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\$12.9 Million FBAR Penalty Did Not Violate Eighth Amendment's Excessive Fines Clause

A federal district court [held](#) that a \$12.9 million penalty for failure to file a Report of Foreign Bank and Financial Accounts (FBAR) with the Treasury's Financial Crimes Enforcement (FinCEN) division did not violate the Eighth Amendment prohibition against excessive fines.

IRS Issues Final Regulations on Information Reporting Requirements for Tax-Exempt Organizations

The IRS has released [final regulations \(TD 9898\)](#), updating the information reporting requirements for tax-exempt organizations. These final rules adopt the proposed regulations that were issued in September 2019 without substantive changes. (See our prior coverage [here](#).) Among other provisions, the final regulations incorporate the existing exception from having to file an annual return for certain organizations that normally have gross receipts of \$50,000 or less. That exception was previously announced in Revenue Procedure 2011-15. The regulations also provide that the requirement report contributor names and addresses on annual returns generally applies only to returns filed by Section 501(c)(3) organizations and Section 527 political organizations. (Section references are to the Internal Revenue Code of 1986, as amended.) All tax-exempt organizations must continue to maintain the names and addresses of their substantial contributors in their books and records. This change will have no effect on transparency, as contributor information that is open to public inspection will be unaffected by this regulation.

NYC Provides Additional Tax Filing Extensions

The New York City Department of Finance (DOF), in response to the COVID-19 crisis, issued a [memorandum](#) stating that it will waive penalties for DOF-administered business and excise taxes due between April 26 and June 25. Taxpayers who file a return or extension and pay any taxes by July 15 will not be subject to any late filing, late payment, or underpayment penalties. However, interest, where applicable, will accrue at the appropriate underpayment rate on all tax payments received after the original due date, calculated from the original due date to the date of payment. Further, quarterly estimated payments must still be made by the June 15 deadline.



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