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Due Date of FBAR for 2016 Fiscal Year

14 April 2017

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They cannot seem to stop changing requirements including due dates.

Previously for 2016 filings of Form 114 Report of Foreign Bank and Financial Accounts (“FBAR”) the due date was changed to 15 April of the following year or 17 April 2017 for 2016 filings. The odd day in 2017 is due to weekends and holidays.

This form is not filed with the USA Internal Revenue Service, a sub-agency of the US Department of Treasury. Rather, it is filed directly with the US Department of Treasury – Financial Crimes Enforcement Network sometimes referenced as Fin CEN. This filing location has significance in the areas of privacy, among other matters. To my knowledge, there is no physical mailing (private or public postal) location should one not have access to e-filing methodology. This is a very serious weakness in their systems.

Prior to 2016 filings, the due date was 30 June of the following calendar year.

It has just been brought to my attention that the US Department of Treasury has now again changed the due date for 2016 data. **The new date is the 16 October 2017.**¹

Chaos reigns! I will add a note here. The other day I noticed that 2016 tax filings are 30% behind prior years. This is notable in the USA system.

The USA system intentionally typically over withholds income tax largely from a person’s wages at the source of payment via a rather elaborate system. Then

¹ This was done via an IRS News Release IR-2017-82 dated 13 April 2017.

each person files a personal income tax return balancing the calculated income tax against that which was previously withheld plus any voluntary interim payments. As a consequence, the vast majority of Americans² make an interest-free loan to the US Treasury.

As a further consequence, the vast majority of Americans file their personal income tax returns early to claim their refund, especially these days, allowing a small respite in the context of their daily financial needs.

Thus, while the US Department of Treasury made some rather lame hand waiving blaming this on the taxpayers, I suspect it is reflective of serious problems within the system including their “new” software and likely hardware as well as outsourcing.

After the due date crunch, I hope to follow up with some other news that made it at least in part into the MSM concerning this very subject.³

Suffice to say here that chaos reigns.

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² I have not actually looked at the statistics for the number of personal income tax returns which reflect cash refunds versus those which reflect balances owing in a rather long time. However, this is a fair generalization leaving only the degree of “majority” in flux.

There is a change in the USA economy which could shift this a bit. Those who hold more than one job via more than one employer could end up with a lesser refund or actually owing money with their annual income tax return. This issue is imbedded in their withholding tax tables interacting with their graduated rate structure as well as a plethora of deductions and credits which most outside of the USA culture would find odd.

³ There is a new FBAR e-file system in place. To my eye, it actually appeared to work reasonably well. However, it is becoming very clear that the US Department of Treasury systems, including those of the Internal Revenue Service, are being modified in software, hardware, outsourcing and ongoing privatizing. This has been ongoing for more than a few years. It does not appear to be doing well. Chapple Blondet issued two prior discussions concerning these matters.