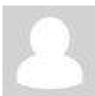
WSJ Are You Hiding Money from the IRS

https://www.wsj.com/articles/are-you-hiding-money-from-the-irs-overseas-be-very-afraid-1496395802
Comments as of 15:20AEST 4 June 2017

There are 166 comments.



David Stumpf *12 hours ago*

Wow - a lot of victims here. What happened to personal accountability? I considered working abroad - and the first and paramount question was "what are the implications? what is the net economic benefit?". Many secondary considerations... It is a personal responsibility to weigh that decision each year as laws change in each country and make the best decision for yourself. Those who move for family reasons must also consider the cost and come to terms.

I also assume that citizenship of any country means something - as defined by that country - and when the costs exceed the benefits (however you define them) then one makes a decision to change.

Why all the victim speak as though the world owes people what THEY think they should get? The world is as it is - everyone is responsible to learning what that is and responding to it.

I guess I'm just from a simpler (and perhaps less "entitled") time.

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Michael Chan *12 hours ago*

The sad thing about the foreign reporting requirement is that not many overseas people born (overseas) to an American parent realize that they are an American citizen.

They may get issues when they reach adulthood and find out about filing U.S. returns when they didn't even know they had to do because their one American parent Never told them so you have ignorance on both that parent and child.

You'd know this crazy situation if any had any family/friends or tax clients that may be caught up in that scenario.

Depending on facts and circumstances, that now adult child has/may have No plans on returning to the U.S. (many have never returned) as he/she feels that they are a citizen of that foreign country (i.e. dual citizenship) but may have U.S. tax issues until they renounce their US citizenship.

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Laura Wilson*12 hours ago*

@Michael Chan

To be completely free from the clutches of the IRS one must be fully tax compliant to renounce. Form filing delinquency penalties for FBAR (a form many accountants had never heard of either) alone are $10K/yr/account x 6 years. Then there are PFIC calculations on top of that. Only the very wealthy can fully extricate themselves from US citizenship.

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Dennis O'Neil*14 hours ago*

Stop taxing assets and income and tax spending.

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jeff lammer*22 hours ago*

Before more panic is caused, it would have been useful if the WSJ would have mentioned that generally U.S. Expats need not worry. The vast majority of American Expats are not 'hiding money.'

If you are retired, live outside the U.S. and don't have large bank accounts or large investment accounts overseas ($400,000 if married), you are not required to file under FACTA. Real property ownership in a foreign country does not count towards that, only 'financial instruments' like investment accounts or cash. I suspect that will exclude 90 percent of overseas retirees.

You still need to file under FBAR if you have more than $10K in an overseas bank and report any interest on your taxes. But again, not to worry. FBAR not an IRS requirement, but a long-standing requirement of the Treasury Department to combat money laundering. You file that yearly and online, totally separate from your taxes.

Also not mentioned in the article is that Congress is currently looking to reduce FACTA impacts.

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William Braun*21 hours ago*

@jeff lammer It's FATCA. And remember that retirement benefits are considered 'unearned income' and are not included in the exemption, so one is being taxed twice.

It has nothing to do with 'hiding' money. it has to do with American expats being persona non grata at foreign banks. People are having mortgages cancelled and accounts closed (ie. Here's your money. We deducted your mortgage - now p*ss off), simply because the cost of compliance with IRS requirements are so onerous, it isn't worth it.

The last effort I saw to repeal FATCA was Rand Paul. He was the only one. There was also a measure to further tighten FATCA that had far more support. FATCA will never die. It is a wonderful mechanism for Congress to wave to show how tough they are, and most US citizens think everyone abroad is wealthy. Expat taxation will also never die. It's the moral high ground, even though it costs more to collect than is collected.

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F K Alpert *18 hours ago*

@jeff lammer Much of the problem is not for those who retire abroad, but for those who move abroad while they're working (or as children). If you spend most of your working life in another country then you end up needing to save in that country. My life has been in Australia for more than 20 years - I need to save in AUD not USD because my expenses are in AUD. Also, I am required to have a retirement account (employer contributions are mandated by law). My investments and retirement account were the source of extra taxation by the US. The retirement account because contributions were tax free in Australia (much like 401(k) contributions are tax free in the US) but my contributions were taxable on my US return because the fund was organised in Australia, not the US. As for my other savings, investing in an Australian index fund exposed me to the obscene US PFIC rules. The only way to stop this financial abuse was to renounce!

