

Reporting Cash Payments of Over \$10,000 To the IRS on Form 8300

Frequently Asked Questions

When does this requirement apply to me?

You must file Form 8300 to report cash paid to you if it is:

1. Over \$10,000
2. Received as:
 - a. One lump sum of over \$10,000,
 - b. Installment payments that cause the total cash received within one year of the initial payment to total more than \$10,000, or
 - c. Other previously unreportable payments that cause the total cash received within a 12-month period to total more than \$10,000,
3. Received in the course of your trade or business,
4. Received from the same buyer (or agent), and
5. Received in a single transaction or in related transactions

How do I treat payments made in installments over time?

In some transactions, the customer may arrange to pay you in cash installment payments. If the first payment is more than \$10,000, you must file Form 8300 within 15 days. If the first payment is not more than \$10,000, you must add the first payment and any later payments made within one year of the first payment. When the total cash payments are more than \$10,000, you must file Form 8300 within 15 days. After you file Form 8300, you must start a new count of cash payments received from that buyer. If you receive more than \$10,000 in additional cash payments from that buyer within a 12-month period, you must file another Form 8300. You must file the form within 15 days of the payment that causes the additional payments to total more than \$10,000. If you are already required to file Form 8300 and you receive additional payments within the 15 days before you must file, you can report all the payments on one form.

What Is Cash?

Cash is:

1. The coins and currency of the United States (and any other country), and
2. A cashier's check, bank draft, traveler's check, or money order you receive, if it has a face amount of **\$10,000 or less** and you receive it in:
 - a) A designated reporting transaction (defined later), or
 - b) Any transaction in which you know the payer is trying to avoid the reporting

of the transaction on Form 8300.

What Is A Related Transaction?

Any transactions between you and your customer that occur within a 24-hour period are related transactions. If you receive over \$10,000 in cash during two or more transactions with one customer in a 24-hour period, you must treat the transactions as one transaction and report the payments on Form 8300. Transactions are related even if they are more than 24 hours apart if you know, or have reason to know, that each is one of a series of connected transactions.

What is a Designated Reporting Transaction?

1. A designated reporting transaction is the retail sale of any of the following:
2. A consumer durable, such as an automobile or boat. A consumer durable is property, other than land or buildings, that:
 - a. Is suitable for personal use,
 - b. Can reasonably be expected to last at least one year under ordinary use,
 - c. Has a sales price of more than \$10,000, and
 - d. Can be seen or touched (tangible property).
3. A collectible (a work of art, rug, antique, metal, gem, stamp, or coin).
4. Travel or entertainment, if the total sales price of all items sold for the same trip or entertainment event in one transaction (or related transactions) is more than \$10,000.

What are Suspicious Transactions?

If you receive \$10,000 or less in cash, you may voluntarily file Form 8300 if the transaction appears to be suspicious. A transaction is suspicious if it appears that a person is trying to cause you not to file Form 8300 or is trying to cause you to file a false or incomplete Form 8300, or if there is a sign of possible illegal activity.

Do any exceptions exist?

Yes:

1. A transfer of funds through normal banking procedures which does not involve the physical transportation of currency or monetary instruments is not required to be reported (e.g. wire transfers).
2. A check drawn on an individual's personal account.
3. A cashier's check, bank draft, traveler's check, or money order with a face amount of *more than \$10,000* is not treated as cash. (These items are not defined as cash and you do not have to file Form 8300 when you receive them because, if they were bought with currency, the bank or other financial institution that issued them must file a report.)

What is the time table to file Form 8300?

The amount you receive and when you receive it determine when you must file. Generally, you must file Form 8300 within 15 days after receiving a payment. If the Form 8300 due date (the 15th or last day you can timely file the form) falls on a Saturday, Sunday, or holiday, it is delayed until the next day that is not a Saturday, Sunday, or holiday. That means Treasury must receive the form from you within 5 days of receipt of the transaction so we have time to review the form and mail it to the IRS within the 15 day period.

What are the retention requirements?

This form must be retained for 5 years from the date you filed the form. Treasury will also maintain a copy for the required retention period.

Are you required to notify the customer of this filing?

Yes, you must give a written statement to each person named on any Form 8300 that you file. The statement must show the name and address of your business, the name and phone number of a contact person, and the total amount of the reportable cash you received from the person during the year. The statement must state that you are also reporting this information to the IRS. You must send this statement to the customer by January 31 of the year after the year in which you received the cash that caused you to file the form.