



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

OFFICE OF THE CHIEF COUNSEL

August 11, 2021

Number: **2021-0020**  
Release Date: 9/24/2021

GENIN-112888-21

UIL: 408.08-00

Dear \_\_\_\_\_ :

This letter is in response to your letter that we received on June 8, 2021. Your letter said that your case involves your personal self-directed IRA account holding master limited partnerships (MLPs) as investments, and how \_\_\_\_\_, the custodian of your IRA, is reporting the IRA's unrelated business taxable income (UBTI) on the Form 990-T, Exempt Organization Business Income Tax Return.

Internal Revenue Service Publication 598 provides an explanation of the rules for the tax on the unrelated business income of exempt organizations. Among other topics, this publication provides an explanation of the reporting requirements of unrelated business income. The Internal Revenue Service has created a webpage for information about Pub. 598, at [IRS.gov/PUB598](https://www.irs.gov/PUB598).

Organizations with unrelated business income must complete Form 990-T. The Form 990-T is prepared by the custodian or the trustee of the IRA unless the IRA trust agreement between the IRA owner and the custodian or trustee of the IRA provides otherwise. Any resulting taxes, penalties, and interest are paid from available assets in the taxpayer's IRA.

From what we can understand from your letter, you have a disagreement with the custodian of your IRA as to how the UBTI from your IRA was reported on the Form 990-T, and you state that you are being denied the Taxpayer Bill of Rights (TBOR).

TBOR lists the rights taxpayers have when dealing with the Internal Revenue Service. Your dispute is with your financial institution, not the Internal Revenue Service. Nonetheless, we want to explain that TBOR lists rights that already existed in the Internal Revenue Code, putting them in simple language and grouping them into 10 fundamental rights. Employees are responsible for being familiar with and acting in accord with taxpayer rights. See section 7803(a)(3) of the Internal Revenue Code, Execution of Duties in Accord with Taxpayer Rights. If

the right or obligation wasn't in the Internal Revenue Code before TBOR was enacted, TBOR did not create any new rights or obligations. See *Shitrit v. Comm'r*, T.C. Memo. 2021-63; *Moya v. Comm'r*, 152 T.C. 182 (2019); and *Facebook, Inc. v. IRS*, 121 A.F.T.R.2d 1752 (N.D. Cal. 2018). TBOR also does not create rights with respect to tax-related interactions between taxpayers and their financial institutions. For additional information about TBOR, see <https://www.irs.gov/taxpayer-bill-of-rights>.

I hope this general information is helpful to you.

Sincerely,

Laura Warshawsky  
Branch Chief  
CC:EEE:EB:QP1  
Office of the Associate Chief Counsel  
(Employee Benefits, Exempt Organizations, and  
Employment Taxes)