

## **IRS to end amnesty for offshore tax cheats**

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Later this month, U.S. taxpayers with offshore accounts will lose an IRS-granted protection that has allowed some people to escape a prison sentence, while it promises to continue its crack down on foreign tax dodging.

Known as the Offshore Voluntary Disclosure Program (OVDP), taxpayers will no longer be allowed to confess their secret accounts and pay a heavy fine in exchange for potential protection from criminal liability.

Under OVDP, the penalty could reach as high as 50 percent of what was being shielded overseas. [Ty Warner](#), the creator of the plush toy line Beanie Babies, famously paid \$53 million for hiding more than \$100 million in a Swiss account.

The IRS said that while the program has been successful “in the past,” it will close it because there has been a “significant decline” in participation.

Since 2009, 56,000 taxpayers have come clean about tax evasion, according to the IRS, which collected \$11.1 billion in taxes interest and penalties. Only 600 people disclosed accounts in 2017.

Among the tools the agency will use to continue prosecuting those who fail to properly report foreign assets are whistleblower leads, civil examination and criminal prosecution. The agency said its criminal investigations have resulted in the indictment of 1,545 taxpayers on criminal violations related to international activities, including 671 of which were indictments on international criminal tax violations.

The Foreign Account Tax Compliance Act also requires foreign financial institutions to disclose foreign assets held by U.S. residents.

The IRS began a rampant crackdown on offshore accounts in the mid- to late-2000s, after a whistleblower revealed that Swiss Bank UBS was helping U.S. taxpayers avoid payments.

OVDP will end on Sept. 28, which is the final deadline for individuals to send in completed forms. Taxpayers have been able to participate since 2009.

The IRS will continue a program, however, that helps people that have failed to report foreign financial assets un-willfully.