

**From the desk of  
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# **Reporting Cash Transactions to the IRS**

The government wants to know who is trafficking in cash, and requires the filing of IRS Form 8300, Report of Cash Payments when \$10,000 or more is received by an individual, or business.

The IRS believes that those trafficking in cash could be laundering money, involved in tax evasion, drug dealing, and possible terrorist financing, and other criminal activities.

## **Who is Required to File**

Any person in a trade or business who receives \$10,000 in cash in a single transaction, or in related transactions must file a Form 8300.

A person for tax purposes in this instance is defined as an individual, company, corporation, partnership, association, trust or estate.

Typically dealers in jewelry, furniture, boats, aircraft or automobiles; pawnbrokers; attorneys; real estate brokers; insurance companies and travel agencies are among those who are those who generally need to file Form 8300.

Tax-exempt organizations are also “persons” and may need to report cash transactions.

A tax-exempt organization does not need to file Form 8300 for a charitable cash contribution, however, under a separate requirement, a donor often must obtain a written acknowledgement of the contribution from the organization.

## **What is Cash, or a Cash Equivalent**

For Form 8300 reporting cash includes coins and currency of the United States or any foreign country.

Cash equivalents that include cashier’s checks, treasurer’s check, bank check, bank drafts, traveler’s checks or money orders with a face amount of \$10,000 or less that a person receives for:

- A designated reporting transaction or
- Any transaction in which the person knows the payer is trying to avoid the reporting requirement.

Note that money orders and cashier's checks under \$10,000 when used in combination with other forms of cash for a single transaction that exceeds \$10,000 is defined as cash for Form 8300 reporting purposes.

Strangely, wire transfers are not considered cash equivalents, and therefore not reportable.

### **IRS Specifically Designated Transactions**

A designated reporting transaction is any retail sale of tangible personal property that is generally suited for personal use, expected to last at least one year and has a sales price of more than \$10,000, as well as for personal or professional services.

Examples, but not limited to:

- Automobiles, boats, motor cycles, other motor vehicles;
- Jewelry;
- mobile homes;
- Furniture;
- Collectibles;
- Stamp and coin collections;
- Travel;
- Doctors, Dentists, plastic surgeons, and any medical facilities;
- Attorneys;
- Accountants, and CPA's;
- Wealth advisors, and firms;
- Any professional service provider

Note that under a separate reporting requirement, banks and other financial institutions report cash purchases of cashier's checks, treasurer's checks and/or bank checks, bank drafts, traveler's checks and money orders with a face value of more than \$10,000 by filing currency transaction reports.

### **Reporting Cash Payments**

Form 8300 must be filed if cash, or cash equivalents of more than \$10,000 from the same payer or agent:

- In one lump sum.
- In two or more related payments within 24 hours. .
- As part of a single transaction or two or more related transactions within a 12 month period

### **Examples of Reporting Situations**

## **Car Dealerships**

Serial transactions which result in cash or cash equivalents are reportable as well. As an example if a husband and wife purchases two vehicles at one time from the same dealer, and the dealer receives cash in excess of \$10,000, the dealer must view the transaction as a single transaction or two related transactions. The dealer must file Form 8300.

## **Taxi company**

When lease payments made in cash by a taxi driver to a taxi company within a 12-month period exceed \$10,000 in total, the taxi company needs to file Form 8300. Then, if the company receives more than \$10,000 cash in additional payments from the driver, the company must file another Form 8300.

## **Landlords**

The 12-month period also applies to landlords who need to file Form 8300 once they receive more than \$10,000 in cash for a lease during the year. If a person uses a dwelling unit as a home and rents it less than 15 days during the year, its primary function is not considered rental in a trade or business, therefore there is no need to report a cash receipt of more than \$10,000.

## **Bail-bonding agent**

A bail-bonding agent must file Form 8300 when they receive more than \$10,000 in cash from a person. This applies to payments from persons who have been arrested or anticipate arrest. The agent needs to file the form even though they have not provided a service when they received the cash.

## **Colleges and universities**

Colleges and universities must file Form 8300 if they receive more than \$10,000 in cash in one or more transactions within 12 months. A Form 8300 exception applies for government entities but not for educational entities.

## **Contractors**

Contractors must file Form 8300 if they receive cash of more than \$10,000 for building, renovating, remodeling, landscaping and painting, or any other service performed.

### **When to file Form 8300**

A person must file Form 8300 within 15 days after the date the person received the cash. If a person receives multiple payments toward a single transaction or two or more related transactions, the person should file Form 8300 when the total amount paid exceeds \$10,000. Each time payments aggregate more than \$10,000, the person must file another Form 8300.

## How to file

Form 8300 can be filed electronically using the Financial Crimes Enforcement Network's [BSA E-Filing System](#). Those who file numerous forms may find the batch e-filing option helpful. Filers will receive an electronic acknowledgement of each submission.

Those who prefer to mail Form 8300 can send it to Internal Revenue Service, Detroit Federal Building, P.O. Box 32621, Detroit, MI 48232. Filers can confirm the IRS received the form by sending it via certified mail with return receipt requested or by calling the IRS Bank Secrecy Act Helpline in Detroit at 866-270-0733.

## Taxpayer identification number

Form 8300 requires the taxpayer identification number (TIN) of the payer using cash. Should the payor refuse to provide it, the person should inform the payer that the IRS may assess a penalty.

If the person is unable to obtain the payer's TIN, they should file Form 8300 anyway and include an explanation why the form doesn't have the TIN. The person should keep records showing they requested the payer's TIN and provide the records to the IRS upon request.

## Informing customers about Form 8300 filing

A Form 8300 filer must give each party named on the form written notice by January 31 of the year following the transaction that they filed Form 8300 to report the payer's cash transaction. The Internal Revenue Service does not offer a specific format for the payer's statement, but it must:

- Be a single statement aggregating the value of the prior year's total reportable transactions.
- Include the name, address and phone number of the person filing the Form 8300.
- Inform the payer that the person is reporting the payments to the IRS.

A person can give a payer who only had one transaction during the year a copy of the invoice or Form 8300 as notification if it has the required information, although you may not to do so as sensitive information on the form such as the TIN of the person filing the Form 8300.

A person may voluntarily file Form 8300 to report a suspicious transaction below \$10,000. In this situation, the person does not let the customer know about the report.

Law prohibits a person from informing a payer that it marked the suspicious transaction box on the Form 8300.

## More information:

- [Publication 1544](#), Reporting Cash Payments of Over \$10,000
- [IRS Form 8300 Reference Guide](#)

- [Guidance for the Insurance Industry on Filing Form 8300](#)
- [Form 8300 and Reporting Cash Payments of Over \\$10,000](#)
- [FAQs for Indian Tribal Governments regarding Non-Casino Cash Transactions Over \\$10,000 - Form 8300](#)

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