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## The Return of the Offshore Voluntary Disclosure Initiative

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Back by popular demand, the U.S. Internal Revenue Service ("IRS") this week reinstated the Offshore Voluntary Disclosure Initiative ("OVDI"). The program allows taxpayers to disclose their offshore assets to the government at reduced penalties.

The new OVDI program is similar in most respects to the 2011 program. Key differences include:

No deadline for filing; the program is open indefinitely.

Increased maximum penalty of 27.5%, up from 25%.

That said, the terms of the OVDI program could be changed at any time, including increasing the penalties. The IRS could also decide to terminate the program at any point.

As with the prior OVDI program, participants must file all original and amended tax returns and include payment for back taxes and interest for up to eight years, as well as paying accuracy-related and/or delinquency penalties. Also, as before, individuals with offshore assets and accounts totaling less than \$75,000 may qualify for the reduced penalty rate of 12.5%, or even a 5% rate.

Our office can certainly help you with your decision on whether to participate in the program. Additionally, we can assist and guide you through the program.

For further information contact:

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