



Charles M. Pace, CPA  
K. Brad Wooten, CPA

2809 Village Way  
New Bern, NC 28562

P: 252.633.5096  
F: 252.633.6901

JUNE, 2011

**IRS Has No Current Plans to Increase Standard Mileage Rates.** The IRS stated during the May 12 payroll industry conference call that it has no current plans to increase the standard mileage rate of 51 cents per mile for business miles driven, despite the current high gasoline prices. Ligeia Donis, Assistant Branch Chief, IRS Office of Chief Counsel, gave two reasons for this: First of all, there is always the possibility that gas prices could decline. Second, the IRS had received some feedback from employers that the change was difficult to implement when it adjusted the standard mileage rate in the middle of 2008. An employer that requires employees to supply their own autos may currently reimburse them at a rate that doesn't exceed 51 cents per mile for employment-connected business, and the reimbursement will be treated as a tax-free accountable plan reimbursement. The employee must substantiate the time, place, business purpose, and mileage of each trip. Additionally, an employee's personal use of lower-priced company autos during 2011 may be valued at 51 cents per mile if the conditions specified in Reg. 1.61-21(e)(1) are met.

**IRS Won't Waive 60-Day Rollover Rule for IRA Distribution Used As Short-Term Loan.** In a private letter ruling (PLR), IRS has declined to waive the 60-day rollover requirement for a taxpayer who withdrew funds from his IRA for a short-term loan to his elderly mother but failed to redeposit them within the 60-day period. IRS concluded that when the taxpayer withdrew the funds, he assumed the risk that they might not be returned to him in a timely manner.

*Background.* There is no immediate tax if distributions from traditional IRAs are rolled over to an IRA or other eligible retirement plan (i.e., qualified trust, governmental [Code Sec. 457](#) plan, [Code Sec. 403\(a\)](#) annuity and [Code Sec. 403\(b\)](#) tax-shelter annuity) within 60 days of receipt of the distribution. For the rollover to be tax-free, the amount distributed from the traditional IRA generally must be recontributed to a traditional IRA no later than 60 days after the date that the taxpayer received the withdrawal from the IRA. ([Code Sec. 408\(d\)\(3\)](#)) A distribution rolled over after the 60-day period generally will be taxed (and also may be subject to a 10% premature withdrawal penalty tax). ([Code Sec. 72\(t\)](#)) Only one tax-free IRA-to-IRA rollover per IRA account can be made within a one-year period. ([Code Sec. 408\(d\)\(3\)\(B\)](#))

IRS may waive the 60-day rule if an individual suffers a casualty, disaster, or other event beyond his reasonable control, and not waiving the 60-day rule would be against equity or good conscience (i.e., hardship waiver). ([Code Sec. 408\(d\)\(3\)\(D\)](#))

IRS will consider several factors in determining whether to waive the 60-day rollover requirement, including time elapsed since the distribution, inability to complete the rollover due to death, disability, hospitalization, incarceration, restrictions imposed by a foreign country, postal error, errors committed by a financial institution, etc. ([Rev Proc 2003-16, 2003-4 IRB](#))

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*Facts.* Taxpayer, age 49, together with his siblings, decided to help their elderly mother make a cash purchase of a new residence when she developed mobility limitations that made it unsafe for her to remain in her two-story residence. Taxpayer took a distribution from his IRA and applied the funds towards a new residence for his mother, who then entered into reverse-mortgage financing of the new residence and used the resulting payment to repay Taxpayer and his siblings. Taxpayer planned to roll over the amount into an IRA before the 60-day period expired. The bank from which his mother acquired the reverse mortgage assured Taxpayer that the mortgage process (including payment) would be completed in time for him to meet the 60-day rollover period.

However, due to delays by the bank, the mortgage wasn't processed within the 60-day period. Taxpayer was eventually reimbursed, and he immediately mailed the funds to his Financial Institution, but the 60-day period had already expired by the time the funds were redeposited into his IRA.

Taxpayer claimed that his failure to timely roll over the amount was due to the bank's "numerous and unreasonable processing delays" which were beyond his control. He also argued that, given the number of days by which he missed the 60-day deadline and the adverse tax consequences resulting from his premature IRA distribution, it would be inequitable and against good conscience for IRS not to waive the 60-day rollover period.

*Waiver denied.* IRS declined to waive the 60-day rollover requirement with regard to Taxpayer's distribution. In effect, Taxpayer used his IRA to make a short-term loan, and regardless of whether he intended to redeposit the funds within the 60-day period, he assumed the risk that the loan might not be timely repaid. Also, IRS indicated that the purported errors and delays committed by his mother's bank, which didn't administer or transact any financial matters relating to his IRA, were an insufficient basis for waiving the 60-day requirement.

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**Estimated Tax Payments.** The following estimated tax payments are due by June 15, 2011:

Individuals	2 <sup>nd</sup> installment
Corporate Income Tax Years Ending:	
February 28, 2012	1 <sup>st</sup> Installment
December 31, 2011	2 <sup>nd</sup> Installment
September 30, 2011	3 <sup>rd</sup> Installment
June 30, 2011	4 <sup>th</sup> Installment