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Patricia Moon *13 hours ago*

@William Braun **@jeff lammer** Apr 7, 2017 Rep. Meadows is sponsor of the House FATCA repeal bill (H.R. 2054); the companion Senate bill (S. 869) is sponsored by **Sen. Rand Paul, who was the lead witness in the House hearing**. . The bill would repeal provisions of the Foreign Account Tax Compliance Act.

On April 26, On April 26, **Rep. Mark Meadows chaired a hearing of the House Subcommittee on Government Oversight** examining the destructive impact of FATCA. The discussion initially focused on the repeal of FATCA; later on, suggestions for changing FATCA were requested by Chairman Meadows.

We intend to keep pressuring the U.S. government and our own governments to get RBT. and get rid of FATCA/IGAs. In Canada we have a lawsuit in progress and if there is no tax reform, our sister org intends to sue the U.S. government re CBT. If we don't try, nothing will happen....

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Jeffrey E Rothman *23 hours ago*

A corollary of this is that rather than comply with FACTA, many foreign banks do not want to deal with setting up accounts for anyone holding a U.S. Passport. Affected expats have to transfer money to the U.S. and use debit cards to pay bills and / or get funds.

Working expats do get the foreign income exclusion, so although many of them won't owe any U.S. income taxes, they still have to deal with the aforementioned bank problems

The one good thing about FACTA is that someone can't any longer sell a business, not report the sale, park the proceeds in the Caymans or Switzerland, and sleep well at night.

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Daniel Kuettel*21 hours ago*

@Jeffrey E Rothman so millions of unrepresented Americans living abroad need to be harmed with discrimination just so that the US government can wrongly double-tax entities which don't reside in the US?

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John Rutledge*20 hours ago*

Rubbish. I'm an expat. Taxes are an absolute menace and even though I'm paying local taxes I still get to pay US taxes too. The exclusion is far too small. Taxation without representation nor benefit. It's a pretty awesome system.

While we're at it, why don't we talk about the cost of being the only country to tax expats vs the actual money brought in? It not only hamstrings US workers, it doesn't bring in much money. The perfect system.

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Ray Damani *1 day ago*

Fixing tax loop holes in our "legal" tax code will produce far greater revenues! But so much better to go after crooks than lobbyists and campaign contributors.

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Daniel Kuettel *21 hours ago*

@Ray Damani Unrepresented Americans living overseas are not 'crooks' for banking locally and paying local taxes.

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Ray Damani*15 hours ago*

@Daniel Kuettel

I don't know what you mean by "unrepresented" Americans. If you are an American, for tax purposes you have to follow American law - and if you don't and evade taxes, you are indeed criminal in the eyes of the law - commonly known as crooks.

All Americans do or should know about this before going overseas. It may be/is unfair to pay taxes to two jurisdictions but that is the choice everyone who moves to other countries makes. Of course, people can renounce their American citizenship and avoid paying such taxes. If they don't, then they must consider it valuable.

Moreover, one can claim CREDIT for taxes paid to a foreign country when filing US Tax returns.

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Patricia Moon*12 hours ago*

@Ray Damani All Americans do (DEAD WRONG) or should know...well you tell me how one is to know. It was never included in any information we received from the State Department when we renewed our passports online. It was never included in any information we learned in school. Most of us are not accountants or tax lawyers taking coursework where this is discussed. And USCIS does NOT for instance, discuss FBAR with new immigrants.

When I lived in Ohio and moved to Idaho, I did not call the State Office and ask if I had to continue to pay tax once I left. Everybody knows the answer to that is "no"

It is nothing more complex than that.Now that we know, we are renouncing but at great cost both financially and otherwise which is squarely the fault of the US government who could have take a more responsible approach.

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Laura Wilson*12 hours ago*

@Ray Damani **@Daniel Kuettel**

The 9 million US expat population's vote is diluted across all of the states. There are no legislators addressing nor understanding the unique situation of this constituency. They don't care, this group has NO impact. Other nations' diasporas have their own dedicated representatives.

