

810-3-25-.09 Reporting of Roth IRA Conversions for Part-Year Residents.

(1) Taxpayers are allowed to convert an IRA to a Roth IRA in accordance with 26 U.S.C. §408A. Any amount required to be included in gross income as a result of the conversion will be ratably included in gross income over a 4-taxable year period beginning with the taxable year in which the conversion is made.

(2) Part-year residents, reporting in years 1998, 1999, 2000 and 2001, will use the original date of rollover to determine whether the allocated amount will be included as Alabama income.

(a) If an individual becomes an Alabama resident on or before the date of rollover or the anniversary date of the rollover, the allocation for that year will be taxable to Alabama.

(b) If an individual ceases to be an Alabama resident after the date of rollover or the anniversary date of the rollover, the allocation for that year will be taxable to Alabama.

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Authority: Sections 40-2A-7(a)(5) and 40-18-25, Code of Alabama 1975

History: New rule: Filed March 31, 2000, effective May 5, 2000.