



To Our Clients and Friends

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## IRS Extends Deadline For Voluntary Disclosure Program

*By: Michael J. Miller, Richard A. Levine, Howard J. Levine, Mark David Rozen*

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On September 21, 2009, the IRS extended the deadline for taxpayers to voluntarily disclose unreported income in offshore accounts to October 15, 2009. As discussed in our prior letter, dated July 22, 2009, the voluntary disclosure program generally allows taxpayers to avoid criminal prosecution; to avoid the civil fraud penalty; and to pay a reduced amount in lieu of all other penalties.

The IRS news release announcing the extension of the voluntary disclosure deadline emphasizes that no further extensions will be granted. The news release further provides that the September 23, 2009, deadline for taxpayers with no unreported income to avoid penalties by filing their delinquent foreign bank account reports (FBARs) and certain other information returns is also extended to October 15, 2009.

The news release has no effect on the June 30, 2010, filing deadline for certain FBARs due with respect to 2008 and prior years. As announced in Notice 2009-62, the FBAR due date was extended to June 30, 2010, in the case of persons with (i) signature authority over, but no financial interest in, a foreign financial account, and (ii) a financial interest in, or signature authority over, a “foreign commingled fund.”

Taxpayers with undisclosed foreign accounts or other offshore tax issues must act quickly to determine whether a voluntary disclosure or other action is advisable in their specific circumstances. The October 15, 2009, deadline is fast approaching.