

# Tax, interest and penalty calculations for possible voluntary disclosure scenarios

Please note that the penalties for failure to file a timely tax return, failure to pay tax timely, failure to pay estimated tax, and for negligence are usually the subject of negotiation when a taxpayer contacts the IRS to make a voluntary disclosure. The IRS does not have the authority to waive actual tax due or underpayment interest on the late payment of tax. The calculations below do not include the penalty for failure to disclose a foreign bank account or for failure to report an ownership interest in a foreign entity subject to disclosure. Depending on the year of the violation, the penalty for failure to disclose a foreign bank account can range from \$25,000 to 50% of the value of the account. This penalty is also subject to negotiation as part of a voluntary disclosure.

Original Forms 1040 (U.S. Individual Income Tax Return) filed in 2009 for years indicated						
	2002	2003	2004	2005	2006	2007
<b>Income</b>	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
<b>Tax</b>	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
<b>Failure to file penalty</b>	3,375.00	3,375.00	3,375.00	3,375.00	3,375.00	3,375.00
<b>Failure to pay penalty</b>	3,750.00	3,750.00	3,750.00	2,850.00	1,950.00	1,050.00
<b>Estimated tax penalty</b>	467.96	360.67	404.95	567.00	666.87	638.32
<b>Negligence penalty</b>	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
<b>Underpayment interest</b>	9,688.68	8,319.17	6,933.32	5,141.39	3,153.95	1,339.68
<b>TOTAL</b>	<b>35,281.64</b>	<b>33,804.84</b>	<b>32,463.27</b>	<b>29,933.39</b>	<b>27,145.82</b>	<b>24,403.00</b>

Forms 1040X (Amended U.S. Individual Income Tax Return) filed in 2009 for years indicated						
	2002	2003	2004	2005	2006	2007
<b>Additional income</b>	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
<b>Tax</b>	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
<b>Negligence penalty</b>	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
<b>Interest</b>	8,158.90	7,005.63	5,838.60	4,329.60	2,655.94	1,128.16
<b>TOTAL</b>	<b>26,158.90</b>	<b>25,005.63</b>	<b>23,838.60</b>	<b>22,329.60</b>	<b>20,655.94</b>	<b>19,128.16</b>

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