American law should end at the American borders. When injustice becomes law, resistance becomes duty; the banner of Democrats Abroad org.

Many deemed "Americans" were born in the US to non-American parents and left as infants, others born abroad to US parents and have never stepped one foot on US soil. Owing taxes to a nation you have no association with is both counterintuitive and grossly unjust.

Under your logic the Americans owe back taxes to the Brits, the American Revolution was a mistake.   Most cannot afford to renounce US citizenship, its cost the highest in the world. Those that can are lining up in droves with a years wait at many consulates.

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M Skroch *1 day ago*

Why does the IRS continue to pursue penny-ante accounts worth only millions?

One concerted legal 'assault' on the Clinton Global Initiative would return billions to the US Treasury and end the grifting of the Clinton crime family.

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Karen Venice *1 day ago*

This article mentions FATCA but not FBAR.

FBAR requires a report to the IRS if a foreign account hits $10,000 for just one day. That's right - Ten Thousand Dollars just once!!

The problem is the same as FATCA - we are worried that the foreign bank will cancel our only account in that country if there is any reporting requirement or even the most innocuous query from the IRS. So we have deliberately held its balance below $10,000 all the time. We need that account for our small business. This is very inconvenient.

Couldn't the FBAR reporting requirement be raised to something reasonable, like $100,000? Do the Feds really think that a reasonable reporting threshold like $100,000 would lead to substantial international crime?

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[Massimo Mazzone](#)*1 day ago*

I think there is a more fundamental question. Why the Feds should know about your wealth abroad, if the income that produced that wealth has already been taxed twice, first by the local State and then by the American State? The IRS together with the NSA make a mockery of the right to privacy.

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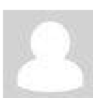

matt tang*1 day ago*

@Karen Venice It's not $10k for each account...it's cumulative so two accounts with $5k each hit the threshold. The $10k requirement itself is ridiculous. There are plenty of people that need to pay rent in three month installments so they are forced to file.

On top of that, the benefit is ridiculously out of whack. $10k at 2% interest is $200 of potential interest and $70 in "lost tax revenue". The threshold needs to be upped to somewhere around $100k.

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Massimo Mazzone *1 day ago*

Big Brother is watching you

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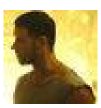

Peter Warren *1 day ago*

@Massimo Mazzone,

Sorry, but I'm not going shed a tear for law breakers. Should they treated any differently than illegal aliens?

PW

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Massimo Mazzone*1 day ago*

The only other country with a similar tax arrangement for foreign earnings when you live abroad is Eritrea. Why if you live abroad and already pay taxes abroad, you should pay again in the US? If the law is unjust, breaking it is simply self-defense.

But this is not my point. I was referring to the monster that is Fatca. Now it is used for "tax-evaders", next maybe for people with physical gold if it becomes illegal in the US as it used to be, then, who knows, the legal monsters that are the civil forfeitures?

Americans rightly complain about globalism, the tendency to give political powers to huge unaccountable political entities, but it seems to me that the American Federal State is becoming an all-encompassing juggernaut. Just pray that it does not become unaccountable that one.

Not to mention the tax to renounce citizenship. Is there a better demonstration that we are born slaves of the State? You have to pay your pound of flesh if you want to have your liberty back.

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Joel Williams*1 day ago*

@Massimo Mazzone Just to calm everyone down here, generally speaking, taxpayers are not paying tax twice on the same income. The federal government allows for tax credits and the foreign earned income exclusion to avoid that risk. The problem is that people don't always accurately report the income earned to the US from abroad. Because you don't have foreign employers and other entities (i.e. banks, brokers, etc.) reporting to the IRS (which makes sense), taxpayers can get away with not reporting foreign income much easier than US income. As a taxpayer, you should be glad that the IRS is enforcing the law. The better compliance we have with the law, the less the tax gap will be (expected tax receipts vs. real tax receipts).

