

**NINETY-EIGHTH NATIONAL CONVENTION
OF
THE AMERICAN LEGION
Cincinnati, Ohio
August 30, 31, September 1, 2016**

**Resolution No. 339: Support the Rollover of IRA Account Penalty of Tax Liability of a
Permanent and Total 100 Percent Service-Disabled Veteran with Individual
Unemployability**

Origin: Convention Committee on Veterans Employment & Education

Submitted by: Convention Committee on Veterans Employment & Education

WHEREAS, The American Legion is an organization of honorably discharged veterans who have dedicated themselves to the service of the community, state, and nation; and

WHEREAS, The United States government has recognized responsibility to its honorably discharged veterans and that alleviating tax burdens for them should be a priority; and

WHEREAS, Pursuant to the bylaws of this organization it is deemed desirable and in the best interest of its members that action be taken to change present laws; and

WHEREAS, The federal tax law is administered primarily by the Internal Revenue Service, a bureau of the Department of the Treasury; and

WHEREAS, While the main intent of the law is to provide revenue for the federal government, the tax code is frequently used for public policy reasons, i.e. to achieve social and economic goals; and

WHEREAS, Veterans under 59½ years of age will pay a 10 percent penalty on amount drawn from Individual Retirement Accounts (IRA); and

WHEREAS, Total amount of withdrawal from IRAs is subject to federal income tax; and

WHEREAS, Due to a poor economy, IRAs have lost value; and

WHEREAS, Veterans home mortgages may be higher than the value of said home; and

WHEREAS, High unemployment has caused hardship to the veterans income from other sources in the family; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in Cincinnati, Ohio, August 30, 31, September 1, 2016, That The American Legion support legislation to permit veterans who are permanent and total 100 percent service-disabled and/or permanent and total 100 percent service-disabled with individual unemployability the opportunity to rollover their individual retirement accounts into tax free Roth accounts, prior to maturity, without penalty or tax liabilities.