

## American Citizens Services Newsletter

April - May 2013

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### Notarials – What We Can Do/What We Can't Do

U.S. Consular Officers may provide specific notarial services authorized by relevant U.S. law for all U.S. citizens. In addition, they can provide services for any person regardless of nationality, if the document being notarized is required **for use within the jurisdiction of the United States** and is authorized by relevant U.S. law.

What we can notarize:

- Affidavits - An affidavit is a sworn statement of facts, made voluntarily, and confirmed by the oath or affirmation of the person making it. In the ACS waiting room there are blank affidavits you can use to write out any statement you wish to make, for example that you are legally free to marry. Note that the consular officer assumes no responsibility for the truth or falsity of the representations that appear in the affidavit.
- Power of Attorney – A power of attorney allows you to designate someone to take legal action on your behalf, such as authorizing someone to buy or sell a property in the United States in your name while you are abroad.
- Acknowledgement of signature – An Acknowledgement of signature verifies that a particular person signed a given document. We can notarize only the signatures of those who are present to sign in front of a Consular officer.
- Certified true copies of U.S. passports.
- Certified true copies of foreign passport for use with individual tax number (ITIN).

- Authentication of Singapore public documents - We can authenticate signatures on documents that bear the seal of the Singapore Academy of Law.

What we can't notarize:

- Authentication, notarization, or legalization of public documents issued in the U.S. such as birth, marriage, death, academic, or commercial records, driver's licenses and other credentials.
- Certified true copies of non-U.S. documents, such as Singapore birth certificates.
- U.S. Apostilles, which verify and confirm the seal and signature of the person who authenticated a document.
- Signature or Medallion guarantees.

For documents to be used in Singapore, please consult a local notary public. For documents to be used in another jurisdiction, such as Malaysia or Thailand, you may wish to consult with the corresponding authorities in that jurisdiction or the local representative.

For further information on our notarial services please visit our [Notarial Services](#) webpage.

### **Taxing Issues, Part Two**

2013 is shaping up to be another busy and vibrant year in the Embassy Consular Section as we follow through on our commitment to provide high quality service to American citizens here in Singapore. In this column, I would like to continue the discussion of various financial (mainly tax-related) issues that may impact the bottom line of U.S. expatriates, including prospective new legislation that could impact the taxation of overseas income, as well as a renewed program to encourage the reporting of past tax bills on offshore accounts.

Let's look first at an issue which directly affects Americans earning a salary overseas, at least those not employed by the U.S. government in a civilian or military capacity: the Foreign Earned Income Exclusion (FEIE). To be entitled to this exclusion, and reduce your taxable income (as well as to claim other tax-related entitlements such as the foreign housing exclusion, or the foreign housing deduction) you must have foreign earned income, and generally must either be a bona fide resident of a foreign country for a period that includes a full U.S. tax year or have been outside the U.S. for 330 days in any 12 month period. For tax year 2012, the maximum amount that can be subject to exclusion is \$95,100, an amount which is indexed to inflation. The exclusion is limited to income earned by a taxpayer for performance of services outside the U.S., and may include salary, bonus, and self-employment income. When an individual's income is generated from work performed both in the U.S. and outside of the country, the income must be apportioned for tax calculation purposes.

The Treasury Department's Inspector General reported in 2010 that taxpayers excluded \$19.2 billion in foreign earned income on tax year 2008 tax returns, but expressed concern that over 10% of these returns incorrectly calculated the exclusion, with an estimated revenue loss totaling \$90 million.

Although the Inspector General's recommended response was limited to a more thorough vetting of overseas tax returns, several members of Congress are pushing for more fundamental changes to the tax code as it relates to overseas income. Of note, the Tax Equity and Middle Class Fairness Act seeks outright abolishment of the FEIE, with its Congressional sponsor claiming that current exclusionary rules result in an annual revenue loss to the U.S. government of \$5.4 billion. This is a figure large enough to catch the attention of budget-conscious legislators; however, the bill has not yet moved out of the House Ways and Means Committee after its initial introduction in the summer of 2011.

Where the FEIE permits overseas Americans to shield their income from taxation, the IRS Voluntary Disclosure Program offers those with undisclosed income from offshore accounts an opportunity to get current with their tax returns. The IRS began the latest version of this open-ended program in January 2012 on the heels of what it has characterized as "strong interest" in the 2011 and 2009 programs.

On its website, the IRS acknowledges that the 2012 version features a higher penalty rate than previous programs – upwards of 27.5% of the value of an offshore account - "but offers clear benefits to encourage taxpayers to disclose foreign accounts now rather than risk detection by the IRS and possible criminal prosecution." Individuals with assets of less than \$75,000 in any calendar year covered by the new initiative may qualify for a reduced 12.5% penalty rate, and in narrow circumstances it can be set as low as 5% - for example, in the case of foreign residents who are unaware that they are U.S. citizens. Also, as in the 2011 program, participants must file all original and amended returns for the affected years and pay back taxes and interest for up to eight years and pay accuracy-related and/or delinquency penalties. Currently there is no set deadline for taxpayers to apply, but the government warns that the terms of the program could be changed or ended entirely at any time.

The IRS publicly has expressed confidence in the disclosure programs, noting that it has collected over \$5 billion through the middle of summer 2012. In related action, the IRS recently announced a new option to help some U.S. citizens residing abroad who haven't been filing tax returns to provide them a chance to catch up with their tax filing obligations if they owe little or no back taxes. Under the new procedure, taxpayers would be required to file delinquent returns for the past three years and delinquent FBARs (see last month's column for a review of these *Reports of Foreign Bank and Financial Accounts*) for the past six years and pay any related federal tax and interest due. If it decides an individual presents a "low compliance risk", the IRS may not assess penalties or pursue other follow-up actions. These new rules went into effect on September 1, 2012.

