



OFFICE OF THE CHIEF COUNSEL

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

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CC:TEGE:EB:QP4:

UIL: 408.03-00, 408A.00-00

The Honorable Robert Wittman  
Member, U.S. House of Representatives  
6501 Mechanicsville Turnpike, Suite 102  
Mechanicsville, VA 23111

Attention:

Dear Representative Wittman:

I am responding to your email dated July 24, 2017, on behalf of your constituent, \_\_\_\_\_, who asked if he could transfer funds from his traditional IRA to a Roth IRA without incurring a tax liability. Your email included a copy of an article discussing IRS Notice 2014-54, which addressed direct rollovers of after-tax and pre-tax amounts from qualified plans to IRAs. \_\_\_\_\_ also explained he may not have documentation to determine the after-tax and pre-tax portions in his traditional IRA.

A traditional IRA owner can transfer funds (except for any part that is a required minimum distribution because the owner is 70½ or older) from the traditional IRA to a Roth IRA at any time. This transaction is commonly known as a “conversion” and is discussed in Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs). You can find this publication on our website at IRS.gov. Any pre-tax amounts in the traditional IRA, such as earnings, that are transferred to the Roth IRA are taxable in the year transferred. The rules in Notice 2014-54 apply to distributions from qualified plans and not to distributions, including conversions, from IRAs.

We consider funds in a traditional IRA as pre-tax amounts unless owners can show they've paid taxes on those funds. Taxpayers can use a variety of documents to verify they've paid taxes, for example:

- Copies of income tax returns

- Copies of Forms 1099-R, Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
- Copies of Forms 8606, Nondeductible IRAs, which are filed by taxpayers who receive a distribution from an IRA that contains after-tax amounts

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

Sincerely,

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