

THE DEPOSITORY TRUST COMPANY

IMPORTANT

#: 0088-97

DATE: January 13, 1997

TO: All Participants

FROM: Dividend Department

ATTENTION: Managing Partner / Officer, Cashier

SUBJECT: Prime Retail , Inc., Common, 8.5% Series B Pfd, 10.5% Series A Pfd

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

D. Ruggiero
Assistant Supervisor
Dividend Department

Attachment

B# 88-97

January 8, 1997

PRIME RETAIL, INC. -- COMMON STOCK

1996 REPORTING INFORMATION (FORM 1099) - DISTRIBUTIONS

The income tax treatment for the 1996 distributions for PRIME RETAIL, INC.
 CUSIP # 741570105 , traded under ticker symbol PRME , is as follows:

Declaration Dates	Record Dates	Payable Dates	Distribution Per Share	DISTRIBUTION TYPE		
				Ordinary Taxable Dividend	Return Of Capital	Long-Term Capital Gain
01/17/96	02/01/96	02/15/96	\$0.29500		100.00%	
04/18/96	05/01/96	05/15/96	\$0.29500		100.00%	
06/25/96	06/27/96	07/15/96	\$0.14500		100.00%	
07/17/96	08/01/96	08/15/96	\$0.29500		100.00%	
10/17/96	11/01/96	11/15/96	\$0.29500		100.00%	
		Total	\$1.32500		100.00%	

The company did not incur any foreign taxes. Should you need any additional information, please call Bernard D. Manzone, Jr. at (410) 234-1757.

THIS INFORMATION REPRESENTS (check one):

FINAL INCOME ALLOCATIONS

ESTIMATED INCOME ALLOCATIONS

Sincerely,

Bernard D. Manzone Jr.
 Vice President -
 Director of Taxation

January 8, 1997

PRIME RETAIL, INC. -- 8.5% SERIES B PREFERRED STOCK

1996 REPORTING INFORMATION (FORM 1099) -- DISTRIBUTIONS

The income tax treatment for the 1996 distributions for PRIME RETAIL, INC.
 CUSIP # 741570303 , traded under ticker symbol PRMEP , is as follows:

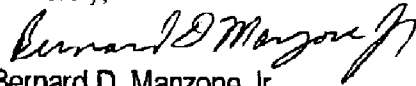
Declaration Dates	Record Dates	Payable Dates	Distribution Per Share	DISTRIBUTION TYPE		
				Ordinary Taxable Dividend	Return Of Capital	Long-Term Capital Gain
01/17/96	02/01/96	02/15/96	\$0.53125	38.02%	61.98%	
04/18/96	05/01/96	05/15/96	\$0.53125	38.02%	61.98%	
07/17/96	08/01/96	08/15/96	\$0.53125	38.02%	61.98%	
10/17/96	11/01/96	11/15/96	\$0.53125	38.02%	61.98%	
		Total	\$2.12500	38.02%	61.98%	

The company did not incur any foreign taxes. Should you need any additional information, please call Bernard D. Manzone, Jr. at (410) 234-1757.

THIS INFORMATION REPRESENTS (check one):

- FINAL INCOME ALLOCATIONS**
 ESTIMATED INCOME ALLOCATIONS

Sincerely,


 Bernard D. Manzone Jr.
 Vice President -
 Director of Taxation

January 8, 1997

PRIME RETAIL, INC. -- 10.5% SERIES A PREFERRED STOCK

1996 REPORTING INFORMATION (FORM 1099) - DISTRIBUTIONS

The income tax treatment for the 1996 distributions for PRIME RETAIL, INC., CUSIP # 741570204, traded under ticker symbol _____, is as follows:

<u>Declaration Dates</u>	<u>Record Dates</u>	<u>Payable Dates</u>	<u>Distribution Per Share</u>	<u>DISTRIBUTION TYPE</u>		
				<u>Ordinary Taxable Dividend</u>	<u>Return Of Capital</u>	<u>Long-Term Capital Gain</u>
01/17/96	02/01/96	02/15/96	\$0.65625	100.00%		
04/18/96	05/01/96	05/15/96	\$0.65625	100.00%		
07/17/96	08/01/96	08/15/96	\$0.65625	100.00%		
10/17/96	11/01/96	11/15/96	\$0.65625	100.00%		
		Total	\$2.62500	100.00%		

The company did not incur any foreign taxes. Should you need any additional information, please call Bernard D. Manzone, Jr. at (410) 234-1757.

THIS INFORMATION REPRESENTS (check one):

FINAL INCOME ALLOCATIONS

ESTIMATED INCOME ALLOCATIONS

Sincerely,



Bernard D. Manzone Jr.
Vice President-
Director of Taxation