

Foreign Bank Accounts **101**

U.S. persons are required to file FBARs (Report of Foreign Bank and Financial Accounts) annually if they have a financial interest in or signature authority over financial accounts, including bank, securities or other types of financial accounts, in a foreign country, if the aggregate value of these financial accounts exceeds \$10,000 at any time during the calendar year. They are also required to report income from the offshore accounts and assets on their timely filed US Income tax returns.

Penalties Include Fines & Prison

Non-compliance with the FBAR filing requirements include significant civil and criminal penalties. Depending on if the violation is “willful” or “non-willful”, the civil penalties range from up to \$10,000 per violation to \$100,000 or 50% of the amount in the account at the time of the violation. Criminal penalties for violating the FBAR requirements while also violating certain other laws can range up to a \$500,000 fine or 10 years imprisonment or both and can be imposed with the civil penalties.

It Isn't Too Late to Avoid Fines & Prosecution

If you were required to file FBARs in the past and have not done so, contact a tax attorney experienced in dealing directly with the IRS to file the Offshore Voluntary Disclosure Program (OVDP). Similar to the Offshore Disclosure Initiative in 2009 and 2011, the OVDP offers a reduced penalty for not filing the FBAR tax returns on time and for not reporting all or part of the foreign income. It also offers amnesty against criminal prosecution.

Act Now

Unlike previous Disclosure Initiatives, there is as-of-yet no immediate deadline for filing the OVDP. However, we encourage anyone with unreported foreign assets or income to file and take advantage of these generous amnesty programs in the event they are rescinded. Taxpayers can avoid prosecution and much more severe penalties and fees by taking advantage of the OVDP. Combating international tax evasion is a top priority for the IRS. As IRS Commissioner noted, "For those hiding cash or assets offshore, the time to come in is now. The risk of being caught will only increase."

We Can Help

StopIRSDebt.com offers tax relief services for both state and federal tax debt including criminal tax representation, FBAR compliance & disclosure, and complete services around OVDI filings. Our legal team handles negotiations with the Revenue Agent once the case is accepted into the Offshore Voluntary Disclosure Initiative for the lowest penalty possible, as well as negotiations with the IRS on the assessed offshore penalty.

We have years of experience handling the preparation of most tax resolution matters, such as Installment Agreements, Partial Pay Installment Agreements, Offers in Compromise, Filing Tax Returns, and much more.

Contact us today for a free consultation and allow us to better inform you of your FBAR and OVDI options.