

# **From the desk of Peter S. Muffoletto, C.P.A.**

## **New Filing Deadline Now Applies to Foreign Account Reports**

### **New Deadline for Reporting Foreign Accounts**

The deadline for filing the annual Report of Foreign Bank and Financial Accounts (FBAR) is now the same as for a federal income tax return.

This means that the 2016 FBAR Form 114 must be filed electronically with the Financial Crimes Enforcement Network (FinCEN) by April 18, 2017.

FinCEN will now grant filers missing the April 18 deadline an automatic extension until October 16, 2017 to file the FBAR.

Specific extension requests are not required.

In the past the FBAR deadline was June 30 and no extensions were available.

The filing requirement applies to anyone who had an interest in, or signature or other authority, over foreign financial accounts whose aggregate value exceeded \$10,000 at any time during 2016.

The form is only available through the [BSA E-Filing System](#) website.

### **Specified Domestic Entity Reporting**

For tax year 2016, certain domestic corporations, partnerships and trusts that are considered formed for the purpose of holding (directly or indirectly) specified foreign financial assets must file Form 8938 if the total value of those assets exceeds \$50,000 on the last day of the tax year or \$75,000 at any time during the tax year.

### **Report in U.S. Dollars**

Any income received or deductible expenses paid in foreign currency must be reported on a U.S. tax return in U.S. dollars.

Likewise, any tax payments must be made in U.S. dollars.

Both Forms 114 and 8938 require the use of a December 31 exchange rate for all transactions regardless of the actual exchange rate on the date of the transaction. Generally, the IRS accepts any posted exchange rate that is used consistently.

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Our emphasis at Muffoletto & Company is to provide you the proper guidance and understanding of the system so that you avoid taxes to the extent that the law allows.

Should you have questions relating to these matters, tax, financial, and accounting issues, give us a call at (818) 346-2160.

You can also visit us on the web at [www.petemcpa.com](http://www.petemcpa.com)!

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We here at Muffoletto & Company believe that the more informed you are in regards to the rules and regulations that affect you the more we can be of service.

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