

# PUBLICATION

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## FBAR Deadlines Not as Close as You Think: New Tax Bill's Language Points to 2017 as Likely Timetable [Ober|Kaler]

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Thank you for your interest in the 5th Annual IRS Hot Topic Seminar held in Jerusalem in July. In continuing our efforts to provide timely and extremely important updates on tax matters affecting U.S. citizens and green card holders living abroad, please note that on Friday, July 31, 2015 (Tu B'av) major changes were made to filing dates for various entities including certain partnerships, C corporations and FBAR documents. While you may have received tax alerts from other professionals implying that these new deadlines especially for FBAR's take effect as of April 15, 2016, we respectfully disagree. We believe that the new due dates set forth below take effect for **returns that will be due primarily in 2017**. This view is based on the bill's actual language which states in relevant portion that "[i]n case of returns for taxable years beginning after December 31, 2015," there are revised filing due dates. This means that generally absent any further guidance to the contrary, this refers to filings to be made for the 2016 tax year in 2017. As such, please note the following:

- **FBAR (FinCEN Form 114) will be due on April 15th (as opposed to the current deadline of June 30th). Most importantly, an extension of 6 months will be available until October 15th. This means the 2015 FBAR will be due as usual on June 30th with no formal extension date while, the 2016 FBAR would be due on April 15, 2017 with the 6 month extension until October 15, 2017.** It is unclear whether a separate extension for the FBAR will need to be filed.
- Partnership tax returns will be due on March 15th as opposed to April 15th (for calendar year partnerships). *Again, this takes effect for 2016 tax returns.*
- Major change for C corp. tax returns which will now be due on April 15th as opposed to March 15th for calendar year C corporations. *Again, this takes effect for 2016 tax returns.*
- No changes for S corp. tax returns as they continue to remain due on March 15th.
- **First time penalty abatements for late FBAR penalties.** The new provision specifically provides for a "first time" abatement of the penalty for the late filing of an FBAR, similar to the rules in effect for other penalty provisions of the Internal Revenue Code.

Please stay tuned for further updates on this extremely important matter. A more extensive memo will be provided in the near future as more details are provided.