

IRS to Automatically Assess Penalties for Late-filed Forms 5471

OCTOBER 31, 2008

BE IN A POSITION OF STRENGTH

Form 5471 is utilized by certain U.S. persons (including U.S. businesses) and U.S. residents who are officers, directors or shareholders in certain foreign corporations. Form 5471 is an information form and is generally required to be sent in with the corresponding income tax return of the filer. There has always been a \$10,000 penalty for each Form 5471 that was not filed but should have been. This penalty has not been consistently enforced.

The IRS has announced that it will automatically assess appropriate penalties on late-filed Forms 1120 with Form(s) 5471 attached beginning January 1, 2009. U.S. persons who have a certain level of control in foreign corporations are required to file Form 5471. The form must be filed by the due date of the income tax return (including extensions).

DON'T BE LATE - FILE FORM 5471 OR GET HIT WITH SUBSTANTIAL PENALTIES

**Questions or comments?
E-mail us at taxbriefs@withum.com**

If you have any questions, please contact the WS+B tax department. #266



WithumSmith+Brown, PC
Certified Public Accountants and Consultants
New Jersey, New York, Pennsylvania, Maryland, Florida, Colorado