



TPF TIPS – FEBRUARY, 2024

Word Count: 1,421

Read Time: ~7 minutes

*Welcome to TPF TIPS our monthly newsletter where we apply our over 30 years of experience to cut through the noise, select what is relevant, unpack the jargon and offer clear, digestible insights to topics important to our clients.*

*We know your time is precious and your inbox sacred so, we strive to make these emails an easy read (5-7minutes) and plan to deliver TPF TIPS on or around the 15<sup>th</sup> of each month (subliminal plug for tax preparation) - apologies, we're a bit behind this month – early tax preparation is in full swing!*

*If, for some reason; you do not wish to receive the monthly newsletter, please do not unsubscribe. Rather, please reply to the email with the word UNSUBSCRIBE in the subject line. We will make sure to remove you from the newsletter list but, keep you subscribed to our other emails regarding important financial deadlines, events and other critical updates you will want to know about.*

*So.....buckle up and let's get savvy!!!*

## **FBAR – FOREIGN BANK ACCOUNT REPORT**

Are you a U.S. citizen or resident with financial accounts outside the US?  
*(yes, that “special” off-shore money account does count.)*

Then take a read...

### **What is FBAR?**

The Foreign Bank Account Report (FBAR), is a crucial form (and record keeping requirements) for INDIVIDUALS and certain other U.S. entities (such as Corporations, Partnerships, Trusts, etc.) to report foreign financial interests to the U.S. government.

FBAR is a product of the Bank Secrecy Act of 1970, (also known as the Currency and Foreign Transactions Reporting Act,) and is a U.S. law requiring financial institutions in the United States to assist U.S. government agencies in detecting and preventing money laundering.

This is not to be confused with the FinCEN (U.S. Department of Treasury Financial Crimes Enforcement Division) US Corporate Transparency Act discussed in last month's TPF TIPS, which focuses on bad actor ownership in corporations, LLC's or similar entities.

While both acts have the best of intentions in contributing to financial transparency and crime prevention, it does feel a little odd to have your favorite banker/financial institution working on behalf of the government!

## FBAR Details. . .

The FBAR is an annual report filed with the US Department of the Treasury (FinCEN) to disclose any foreign bank and financial accounts with a combined total value exceeding \$10,000 at any time during the calendar year. This includes checking, savings, investment, and retirement accounts held in foreign banks or other financial institutions.

### Why is it Important?

FBAR compliance helps the government:

**- Protect National Security:**

Monitoring foreign financial activity helps in detecting and preventing terrorism and other threats.

**- Maintain Financial Stability:**

Accurate information about foreign assets plays a vital role in maintaining the US financial system's stability.

**- Combat Tax Evasion and Money Laundering:**

By tracking foreign accounts, authorities can identify potential financial crimes.

At the end of the day, it's all about the Benjamins.

### Why Should I Care??

**- Penalties for non-compliance:**

Failing to file an FBAR or filing an inaccurate report can result in significant penalties, including fines and even criminal charges.

### Filing tips:

**- Must be filed by the due date of your return inclusive of extensions.** In most cases that will be April 15, September 15, October 15 and/or dates for fiscal year-based entities.

- Gather your documents:

Collect statements and records for all your foreign financial accounts.

- Use the correct form:

The official form is: FinCEN Form 114, Report of Foreign Bank and Financial Accounts.

- Be accurate and complete:

Ensure all information is accurate and complete to avoid potential penalties.

- Seek professional help if needed:

The Pierson Firm is a premier filer of the FBAR and has deep experience based on many submissions for clients.

### Stay informed. Stay compliant!

Filing the FBAR is **your responsibility** as a US citizen or resident with foreign financial accounts.

Take the necessary steps to avoid penalties and ensure your financial dealings are transparent and legal.

### 2023 TAX SEASON IS HERE!\*\*\*!

Hey, hey, hey.....we heard those moans and groans!

Tax season does not have to be hard or difficult – especially with help from *The Pierson Firm!*

For those of you who like to put things off for as long as possible, OR; want to get a jump on things, below are important dates for this upcoming tax filing season.

