



## **WRNewswire**

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### **Tax Court Found Taxpayers Failed to Meet Exceptions for Penalty for Early Withdrawal from Retirement Plan**

The U.S. Tax Court held that taxpayer was required to report the full distribution received from a qualified retirement plan as income and also was liable for the early withdrawal penalty because the taxpayer failed to provide (i) support for meeting the exception for distributions used to pay for qualified higher education expenses in the year of the early

distributions; and (ii) proper documentation to support taxpayer's claim that the proper paperwork to rollover the distribution to a qualified retirement plan within the required 60 day period was not completed due to taxpayer's former employer's merger with a new insurance company.

## **View *Cates v. Commissioner*, T.C. Memo 2017-178.**

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