

## Andy Howlett Quoted on Impact of SCOTUS Accepting FBAR Case in Bloomberg Tax

### "Settlement Calculus Shifts as SCOTUS Grants Foreign Account Case"

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Tax Member Andy Howlett commented on the Supreme Court's decision to review how the Internal Revenue Service (IRS) assesses foreign bank account reporting (FBAR) penalties which has shifted the decision making for some account holders in settlement talks with the agency. The high court agreed June 21 to take up *United States v. Bittner*, in which dual U.S.-Romanian citizen Alexandru Bittner is arguing he only should have been assessed \$10,000 for each year he didn't submit a Foreign Bank Account Report (FBAR) filing to report foreign bank and financial accounts. The government says the \$10,000 non-willful penalty applies to each account that isn't reported, in each year of non-reporting. "Someone who has a lot of foreign bank accounts is trying to figure out what to do," Howlett said. "Someone who has one or two foreign bank accounts is not really going to be affected by this circuit split." Howlett advises concerned account holders following the case to examine their accounts, as it may make more sense to voluntarily disclose the information to the IRS because there could be additional issues aside from FBARs that need to be addressed. Howlett also urged account holders to crunch the numbers to see how much they would pay in penalties under both potential outcomes. "If there's a significant delta, that's when it's time to have a real sit-down with your lawyer and go through your options," Howlett said.