

# Authority to Allow Normal Assessment Statute of Limitations to Expire on Quiet Disclosure Case

Name \_\_\_\_\_ TIN \_\_\_\_\_

Statute of Limitations \_\_\_\_\_ Income Tax Year \_\_\_\_\_

Project Code 1160 Tracking Code \_\_\_\_\_ Employee Group Code \_\_\_\_\_

Beginning in 2009, the Service provided taxpayers an opportunity to voluntarily come into compliance with their obligations by reporting previously undisclosed foreign income and certain foreign assets under a series of Offshore Voluntary Disclosure Programs (OVDP). One of the Service's primary goals of the OVDP was for taxpayers with undisclosed foreign bank accounts to report their offshore accounts and the income from those accounts. Although the Service has given non-compliant taxpayers opportunity to voluntarily disclose offshore income and assets in exchange for reduced penalties, some taxpayers have chosen not to participate in these initiatives. Rather, these taxpayers attempt to go undetected and avoid paying "offshore penalties" by filing amended income tax returns and late-filed FBARs. These cases are referred to as "Quiet Disclosures."

The above-identified taxpayer has been tentatively identified as engaging in a Quiet Disclosure. The I.R.S. is currently examining the taxpayer's Quiet Disclosure. The examination of the taxpayer's Quiet Disclosure has not been completed. However, there is likelihood that one or more exceptions to the general three-year statute of limitations under I.R.C. § 6501(a) will apply:

- The tax return is false/fraudulent;
- There is a sufficiently large omission of gross income to rely on the 6-year statute under IRC 6501(e); or
- The taxpayer has failed to notify the Secretary of foreign transfers under IRC 6501(c) (8).

Therefore, in accordance with IRM 25.6.23.6.6.1 (revised March 1, 2008) and in conjunction with IRM Exhibit 25.6.23-3, the three-year statute of limitations should be allowed to expire without the issuance of a statutory notice of deficiency. The statute of limitations will be updated to Alpha Code "YY".

Examiner Signature \_\_\_\_\_ Date \_\_\_\_\_

Group Manager Signature \_\_\_\_\_ Date \_\_\_\_\_

Approved:  
Territory Manager Signature \_\_\_\_\_ Date \_\_\_\_\_