

## **IRS Announces Efforts to Help U. S. Citizens Overseas Including Dual Citizens and Those with Foreign Retirement Plans**

IR-2012-65, June 26, 2012

WASHINGTON — The Internal Revenue Service today announced a plan to help U.S. citizens residing overseas, including dual citizens, catch up with tax filing obligations and provide assistance for people with foreign retirement plan issues.

"Today we are announcing a series of common-sense steps to help U.S. citizens abroad get current with their tax obligations and resolve pension issues," said IRS Commissioner Doug Shulman.

Shulman announced the IRS will provide a new option to help some U.S. citizens and others residing abroad who haven't been filing tax returns and provide them a chance to catch up with their tax filing obligations if they owe little or no back taxes. The [new procedure](#) will go into effect on Sept. 1, 2012.

The IRS is aware that some U.S. taxpayers living abroad have failed to timely file U.S. federal income tax returns or Reports of Foreign Bank and Financial Accounts (FBARs). Some of these taxpayers have recently become aware of their filing requirements and want to comply with the law.

To help these taxpayers, the IRS offered the new procedures that will allow taxpayers who are low compliance risks to get current with their tax requirements without facing penalties or additional enforcement action. These people generally will have simple tax returns and owe \$1,500 or less in tax for any of the covered years.

The IRS also announced that the new procedures will allow resolution of certain issues related to certain foreign retirement plans (such as Canadian Registered Retirement Savings Plans). In some circumstances, tax treaties allow for income deferral under U.S. tax law, but only if an election is made on a timely basis. The streamlined procedures will be made available to resolve low compliance risk situations even though this election was not made on a timely basis.

Taxpayers using the new procedures announced today will be required to file delinquent tax returns along with appropriate related information returns for the past three years, and to file delinquent [FBARs](#) for the past six years. Submissions from taxpayers that present higher compliance risk will be subject to a more thorough review and potentially subject to an audit, which could cover more than three tax years.

The IRS also announced its offshore voluntary disclosure programs have exceeded the \$5 billion mark, released new details regarding the voluntary disclosure program announced in January and closed a loophole used by some U.S. citizens. See [IR-2012-64](#) for more.

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