No short article should substitute for quality advice from your financial planner (a list of local attorneys who may be able to assist with financial matters can be found on the Embassy Consular Section website at [http://singapore.usembassy.gov/list\\_of\\_attorneys.html](http://singapore.usembassy.gov/list_of_attorneys.html)).

By Christopher Vogt, Deputy Consular Chief, U.S. Embassy Singapore

### **Free IRS Tax Talk**

Do you have questions for the IRS? As a U.S. taxpayer, you have an obligation to report your worldwide income whether you actually owe any tax or not. Join us for an open talk hosted by Ms Chinchie Killfoil, the first IRS Tax Attaché assigned to the U.S. Embassy in Beijing, China. Ms Killfoil will cover a wide range of topics including Foreign Earned Income Exclusion, Foreign Bank Account Report (FBAR) and more.

**When: April 11**

**Where:** The American Club, Colonial Room, 10 Claymore Hill, Singapore 229573

**What time:** 6:30pm-9:30pm

This event is open to Embassy employees, AAS, AWA & American Club members only. Register with The American Association of Singapore at 6738 0371 or online at <http://www.aasingapore.com/events/113/>

Light refreshments will be provided. **Limited seating is available.**

### **IRS Releases the Dirty Dozen Tax Scams for 2013**

The Internal Revenue Service has issued its annual “Dirty Dozen” list of tax scams, reminding taxpayers to use caution during tax season to protect themselves against a wide range of schemes ranging from identity theft to return preparer fraud.

The Dirty Dozen listing, compiled by the IRS each year, lists a variety of common scams taxpayers can encounter at any point during the year. But many of these schemes peak during filing season as people prepare their tax returns. To read further please go to [IRS Releases the Dirty Dozen Tax Scams for 2013](#).

### **FVAP Is Updating Key Forms for 2014 – They Need Your Input**

The Federal Post Card Application (FPCA) (SF-76) and Federal Write-In Absentee Ballot (FWAB) (SF-186) forms are being updated to increase their ease-of-use and effectiveness. Both forms must now receive OPM approval and the public comment period is now open. Department of State Voting Assistance Officers and Private U.S. citizens have until May 31, 2013 to submit their comments via the links below.

To view Federal Register Notices:

FPCA: <https://federalregister.gov/a/2013-07485>

FWAB: <https://federalregister.gov/a/2013-07486>

To view Draft Forms and submit comments:

FPCA: <http://www.regulations.gov/#!docketDetail;D=DOD-2013-OS-0061>

FWAB: <http://www.regulations.gov/#!docketDetail;D=DOD-2013-OS-0065>

To submit comments and suggestions:

Online: Comments and usability feedback should be submitted on the Federal eRulemaking Portal. Use the links above or <http://www.regulations.gov>.

Mail: Federal Docket Management System Office  
4800 Mark Center Drive  
East Tower, Suite 02G09  
Alexandria, VA 22350-3100

### **Upcoming Holiday and Administrative Closures**

The Consular section will be closed on the following dates in April and May 2013. For emergencies during these holidays involving an American citizen, please contact the Duty Officer at 6476-9100.

<b>Thursday, April 25, 2013</b>	<b>Consular Administrative day*</b>
<b>Wednesday, May 1, 2013</b>	<b>International Labor Day</b>
<b>Thursday, May 16, 2013</b>	<b>Consular Administrative day*</b>
<b>Friday, May 24, 2013</b>	<b>Vesak Day</b>
<b>Monday, May 27, 2013</b>	<b>Memorial Day</b>

**Every Thursday afternoon** after 12:00 noon, we are closed to the public for training and administrative purposes. U.S. passports can be collected from 3:00-3:30 on Thursdays.

\* We are closed for all routine American Citizen Services such as passport renewal, extra passport pages and notarial services on consular administrative days. We are open for collection of documents, only, from 3:00 – 3:30pm. Regular service resumes the following business day.

A full list of holiday closings can be found at [local and American holidays](#).

For an emergency involving an American citizen during holidays, please contact the Duty Officer at 6476-9100.

### **Smart Traveler Enrollment Program (STEP)**

All American citizens who live abroad and travel extensively to foreign countries are encouraged to enroll in the [Smart Traveler Enrollment Program](#).

By enrolling in STEP:

- Help your family and friends get in touch with you in case of an emergency.
- Help the U.S. Embassy or Consulate contact you in case of a crisis in the places you visit.

- Receive the most current information about Singapore and any of the countries where you plan to travel to, including [Travel Warnings](#) and [Travel Alerts](#).
- Receive the Singapore ACS bi-monthly Newsletter, with information on voting, taxes and other topics of interest.

You only need to sign up once, and then you can add and delete trips from your account based on your current travel plans.

### **Leaving Singapore?**

If you no longer live in or travel to Singapore, or you need to update your registration status so that you no longer receive travel updates and our ACS Newsletter, please go to the [Smart Traveler Enrollment Program \(STEP\)](#) .

Updating your status in [STEP](#) will remove you from the mailing list for this newsletter and other Embassy Messages for U.S. citizens traveling to or living in Singapore.

If you encounter any difficulties or have any questions about our travel registration website, please send an e-mail to [CASTEP@state.gov](mailto:CASTEP@state.gov) .