

TAX ALERT

MICRO-CAPTIVE INSURANCE TRANSACTIONS DISCLOSURE DEADLINE EXTENDED TO MAY 1, 2017 (NOTICE 2017-8) BY THOMAS BARBER AND STEVE M. GREENE

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On December 29, 2016 the IRS, in Notice 2016-66, extended until May 1, 2017, the time for filing participant and material advisor disclosure statements for certain micro-captive insurance transactions identified as transactions of interest in Notice 2016-66¹.

After the release of Notice 2016-66, the IRS received several requests for an extension of time for participants and material advisors filing disclosure statements. Therefore, the IRS has modified Notice 2016-66 to provide an extension of time for the filing of those disclosure statements. Consequently, if a taxpayer is required to file a disclosure statement, with respect to such a transaction, after November 1, 2016, and prior to May 1, 2017, that disclosure statement will be considered to be timely filed if the taxpayer alternatively files such disclosure statement with the Office of Tax Shelter Analysis ("OTSA") by May 1, 2017.

Since the initial disclosure statement filing due date now falls after April 15, 2017 (and thus, after the tax return original due dates of March 15 and April 15 for calendar year taxpayers), this means that for taxpayers not extending their 2016 calendar year tax return filings, a disclosure statement for this transaction of interest, which would normally be required to be attached to the 2016 tax return, will be deemed to have been timely filed if the disclosure statement is filed with the OTSA by May 1, 2017.

In addition, for purposes of disclosure of transactions described in section 2.01 of Notice 2016-66, the 90-day period provided in Reg. §1.6011-4(e)(2)(i) is extended to 180 days. Moreover, if a material advisor is required to file a disclosure statement with respect to a transaction described in section 2.01 of Notice 2016-66 by January 31, 2017, that disclosure statement will be considered to be timely filed if the material advisor files the disclosure with the OTSA by May 1, 2017.

If you are involved in an Internal Revenue Code § 831(b) Captive (micro-captive), or plan to be in the future, you should take action immediately as the clock is ticking in meeting the disclosure deadline.

Please contact your Mazars USA tax professional for additional information and to find out how we can help.

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¹ Please refer to WeiserMazars Tax Alert, [Micro-Captive Transactions Under Scrutiny in New IRS Reporting Requirements, November 7, 2016](#), by Thomas Barber and Steven M. Greene