



# ED SLOTT'S IRA ADVISOR

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## TAX & ESTATE PLANNING FOR YOUR RETIREMENT SAVINGS

### How much of your IRA will be consumed by state tax?

See Pages 6-7

*"Enron's accounting function has been an integral part of its success and reflects its vision."*

— from a five-page tribute in the November/December 2001 issue of the Texas Society of CPAs magazine "Today's CPA"

On December 3, 2001 Enron filed for bankruptcy court protection in the biggest such filing in U.S. history.

Unfortunately, IRS expects your accounting practices to be slightly more accurate than Enron's.

#### It's Tax Season...

By now your mailbox should be filling with all sorts of tax forms that you will need to prepare your 2001 tax return. The most common are the W-2 forms you receive for wages you earned and 1099 forms you receive for a host of income items. The IRS receives a copy of every 1099 form issued and they use that information for matching against income actually reported by taxpayers. Uncle Sam wants to make sure that you either report or explain income you receive from the sources reported.

The 1099 form that is most near and dear to our hearts is the 1099-R form, which is used to report distributions you made from IRAs and other retirement plans during the year. The 1099-R

contains essential tax information that you must be able to decipher in order to correctly prepare your tax return. That is the focus of this issue. Our feature article "Tax Reporting of Retirement Plan Distributions: Form 1099-R Holds the Key" explains what all the information on the 1099-R means and how it affects your tax filing. You'll be amazed at how much information and how many different types of retirement account transactions are reported on this one form.

This month's guest IRA expert is Jeremiah W. Doyle IV, Estate Planning Manager for Mellon Private Asset Management in Boston, MA. His article "State Taxation of IRAs" goes through many often overlooked but substantial state tax issues that affect IRAs. Jere shares several IRA planning ideas that could save you a significant amount of state income tax on your IRA or retirement account.

And finally ... we're still waiting for Final Regulations on the retirement plan distribution rules. Any day now... I predict you'll be reading all about them in next month's issue.

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

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— Ed Slott, CPA

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##### Tax Reporting of Retirement Plan Distributions ...

##### Form 1099-R Holds the Key

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#### Guest IRA Expert:

**Jeremiah W. Doyle IV**  
Estate Planning Manager  
for Mellon Private  
Asset Management  
Boston, MA

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#### Your IRA

##### Questions Answered

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Keep your IRA library  
up to date ...  
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