 2/1/2018 | 0.042524676 | 0.038049124 | 0.004475552 | 10.5246% |
| BOX 10 CUSIP NUMBER: 848579108 | DAILY | DAILY | 3/1/2018 | 0.043605708 | 0.039016382 | 0.004589326 | 10.5246% |
| BOX 12 TICKER SYMBOL: SOAIX | DAILY | DAILY | 4/2/2018 | 0.044257055 | 0.039599177 | 0.004657878 | 10.5246% |
| | DAILY | DAILY | 5/1/2018 | 0.042547637 | 0.038069668 | 0.004477969 | 10.5246% |
| | DAILY | DAILY | 6/1/2018 | 0.047453536 | 0.042459241 | 0.004994295 | 10.5246% |
| | DAILY | DAILY | 7/2/2018 | 0.045088317 | 0.040342952 | 0.004745365 | 10.5246% |
| | DAILY | DAILY | 8/1/2018 | 0.043377831 | 0.038812488 | 0.004565343 | 10.5246% |
| | DAILY | DAILY | 9/4/2018 | 0.047291095 | 0.042313896 | 0.004977199 | 10.5246% |
| | DAILY | DAILY | 10/1/2018 | 0.043271657 | 0.038717488 | 0.004554169 | 10.5246% |
| | DAILY | DAILY | 11/1/2018 | 0.043637829 | 0.039045122 | 0.004592707 | 10.5246% |
| | DAILY | DAILY | 12/3/2018 | 0.046042824 | 0.041197001 | 0.004845823 | 10.5246% |
| | DAILY | DAILY | 1/2/2019 | 0.046620471 | 0.041713853 | 0.004906618 | 10.5246% |
| SPIRIT OF AMERICA INCOME FUND - C | DAILY | DAILY | 2/1/2018 | 0.034797813 | 0.031135482 | 0.003662331 | 10.5246% |
| BOX 10 CUSIP NUMBER: 84860V500 | DAILY | DAILY | 3/1/2018 | 0.036679578 | 0.032819199 | 0.003860379 | 10.5246% |
| BOX 12 TICKER SYMBOL: SACTX | DAILY | DAILY | 4/2/2018 | 0.036761448 | 0.032892453 | 0.003868995 | 10.5246% |
| | DAILY | DAILY | 5/1/2018 | 0.035298127 | 0.031583140 | 0.003714987 | 10.5246% |
| | DAILY | DAILY | 6/1/2018 | 0.039968827 | 0.035762268 | 0.004206559 | 10.5246% |
| | DAILY | DAILY | 7/2/2018 | 0.037608650 | 0.033650490 | 0.003958160 | 10.5246% |
| | DAILY | DAILY | 8/1/2018 | 0.035835416 | 0.032063882 | 0.003771534 | 10.5246% |
| | DAILY | DAILY | 9/4/2018 | 0.039734308 | 0.035552431 | 0.004181877 | 10.5246% |
| | DAILY | DAILY | 10/1/2018 | 0.036253098 | 0.032437604 | 0.003815494 | 10.5246% |
| | DAILY | DAILY | 11/1/2018 | 0.036055500 | 0.032260803 | 0.003794697 | 10.5246% |
| | DAILY | DAILY | 12/3/2018 | 0.038993021 | 0.034889162 | 0.004103859 | 10.5246% |
| | DAILY | DAILY | 1/2/2019 | 0.039324139 | 0.035185431 | 0.004138708 | 10.5246% |