

IRS Cracking Down on Nonfilers of Form **If you had over \$10,000 in foreign financial accounts...**

by Steve Smith

[Editor's Note: this is an update of an article that first appeared in this newsletter a year ago...]

Taxpayers who have a financial interest in or signature authority over any foreign financial accounts, including bank, securities, or other types of accounts in a foreign country, must file a special 8-page form (the top of it is pictured below) with the Treasury Department by **June 30th** if the aggregate value of these accounts exceeded \$10,000 at any time during 2009.

Form TD F 90-22.1 is not a new form. It has been around for years. It is not a tax form, and is not supposed to be included with your income tax return. Instead, you must send it separately to the U.S. Department of the Treasury, P.O. Box 32621, Detroit, MI 48232-0621. The 30 June deadline is fast approaching, and it cannot be extended.

The form helps the Treasury Department keep tabs on money laundering and related activities. There are criminal penalties for failure to file this form. The IRS has been cracking down on taxpayers who fail to file this form.

Accounts in military banking facilities such as Community Bank or one of the various credit unions that serve the military community overseas are not considered "foreign bank accounts" for purposes of filing this form. However, many members of the military community maintain bank accounts on the German economy (*e.g.*, Postbank accounts) that they use for paying bills or their mortgages. Considering that the average exchange rate for calendar year 2009 was .72 Euros to the U.S. dollar, if you had more than 7,200 Euros in such an account (or accounts) at any time in 2009, you need to file this form.

U.S. citizens and resident aliens must file the form. So must those who filed a joint return with a non-resident alien spouse. By filing a joint return, you are electing to treat your spouse as if they were a U.S. resident alien for tax purposes, whether or not they currently hold a green card. Foreigners generally save much more than Americans do, so if you have a foreign spouse with a sizable foreign bank account or investments and you filed a joint tax return, you should take a good hard look at the instructions to Form TD F 90-22.1 to determine if you must file the form.

Form TD F 90-22.1 can be easily downloaded from the IRS web site at <http://www.irs.gov/pub/irs-pdf/f90221.pdf>

If you have further questions, contact the Kaiserslautern Legal Assistance Office at DSN 483-8848 or Civilian 0631-411-8848 and ask to speak to Mr. Donald Davis.

TD F 90-22.1

(Rev. October 2008)
Department of the Treasury
Do not use previous editions of
this form after
December 31, 2008

**REPORT OF FOREIGN BANK
AND FINANCIAL ACCOUNTS**

Do NOT file with your Federal Tax Return

OMB No. 1545-2038
1 This Report is for Calendar
Year Ended 12/31

Amended **Part I Filer Information**

2 Type of Filer			
a <input type="checkbox"/> Individual b <input type="checkbox"/> Partnership c <input type="checkbox"/> Corporation d <input type="checkbox"/> Consolidated e <input type="checkbox"/> Fiduciary or Other—Enter type _____			
3 U.S. Taxpayer Identification Number		4 Foreign identification (Complete only if item 3 is not applicable.)	
If filer has no U.S. Identification Number complete Item 4.		a Type: <input type="checkbox"/> Passport <input type="checkbox"/> Other _____	
6 Last Name or Organization Name		7 First Name	5 Individual's Date of Birth MM/DD/YYYY
9 Address (Number, Street, and Apt. or Suite No.)		8 Middle Initial	
10 City	11 State	12 Zip/Postal Code	13 Country
14 Does the filer have a financial interest in 2b or more financial accounts? <input type="checkbox"/> Yes If "Yes" enter total number of accounts _____ (If "Yes" is checked, do not complete Part II or Part III, but retain records of this information)			