

# 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 VOLUNTARY DISCLOSURE ENDS

The United States has had various programs to allow US taxpayers to come clean about delinquent tax filings and avoid penalties and interest. Many United States citizens or green card holders with improperly surrendered cards now living in Canada have taken advantage of this *streamlined filing program*. To qualify, individuals are simply required to file three years of 1040 personal returns with related forms and six years of what is known as the FBAR (Foreign Bank Account Report) form.

US citizens and green card holders also have to file other forms and report details of mutual funds ownership and TFSA and RESP accounts. The penalty for not filing these forms in a timely manner is \$10,000 per form. Why in the world would any American citizen living in Canada not take advantage of streamlined filing to avoid such penalties?

Well, the day of avoiding US tax filings is over and you will eventually be found out if you haven't filed - especially because Canadian banks make US taxpayer account holder information available to the IRS through FATCA (Foreign Account Tax Compliance Act). Border agents are also more vigilant, and your US place of birth is shown on your Canadian passport.

Here's the big concern - the IRS recently announced that they are ending the streamlined filing program on September 28, 2018. So, if you are a US citizen or you once lived in the US for more than eight years under a green card, this is your last chance to take this immense problem off your back. The IRS recently said the following:

*"Taxpayers have had several years to come into compliance with US Tax Laws under this program. All along, we have been clear that we would close the program at the appropriate time, and we have reached that point. Those who still wish to come forward have time to do so."*

As indicated above, if you ever lived in the United States as a green card holder (eight or more years at the time you left the US), you may be a US taxpayer and therefore are required to file

personal tax returns the same as US citizens do. This filing requirement does not apply if you have properly surrendered your green card to a US Border Services Agent and you have also filed form 14653. Canadians who went to school or worked in the US years ago may be surprised to find that they are still US taxpayers.

Streamlined filing follows a very specific process so it would not be wise for anyone to do these filings without professional assistance. Time is very short, so if you are delinquent - time to get on board.

***J. E. Arbuckle Financial Services Inc.***  
***30 Dupont St. E., Suite 205, Waterloo, Ontario N2J 2G9***  
***Phone: 519-884-7087 Fax: 519-888-8335***  
*Email: [jea@personalwealthstrategies.net](mailto:jea@personalwealthstrategies.net)*  
*[www.personalwealthstrategies.net](http://www.personalwealthstrategies.net)*  
*[www.thefamilyguide.ca](http://www.thefamilyguide.ca)*