

Dear Client:

Every year, the IRS identifies twelve specific areas of potential tax abuse for which they commit additional resources and efforts. The IRS is aggressively pursuing taxpayers and promoters involved in abusive or offshore transactions, including guidance to auditors on how to deal with those hiding income offshore in undisclosed accounts. With more countries participating in disclosure of foreign accounts as well as the IRS far-reaching subpoena powers, compliance with the disclosure rules and income reporting are mandatory.

The federal form 90.22-1 (FBAR) which discloses offshore accounts is due no later than **JUNE 30, 2009** – no extensions are allowed. ***The failure to file this form can result in civil and legal penalties not to exceed \$500,000 and imprisonment of not more than 5 years.*** Each United States person who has a financial interest in or signature or other authority over any foreign financial accounts, including bank, securities or other types of financial accounts (including debit cards and prepaid credit card accounts) , in a foreign country, if the aggregate value of these financial accounts exceeds \$10,000 at any time during the calendar year must file FBAR form no later than June 30, 2009. A United States person means a citizen or resident of the US or a person doing business in the US.

If you believe you have a reporting requirement for this year, or for prior years, please contact us immediately.

Hamilton Accountancy Corporation
HT2 Alert 2009-03 IRS Identifies Hiding Income Offshore as One of its “Dirty Dozen”