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IRS Retains Relief for Late FBAR Reports Despite Webpage Removal

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Taxpayers can still receive penalty relief for late foreign bank and financial accounts reports, despite the IRS taking down the webpage outlining the relief process.

Tax practitioners balked at the removed webpage, which outlined informal guidance on how taxpayers can file late FBAR reports but avoid penalty fees, which could be upwards of $10,000 for each violation. Taxpayers must report certain foreign financial accounts to the Treasury Department each year, according to the Bank Secrecy Act.

Without that webpage, it was unclear for weeks whether penalty relief was still an option for some late filers.

“Penalty relief has and continues to be available for taxpayers making late FBAR submissions by relying on the reasonable cause language noted on the FinCEN website,” an IRS spokesperson said in a statement.

The penalty relief option is outlined on the Financial Crimes Enforcement Network webpage. The instructions say “if there is reasonable cause for the failure and the balance in the account is properly reported, no penalty will be imposed.”

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