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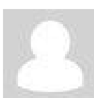

Patricia Moon*1 day ago*

@Joel Williams **@Massimo Mazzone** "taxpayers can get away with not reporting foreign income much easier than US income." This is not the issue at all. The vast majority of the 9 million expats did not/do not know of the requirements. For you to imply that they are willfully cheating is totally speculative on your part and more than a little insulting. Those who came forward first were penalized heavily when no tax was owed. The majority don't owe annual income tax.

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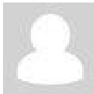

Laura Wilson *1 day ago*

@Joel Williams @Massimo Mazzone

Tax credits etc are for earned income only.

Why should anyone have to report their income earned abroad to the US if they do NOT live in the US? There is not one argument on this planet to justify this immoral, unethical, unjustifiable anomaly.

No one can be calmed down from being TOTALLY outraged by being denied basic banking services because they are American, sorry.

Would you not be spitting angry if you could not save for retirement, to educate your children, save to protect your disabled child or invest? The US HATES foreign and deferred.

The greedy, cruel, self righteous US government even destroys the tax deferred accounts of disabled children and, to add insult to injury, will NOT allow them nor their guardians to renounce US citizenship for them if there is a mental incapacity. They have thus entrapped the least amongst us for a pittance.

Walk in those shoes for a moment and then see if YOU can calm down.

-

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Laura Wilson 1 day ago

@Joel Williams

Correction to my above post (was outraged re the "calm down" bit).

The FEIE covers earned income which we have already paid tax on to our own government anyways. Tax credits cover other income that we have already paid tax on.

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F K Alpert *1 day ago*

@Joel Williams **@Massimo Mazzone** As stated above, many did not know they were supposed to be paying US tax-- especially those who were born in the US to foreign parents, returning home as toddlers. They might not even have a SSN. Those who do try to come into compliance may not be paying tax twice on the same income, but US tax rules are excessively complex for any investment outside of the US. The tax code is downright xenophobic. Saving for retirement can be impossible. And the cost of compliance is much higher than for domestic taxpayers. No other country in the world demands this of their diaspora.

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Patricia Moon *1 day ago*

@Joel Williams **@Massimo Mazzone** What is more offensive is when the U.S. expects tax on government tax-deferred savings plans(which have U.S equivalents for which you are NOT taxed). In addition, at least in Canada, we are not able to deduct mortgage interest over the term of a loan. Our government then allows the sale of a principal residence captial-gains free. The U.S. demands tax on amounts over $250k. May seem like a lot if you are from an average town but it is not when speaking of larger cities-Toronto, Vancouver & Montreal. What is most obscene is when people expatriate and meet any one of the three, totally unequal tests...the U.S. expects tax on assets earned wholly outside of the U.S. paid for with money earned in that country. There is no way this can be justified.

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William Braun*21 hours ago*

@Patricia Moon I don't know a single American expat who doesn't pay at least 10 large in US tax, AND has to pay a professional to prepare the forms for 1500 or so.

The exemption only applies to 'earned income'. Unemployment benefits or retirement payments are 'unearned income' and not exempted. The whole thing is a major fuster cluck. No American stateside would condone a similar system if it applied to them.

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Daniel Kuettel*21 hours ago*

@Joel Williams **@Massimo Mazzone**

So, you'd be fine with filing tax returns for every nation in the world and wouldn't classify the filing fees for each of these 200+ nations as being double-taxation, as long as US government taxation could be proven to be greater than that of any other nation?

Double-taxation is when one is taxed by two or more separate jurisdictions on the same income, even when one only pays to one jurisdiction.

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michael moy *18 hours ago*

@Laura Wilson **@Joel Williams** **@Massimo Mazzone** My son lives in one state and works in another. He telecommutes and goes into the office twice a month. Why should he have to pay income taxes to the other state? I suppose the state thinks that out-of-state employees use their resources to the degree that they should be fully taxed. Maybe that was the case in the past but it often isn't with telecommuting.

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Patricia Moon *12 hours ago*

@William Braun Somehow my response seems to have been lost in cyberspace-apologies if somehow it shows up twice.

I am sure there are many who do owe but many do not. And they will pay the same price for preparation as those who do $1500 per year and up.

