

## Extension of Transition Relief Under Rev. Rul. 2018-17 on Withholding and Reporting With Respect to Payments From IRAs to State Unclaimed Property Funds

Notice 2018-90

### **I. PURPOSE**

The purpose of this notice is to extend the withholding and reporting transition relief described in Rev. Rul. 2018-17, 2018-25 IRB 753, that applies with respect to payments made before the earlier of January 1, 2019, or the date it becomes reasonably practicable to comply with those requirements. Relief is extended to payments made before the earlier of January 1, 2020, or the date it becomes reasonably practicable to comply with the withholding and reporting requirements described in Rev. Rul. 2018-17.

### **II. BACKGROUND**

Rev. Rul. 2018-17 addressed federal income tax withholding under § 3405 of the Internal Revenue Code and reporting under § 408(i) relating to payment of an individual's interest in an IRA to a State unclaimed property fund, as required by State law. Under the facts presented in Rev. Rul. 2018-17, payments from an IRA to a State unclaimed property fund are subject to federal income tax withholding and reporting.

However, Rev. Rul. 2018-17 included the following transition relief: “A person will not be treated as failing to comply with the withholding and reporting requirements described in this revenue ruling with respect to payments made before the earlier of January 1, 2019, or the date it becomes reasonably practicable for the person to comply with those requirements.”

The Department of the Treasury and the Internal Revenue Service have received a number of requests for an extension of the transition relief in Rev. Rul. 2018-17.

### **III. EXTENSION OF TRANSITION RELIEF UNDER REV. RUL. 2018-17**

The transition relief in Rev. Rul. 2018-17 is extended so that a person will not be treated as failing to comply with the withholding and reporting requirements described in Rev. Rul. 2018-17 with respect to payments made before the earlier of January 1, 2020, or the date it becomes reasonably practicable for the person to comply with those requirements.

### **IV. EFFECT ON OTHER DOCUMENTS**

Rev. Rul. 2018-17 is modified.

### **V. DRAFTING INFORMATION**

The principal author of this notice is Cynthia Van Bogaert of the Office of Associate Chief Counsel (Tax Exempt and Government Entities). Ms. Van Bogaert may be reached at (202) 317-4102 (not a toll-free number).