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**INDIVIDUALS:** employees, retirees, self-employed individuals, independent contractors, etc.

**January 16, 2024** - 4th Quarter 2023 estimated tax payment due.

Due date for final quarterly payment for 2023. If you make quarterly estimated payments, are self-employed or have other income without any tax withholding.

**TPF TIP: If you overlooked this date.....let us help!**

**January 29, 2024** - 2023 Tax season begins!!!!

IRS will begin accepting and processing 2023 federal tax returns.

**January 31, 2024** - Due date for employers to send W-2 forms.

**January 31, 2024** - Certain 1099 forms are sent.

Various 1099 forms, and forms 1099-NEC, 1099-MISC, and 1099-K

If January 31 falls on a weekend or holiday, these forms are due to be sent the following business day.

**TPF TIP: Did you receive your 1099?**

**Many institutions post to online accounts - check there.**

**February 15, 2024** - Reclaim your exemption from withholding.

If your employer is withholding taxes from your paycheck and you chose to claim an exemption via a W-4, it's time to re-file this form.

**April 1, 2024** - Required Minimum Distribution (RMD) from your retirement account is due if you turned 73 in 2023.

**April 15, 2024** - THE BIG DAY

- Tax Day - unless extended due to local state holiday. (No such luck this year!)

- Last Day to File Form 4868 and request an extension.

**Note: Even if you file for an extension, you have to pay any taxes you may owe by April 15.**

- Deadline to make IRA and HSA contributions for 2023 tax year.

- First quarter 2024 estimated tax payment due.

Make your best income estimate for the year and calculate the taxes.

**June 17, 2024** - Second quarter 2024 estimated tax payment due.

**Unfortunately, due dates for "quarterly estimated taxes" don't necessarily fall within quarters or represent three months of tax payments.**

**This is why you need The Pierson Firm to help you!**

**September 16, 2024** - Third quarter 2024 estimated tax payment due.

**See what we mean?**

**October 15, 2024** - Deadline to file your extended 2023 tax return.

**If you filed for an extension, this is the day for filing your return.**

**December 31, 2024** - Are you 73 or older? Required Minimum Distributions (RMD) have to be taken.

**January 15, 2025** - Fourth quarter 2025 estimated tax payment due.

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**BUSINESSES:** Partnerships (including LLCs), C Corps (Form 1120), and S Corps (Form 1120S)

**January 15, 2024** - 4th Quarter 2023 estimated tax payment due

**TPF TIP: If you missed or overlooked this date.....we can help!**

**January 31, 2024** - Employers send W-2s forms to employees  
Send certain 1099 forms.

**March 15, 2024** - Taxes are due for some business types (partnerships, multi-member LLCs, and S-Corporations). If your business uses a fiscal year, you need to file your tax return by the 15th day of the third month following the close of your tax year.

**April 15, 2024** - Taxes for C-Corporations are due.  
If your business uses a fiscal year, you need to file your tax return by the 15th day of the third month following the close of your tax year.

**September 16, 2024** - Deadline for extended partnership and S-corporation returns.

**October 15, 2024** - Deadline for extended C-corporation returns

**January 15, 2025** - Fourth quarter 2024 estimated tax payment due

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**Remember:**

*We are here to answer questions, help you learn, alleviate concerns, but most important; help you keep as much of your money as possible.*

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*We would like this newsletter to evolve beyond just information – we would like it to be a conversation. Let us hear from you! Share your questions, concerns, and topics of interest and we will do our best to accommodate.*

*Your feedback helps us tailor content that truly resonates with your needs and goals.*

*Warm regards,  
Gladys*

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**About The Pierson Firm**

Conroe-based *The Pierson Firm* offers a comprehensive range of tax-related services to individuals and businesses alike; and have been doing so for over 30 years. From Tax Planning, Preparation & Representation to Business Operations, Advisory and Compliance, the firm provides personalized solutions to those around the block or around the globe. Additional company information can be found by visiting [www.thepiersonfirm.com](http://www.thepiersonfirm.com).



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