



Tax



Business



Taxpayer

US income tax return due date and requirements

August 6, 2019

For those taxpayers that requested an extension to file their income tax return, October 15 represents the final due date. It is important to keep in mind important requirements regarding foreign information that may have to be included in your income tax return. There are significant penalties for US citizens and US residents who fail to file these forms.

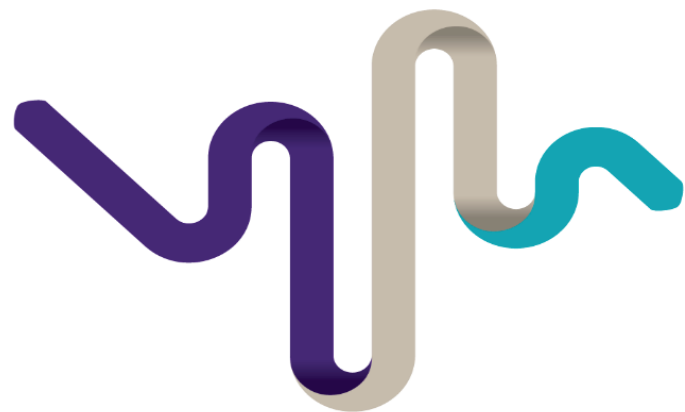
If you hold an interest in specified foreign financial assets, this article is for you. The following are examples of this type of assets:

- foreign bank accounts
- foreign brokerage accounts,
- interest in foreign entities, or
- any foreign financial instrument or contract that has an issuer or counterpart that is not a US person

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In addition, US citizens and US residents who are officers, directors, or shareholders in certain foreign entities are responsible for filing some forms with their US income tax returns.



Let's review some important definitions before describing the filing requirements:

- US person – a citizen or resident of the United States, a domestic partnership, a domestic corporation, a trust for which both: (1) a court within the US is able to exercise primary jurisdiction over trust administrative issues, and (2) US persons have authority to make all significant discretionary decisions, an estate that is not a foreign estate and certain tax exempt entities.
- US shareholder – US person who owns (directly, indirectly, or constructively) either 10% or more of the total combined voting power of all classes of voting stock of a foreign corporation or (in the case of a tax year of a foreign corporation beginning after December 31, 2017), 10% or more of the value of all the outstanding shares of a foreign corporation.
- Controlled foreign corporation (CFC) - a foreign corporation with US shareholders that own (directly, indirectly, or constructively) on any day of its tax year, more than 50% of either (1) the total combined voting power of all calluses of its voting stock, or (2) the total value of its stock. The changed definition of US shareholder means that some foreign corporations that were not CFCs under pre-2017 law become CFCs.
- Foreign partnership - A foreign partnership is a partnership that is not created or organized in the United States or under the law of the United States or of any state or the District of Columbia.
- Domestic trust – US Court can exercise primary supervision over the administration of the trust (US Court test) and one or more US persons have the authority to control all substantial decisions of the trust (Control test).

[Requirements for reporting of foreign assets](#)

Please contact our Tax Department should you require additional information regarding this or any other tax issue. We will be glad to assist you.



María de los Angeles Rivera
Partner Head of Tax and
IBC Director
E maria.rivera@pr.gt.com



Lina Morales
Tax Partner
E lina.morales@pr.gt.com



Francisco Luis
Tax Partner
E francisco.luis@pr.gt.com



Isabel Hernández
Tax Partner
E isabel.hernandez@pr.gt.com



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