

IRS Extends Deadline for Disclosing Hidden Offshore Accounts

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WASHINGTON - The Internal Revenue Service today announced a one-time extension of the deadline for special voluntary disclosures by taxpayers with unreported income from hidden offshore accounts. These taxpayers now have until Oct. 15, 2009.

Under special provisions issued in March, taxpayers with these hidden accounts originally had until Sept. 23, 2009 to come forward. Those taxpayers who do not voluntarily disclose their hidden accounts by the new deadline face much harsher civil penalties, where applicable, and possible criminal prosecution.

IRS officials decided to extend this deadline after receiving repeated requests from tax practitioners and attorneys around the country following an influx of taxpayer requests. By extending the deadline for a short period of time, the IRS is providing relief for those taxpayers who had intended to come forward prior to the deadline, but faced logistical and administrative challenges in meeting it. The extension will allow tax preparers and attorneys the necessary time to interview and advise their backlog of taxpayers with these hidden accounts, and prepare the necessary paperwork to qualify for the special penalty provisions.

The IRS also announced that there will be no further extensions.