



# ED SLOTT'S IRA ADVISOR

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March 2006

## TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

### New Retirement Plan Contribution Limits

See page 7.

*"If making money is a slow process,  
losing is quickly done."*

*Ihara Saikaku (1642-1693)*

Can you invest your IRA funds in your own business? Generally "No" and you probably should not use your IRA funds to invest in your business since these funds are meant to be around for your retirement. There is a very limited exception though, for a newly created business based on a high profile Tax Court ruling (the Swanson case).

This is not a new case, but with so many people going into their own businesses and being able to create consultant type income and, at the same time, looking for alternative IRA investments, the Swanson case keeps popping up in articles, seminars and emails as the definitive case allowing you to invest your IRA funds in your own business. The Swanson case is hardly all that, but it does show how it can be done if you

### Can you invest your IRA funds in your own business?

follow the narrowly defined format used by Swanson to have his IRA own his start-up business.

See our feature article *"Using the Swanson Decision to Invest Your IRA in Business Start-ups...Proceed With Caution!"* and decide for yourself.

*"IRA Controlled Property Lease to IRA Owner's S Corp. is a Prohibited Transaction,"* beginning on page 6, involves a new case where the Department of Labor (DOL) ruled that a proposed transaction involving an IRA owner, his business (an S Corp.) and an IRA owned LLC he created to lease property back to his S Corp. would be a prohibited transaction.

This has all the ingredients you and your clients should avoid.

For more IRA information, visit our website at [www.iraahelp.com](http://www.iraahelp.com).

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### WHAT'S INSIDE?

#### Feature Article

**Using the Swanson Decision to Invest Your IRA in Business Start-ups...Proceed With Caution!**

- The Swanson Case
- IRS Attacks Swanson
- Swanson Goes to Court
- Tax Court Sides With Swanson
- Will Swanson Still Hold Up?
- IRS Pursuit Continues
- Take Preventive Measures
- Co-Investing With Your IRA
- Beware of Prohibited Transactions
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**IRA Controlled Property Lease to IRA Owner's S Corp. is a Prohibited Transaction**

- ERISA Op Letter No 2006-01A, 2006
- Prohibited Transactions Under IRC Code Section 4975
- The Golden Rule:

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**New Retirement Plan  
Contribution Limits**

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