

IRS Has Reopened Its Offshore Voluntary Disclosure Program

By [C.J. Griffin](#)

The [IRS](#) has announced a third round of Its [Offshore Voluntary Disclosure Program \(OVDP\)](#), allowing tax evaders to voluntarily disclose unpaid taxes from offshore accounts and pay penalties in exchange for amnesty.

To participate in the program, participants must file all original and amended tax returns and include payment for back-taxes and interest for up to eight years, as well as applicable penalties. Most participants will pay a penalty of 27.5 percent of the highest aggregate balance in foreign bank accounts/entities or the value of foreign assets during the eight years prior to disclosure. Some taxpayers with smaller valued offshore accounts may eligible for a reduced penalty. For example, those with under \$75,000 in offshore accounts in any calendar year may qualify for a rate between 5 percent and 12.5 percent.

Currently, the IRS has set no deadline for when the program ends and has indicated that it will release more information and an FAQ within the coming weeks.