

## Streamlined Compliance, ACA, IRS Closures Top Expats' Tax Concerns

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### **H&R Block Advises Expats of Filing and Insurance Requirements, Available Assistance**

KANSAS CITY, MO -- (Marketwired) -- 04/02/15 -- According to H&R Block (NYSE: HRB), the world's largest consumer tax services provider, U.S. expats are filing more tax returns than ever before but there are still millions of them who should be filing. While the filing deadline isn't until June 15 for U.S. expats, studies show that more than 4 out of 10 still file in March and April, working to beat the typical April 15 deadline. For those U.S. citizens living abroad, they face three primary concerns this tax season: disclosure and streamlined compliance requirements, Affordable Care Act (ACA) changes and the closure of IRS offices abroad.

"Filing a U.S. tax return while living abroad can be a daunting task, especially with a new health care law in effect and changes to the IRS presence overseas," said Roland Sabates, operations director of H&R Block's expat filing services.

#### ***Expats unsure how to use IRS' streamlined compliance programs***

The streamlined program introduced by the IRS helps expats who were not aware they had a responsibility to file a U.S. tax return. U.S. expats should understand the eligibility requirements for the program and collect necessary paperwork dating back as many as six years -- sometimes from foreign institutions with different reporting requirements or timelines than the U.S. government. They also should know what tax benefits are available to them as expats, so they do not pay more than they should. No definitive deadline has been established by the IRS and the protection from penalties offered by the streamlined program could end soon.

"The IRS is now actively gathering information about U.S. account holders overseas through FATCA reporting procedures," said Sabates. "But, the IRS also is providing taxpayers with the opportunity to get into compliance. Now is the time to take advantage of the streamlined program."

#### ***Affordable Care Act's effects unclear to some expats***

With [one in five](#) respondents in the U.S. unaware the Affordable Care Act (ACA) requires them to get health insurance or pay a penalty, the requirements for expats may be even less clear. However, many expats will be exempt from the ACA's penalty, if they meet one of the following requirements:

- They're a bona fide resident of a U.S. possession,
- They satisfy the [bona fide residence test](#), or
- They are physically outside the U.S. for 330 days of the year.

The exemption will cover many expats, but may not cover those who move to or from the United States during the year because the penalty is calculated on a monthly basis while the exemption takes the entire year.

#### ***IRS closes taxpayer-assistance centers abroad***

At a time when the U.S. expat faces new questions and rules, the [IRS has closed](#) its assistance centers abroad. Taxpayers, who may be seeking additional help, can no longer rely on IRS centers in their area for in-person assistance.

At the same time, in addition to offering assistance over the phone or by email, H&R Block has recently added new expat offices in Sydney and Seoul and is evaluating additional cities where high numbers of expats live. Expats living in Canada also can access certain H&R Block retail offices that specialize in U.S. taxes.

#### ***H&R Block's expat services offer expertise, accessibility, convenience***

Unlike some nations, the United States taxes its citizens on their worldwide income, so expats need worldwide tax assistance. H&R Block is the only global brand with the ability to serve expats and is expanding its services to help in more ways than ever before. H&R Block Expat Tax Services is a highly specialized team of tax attorneys, CPAs, and

enrolled agents whose singular focus is expat tax preparation for Americans abroad.

H&R Block Expat Tax Services have experts dedicated to specific countries and regions and their unique tax requirements. From handling the tax consequences of Australian superannuation funds, to Mandatory Provident Fund accounts in Hong Kong, Pillar III pensions in Switzerland or ISA investments in the United Kingdom, H&R Block's expat tax experts are equipped to address the unique complexities of foreign tax requirements across the globe. H&R Block's Expat Tax Services also include:

- Federal tax preparation and filing
- State tax return preparation and filing
- FBAR filing (report of foreign bank and financial accounts)
- Bringing expats into IRS Compliance
- Simple and complex tax preparation, including free extension filing
- Tax consulting and advice
- Local tax returns in some countries

Expats can have their U.S. tax returns completed by H&R Block tax experts in an office in more than 14 countries and U.S. territories. In addition, they can now work with a tax professional using the company's [virtual service](#). The virtual service is a secure option that includes a customized interview to ensure an accurate return is prepared. Plus, all the benefits of an H&R Block office experience are available, including accuracy guarantees and the opportunity for free Second Look<sup>®</sup> reviews of past returns.

To learn more about H&R Block's Expat Tax Services, taxpayers may visit [expats.hrblock.com](http://expats.hrblock.com) where they can access expat tax advisors through the virtual service or to find the nearest office.

#### ***About H&R Block***

H&R Block, Inc. (NYSE: HRB) is the world's largest consumer tax services provider. More than 650 million tax returns have been prepared worldwide by and through H&R Block since 1955. In fiscal 2014, H&R Block had annual revenues over \$3.0 billion with 24.2 million tax returns prepared worldwide. Tax return preparation services are provided by professional tax preparers in approximately 12,000 company-owned and franchise retail tax offices worldwide, and through H&R Block tax software products. H&R Block Bank provides affordable banking products and services. For more information, visit the H&R Block Newsroom at <http://newsroom.hrblock.com/>.

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