

110TH CONGRESS
1ST SESSION

H. R. 4099

To amend the Internal Revenue Code of 1986 to modify the rules relating to coins and bullion that may be held by individual retirement accounts and certain other individually-directed accounts.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 6, 2007

Mr. SALI (for himself, Ms. BERKLEY, and Mr. ENGLISH of Pennsylvania) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to modify the rules relating to coins and bullion that may be held by individual retirement accounts and certain other individually-directed accounts.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. MODIFICATION OF RULES RELATING TO COINS**
2 **AND BULLION THAT MAY BE HELD BY INDIVIDUAL RETIREMENT ACCOUNTS AND CERTAIN OTHER INDIVIDUALLY-DIRECTED ACCOUNTS.**

6 (a) BULLION MAY BE HELD IN BAR, INGOT, OR
7 COIN FORM.—Subparagraph (B) of section 408(m)(3) of
8 the Internal Revenue Code of 1986 (relating to exception
9 for certain coins and bullion) is amended by inserting
10 “(whether in the form of a bar, ingot, or coin)” after “bul-
11 lion”.

12 (b) PHYSICAL POSSESSION REQUIREMENT SATIS-
13 FIED IF TRUSTEE HOLDS INDICIA OF OWNERSHIP.—

14 (1) IN GENERAL.—Paragraph (3) of section
15 408(m) of such Code is amended by inserting before
16 the period “or if the requirements of paragraph (4)
17 are met”.

18 (2) SPECIAL RULES RELATING TO INDICIA OF
19 OWNERSHIP.—Subsection (m) of section 408 of such
20 Code is amended by adding at the end the following
21 new paragraph:

22 “(4) TRUSTEE MAY HOLD INDICIA OF OWNER-
23 SHIP IN LIEU OF PHYSICAL POSSESSION.—For pur-
24 poses of paragraph (3), the requirements of this
25 paragraph are met if—

1 “(A) the trustee holds the indicia of owner-
2 ship for the coins or bullion described in para-
3 graph (3),

4 “(B) physical possession of such coins or
5 bullion is maintained by a custodian—

6 “(i) which holds the coins or bullion
7 as agent for the trustee, and

8 “(ii) which regularly engages in the
9 business of holding bullion, coins, and pre-
10 cious metals,

11 “(C) the trustee remains the account fidu-
12 ciary and otherwise liable to the account bene-
13 ficiary to the same extent as if the trustee had
14 physical possession of the coins or bullion,

15 “(D) the indicia of ownership—

16 “(i) are not subject to any right,
17 charge, security interest, lien, or claim of
18 any kind in favor of such custodian, and

19 “(ii) are freely transferable by the
20 trustee without payment of money or value
21 other than for safe custody and adminis-
22 tration, and

23 “(E) upon written request by the account
24 beneficiary, the trustee notifies such beneficiary

1 in writing of the name, address, and principal
2 place of business of such custodian.”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall take effect on the date of the enactment
5 of this Act.

