



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

OFFICE OF THE CHIEF COUNSEL

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CC:TEGE:EB:QP4:
CONEX-129738-15

UIL: 408.03-00

The Honorable Charles E. Grassley
United States Senator
721 Federal Building
210 Walnut Street
Des Moines, IA 50309

Attention:

Dear Senator Grassley:

I am responding to your letter dated August 27, 2015, on behalf of your constituent, _____, who had concerns about the number of rollovers that can be made between Roth IRAs in any 1-year period.

The limit on the number of IRA rollovers, including Roth IRA rollovers, is in section 408(d)(3)(B) of the Internal Revenue Code. This section provides that an individual may make only one IRA rollover in any 1-year period. The IRS had interpreted this limitation to apply on an IRA-by-IRA basis, so that if an individual had rolled over a distribution from one IRA to another IRA, no more rollovers of distributions from these IRAs could be made for a year. Nonetheless, rollovers of distributions from the individual's other IRAs would not be affected.

However, in 2014, the U.S. Tax Court ruled, in *Bobrow v. Commissioner*, T.C. Memo. 2014-21, that the IRS's interpretation was incorrect and that the limitation applied on an aggregate basis, meaning that a rollover could not be made if the individual had made an IRA rollover involving any of the individual's IRAs in the prior 12 months. In Announcement 2014-32, we said we would apply the tax court's ruling to IRA distributions that occur on or after January 1, 2015.

Section 408(d)(3)(B) only applies to rollovers and does not affect the number of trustee-to-trustee transfers an individual can make between IRAs. A trustee-to-trustee transfer can be accomplished not only by transferring funds directly from one trustee to another, but also by giving the IRA owner a check made out to the new IRA trustee.

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I hope this information is helpful. If you have questions, please call me or
at .

Sincerely,

Joyce Kahn
Acting Branch Chief, Qualified Plans Branch 4
(Employee Benefits)
(Tax Exempt and Government Entities)