

Client Alert

A report
for clients
and friends
of the Firm March 17, 2009

IRS Issues Guidance for Victims of Madoff and Other Ponzi Schemes on Theft Loss Deductions

Today, the Internal Revenue Service issued guidance regarding losses incurred on Madoff investments and other Ponzi schemes. [Revenue Ruling 2009-9](#) sets forth the Internal Revenue Service's positions with regard to the character, amount and timing of such losses and the application of the carryback provisions to the losses, including, in certain cases, providing a five year carryback period. [Revenue Procedure 2009-20](#) provides safe harbors with regard to the claiming of these losses. Also for quick reference see [Internal Revenue Service summary](#) of the revenue ruling and revenue procedure.

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Proskauer's Tax Department includes over 25 lawyers with significant and diverse tax, executive compensation and employee benefits law experience.

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