

More reporting – Foreign owned disregarded entity

Jill Colombo

jcolombo@dopkins.com

February 2019

Are you a foreign parent company with a U.S. based disregarded entity? If so, you may have a reporting requirement to disclose certain transactions with the foreign parent. This would entail your U.S. disregarded entity to obtain an Employer Identification Number and file Form 5472 reporting these transactions. Don't have all the information timely? An extension is available.

You will want to make sure all transactions are reported on a timely filed Form 1120, including all applicable Forms 5472 as the Tax Cuts and Job Act increased the penalty for failure to file these forms from \$10,000 to \$25,000 **PER FORM** for tax years that begin after December 31, 2017.

The Form 5472 reporting requirement for disregarded entities was effective for taxable years beginning on or after January 1, 2017. If you missed the reporting, relief may be available under the Delinquent International Information Return Submission Procedures with reasonable cause.

For more information, please contact:



Jill Colombo, CPA

Director

jcolombo@dopkins.com ▪ (716)634-8800

Jill specializes in corporate tax compliance and preparation services for businesses and individuals. She has significant experience with multi-state tax corporate issues, employee benefit plan compliance and international tax matters. Her projects include tax planning, international compliance and tax structure consulting services.