

# CLAYTON

## FINANCIAL AND TAX

PO Box 15744 Irvine CA 92623-5744

Form 8938

OMB # 1545-2195

December 17, 2010

Mr. Gerald Shields  
Internal Revenue Service  
Room 6129, 1111 Constitution Ave NW  
Washington, DC 20224

### Re: Proposed Statement of Foreign Financial Assets

Dear Mr. Shields:

I am writing regarding the proposed Statement of Foreign Financial Assets, Form 8938. Your request for comments noted,

Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

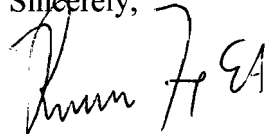
There is a far simpler and easier method for the IRS to obtain the necessary information than adding the proposed Statement of Foreign Financial Assets: Have the current FBAR (Form TD F 90-22.1) submitted *with the tax return rather than being sent to the Detroit Computing Center with a different deadline*. There would be numerous benefits to the IRS and the public if this were adopted rather than the proposed Statement of Foreign Financial Assets:

1. Improvements with the quality of the information collected. Today, many taxpayers are (a) unaware of the requirement to file the FBAR and (b) are unaware that the deadline for this form is June 30<sup>th</sup> (rather than the due date of the tax return). Converting the FBAR so that it is filed with the tax return (with a due date of April 15<sup>th</sup> or October 15<sup>th</sup> (with a valid extension) would make lives far easier for the public, tax professionals, and the IRS.
2. Lessening of Paperwork Burden. By not adding a duplicative Statement of Foreign Financial Assets (the information being requested is almost identical with the FBAR) the paperwork burden would not be increased.
3. More information available to the IRS. The IRS would be able to track information on all taxpayers filing FBARs.

The only burden that I see is developing a method for the FBARs to be sent to FINCEN. While there would be a cost involved, it should be relatively easy to design such a system.

What I propose will greatly enhance compliance with the current FBAR requirements and will assist the IRS in selecting whether to audit a taxpayer or transaction with minimal to no additional burden on the public. I urge the IRS to adopt this rather than burden tax professionals and the public with a duplicative Statement of Foreign Financial Assets.

Sincerely,

A handwritten signature in black ink, appearing to read "Russell Fox", followed by the letters "EA" in a larger, stylized font.

Russell Fox, EA