

HI:

Please find my comments on this OMB# 1545-2241 - Proposed Collection-Streamlined Filing Compliance Procedures.

Here are my updates anyway.

1. Currently, I get a lot of "undocumented" folks who want to come clean with the USCIS and file for a proper immigration status. As part of that, they want to have a clean filing status with the IRS and pay taxes due.

Since such clients have been in the US for well over 6+ years, IRS policy 5-133 dictates a 6 year filing to be considered filing compliant with the IRS. Almost always, the clients have also have substantial income and assets from outside the US sources, which necessitates protection under the Streamlined Filing procedures.

Since the clients have been in the US, the only option is the SDOP. However, SDOP requires only an "amended" return being filed to include missing foreign income, and other information reporting filings (such as 3520s, 8938s, etc). I cannot include original 1040 filings as part of SDOP which creates a big dilemma. Being a Circular 230 professional, I cannot recommend that such clients go to a preparer "down the street", file a return, and then immediately turn around and prepare an SDOP petition F14654 and Amended returns and Information returns as part of the SDOP package. This creates a chicken and egg problem - clients want to come clean and pay the 5% Misc. penalty, but not having an original return creates a problem for them because they cannot take advantage of the SDOP.

My proposal is enhance the SDOP program to include "NonFilers" - folks who have NOT completed an original return for PRIOR 3 YEARS. (You may expand it for maybe folks who have NOT completed an original return for PRIOR 5 or 6 YEARS also). This will ensure that nonfilers get the Streamlined protection as well.

2) I would also recommend a Form that acts as a "cover letter" or a "check list". This would include items such as:

a. Tax returns included as part of this SDOP package - (for example 2023 F1040, 2022 F1040, 2021 F1040)

b. 6 years of FBARS - Receipt number for 2023, 2022, 2021, 2020, 2019, 2018

c. Has a check for the penalty included or not?

d. Have you included the following Forms with a check box?

Year 1 - 3520/8938/8621/Sch B etc.

Year 2 - 3520/8938/8621/Sch B etc.

Year 3 - 3520/8938/8621/Sch B etc.

3) I would also like the IRS to send status update notices during important stages of the SDOP process.

a) I would like to receive a Notice/Letter from the IRS stating that IRS has received the SDOP package for Mr. Taxpayer.

b) I would like to receive a Final Notice/letter from the IRS stating that the IRS has processed the SDOP package, and Taxpayer is now fully compliant. Something along these lines to indicate that the SDOP process is complete. Right now, I have NO CLUE whether IRS has processed the SDOP, or whether IRS needs more info etc.

There has to be some FINALITY under IRC 7803(a)(3)(F).