



Internal Revenue Service



Tax Assistance Information

Tax Year 2007



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INTERNAL REVENUE SERVICE U.S. CONSULATE – FRANKFURT

One of the missions of the Internal Revenue Service (“IRS”) at the U.S. Consulate in Frankfurt is to provide taxpayer assistance to American citizens living abroad and foreign citizens with U.S. tax obligations. Taxpayer assistance is provided on a walk-in basis with no appointment necessary every weekday morning and by telephone every weekday morning and afternoon. The IRS further has a team of tax specialists who answer telephone and email inquiries and assist with preparation of returns. However, **DIRECT PREPARATION OF U.S. INCOME TAX RETURNS IS ONLY AVAILABLE TO THE ELDERLY AND HANDICAPPED.** The IRS does not provide state tax assistance. You can access state tax forms at www.irs.gov/formspubs/index.html or <http://www.taxadmin.org/fta/link/forms.html>.

CONTACT INFORMATION

Phone: +49(0)69 7535 3834 or 3823 **Email:** irs.Frankfurt@irs.gov
Fax: +49(0)69 7535 3803 **Internet:** www.irs.gov

Office Location:	APO Address:
U.S. Consulate Frankfurt	U.S. Consulate Frankfurt
Internal Revenue Service	Internal Revenue Service
Giessnerstr. 30	PSC 115, Box 1069
60435 Frankfurt, Germany	APO AE 09213

PUBLIC OFFICE HOURS

Telephone Assistance: Monday - Friday @ 8:30 am - 15:30 pm

Walk-In Assistance: Monday - Friday @ 8:30 am - 12:00 pm

Closed on German and American holidays, and the last

Thursday of the month.

FILING REQUIREMENTS

If you are a U.S. citizen or resident alien, the rules for filing income, estate, and gift tax returns and paying estimated tax are generally the same whether you are in the United States or abroad.

Your income, filing status, and age determine whether you must file an income tax return. Generally, you must file a return for 2007 if your gross income from worldwide sources is at least:

FILING STATUS *	AMOUNT
Single _____	\$ 8,750
65 or older _____	\$ 10,050
Head of Household _____	\$ 11,250
65 or older _____	\$ 12,550
Qualifying Widow(er) _____	\$ 14,100
65 or older _____	\$ 15,150
Married filing jointly _____	\$ 17,500
1 spouse 65 or older _____	\$ 18,550
Both spouses 65 or older _____	\$ 19,600
Married filing separately _____ (any age)	\$ 3,400

* If you are the dependent of another taxpayer or are self-employed, see the instructions for Form 1040 for more information on whether you must file a return.

FILING ADDRESS AND DEADLINES

U.S. income tax returns for 2007 are due on April 15, 2008.

If you reside overseas, however, your return is due on June 16, 2008 because you are given an automatic two-month extension *to file*. To use this automatic 2-month extension, you must attach a statement to your return explaining that you are an overseas filer. Any tax due though must be paid by April 15, 2008 to avoid being charged penalties and interest.

To request an extension to October 15, 2008, complete and mail Form 4868 **before** the return due date to the address designated on the form (to determine if further extensions are available, go to www.irs.gov).

TIMELY RECEIPT OF FOREIGN-FILED FORMS & PAYMENTS

Federal tax returns and other documents mailed to the IRS are treated as filed on the date of the domestic or foreign postmark. However, *payments with foreign postmarks are not considered received until the date of actual receipt rather than the postmark date.* Accordingly, you should take this into consideration when mailing a payment from outside the U.S. in order to avoid late payment penalties and interest charges.

TAX FORMS AND PUBLICATIONS

Tax forms and publications are available by the following means:

- ▶ **Internet:** www.irs.gov/formspubs/index.html
- ▶ **Phone:** +1 (800) 829-3676

TAXPAYER IDENTIFICATION NUMBERS (ITINs)

The IRS issues Individual Taxpayer Identification Numbers (“ITINs”) to foreign nationals and resident aliens who are required to have a U.S. taxpayer identification number for federal tax purposes, but do not have, and do not qualify for a Social Security Number. A person may request an ITIN by filing **Form W-7** with a certified copy of his passport and other required supplementary documentation (see instructions for Form W-7).

EXCHANGE RATES

You must report all income in U.S. Dollar equivalents. The following are average exchange rates for 2007, 2006, and 2005:

<u>Entity</u>	<u>Currency</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
EU	Euro	0.73092	0.79703	0.80453
Great Britain	Pound	0.49987	0.54354	0.55004
Switzerland	Franc	1.20042	1.25364	1.24577
Japan	Yen	117.81453	116.33664	110.12445
Hungary	Forint	184.01874	210.83024	199.94397
Turkey	New Lira	1.31148	1.44367	1.35189
China	Yuan	7.61720	7.98189	8.220329

On December 31, 2007, 1 Euro = 0.67940 Dollar.

Taxpayers generally use the yearly average exchange rate to report foreign-earned income that was regularly received throughout the year. If you had a few foreign transactions on particular days, however, you may prefer to use the exchange rates for such days.

For additional exchange rates, please go to www.fms.treas.gov/intn.html or www.exchange-rates.org/.

PAYMENTS

free **1. Electronic Funds Withdrawal.** You may authorize an electronic funds withdrawal from your checking or savings account using tax preparation software or professional tax preparers. If you select the electronic payment option, you will enter your financial institution's routing number, your account number, and the account type (checking or savings). Check with your financial institution for the correct routing and account numbers.

2. Credit Card. You also may pay by credit card using any major credit card, including American Express®, Visa®, MasterCard®, and Discover®. For more information on paying your taxes by credit card, contact the following service providers.

