

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
Priority Income Fund, Inc.		46-0611646	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
Priority Income Fund, Inc.	212-448-0702	N/A	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and ZIP code of contact	
10 E 40th St., 42nd Floor		New York, NY 10016	
<b>8</b> Date of action		<b>9</b> Classification and description	
See Attached		Common Stock of Regulated Investment Company - Return of Capital	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
74272V	N/A	N/A	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 ▶ Pathway Energy Infrastructure Fund, Inc. paid non-taxable return of capital distributions during 2017. The entire distribution amounts are broken out below. Please see attached for a detail of each distribution made.

Nontaxable Return of Capital: 25.54%  
 Ordinary Dividends: 74.46%

**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 ▶ The total return of capital distributions made during 2017 decreased each shareholder's basis by \$.34 per share.

**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 ▶ Each shareholder's cost per share after each distribution is equal to their previous basis per share less the non-taxable return of capital distributions described in the attached schedule. \$.34 represents the total decrease to each shareholder's cost per share had they received every distribution made during 2017.

**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 Section 301(c)(2), IRC Section 316(a)(1), and IRC Section 852(c).

Blank lines for listing applicable Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ No loss should be recognized.

Blank lines for providing information regarding resulting loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The information detailed above is provided in the shareholders' 2017 1099-DIV.

Blank lines for providing other information necessary to implement the adjustment.

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.

Sign Here

Signature ▶

*Kristin Van Duse*

Date ▶

Print your name ▶

*Kristin Van Duse*

Title ▶

**Paid Preparer Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check  if self-employed

PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ▶

Phone no.

2017

Record Date	Payment Date	Per Share Distribution	% Return of Capital	% Ordinary Income	% Capital Gains
1/6, 1/13, 1/20, 1/27/2017	1/30/2017	0.08552	25.54%	74.46%	0.00%
2/3, 2/10, 2/17, 2/24/2017	2/27/2017	0.08552	25.54%	74.46%	0.00%
3/3, 3/10, 3/17, 3/24, 3/31/2017	4/3/2017	0.19863	25.54%	74.46%	0.00%
4/7, 4/13, 4/21, 4/28/2017	5/1/2017	0.08780	25.54%	74.46%	0.00%
5/5, 5/12, 5/19, 5/26/2017	5/30/2017	0.08780	25.54%	74.46%	0.00%
6/2, 6/9, 6/16, 6/26, 6/30/2017	7/3/2017	0.19863	25.54%	74.46%	0.00%
7/7, 7/14, 7/21, 7/28/2017	7/31/2017	0.08780	25.54%	74.46%	0.00%
8/4, 8/11, 8/18, 8/25/2017	8/28/2017	0.08780	25.54%	74.46%	0.00%
9/1, 9/8, 9/15, 9/22, 9/29/2017	10/2/2017	0.19863	25.54%	74.46%	0.00%
10/6, 10/13, 10/20, 10/27/2017	10/30/2017	0.08780	25.54%	74.46%	0.00%
11/2, 11/9, 11/16, 11/23, 11/30/2017	11/27/2017	0.08780	25.54%	74.46%	0.00%
12/1, 12/8, 12/15, 12/22, 12/29/2017	1/2/2018	0.01986	25.54%	74.46%	0.00%