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## IRS Announces Third Offshore Voluntary Disclosure Program

*February 2, 2012 by Steven M. Saraisky*

The IRS announced a third voluntary disclosure program for offshore accounts recently. The IRS has conducted two prior voluntary disclosure programs – one in 2009 and one in 2011. According to the IRS, it had 33,000 disclosures from the 2009 and 2011 programs. The Service has closed approximately 95% of the 2009 cases and collected approximately \$3.4 billion in payments. The IRS also stated that it has collected approximately \$1 billion in up-front payments as a result of the 2011 program.

The third voluntary disclosure program does not have a set termination date and includes a top penalty rate of 27.5%, slightly higher than the top penalty rate in the 2011 program. IRS Commissioner Douglas Shulman said that the Service's focus on offshore tax evasion continues to produce strong, substantial results.

The IRS has also pursued a number of international banks to disclose the names and records of customers with undisclosed offshore accounts, and now also requires the filing of a Form 8938 for taxpayers to disclose specified foreign financial assets.

The third voluntary disclosure program may be a benefit to taxpayers who have not disclosed offshore accounts previously and were otherwise facing uncertainty as to how the IRS would treat their disclosures. If you have questions about the program please contact us.

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