



AMERICAN CITIZENS ABROAD

THE VOICE OF AMERICANS OVERSEAS

American Citizens Abroad Congratulates the IRS on New Streamlined Foreign Offshore Procedures

Washington, DC, Monday June 23- American Citizens Abroad (ACA, Inc.) congratulates the IRS on its newly released Streamlined Foreign Offshore Procedures (SFOP). This program demonstrates that the IRS has listened to ACA, the National Taxpayer Advocate and tax professionals who have highlighted the dire need for a specific IRS program to allow Americans and green card holders resident abroad to enter into tax compliance.

“The approach of the SFOP is fair, emphasizing simplicity over complexity,” said Jackie Bugnion, ACA Tax Director. “There is no cap on the amount of taxes due to determine eligibility. There is no questionnaire to complete. Filing under the program follows procedures of normal filing and there is no closing procedure. The only special requirement is to sign a form confirming that non-compliance was non-willful.”

Individuals who can bring themselves within this program will not be subject to the typical tax penalties (failure-to-file, failure-to-pay, accuracy-related, and information return penalties). Nor will they be subject to FBAR penalties. In addition, for some Americans, who file under these procedures, retroactive relief will be provided for failure to timely elect income deferral on certain retirement and savings plans.

The new program draws upon many ACA recommendations, including ACA’s Comprehensive Compliance Program (CCP) which recommended a filing requirement of only three years of tax forms and the elimination of onerous FBAR filing penalties.

“What this clearly indicates is that the IRS acknowledges that the great majority of Americans living overseas are not criminal tax evaders but individuals who were non-compliant due to simple errors, omissions, or because they were not aware they needed to file income tax returns,” said Marylouise Serrato, Executive Director of ACA. “Thankfully, the IRS has now made it easier and less painful for these citizens to re-enter the system and ACA is proud to have taken a leadership role in helping advance this issue with the IRS and Members of Congress.”

For more information about ACA, please visit www.americansabroad.org.

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<http://www.irs.gov/Individuals/International-Taxpayers/Streamlined-Filing-Compliance-Procedures>