

THE DEPOSITORY TRUST COMPANY

IMPORTANT

#: 71-97
DATE: January 10, 1997
TO: All Participants
FROM: Dividend Department
ATTENTION: Managing Partner / Officer, Cashier

SUBJECT: Equity Inns, Inc.

The attached correspondence containing tax information was received by the Depository Trust Company.

D. Ruggiero
Assistant Supervisor
Dividend Department

Attachment



B# 71-97

January 7, 1997

1996 Reporting Information (Form 1099) - Distributions

The income tax treatment for the 1996 distributions for Equity Inns, Inc., CUSIP #294703103 traded under the ticker symbol ENN is as follows:

Declaration Dates	Record Dates	Payable Dates	Distributions Per Share	Distribution Type		
				Ordinary Taxable Dividend	Return of Capital	Long-Term Capital Gain
02/22/96	03/29/96	04/26/96	\$.28			
06/06/96	06/28/96	07/26/96	.28			
09/18/96	09/30/96	10/31/96	.28			
12/05/96	12/31/96	01/31/97	.28	Estimates		
TOTALS			<u>\$1.12</u>	<u>75%</u>	<u>25%</u>	<u>-0-</u>

The company did not incur any foreign taxes. Should you have any additional information, please call Howard Silver at 901-761-9651.

THIS INFORMATION REPRESENTS (check one):

- FINAL INCOME ALLOCATIONS
- ESTIMATED INCOME ALLOCATIONS

Sincerely,

Howard A. Silver
Chief Financial Officer

4735 Spottswood Suite 102 Memphis, TN 38117
Telephone (901) 761-9651 Facsimile (901) 761-1485