

Are you Compliant with your US tax reporting?

US tax returns are generally due by 15 April. However, for the tax year 2020, the due date has been extended to 17 May 2021.

Following are some of the due dates to pay attention -

- If you are a US citizen or resident alien residing overseas (US expats), you are allowed an automatic 2 month extension to file your tax return from the original due date. For the tax year 2020, **automatic extension for US expats is 15 June 2021.**
- In case of the above due date, if there are any taxes due, late payment interest would still be applicable and would start from 17 May 2021
- **The above dates can be extended up to 15th Oct 2021 by filing FORM 4868** before the due dates of 17th May or 15th June as the case may be.
- Late payment interest and late payment penalty may still be applicable from the original due date even if you opt for extension.

Following are some of the key areas from reporting perspective –

- Ensure you are filing **FOREIGN BANK ACCOUNT REPORT (FBAR)** if you are a US citizen/Resident alien and your aggregate value of foreign financial accounts (including bank accounts) exceed \$10,000 at any time during the calendar year. Non-compliance may attract \$10,000 penalty.
- Some of the investments (e.g. mutual funds in India) may qualify as Passive Foreign Investment Company (PFIC) which requires special considerations like filing of **FORM 8621** etc.
- File **FORM 8938** if you are holding any foreign financial assets (in India or any other foreign country other than US) if the total value of such investments exceed prescribed thresholds.
- If you are a self-employed or salaried individual residing in foreign country, you may be eligible to claim **Sec 911 exclusion** by filing **FORM 2555**.
- If you are paying taxes in any foreign country and the same income is taxed in US as well, you may be eligible to claim **foreign tax credit** in US by filing **FORM 1116**.

For Further enquiries, please feel free to contact

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