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THE TAX LAWYER

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IRS Amnesty: What's Required By 8/31/11?

Although August may not be a good time to be in Washington, DC, it's a great time to get your tax affairs in order. The IRS offshore account program called [OVDI](#) ends August 31, 2011. See [It's Not Too Late For IRS Amnesty](#). Even so, you may be able to get an extension.

90-Day Reprieve. Taxpayers may *request* an extension if they can demonstrate a good faith attempt to comply by August 31st. The good faith attempt must include properly completed and signed agreements to extend the statute to [assess tax \(including tax penalties\)](#) and to [assess FBAR penalties](#).

Written extension requests must include a list of the items you're missing, why they are not included, and the steps you're taking to get them. See [FAQ 25.1](#) and [IRS Updates Voluntary Disclosure Amnesty: What You Should Know](#).

Here's the complete list of submission items:

Taxpayers must provide the information contained in the [voluntary disclosures letter](#). Taxpayers must also:

1. Provide copies of previously filed original (and, if applicable, previously filed amended) federal income tax returns for tax years 2003 through 2010;
2. Provide complete and accurate amended federal income tax returns (for individuals, Form [1040X](#), or original Form 1040 if delinquent) for tax years 2003 through 2010, with

applicable schedules detailing the amount and type of previously unreported income from the account or entity (e.g., Schedule B for interest and dividends, Schedule D for capital gains and losses);

3. File complete and accurate original or amended Forms TD F 90-22.1 (“[FBAR](#)”) for calendar years 2003 through 2010;
4. Provide copies of offshore financial account statements reflecting all account activity for each of the tax years 2003 through 2010 (if account balances exceed \$500k in any year);
5. Provide a completed Foreign Account or Asset Statement for each previously undisclosed foreign account or asset during the voluntary disclosure period;
6. Provide a completed Foreign Financial Institution Statement for each foreign financial institution with which you had undisclosed accounts or transactions during the voluntary disclosure period (although this isn’t required if you had less than \$1M);
7. Provide a properly completed and signed Taxpayer Account Summary With Penalty Calculation;
8. Provide a completed and signed agreement to extend the period of time to assess tax (including tax penalties);
9. Provide a completed and signed agreement to extend the period of time to assess FBAR penalties; and
10. Provide a check payable to the Department of Treasury in the total amount of tax, interest and accuracy-related penalty for the voluntary disclosure period.

If you’re requesting an extension, here’s what you must provide by August 31, 2011:

1. You must be “in” the program, so don’t leave it for too late. An acceptance letter from the IRS Criminal Investigation Division will get you in the program.

2. Request an extension of the deadline to complete your submission, demonstrating a good faith attempt to fully comply by August 31.
3. Include signed consents to extend the statute of limitations to assess taxes, penalties and FBAR penalties.
4. Include a list of what you can't yet provide, why it isn't included, and the steps you've taken to get them. See [FAQ 25.1](#).

For more, see:

[It's Not Too Late For IRS Amnesty](#)

[IRS Updates Voluntary Disclosure Amnesty: What You Should Know](#)

[Some Foreign Account Penalties Unfair, Says Taxpayer Advocate](#)

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