



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

20054604 4

AUG 24 2005

Uniform Issue List: 408.03-00

SE: T: EP: RA: TI

Legend:

Taxpayer =

Custodian A =

Company B =

IRA C =

Account D =

Amount E =

Dear :

This letter is in response to a request for a letter ruling dated April 2, 2005, as supplemented by a facsimile dated June 7, 2005, in which you have applied for a waiver of the 60-day rollover requirement contained in section 408(d)(3) of the Internal Revenue Code ("Code").

The following facts and representations have been submitted under penalty of perjury in support of the ruling requested:

The Taxpayer maintained IRA C, an Individual Retirement Account ("IRA") under Code section 408(a), with Custodian A. On July 7, 2004, in anticipation of modifying his

investment options, the Taxpayer took a distribution of Amount E from IRA C. The money was intended to be redeposited into an IRA account. On July 9, 2004, Amount E was deposited in Account D, a non-IRA account with Company B.

Between August 11, 2004, and September 16, 2004, the Taxpayer's neighborhood was hit by three hurricanes causing extensive damage to the Taxpayer's place of business and residence. As a result of the second hurricane, the Taxpayer's county was declared a federal disaster area on September 4, 2004. This hurricane also caused most banks and businesses to be closed for up to two weeks. The third hurricane caused further power outages for nearly two additional weeks. Because of the amount of time and the emotional stress and anxiety of completing the necessary repairs to his home and business, the Taxpayer failed to comply with the 60-day requirement as well as the extended December 30, 2004 deadline accorded the Taxpayer pursuant to News Release IR-2004-15, of which the Taxpayer was not aware. The taxpayer has submitted documentation that Amount E has remained in Account D at all times.

Based on the above facts and representations, you request that the Internal Revenue Service ("Service") waive the 60-day rollover requirement with respect to the distribution of Amount E because the failure to waive such requirement would be against equity or good conscience.

Code section 408(d)(1) provides that, except as otherwise provided in section 408(d), any amount paid or distributed out of an IRA shall be included in gross income by the payee or distributee, as the case may be, in the manner provided under section 72.

Code section 408(d)(3) defines, and provides the rules applicable to IRA rollovers.

Code section 408(d)(3)(A) provides that section 408(d)(1) does not apply to any amount paid or distributed out of an IRA to the individual for whose benefit the IRA is maintained if -

- (i) the entire amount received (including money and any other property) is paid into an IRA for the benefit of such individual not later than the 60<sup>th</sup> day after the day on which the individual receives the payment or distribution; or
- (ii) the entire amount received (including money and any other property) is paid into an eligible retirement plan (other than an IRA) for the benefit of such individual not later than the 60<sup>th</sup> day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan may not exceed the portion of the amount received which is includible in gross income (determined without regard to section 408(d)(3)).

Code section 408(d)(3)(B) provides that section 408(d)(3) does not apply to any amount described in section 408(d)(3)(A)(i) received by an individual from an IRA if at any time during the 1-year period ending on the day of such receipt such individual received any other amount described in section 408(d)(3)(A)(I) from an IRA which was not includible in gross income because of the application of section 408(d)(3).

Code section 408(d)(3)(D) provides a similar 60-day rollover period for partial rollovers.

Code section 408(d)(3)(I) provides that the Secretary may waive the 60-day requirement under sections 408(d)(3)(A) and 408(d)(3)(D) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement. Only distributions that occurred after December 31, 2001, are eligible for the waiver under section 408(d)(3)(I).

Rev. Proc. 2003-16, 2003-4 I.R.B. 359, provides that in determining whether to grant a waiver of the 60-day rollover requirement pursuant to Code section 408(d)(3)(I), the Service will consider all relevant facts and circumstances, including: (1) errors committed by a financial institution; (2) inability to complete a rollover due to death, disability, hospitalization, incarceration, restrictions imposed by a foreign country or postal error, (3) the use of the amount distributed (for example, in the case of payment by check, whether the check was cashed); and (4) the time elapsed since the distribution occurred.

The information presented by the Taxpayer demonstrates that his failure to rollover Amount E was due to the devastation to his home, business, and the general area resulting from the impact of three hurricanes surrounding the rollover period. No portion of Amount E has been used and it remains in Account D.

Therefore, pursuant to section 408(d)(3)(I) of the Code, the Service hereby waives the 60-day rollover requirement with respect to the distribution of Amount E from IRA C with Custodian A. You are granted a period of 60 days from the issuance of this ruling letter to make your rollover. Provided all other requirements of section 408(d)(3), except the 60-day requirement, are met with respect to such contributions, these amounts will be considered rollover contributions within the meaning of section 408(d)(3).

This ruling does not authorize the rollover of amounts that are required to be distributed by Code section 401(a)(9).

No opinion is expressed as to the tax treatment of the transaction described herein under the provisions of any other section of either the Code or regulations which may be applicable thereto.

This letter is directed only to the taxpayer who requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

If you wish to inquire about this ruling, please contact  
# [REDACTED] at [REDACTED]

, SE:T:EP:RA:T1, I.D.

Sincerely yours,



Manager  
Employee Plans Technical Group 1

Enclosures:

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