

# US TAX ALERT



*US TAX ALERT is a commentary on topics of current interest – usually topics relating to recent changes in tax law, new IRS administrative practices or current interpretations arising from tax cases. Professional advice should be obtained before acting on any of this information.*

## US TAX FILINGS

### FINCEN (FBAR) RETURNS

US Fincen returns reporting your ownership or signature authority for Canadian bank accounts, security and brokerage accounts, and other non US financial assets is due July 15, 2015. Essentially, you report the highest balance during the year.

From past experience, we believe it is a good idea to get this filing out of the way now to avoid the rush in the tax season. Your bank and brokerage statements for December are usually available soon after January 1 and will give you the record for the whole year. However, by this time you probably already know the highest balance for each account for 2014 so you probably do not need to see December statements and can start to work on this now. We would like to file the Fincen report for you in January 2015.

We attach a copy of a form for you to use which shows the required information. You can duplicate if necessary to use for all of your accounts because it is a word document.

If you wish us to send details of your 2013 to you report please let us know and we will send out the information. If you prepare your own Fincen you can of course disregard this note.

### FORM 3520A

If you are a US tax filer and you owned a tax free savings account (TFSA) or a registered education savings account (RESP) in 2014, you must file form 3520A with the IRS by March 15, 2015. There are significant penalties potentially applicable if the form is not filed on time.

We attach a form that will allow you to provide this information to us so that we can prepare your 3520A return for you.

We are trying to get a head start on US tax filings this tax season. The US tax return and other forms are very detailed so anything that we can do to speed up the filing process is well worthwhile. Please send the 3520A information to us as soon as possible but not later than February 25, 2015. The attached document is in word format.

Please let us know if you have any questions.

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***FBAR RETURN INFORMATION – FINCEN FORM 114  
(MAXIMUM BALANCES)***

You must report non-US financial accounts including sole or joint ownership accounts, signature authority accounts and accounts closed in the year where the total of all accounts at any time during the year exceeds \$10,000.

Non-US accounts include or exclude the following:

**Include**

- Bank accounts
- Securities and brokerage accounts
- Trust accounts
- RRSPs, RRIFs, RESPs, LIRAs, RDSPs, TFSA's
- Mutual funds
- Life insurance with a cash surrender value
- Prepaid credit cards and debit cards
- Bank activated power of attorney

**Exclude**

- Certain pension plans
- Non prepaid credit cards
- Specific stocks and bonds (non public)
- United States mutual funds
- United States brokerage accounts

***This form must be received by June 30 and no filing extension is available.***

**Other Reportable Accounts**

These are some accounts that must be reported even though the United States taxpayer is not the owner of account and/or does not have signing authority. In this case the US taxpayer has an interest in the account and the owner of record is described as follows:

- An agent, nominee or attorney who is a United States taxpayer
- A corporation where the United States taxpayer owns directly or indirectly more than 50% of the shares or 50% of the vote.
- A partnership in which the United States taxpayer owns more than a 50% interest
- A trust where the grantor is a United States taxpayer and meets certain other qualifications
- Any other entity in which the United States taxpayer owns more than 50% of voting power, total value of assets or profits

***To help you assemble this information please see worksheet attached.***

**FBAR RETURN- WORKSHEET**

***Report amounts in Canadian dollars. If it is a US dollar account, please indicate if you have provided the information in Canadian or US dollars.***

<b>YEAR</b>		
Type of Account		
Sole or Joint?		
Account as Signing Officer Only **		
Account Number		
Name of Financial Institution		
Address of Financial Institution		
Maximum Value During Year		

<b>YEAR</b>		
Type of Account		
Sole or Joint?		
Account as Signing Officer Only **		
Account Number		
Name of Financial Institution		
Address of Financial Institution		
Maximum Value During Year		

***\*\*Additional information for each account with signing authority only:***

Name of Account Holder:

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**FOREIGN TRUSTS (TFSA AND RESP) AND GIFTS/BEQUESTS OVER \$100,000**  
**Form 3520A**  
**(YEAR END BALANCES)**

<b>TAXPAYER</b>		
TFSA or RESP		
Account Number		
Name of Financial Institution		
Address of Financial Institution		
Withdrawals During Year		
Contributions During Year		
Income Earned		
Balance at Year End		
Gift or Bequest over \$100,000 in total		
Date Received		
Description of Property Received		
Fair Market Value of Gift or Bequest		