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THE VOICE OF AMERICANS OVERSEAS

ACA's Comprehensive Compliance Proposal (CCP) should be the basis for the new IRS voluntary disclosure program announced last week by Commissioner Koskinen.

Dateline: Washington, DC, June 10, 2014. American Citizens Abroad, Inc. (ACA) is very pleased to learn from Mr. Koskinen's comments before the U.S. Council for International Business-OECD International Tax Conference on June 3rd that the IRS is considering making modifications to the voluntary disclosure programs to adapt to the needs of Americans overseas who were non-wilful in their failure to file taxes and related IRS/Treasury forms.

"With this latest announcement, the IRS acknowledges what ACA has been witnessing from Americans overseas for the past years," stated Marylouise Serrato, ACA Executive Director. "Many Americans overseas have made errors of oversight in their tax declarations and want to become compliant however they were not engaged in tax evasion. The penalty structure for those who were wilfully evading taxes is not appropriate for those who made honest filing errors and a more appropriate program needs to be introduced to meet those individuals' needs." added Serrato.

ACA has advocated to both the IRS and the Treasury Department adoption of its "Comprehensive Compliance Program".

http://americansabroad.org/files/7513/7452/3519/Final_Letter_to_Treasury-IRS_July_19_2013_copy.pdf. The Comprehensive Compliance Program allows overseas residents who have either not fulfilled their complete tax filing requirements or made some filings but failed to file some tax forms or the FBAR forms, to become compliant with reduced penalty risk. It recommends three years of back filing of delinquent returns or filing of amended returns be required, that any taxes and late payment related interest be due, but that there be no penalties for non-filing of the FBAR, Form 8938 or other forms.

"The IRS should adopt features in the ACA proposal as a basis for a new approach. And it should release a draft of the new approach and solicit comments before finalizing it. The last attempt at a 'streamlined' approach fell short. The best way to avoid additional problems is to work closely with affected taxpayers and their tax advisors who will need to explain this to them," said ACA Legal Counsel Charles Bruce.

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