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IRS Highlights Offshore Compliance Programs Achievements and Encourages Taxpayers to Enter the Programs

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The IRS's recent news release shows that the agency has passed several big milestones in moving forward with increasing compliance.

Back in 2009, the IRS established Offshore Voluntary Disclosure Program (OVDP), a tax amnesty program that allows taxpayers with undisclosed income from foreign financial accounts an opportunity to get current with their tax obligations. The program encourages taxpayers to voluntarily disclose foreign financial accounts now, rather than risk detection by the IRS at a later date and face more severe penalties (and in some cases, possible criminal prosecution). The program also allows taxpayers who reported all income but who may not have filed all appropriate forms for international investments to also become compliant.

Similarly, the IRS established streamlined procedures to enable taxpayers to correct prior omissions and meet their federal tax obligations while mitigating the potential penalties of continued noncompliance. Streamlined procedures are available to taxpayers who certify that their failure to report foreign financial assets was not willful.

Through a network of intergovernmental agreements with other countries, the IRS is directly receiving more information on foreign accounts, so taxpayers' ability to avoid detection becomes harder and harder. The IRS continues to urge people with international tax issues to strongly consider offshore programs when meeting their tax obligations.

The recent IRS data confirms that both programs have experienced an increased participation. The updated data reflects that 55,800 taxpayers have come into OVDP to correct prior errors, paying more than \$9.9 billion in taxes, interest and penalties since 2009. In addition, another 48,000 taxpayers have used separate streamlined procedures to resolve prior non-willful omissions, paying approximately \$450 million in taxes, interest and penalties. The IRS has collected a combined \$10 billion with 100,000 taxpayers coming back into compliance.

Finally, the IRS recently revised the certification forms used for the streamlined filing compliance procedures (Forms 14653 and 14654). The most current versions are available on IRS.gov.

If you are interested in learning about these programs or pursuing one, please [contact Schneider Downs](#).

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