



The FBAR and Tax Return are now in Sync!

The filing of the tax return (April 15 for individuals) and Report FinCEN Form 114, known as FBAR (June 30 for all taxpayers) were not aligned, and that there wasn't an extension available for the FBAR. This disconnect is over. The U.S. Congress took action, and President Obama signed into law the following changes:

- The filing deadline date of the FBAR will be April 15, starting with fiscal year 2016.
- For taxpayers required to file the FBAR for 2015, the deadline will remain at June 30, 2016.
- For taxpayers required to file the FBAR for 2016 (and beyond), the term will change to April 15, 2017 and for each subsequent year.
- Taxpayers may apply for the first time, for a six-month extension of the deadline for submission of the FBAR, until October 15. Previously, taxpayers could not apply for an FBAR extension.
- The extension does not apply to taxpayers who missed the deadline of June 30, 2015, for the 2014 FBAR.
- The FBAR is required to be submitted electronically using the website system of electronic filing of BSA (Bank Secrecy Act).

The FBAR is a requirement for any "U.S. person" with a financial interest in, or signatory authority in foreign financial accounts if at any time, the aggregate value of the account or foreign accounts exceeds \$ 10,000.00. It includes a person who has authorized signature on the account, even if the person does not have a financial interest.

There will be an opportunity for relief from penalties for the first time filers. This is significant because the FBAR statute has severe penalties for taxpayers who do not file, or submit a false FBAR. The willful failure to file the FBAR is a felony, which may subject the taxpayer to criminal prosecution, prison time and / or civil penalties in the amount of the greater of \$100,000.00 or 50 percent of the higher balance of the bank account(s) unreported. Neglect can result in a penalty of up to \$10,000.00 per account, per year unreported.

Don't be a victim of your own making. Other options exist to correct filing deficiencies, and should be considered in light of all the facts and circumstances, with your tax professional. Consult now.

Foodman CPAs and Advisors * 1201 Brickell Avenue * Suite 610 * Miami, Florida 33131
Tel 305 365 1111 * Fax 305 365 2244 * www.foodmanpa.com * info@foodmanpa.com