



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

OFFICE OF THE CHIEF COUNSEL

September 17, 2015

Number: **2015-0043**
Release Date: 12/24/2015

CC:TEGE:EB:QP4
GENIN-126800-15

UIL: 408.00-00, 219.05-04

Dear _____ :

This letter responds to your request for information dated July 15, 2015.

According to your letter, you sent checks to Prudential Financial Services (Prudential) by certified mail, postmarked April 14, 2015, instructing Prudential to open IRA certificates of deposits and indicating on the checks that these were contributions for 2014. Prudential sent back the checks and told you that you would need to come into their office and sign the applications for the new IRA accounts. You went to their offices around April 27, 2015, to sign the papers and give them the checks. Prudential deposited your checks around May 5, 2015, and treated them as IRA contributions for 2015, not 2014.

The issue is by when must a taxpayer make a contribution to an IRA in order for the contribution to be treated as having been made for the prior year.

As soon as a traditional IRA is opened, contributions can be made to it through the chosen sponsor (trustee or other administrator). Contributions can be made to an IRA for a year at any time during the year or by the due date for filing your return for that year, not including extensions (which would be by April 15th for most taxpayers). See IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), page 11. The Instructions for Form 1040, U.S. Individual Income Tax Return, illustrate this requirement in a similar situation:

If you designate your deposit to be for 2014, you must verify that the deposit was actually made to the account by the due date of the return (without regard to extensions). If the deposit is not made by that date, the deposit is not an IRA contribution for 2014.

See Instructions for Form 1040, page 71.

If an IRA contribution is made for a year, the taxpayer can change his or her mind and withdraw the contribution by the due date of the taxpayer's return for that year if (1) the taxpayer did not take a deduction for the IRA contribution, and (2) the taxpayer withdraws any interest or other income earned (or losses incurred) on the contribution. See IRS Publication 590-A, pages 31-32. For example, if a contribution is made for 2015, a taxpayer could withdraw the contribution before the taxpayer's April 15, 2016, due date for the taxpayer's tax return.

You will find IRS Publication 590-A and the Instructions for Form 1040 at www.irs.gov under the "Forms & Pubs" tab.

This letter has called your attention to certain general principles of the law. It is intended for informational purposes only and does not constitute a ruling. See Rev. Proc. 2015-1, §2.04, 2015-1 IRB 1 (Jan. 2, 2015). If you have any additional questions, please contact _____ in my office at _____.

Sincerely,

Joyce I. Kahn
Acting Branch Chief
Qualified Plans Branch 4
(Tax Exempt and Government Entities)