

CORRECTED

Form **8937**
(December 2011)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Innovative Solutions and Support, Inc.		2 Issuer's employer identification number (EIN) 23-2507402	
3 Name of contact for additional information Ronald Albrecht, Chief Financial Officer	4 Telephone No. of contact (610) 646-9800	5 Email address of contact ralbrecht@innovative-ss.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 720 Pennsylvania Drive		7 City, town, or post office, state, and Zip code of contact Exton, PA 19341	
8 Date of action December 27, 2012	9 Classification and description Common Stock - Cash Distribution		
10 CUSIP number 45769N105	11 Serial number(s)	12 Ticker symbol ISSC	13 Account number(s)

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 ▶ **The Issuer made a cash distribution on December 27, 2012 of \$1.50 per share, paid to shareholders of record as of the close of business on December 17, 2012.**

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 ▶ **Of the total \$1.50 per share cash distribution on December 27, 2012, the Issuer has determined that \$1.39 per share of this distribution is out of earnings and profits, and is taxable as a dividend. The remaining \$0.11 per share of this distribution should be treated as a return of capital that reduces a shareholder's tax basis in the Issuer's shares, and any amount in excess of a shareholder's tax basis in the Issuer's shares will generally be treated as a capital gain.**

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 ▶ **The allocation of the \$1.50 per share cash distribution as described above is based on the Issuer's earnings and profits accumulated as of the Issuer's fiscal year ended September 30, 2013, the fiscal year from which the cash distribution was paid. The Issuer had previously prepared and posted Form 8937 on its website in January, 2013; the Form 8937 timely filed in January, 2013 reported the estimated allocation of the \$1.50 per share cash distribution, based on reasonable assumptions and information available at that time. This corrected Form 8937 takes into account the final determination of the Issuer's earnings and profits, based on the Issuer's audited financial statements completed in December 2013.**

CORRECTED

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)

IRC Section 312

IRC Section 316(a)

18 Can any resulting loss be recognized? ▶ No

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Reportable for the 2012 calendar year for taxpayers with a calendar year tax year.

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 ▶ 


Date ▶ 01.08.14

Print your name ▶ Ronald C. Albrecht

Title ▶ Chief Financial Officer

Paid Preparer Use Only

Print/Type preparer's name
Allen R. Weaver

Preparer's signature


Date
1/8/14

Check if self-employed

PTIN
P01279975

Firm's name ▶ Global Tax Management, Inc.

Firm's EIN ▶ 23-2817942

Firm's address ▶ 150 N. Radnor-Chester Road, Suite C-200, Radnor, PA 19087

Phone no. (610) 977-0090