

MEMO# 2029

July 16, 1990

TEMPORARY REGULATIONS ON REPORTING OF RECEIPT OF CASH PAYMENTS AGGREGATING MORE THAN \$10,000

- 1 - July 16, 1990 TO: ACCOUNTING/TREASURERS MEMBERS NO. 17-90 CLOSED-END FUND MEMBERS NO. 29-90 TAX MEMBERS NO. 25-90 RE: TEMPORARY REGULATIONS ON REPORTING OF RECEIPT OF CASH PAYMENTS AGGREGATING MORE THAN \$10,000

Treasury regulations require persons engaged in a trade or business who, in the course of such trade or business, receive more than \$10,000 in cash in one transaction or two or more "related" transactions to file IRS Form 8300 (Report of Cash Payments Over \$10,000 Received in a Trade or Business). "Related transactions" are defined as any transactions conducted between a payer and a recipient in a 24 hour period, as well as transactions that occur over a longer period if the recipient knows, or has reason to know, that each transaction is one of a series of connected transactions. Prior to the attached recent amendments to these regulations, once a report was filed for cash payments of over \$10,000 with respect to a transaction, no additional reports were required for any payments of \$10,000 or less, regardless of the number or amount of additional cash payments ultimately received. The attached temporary and proposed Treasury regulations expand upon the multiple payments which must be reported. Specifically, all cash payments relating to a transaction or a series of two or more related transactions are reported as follows: - Initial and subsequent payments made within one year of the initial payment are aggregated until the aggregate amount exceeds \$10,000, and the report must be filed within 15 days of the receipt of the payment which causes the aggregate amount to exceed \$10,000. - Any additional payments received with respect to the same transaction or series of transactions made within a one year period, other than payments with respect to which a report has already been filed, - 2 - are aggregated, and an additional report is required within 15 days of the payment which causes the aggregate amount of the additional payments to exceed \$10,000. The comment period on these regulations expires on September 7, 1990. If you would like the Institute to file comments on these regulations, please inform me of your interest at (202) 955-3521, by August 19, 1990. We will keep you informed of further developments. David J. Mangefrida, Jr. Assistant General Counsel Attachment

should not be considered a substitute for, legal advice.