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### IRS Announces COVID-19 Guidance for High-Deductible Health Plans

The IRS issued [Notice 2020-15](#) and [News Release 2020-54](#), providing that a high deductible health plan (HDHP) will not fail to be an HDHP merely because the plan provides medical care services and items purchased related to testing for and treatment of COVID-19 prior to the satisfaction of the applicable minimum deductible.

### U.S. District Court Finds Taxpayer Willfully Failed to File FBAR

The U.S. District Court for the Eastern District of Michigan held in [Ott](#) that a taxpayer who failed to file a Report of Foreign Bank and Financial Accounts (FBAR) for the years 2007, 2008, and 2009 did so willfully. The taxpayer signed his tax return under penalty of perjury, told the foreign bank not to send correspondence to his address, and failed to consult with a tax expert regarding whether to report the foreign account.

### Government Files Brief Supporting Application of Non-Willful FBAR Penalty Per Account

The government filed a [brief](#) with the Ninth Circuit Court of Appeals urging the court to affirm a district court decision that held that an individual's non-willful failure to timely file foreign bank account reports was subject to the \$10,000 statutory maximum penalty for each unreported account instead of each year of the failure.

### IRS Updates Retirement Publications

The IRS has updated [Publication 590-A, "Contributions to Individual Retirement Arrangements \(IRAs\)"](#) and [Publication 590-B, "Distributions from Individual Retirement Arrangements \(IRAs\)." Publication 590-A explains the rules for contributing to an IRA, including examples and worksheets illustrating how to correctly calculate the contribution and deduction limits. The publication also covers rollovers, trustee-to-trustee transfers, and what to do if too much is contributed to an IRA. Publication 590-B explains how to compute required minimum distributions from traditional IRAs.](#)

### IRS Issues Practice Unit on AMT Foreign Tax Credit

The IRS released an [international practice unit](#) on the processes and other relevant considerations for determining the alternative minimum tax (AMT) foreign tax credit, which helps taxpayers reduce their AMT.

### New Jersey Clarifies Definition of Investment Companies

The New Jersey Division of Taxation, in an e-mail message, has advised that in order for an investment company to be excluded from a combined report, it must meet all of the tests provided by N.J. Rev. Stat. Section 54:10A-4(f). Under N.J. Rev. Stat. Section 54:10A-(f)(2), a company must have at least 90% of its average gross assets in New Jersey, at cost, invested in stocks, bonds, debentures, mortgages, notes, patents, patent rights or other securities or consisting of cash on deposit during the period covered by its report to qualify as an investment company. Therefore, a company based outside New Jersey that has at least 90% of its assets in holding, investing and reinvesting in stocks, bonds, notes, mortgages, debentures, patents, patent rights and other securities for its own account, but does not have 90% of its average gross assets in New Jersey, must be included in the combined report if it is unitary with other affiliates.

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