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Contact: Christoph Hoffman
(203) 352-4993

**Municipal Advantage Fund Inc. (MAF)
2005 Tax Reporting Information**

For the year ended December 31, 2005, substantially all income dividends paid by Municipal Advantage Fund Inc. (the "Fund") were exempt from federal income tax, although the Fund did invest in securities which paid interest subject to the federal alternative minimum tax ("AMT"). Dividends paid from income subject to AMT amounted to 15.1%. Additionally, the Fund invested in market discount municipal bonds, whose accretion is taxable. Accordingly, 0.06% of the Fund's dividends paid during the year ended December 31, 2005 were taxable. Dividends for the Fund are 100% taxable for the Florida intangible tax.

Shareholders should consult their tax adviser as to the state and local tax status of dividend income received from the Fund.

The information below may also be of value in reducing a shareholder's state or local tax liability, if any, in connection with dividend income received from the Fund.

**Dividend Income - Percentage by State
January 1, 2005 through December 31, 2005**

Alabama	-	Louisiana	2.23%	Oklahoma	-
Alaska	-	Maine	-	Oregon	-
Arizona	-	Maryland	-	Pennsylvania	2.02%
Arkansas	-	Massachusetts	1.77%	Puerto Rico	0.55%
California	11.39%	Michigan	3.05%	Rhode Island	-
Colorado	0.95%	Minnesota	-	South Carolina	0.07%
Connecticut	-	Mississippi	-	South Dakota	0.73%
Delaware	-	Missouri	-	Tennessee	0.10%
District of Columbia	1.57%	Montana	-	Texas	14.18%
Florida	4.72%	Nebraska	-	Utah	0.10%
Georgia	7.59%	Nevada	1.16%	Vermont	0.04%
Hawaii	3.09%	New Hampshire	0.33%	Virginia	-
Idaho	0.05%	New Jersey	4.23%	Washington	5.54%
Illinois	12.76%	New Mexico	5.12%	West Virginia	0.81%
Indiana	0.66%	New York	5.78%	Wisconsin	-
Iowa	-	North Carolina	-	Wyoming	1.01%
Kansas	-	North Dakota	0.53%		
Kentucky	1.52%	Ohio	5.35%	Total	100.00%