

IRS News Release

Media Relations Office

Washington, D.C.

Media Contact: 202.622.4000

www.irs.gov/newsroom

Public Contact: 800.829.1040

June 15 Tax Deadline Nears for Americans Abroad; Don't Forget to Report Foreign Accounts

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WASHINGTON –Taxpayers abroad qualifying for an automatic two-month extension must file their 2010 federal income tax returns by Wednesday, June 15, according to the Internal Revenue Service.

The special June 15 filing deadline applies to:

- U.S. citizens and resident aliens who both live and work outside the United States
- Members of the military on duty outside the United States.

Taxpayers taking advantage of this extension must attach a statement to their return indicating which of these applies.

Electronic filing offers the fastest and easiest way to meet the June 15 deadline, and most taxpayers abroad now qualify to use IRS Free File to prepare and electronically file their returns for free. Five Free File companies can handle returns filed from foreign addresses. With Free File, taxpayers with adjusted gross incomes of \$58,000 or less can use brand-name software to prepare their returns and then e-file them for free.

This option may be especially attractive to taxpayers living and working abroad who claim the foreign earned income exclusion. That's because the \$58,000 income limit applies after the exclusion of up to \$91,500 is subtracted, thus effectively making Free File available to many higher-income taxpayers. Eligible taxpayers claiming this exclusion on [Form 2555](#) or the foreign tax credit on [Form 1116](#) should check their software to ensure it supports these forms.

To get started, go to www.irs.gov/freefile and select "Pick a Free File Company." Free File will be open until Oct. 17, 2011.

Taxpayers who cannot meet the June 15 deadline can get an automatic extension until Oct. 17, 2011. This is an extension of time to file, not an extension of time to pay. Interest, [currently](#) at the rate of four percent per year compounded daily, applies to any payment made after April 18, 2011. In some cases, a late payment penalty, usually 0.5 percent per month, applies to payments made after June 15, 2011.

Taxpayers abroad, regardless of income, can use Free File to request a tax-filing extension. Alternatively, eligible taxpayers can download and file [Form 4868](#), available on IRS.gov.

In some cases, an additional extension beyond Oct. 17 may be available. Details are in [Publication 54](#), Tax Guide for U.S. Citizens and Resident Aliens Abroad. In addition, members of the military and others serving in Iraq, Afghanistan and other combat zone localities normally have until at least 180 days after they leave the combat zone to file their returns and pay any taxes due. For details, see Extensions of Deadlines in [Publication 3](#), Armed Forces Tax Guide.

The IRS reminds U.S. citizens and resident aliens that federal law requires them to report income from all sources, both foreign and domestic, including income from foreign trusts and foreign bank and securities accounts. In most cases, affected taxpayers also need to fill out Part III of [Schedule B](#), including reporting the country or countries in which the accounts are located.

In addition, taxpayers with foreign accounts whose aggregate value exceeded \$10,000 at any time during 2010 must file Treasury Department [Form TD F 90-22.1](#). This form is due June 30, 2011, and is filed with the Treasury Department. Because it is not a tax form, the June 30 deadline applies, even if a taxpayer obtains a tax-filing extension. Details on this requirement are in [Publication 4261, Do You Have a Foreign Financial Account?](#)

The IRS today again urged taxpayers who, in the past, failed to disclose foreign accounts or report foreign income to take advantage of the agency's [Offshore Voluntary Disclosure Initiative](#). Available for a limited time only, this special initiative is designed to bring offshore money back into the U.S. tax system and help people with undisclosed income from hidden offshore accounts get current with their taxes. Full details are on IRS.gov.