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PRODUCT & SERVICE GUIDE

IRS Encourages Reporting of Cash Transactions

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The IRS says that information on [Form 8300](#), Report of Cash Payments Over \$10,000 Received in a Trade or Business, helps law enforcement combat money laundering,

tax evasion, drug dealing, terrorist financing and other criminal activities. The agency has provided information on who must file the form, what they must report and how to report it.

Who must file

Generally, any person in a trade or business who receives more than \$10,000 in cash in a single transaction or in related transactions must file a Form 8300. By law, a “person” is an individual, company, corporation, partnership, association, trust or estate. For example, dealers in jewelry, furniture, boats, aircraft or automobiles; pawnbrokers; attorneys; real estate brokers; insurance companies and travel agencies are among those who typically need to file Form 8300.

Tax-exempt organizations are also “persons” and may need to report certain transactions. A tax-exempt organization doesn’t have to file Form 8300 for a charitable cash contribution. However, under a separate requirement, a donor often must obtain a written acknowledgement of the contribution from the organization. The organization must report noncharitable cash payments on Form 8300. For example, an exempt organization that receives more than \$10,000 in cash for renting part of its building must report the transaction. See [Publication 526](#), Charitable Contributions, for details

What’s cash

For Form 8300 reporting, cash includes coins and currency of the United States or any foreign country. It’s also cash equivalents that include cashier’s checks (sometimes called a treasurer’s check or bank check), bank drafts, traveler’s checks or money orders with a face amount of \$10,000 or less that a person receives for:

- A designated reporting transaction or
- Any transaction in which the person knows the payer is trying to avoid the reporting requirement.

Note that money orders and cashiers checks under \$10,000, when used in combination with other forms of cash for a single transaction that exceeds \$10,000, is defined as cash for Form 8300 reporting purposes. A designated reporting transaction is the retail sale of tangible personal property that’s generally suited for personal use, expected to last at least one year and has a sales price of more than \$10,000. Examples are sales of automobiles, jewelry, mobile homes and furniture.

A designated reporting transaction is also the sale of a collectible, such as a work of art, rug, antique, metal, stamp or coin. It's also the sale of travel and entertainment, if the total price of all items for the same trip or entertainment event is more than \$10,000.

Note that under a separate reporting requirement, banks and other financial institutions report cash purchases of cashier's checks, treasurer's checks and/or bank checks, bank drafts, traveler's checks and money orders with a face value of more than \$10,000 by filing currency transaction reports.

Reporting cash payments

A person must file Form 8300 if they receive cash of more than \$10,000 from the same payer or agent:

- In one lump sum.
- In two or more related payments within 24 hours. For example, 24-hour period is 11 a.m. Tuesday to 11 a.m. Wednesday.
- As part of a single transaction or two or more related transactions within a 12 month period

Examples of reporting situations:

New or used automobile dealers

If a husband and wife purchased two vehicles at one time from the same dealer, and the dealer received a total of \$10,200 in cash, the dealer can view the transaction as a single transaction or two related transactions. Either way, the dealer needs to file only one Form 8300.

- A dealership doesn't file Form 8300 if a customer pays with a \$7,000 wire transfer and a \$4,000 cashier check. A wire transfer isn't cash.
- A customer purchases a vehicle for \$9,000 cash. Within 12 months, the customer pays the dealership cash of \$1,500 for accessories for that vehicle. The dealer doesn't need to file Form 8300 unless the accessories purchase was related to the original vehicle purchase.

Taxi company

When lease payments made in cash by a taxi driver to a taxi company within a 12-month period exceed \$10,000 in total, the taxi company needs to file Form 8300.

Then, if the company receives more than \$10,000 cash in additional payments from the driver, the company must file another Form 8300.

Landlords

This 12-month period also applies to landlords who need to file Form 8300 once they've received more than \$10,000 in cash for a lease during the year. If a person uses a dwelling unit as a home and rents it less than 15 days during the year, its primary function isn't considered rental in a trade or business, so they don't need to report a cash receipt of more than \$10,000.

Bail-bonding agent

A bail-bonding agent must file Form 8300 when they receive more than \$10,000 in cash from a person. This applies to payments from persons who have been arrested or anticipate arrest. The agent needs to file the form even though they haven't provided a service when they received the cash.

Colleges and universities

Colleges and universities must file Form 8300 if they receive more than \$10,000 in cash in one or more transactions within 12 months. A Form 8300 exception applies for government entities but not for educational entities.

Contractors

Contractors must file Form 8300 if they receive cash of more than \$10,000 for building, renovating, remodeling, landscaping and painting.

When to file Form 8300

A person must file Form 8300 within 15 days after the date the person received the cash. If a person receives multiple payments toward a single transaction or two or more related transactions, the person should file Form 8300 when the total amount paid exceeds \$10,000. Each time payments aggregate more than \$10,000, the person must file another Form 8300.

How to file

A person can file Form 8300 electronically using the Financial Crimes Enforcement Network's [BSA E-Filing System](#). Those who file many forms may find the batch e-

filing option helpful. E-filing is free, quick and secure. Filers will receive an electronic acknowledgement of each submission.

Those who prefer to mail Form 8300 can send it to Internal Revenue Service, Detroit Federal Building, P.O. Box 32621, Detroit, MI 48232. Filers can confirm the IRS received the form by sending it via certified mail with return receipt requested or by calling the IRS Bank Secrecy Act Helpline in Detroit at 866-270-0733.

Taxpayer identification number

Form 8300 requires the taxpayer identification number (TIN) of the payer using cash. If they refuse to provide it, the person should inform the payer that the IRS may assess a penalty.

If the person is unable to obtain the payer's TIN, they should file Form 8300 anyway and include an explanation why the form doesn't have the TIN. The person should keep records showing they requested the payer's TIN and provide the records to the IRS upon request.

Informing customers about Form 8300 filing

A Form 8300 filer must give each party named on the form written notice by January 31 of the year following the transaction that they filed Form 8300 to report the payer's cash transaction. The government doesn't offer a specific format for the payer's statement, but it must:

- Be a single statement aggregating the value of the prior year's total reportable transactions.
- Include the name, address and phone number of the person filing the Form 8300.
- Inform the payer that the person is reporting the payments to the IRS.

A person can give a payer who only had one transaction during the year a copy of the invoice or Form 8300 as notification if it has the required information. The government doesn't recommend using a copy of Form 8300 because of sensitive information on the form, such as the TIN of the person filing the Form 8300.

A person may voluntarily file Form 8300 to report a suspicious transaction below \$10,000. In this situation, the person doesn't let the customer know about the report. The law prohibits a person from informing a payer that it marked the suspicious transaction box on the Form 8300.

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