

**Office of Chief Counsel
Internal Revenue Service
memorandum**

CC:PA:01:MEHara
POSTN-107811-18

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date: April 12, 2018

to: Darren Lefebvre
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SE:S:E:HQ:SP:BSAP
(Small Business/Self-Employed)

from: Blaise Dusenberry
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CC:PA:1
(Procedure & Administration)

subject: Form 8300, Report of Cash Payments Over \$10,000 Received in a Trade or Business

This Advice responds to your request for assistance. This advice may not be used or cited as precedent.

ISSUE

Whether there is any legal prohibition against the Internal Revenue Service (IRS) requesting that a business file one Form 8300 that summarizes what the business should have previously reported on multiple Forms 8300 with respect to multiple receipts of cash from a single customer in a prior year.

SUMMARY CONCLUSION

In the context of an examination for non-filing of Forms 8300, there is no legal prohibition against the IRS requesting that a business file one Form 8300 that summarizes what the business should have previously reported on multiple Forms 8300 with respect to multiple receipts of cash from a single customer in a prior year. If the IRS wishes to exercise this procedure, we recommend that the IRS require the business to use the comments section on the Form 8300 to state that it is filing one Form 8300 to reflect total cash receipts from a particular customer during the taxable year in lieu of filing the multiple delinquent Forms 8300 that it should have filed with respect to that customer and that it is doing so as requested by the IRS examiner.

BACKGROUND

Businesses are required by regulations under I.R.C. § 6050I to file Forms 8300 to report cash in excess of \$10,000 received during the course of a trade or business. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] During a Form 8300 compliance examination, the examiners will request that the business file delinquent Forms 8300.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

This Form 8300 reflects total cash receipts from a single payor during [REDACTED]. During a compliance examination, the IRS requested that a single late-filed Form 8300 be provided that contains the total amount received from the payor during the period in lieu of filing multiple late-filed Forms 8300. The request from the IRS is attached.

LAW AND ANALYSIS

Section 6050I provides that any person, who, in a trade or business, receives more than \$10,000 in cash, including foreign coin and currency, in one or in two or more related transactions, must file a return with the IRS. The statutory language of Section 6050I is, in part, as follows:

- (a) Cash receipts of more than \$10,000. Any person—
 - (1) Who is engaged in a trade or business; and
 - (2) who, in the course of such trade or business, receives more than \$10,000 in cash in one transaction (or two or more related transactions), shall make the return described in subsection (b)

with respect to such transaction (or related transactions) at such time as the Secretary may by regulations prescribe.

- (b) Form and manner of returns. A return is described in this subsection if such return –
- (1) is in such form as the Secretary may prescribe,
 - (2) contains –
 - (A) the name, address, and TIN of the person from whom the cash was received,
 - (B) the amount of cash received,
 - (C) the date and nature of the transaction, and
 - (D) such other information as the Secretary may prescribe.

The Form 8300 is the form designated by the Secretary to report transactions subject Section 6050I.¹

In the context of an examination for non-filing of Forms 8300, there is no legal prohibition against the IRS requesting that a business file one Form 8300 that summarizes what the business should have previously reported on multiple Forms 8300 with respect to multiple receipts of cash from a single customer in a prior year. It complies with the requirements of Section 6050I as it is in the form prescribed by the IRS examiner, contains the name, address, and TIN of the person from whom the cash was received; the amount of cash received, the date (it contains the year) and nature of the transaction, and information prescribed by the IRS examiner.

If the IRS wishes to exercise this procedure, we recommend that the IRS require the business to use the comments section on the Form 8300 to state that it is filing one Form 8300 to reflect total cash receipts from a particular customer during the taxable year in lieu of filing the multiple delinquent Forms 8300 that it should have filed with respect to that customer and that it is doing so as requested by the IRS examiner. The request of the IRS examiner should also be attached to the Form 8300.

The language set forth above is appropriate for use in the comments section of the Form 8300 in these compliance situations. Penalties under I.R.C. § 6721(a) or I.R.C. § 6721(e), if appropriate, should be asserted on the total number of delinquent Forms 8300.²

¹ Treas. Reg. § 1.6050I-1(d)(3)(i).

² I.R.C. § 6721(a) imposes a penalty of \$250 for each failure to file a Form 8300 on or before the required filing date or failure to include all of the information required to be shown on the form. However, I.R.C. § 6721(e)(2)(c) provides for enhanced penalties in the case of intentional disregard of the filing requirement, the greater of \$25,000, or the amount of cash (within the meaning of section 6050I(d) received in such transaction (or related transactions) to the extent such cash does not exceed \$100,000.

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Please call (202) 317-5417 if you have any further questions.