



TaxNewsFlash

United States

No. 2024-035
January 25, 2024

Notice 2024-23: Special relief for certain rollovers to or from Maryland prepaid college trust accounts

The IRS today released [Notice 2024-23](#) [PDF 86 KB] announcing relief from the 12-month limitation for taxpayers making rollovers to or from the Maryland prepaid college trust (MPCT), a qualified tuition program within the meaning of section 529, for taxpayers affected by recent system issues.

As described in a related IRS release—[IR-2024-20](#) (January 25, 2024)—federal tax law generally only allows one tax-free rollover in a 12-month period from one qualified tuition program to another for the benefit of the same beneficiary. Notice 2024-23 provides that the 12-month limitation for taxpayers making such rollovers will not be asserted by the IRS provided the rollover in question meets the following criteria:

- The taxpayer makes a rollover to or from the designated beneficiary's MPCT account before January 1, 2025.
- The 12-month limitation would otherwise apply to the rollover to or from the MPCT account.
- The rollover was preceded by a qualified rollover from that same designated beneficiary's MPCT account after December 31, 2021.

If a taxpayer eligible for the relief described in Notice 2024-23 receives a Form 1099-Q that includes a distribution that is treated as a qualified rollover under Notice 2024-23, then the amount corresponding to the qualified rollover is not includible in gross income, and the taxpayer is not required to report the amount on the taxpayer's tax return.

Taxpayers eligible for relief under Notice 2024-23 are not required to file Form 5329, *Additional Taxes on Qualified Plans (including IRAs) and Other Tax-Favored Accounts*, for such a distribution and the 10% addition to tax does not apply.

kpmg.com/socialmedia



The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at +1 202.533 3712, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)