

## Last Chance to Report Foreign Bank Accounts to IRS

Written by Australian Business

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SAN FRANCISCO, CA, October 09, 2013 /**24-7PressRelease**/ -- Brian Mahany, a nationally noted tax lawyer specializing in offshore tax reporting reminds everyone that the final deadline for reporting offshore financial accounts to the IRS is October 15th for those taxpayers now on extension.

Taxpayers that own or have signature authority over offshore bank accounts must disclose them on Schedule B of the individual income tax return. The IRS believes that millions of taxpayers have failed to report these accounts. If at any time during the year the accounts had an aggregated value of \$10,000 or more, the accounts must also be reported on a Report of Foreign Bank and Financial Accounts (FBAR form). The FBAR deadline has already passed.

"The IRS and U.S. Department of Justice have begun a major crack down on taxpayers with unreported foreign accounts", said Mahany. Federal law requires most taxpayers to annually report overseas bank accounts, brokerage accounts, hedge funds and even some insurance products with an investment component. The penalty for non-compliance could include a 50% penalty on the highest balance of the account and in certain "willful" cases, prison.

Mahany noted that, "Next year, foreign banks will begin disclosing accounts owned or controlled by Americans. Experts believe that millions of people are about to get caught with unreported accounts. Those unsure of whether to report and currently sitting on the fence may soon be sitting in prison."

While some people intentionally evade taxes by hiding money offshore, most people with foreign accounts simply don't understand the law. They were born outside the United States, have overseas business interests or simply retired to another country. Most of these folks are unaware of the IRS reporting requirements and the severe penalties for noncompliance.

There are options to help taxpayers comply and avoid the harshest of penalties. Included in the range of choices available to taxpayers is the IRS' current offshore amnesty program, a streamlined procedure for Americans living abroad and for some, a traditional voluntary disclosure process.

Mahany believes that taxpayers with unreported offshore accounts should consult with an experienced FBAR attorney. He says that unlike regular tax lawyers, only a few specialize in FBAR and amnesty filings.

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One thing is for certain, taxpayers must act quickly. "The IRS operates on a first contact basis. If they find you first, the amnesty program is no longer an option," said Mahany.

For more information, contact Brian Mahany at [brian@mahanyertl.com](mailto:brian@mahanyertl.com) or by telephone at (414) 704-6731 (direct) or visit the Mahany & Ertl website at <http://www.mahanyertl.com>

About Mahany & Ertl - Mahany & Ertl is a boutique tax law firm with offices nationwide. They are the CPAmerica organization of accounting firms preferred legal services provider of foreign reporting services. Brian Mahany is licensed to practice before the United States Tax Court.