

IRS “Offshore Voluntary Disclosure Program” is ending September 28; affects taxpayers with undisclosed foreign assets

Failure to report hidden assets abroad by the September 28 deadline may subject U.S. taxpayers to more severe penalties.

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/EINPresswire.com/ -- Foreign bank accounts are used by many American citizens and residents. And many such taxpayers may be unaware that such bank accounts must be declared to the U.S. Internal Revenue Service (IRS). Some taxpayers may intentionally hide such accounts from the IRS. In the United States, there is a legal requirement that all of these foreign bank accounts be reported to the United States on an annual basis, and that United States income taxes be paid on all of these bank deposit funds.



Richard S. Lehman, Tax Attorney in Boca Raton, FL

“

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Richard Sam Lehman, Tax Lawyer

So far, U.S. taxpayers with such foreign bank accounts could report such accounts and come into compliance with lesser penalties based on the IRS “Offshore Voluntary Disclosure Program” ([OVDP](#)). OVDP is a voluntary disclosure program for taxpayers who have hidden foreign bank accounts and prefer to avoid potential criminal liability and/or substantial civil penalties. It commences by providing IRS Criminal Investigation (CI) with the taxpayer’s name, address, taxpayer identification number and date of birth. The IRS then issues a “pre-clearance letter” and taxpayers proceed with a more complete disclosure in the form of a summary letter with exhibits (“Offshore Voluntary Disclosure Letter”). But this program will end in fewer than 60 days. After September 28, 2018, taxpayers

will no longer be able to receive IRS clearance in advance (CI) to avoid severe penalties. Thus, it is extremely important for U.S. taxpayers to take advantage of clearing their unreported foreign bank deposits and other assets in the waning days of the OVDP.

Florida tax lawyer [Richard Sam Lehman](#) recently commented on this important [deadline of September 28, 2018](#) for reporting such hidden foreign bank accounts, and suggests that affected taxpayers seek expert tax advice based on their specific situation.

Richard Lehman explains that the expiration of the of the OVDP does not indicate any change in IRS enforcement priorities. In fact, “Investigating offshore tax evasion remains a top priority for

the IRS. The IRS continues to enforce offshore compliance with information received under the Foreign Account Tax Compliance Act (FATCA), which is the network of intergovernmental agreements among the U.S. and other countries, as well as sources such as the Department of Justice's Swiss Bank Program. Furthermore, with the fast-developing analytics of today, it is much more difficult to hide bank accounts offshore."

The Foreign Account Tax Compliance Act (FATCA) requires that foreign financial institutions report the foreign assets held by U.S. taxpayers, or be subject to withholding on certain payments. FATCA is an important means for controlling tax evasion, by requiring U.S. taxpayers with foreign financial assets outside the United States to report such assets on tax declarations.

U.S. Taxpayers who fail to report under the OVDP by September 28 may be subject to much more harsher penalties, explains Richard Lehman. "This includes a penalty for failing to file the Form TD F 90-22.1 (Report of Foreign Bank and Financial Accounts, commonly known as an "FBAR"). Generally, the civil penalty for willfully failing to file an FBAR can be as high as the greater of \$100,000 or 50 percent of the total balance of the foreign account per violation. Even non-willful violations can still be subject to a \$10,000 penalty per violation."

Several other penalties that may apply. There is a penalty for failing to file Form 3520, Annual Return to Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. The penalty for failing to file, or for filing an incomplete return, is the greater of \$10,000 or 35 percent of the gross reportable amount (with certain exceptions). Further, there is a penalty for failing to file Form 3520-A, Information Return of a Foreign Trust With a U.S. Owner. Taxpayers must report ownership interests in foreign trusts. The penalty for failing to file each one of these information returns, or for filing an incomplete return, is the greater of \$10,000 or 5 percent of the gross value of trust assets.

In conclusion, Richard Lehman opines that "it is extremely important for taxpayers who have foreign bank deposits and other types of foreign assets to take advantage of the waning days of this program while they still have the opportunity. Otherwise they may face tax evasion charges with prison terms of up to ten years and a fine of up to \$500,000. If you control such unreported foreign assets, then now is the time to seek expert tax advice."

Further information:

The image shows a screenshot of a web browser displaying the website for Lehman Tax Law. The URL in the address bar is https://www.lehmantaxlaw.com/firm-profile/. The website header features a quote from Judge Learned Hand: "There is nothing sinister in so arranging one's affairs as to keep taxes as low as possible. Everyone does so, rich or poor; and all do right. Nobody owes any public duty to pay more than the law demands; taxes are forced exactions, not voluntary contributions." - Judge Learned Hand. The main heading is "LEHMAN TAX LAW" with the subtitle "RESOLVING THE TOUGHEST, MOST SOPHISTICATED TAX CASES" and "RICHARD S. LEHMAN, Esq. • ATTORNEY AT LAW". The navigation menu includes "Firm Profile", "Attorney Profile", "Areas of Practice", "Tax Law Articles", "Law Blog", "Video Library", and "Contact Us". Below the navigation is a search bar with the text "Search By Topic" and a "Go" button. The main content area is titled "Firm Profile" and contains the text "Today's tax and financial planning landscape is a complex one, undergoing constant change." Below this is a YouTube video player with the search term "richard lehman tax video fatca". The video player shows a video titled "New IRS Amnesty, FATCA & FFI Reporting" by Richard S. Lehman, Esq., Tax Attorney. The video player interface includes play, pause, volume, and full screen buttons, along with a progress bar showing 0:07 / 1:01:43. The video content includes the text "TOPICS IN THE SEMINAR INCLUDE:" followed by "The I.R.S. New Amnesty Program", "Foreign Account Tax Compliance Act (FATCA)", and "Foreign Financial Institutions (FFI's) Report On Americans". The video is attributed to "By Richard S. Lehman, Esq., TAX ATTORNEY" and includes the website "www.LehmanTaxLaw.com".

The website of Richard Sam Lehman, Tax Attorney, which provides additional information, is <https://www.lehmantaxlaw.com/>

Mr. Richard Lehman's YouTube channel has several videos on this subject: <https://www.youtube.com/user/rlehman33>


Mr. Richard Lehman's video about The IRS's FATCA, Streamlined Compliance Procedure and other Amnesty Information is at <https://www.lehmantaxlaw.com/fatca-streamlined-compliance/>

Mr. Lehman's video about "The IRS Offshore Voluntary Disclosure Program" is at <https://www.youtube.com/watch?v=sQnH7Vx0jRM>.

IRS website about the OVDP <https://www.irs.gov/newsroom/2012-offshore-voluntary-disclosure-program>


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YouTube richard lehman tax video



The IRS Streamline Compliance Program

Richard Sam Lehman, tax video on IRS Streamlined Compliance on YouTube



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