

**MEMO# 3392**

December 30, 1991

## **IRS REVENUE PROCEDURE CONCERNING REPORTING REQUIREMENTS WITH RESPECT TO REVOKED IRAS**

December 30, 1991 TO: PENSION MEMBERS NO. 40-91 OPERATIONS MEMBERS NO. 35-91  
TRANSFER AGENT ADVISORY COMMITTEE NO. 62-91 RE: IRS REVENUE PROCEDURE  
CONCERNING REPORTING REQUIREMENTS WITH RESPECT TO REVOKED IRAS

Attached is a copy of Revenue Procedure 91-70, which clarifies the reporting requirements with respect to contributions to and distributions from IRAs that have been revoked pursuant to Treasury Regulation section 1.408-6(d)(4)(ii). Generally, any contribution to an IRA, including an IRA that is later revoked, must be reported on Form 5498 and any distribution, including a distribution on account of revocation, must be reported on Form 1099-R. The revenue procedure contains an exception from the Form 5498 contribution reporting requirement for amounts transferred directly from one IRA to another IRA. In addition, the revenue procedure explains that if both the IRA contribution and the revocation of the IRA occur in the same calendar year, then the fair market value as of December 31 need not be reported, because the account balance is zero on that day. If the IRA is revoked in the calendar year after it is established, however, then the fair market value as of December 31 must be reported. The reporting requirements generally are effective for contributions and distributions made after December 31, 1991. If an IRA was established in 1991 and revoked in 1992, however, no reporting is required with respect to either the distribution or the fair market value. We will keep you informed of developments. Kathy D. Ireland Associate Counsel - Pension Attachment