

Scott Michel Comments in Bloomberg, IRS Loosens Aug. 31 Deadline for Offshore Tax Disclosures

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Excerpt taken from article.

The Internal Revenue Service will let taxpayers with undeclared offshore accounts apply for a 90-day extension of the Aug. 31 deadline for coming forward. The change, announced on the IRS website today, would let taxpayers seek the extension in writing by showing that they have made a "good-faith attempt" to meet the deadline and explain what information they are missing. The IRS is conducting its second voluntary offshore disclosure program, allowing taxpayers to pay penalties related to undeclared accounts to avoid criminal prosecution. The program requires those who come forward to pay as much as 25 percent of the highest annual amount in the account from 2003 through 2010, plus back taxes, interest and other penalties.

The IRS announcement also included a new category of taxpayers who could qualify for a reduced 5 percent penalty applying only to unreported financial assets, said Scott Michel, an attorney at Caplin & Drysdale in Washington. Non-U.S. residents who comply with home-country tax laws and had \$10,000 or less in U.S. income in each relevant year can qualify for that rate, which was already available to some people who inherited accounts. [Read](#)

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