Official Payments Corporation
+1 (800) 272-9829 or +1 (877) 754 4413
www.officialpayments.com

Link2Gov Corporation
+1 (888) 729-1040 or +1 (888) 658-5465
www.PAY1040.com

Although the IRS does not charge a fee for credit card payments, most service providers do charge a convenience fee of 2%-3%.

free **3. Electronic Federal Tax Payment System (EFTPS).** You may pay your federal taxes using the EFTPS system at www.eftps.gov. This payment option is available to both individual taxpayers and

businesses. For details on how to enroll, visit www.eftps.gov. Alternatively, you may call EFTPS Customer Service at +1 (800) 555-4477 for businesses, or +1 (800) 316-6541 for individuals.

4. Check. All checks must be in **U.S. dollars** made **payable to the United States Treasury**. You should print on the front of your check your Social Security Number or ITIN, the tax return form number, and the tax year.

Note: The IRS does not accept cash payments.

ESTIMATED TAX PAYMENTS

Estimated tax payments should be accompanied by Form 1040-ES and mailed to the following address:

Internal Revenue Service
P.O. Box 660406
Dallas, TX 75266-0406
USA

INTERNATIONAL TAX ASSISTANCE

The IRS office in Philadelphia is the principal office responsible for providing international tax assistance, such as answering questions related to tax law, foreign tax issues, and notices and bills. This office is open Monday through Friday from 6:00 a.m. to 11:00 p.m. (American) Eastern Standard Time and may be contacted by:

Phone: +1 (215) 516-2000
Fax: +1 (215) 516-2555
Email: www.irs.gov/help/page/0,,id=133197,00.html
Mail: Internal Revenue Service
P.O. Box 920
Bensalem, PA 19020
USA

You also may receive international tax assistance from one of the overseas IRS offices located in Europe. These offices carry a **limited** supply of tax forms and publications and can help with some account problems and ITINS and answer questions about notices and bills.

London, England	+44 20 78 94 04 77
Frankfurt, Germany	+49(0)69 7535 3834
Paris, France	+33 1 43 12 25 55

PER DIEM RATES

Per diem rates for travel within the continental U.S. (CONUS) and outside CONUS can be accessed at www.policyworks.gov/perdiem.

U.S. RESIDENCY CERTIFICATION FOR OBTAINING TREATY BENEFITS

Form 8802, Application for United States Residency Certification, is used to request a Certificate of Residency (Form 6166) that residents of the United States may need to claim income tax treaty benefits and certain other tax benefits in foreign countries. Please note that there is a user fee for this service. See instructions to Form 8802 for details. Send payment , Form 8802, and all required attachments to:

Internal Revenue Service
P.O. Box 42530
Philadelphia, PA 19101-2530
USA

BUSINESS/ESTATE TAX RETURNS

The IRS office in Frankfurt does not provide tax assistance on business or estate tax returns.

UNRESOLVED TAX MATTERS

If you have tried to resolve a tax problem, but it has not been resolved in a timely manner, or if an IRS action is causing you a significant hardship, you should contact the International Taxpayer Advocate by:

Phone: +1 (877) 777-4778
Fax: +1 (787) 622-8933
Mail: Internal Revenue Service
Attn: Taxpayer Advocate Office
San Patricio Office Building, Room 200
7 Tabonuco Street
Guaynabo, Puerto Rico 00966

FILING PRIOR YEAR RETURNS

American citizens living outside of the U.S. are subject to the same filing requirements that apply to American citizens living in the U.S. The U.S. tax-filing requirement is based on worldwide income from all sources irrespective of residence. Special benefits, such as the foreign earned income exclusion and foreign tax credit, may only be claimed if an income tax return is filed.

If you have not filed a U.S. income tax return for one or more years and *no money is due*, you should file returns for the current year and three prior years (i.e., 2004-2007) .

However, if you have not filed a U.S. income tax return for one or more years and *money is due*, you should file returns for the current year and five prior years (i.e., 2002-2007). Instructions for getting prior year forms can be found on page three of this booklet.

Note: The statute of limitations for tax assessments does not begin to run until a tax return is filed. Therefore, the statute remains open on any tax year for which a tax return has not been filed.

TAX TREATIES

You may obtain a copy of a U.S. income tax treaty via:

Internet:

<http://www.irs.gov/businesses/international/article/0,,id=96739,00.html>

Mail: U.S. Treasury Department
Office of Public Correspondence
1500 Pennsylvania Ave. NW
Washington, DC 20220
USA

Fax: +1 (202) 622-6415

You may access the income tax treaty between Germany and the U.S. at <http://www.irs.gov/businesses/international/article/0,,id=169486,00.html>

You may access the estate tax treaty between Germany and the U.S. <http://www.pinkernell.de/estate.htm>.

INTERNATIONAL SOCIAL SECURITY AGREEMENTS

International Social Security agreements, often called "Totalization Agreements," have two main purposes. First, they eliminate dual Social Security taxation, the situation that occurs when a worker from one country works in another country and is required to pay Social Security taxes to both countries on the same earnings. Second, the agreements help fill gaps in benefit protection for workers who have divided their careers between the United States and another country.

You may access the agreements that the United States has with other countries at www.ssa.gov/international/agreements_overview.html.

U.S. ACCOUNTANTS IN GERMANY

For help in preparing business and estate tax returns, as well as complex individual returns, request a list of U.S. tax preparers from the U.S. Embassy Website. Download the list at :

<http://germany.usembassy.gov/germany/services/lists.html>



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