

Small Cap Premium & Dividend Income Fund, Inc.
 Form 3
 July 26, 2005

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
 Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *

Å Kohlhagen Steven W

(Last) (First) (Middle)

800 SCUDDERS MILL ROAD, Å

(Street)

PLAINSBORO, Å NJ Å 08536

(City) (State) (Zip)

2. Date of Event Requiring Statement

(Month/Day/Year)
 07/26/2005

3. Issuer Name and Ticker or Trading Symbol

Small Cap Premium & Dividend Income Fund, Inc.
 [RCC]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer Other
 (give title below) (specify below)

5. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)

2. Amount of Securities Beneficially Owned (Instr. 4)

3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)

4. Nature of Indirect Beneficial Ownership (Instr. 5)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)

2. Date Exercisable and Expiration Date (Month/Day/Year)

3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)

4. Conversion or Exercise Price of Derivative Security

5. Ownership Form of Derivative Security: Direct (D) or Indirect

6. Nature of Indirect Beneficial Ownership (Instr. 5)

Date Exercisable Expiration Date Title Amount or Number of Shares

(I)
(Instr. 5)**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Kohlhagen Steven W 800 SCUDDERS MILL ROAD PLAINSBORO, NJ 08536	X			
Rainer William J 800 SCUDDERS MILL ROAD PLAINSBORO, NJ 08536	X			
DONAHUE ANDREW C/O MERRILL LYNCH ASSET MANAGEMENT 800 SCUDDERS MILL ROAD PLAINSBORO, NJ 08536	X			
Cox Mitchell M 800 SCUDDERS MILL ROAD PLAINSBORO, NJ 08536			President	
DOLL ROBERT C JR 800 SCUDDERS MILL ROADS PLAINSBORO, NJ 08536			President	
Hiller Jeffrey 800 SCUDDERS MILL RD PLAINSBORO, NJ 08536			CCO	
WORMAN GLENN C 800 SCUDDERS MILL ROAD PLAINSBORO, NJ 08536			CFO	
FULLERTON BRIAN 800 SCUDDERS MILL ROADS PLAINSBORO, NJ 08536			Managing Director	
MILLER JERRY C/O MERRILL LYNCH ASSET MANAGEMENT 800 SCUDDERS MILL ROAD PLAINSBORO, NJ 08536			SVP	
FOSINA JOHN J MERRILL LYNCH CORPORATE SECRETARY 225 BROADWAY, 17TH FLOOR NEW YORK, NY 10038			CAO	

SignaturesCatherine Johnston, Power of
Attorney

07/26/2005

__Signature of Reporting Person

Date

Explanation of Responses:

No securities are beneficially owned

* If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.