

IRA ROLLOVER RULE CHANGE

An IRA owner is currently allowed one rollover per one-year period for each of their IRAs. The IRS recently announced that it is changing its interpretation of this requirement to follow a recent U.S. tax court ruling in *Bobrow v. Commissioner*.

The court ruled that a taxpayer is limited to one rollover per 12-month period, regardless of the number of IRAs he has.

The IRS position for many years had been that a taxpayer is permitted to roll over one IRA distribution per 12-month period for each IRA that she owns. The IRS issued [Announcement 2014-15](#) on March 20, 2014, stating that it will apply the tax court's interpretation going forward, but that it will not apply this new interpretation before January 1, 2015. The IRS intends to issue new proposed regulations that will apply the IRA rollover limitation on an aggregate basis (per IRA owner instead of per IRA).

For 2014, an IRA owner is still allowed to roll over one distribution for each Traditional, Roth, or SIMPLE IRA owned during any 12-month period. When the IRS applies its new interpretation (presumably January 1, 2015), an IRA owner may complete only [one rollover per type of IRA](#) in any 12-month period, regardless of how many IRAs she owns.

1st Source Bank will send updated IRA disclosures when this IRS ruling is finalized and enacted.

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