I am well aware that FEIE only applies to earned income; don't know where you would get the idea I have said otherwise. Any unearned income that is exempt or tax-deferred in the other country will have no tax to offset and the US wants "its fair share."

This is perverse when one must pay the Exit Tax and has a foreign pension. It is deemed paid out in full the day before renouncing and must be included in regular income. The US will then receive some 40% of that value when it was earned outside. This is simply wrong.

The bottom line is the US has no business taxing the income or assets of citizens & residents of other nations. What they do amounts to taking capital out of other countries. It is extra-territorial, imperialistic & immoral.

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Matt McCall*1 day ago*

When Helmut is working on a project in the Venezuela Chemical industry and needs something, he calls Ernst in Hanover to have it made. When Tom is working on a project in Saudi and needs something he does not call Ernst in Hanover he calls Billy Bob in Houston. Billy Bob I need another one of those custom fracking towers like you made me for the Corpus Christi plant, when I was working in the south Texas office. This folks is why Germany does not tax expats, they are national export sales people. If we want to balance the trade deficit and bring back jobs then we need to quit punishing (taxing and regulating) our expats to death. What we are practicing is a national tax policy of envy. Envy never built anything.

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Patricia Moon*1 day ago*

@Matt McCall This is the best comment yet. Thank you for "getting it." No other country taxes its expats. And Eritrea does not count-its 2% is nothing compared to the punitive regie of the U.S.ofA. and has been denounced by the UN and oh, guess who else? The United States.

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Daniel Kuettel*1 day ago*

Your article gives one the impression that America is a fear country, where its citizens are driven by fear and may only behave after being heavily threatened. I don't remember it being so bad in the past.

While the current title is catchy, it sends the wrong message. I'd recommend using a title which promotes positive change, such as calling for #FATCA to be repealed to protect the innocent from being wrongly harmed.

In your article, I think that you made it pretty clear that the US government really doesn't care about the innocent and will eagerly harm them to catch one suspect. This seems to be the latest movement going on in America, but I hope that things won't become as bad as this article suggests that it will be.

The US government could treat its citizens much better if it wanted to. It is sad that it came to this.

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Col F *1 day ago*

Here's an interesting idea... don't tax citizens at 25%-40%+ and they won't bend over backwards to avoid taxation by storing money in offshore banks. Then, they would save money in American banks and the economy could actually grow without being financed by debt.

It's almost like people want to keep the money that they work for instead of funding IRS investigations or contributing to a failing SS system that will reap no benefits for the people contributing to it.

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ALAN LANCTOT *1 day ago*

Colin, if the tax rate were 5% there would be people trying to hide it.. ..if it were 1% there would be people trying to hide it......if you want to live in the greatest country that ever existed, you pay the going rate to live here......if you don't want to pay your fair share, go to tax free Somalia.

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Col F *1 day ago*

@ALAN LANCTOT It's more of the fact of what the tax money is going towards. The constitution calls for taxation only to provide for the common defense of the state and to pay down the national debt. Unfortunately, our tax money is going many places elsewhere (i.e., taxpayer funded EPA musicals, taxpayer funded EPA gym memberships, taxpayer funded healthcare, etc). I'm not arguing there should be no taxes.. just a lot less of them with a significant reduction in exorbitant spending on useless things.

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Scott Hammet*1 day ago*

There's some irony in that they couldn't find some missing hard drives that were, at one time, in their own building, yet they can find complicated tax havens spread out over the globe.

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Darl J. Dumont*1 day ago*

Good news. Lock them up.

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Daniel Kuettel*1 day ago*

@Darl J. Dumont Lock up who?

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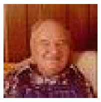

Robert Eisenhauer*1 day ago*

When Switzerland agreed to betray its depositors to foreign thugs, the term "Swiss bank" vanished.

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Laura Wilson*1 day ago*

@Robert Eisenhauer Now US is #1 tax haven having eliminated the competition. Wonder what could go wrong when the world wakes up to this hypocrisy.

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Daniel Kuettel*1 day ago*

@Robert Eisenhauer Swiss banks still exist. They are just trying their best to evade the foreign thugs.

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holt jurie*1 day ago*

one of the many benefits of the internet; world taxation.

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Daniel Kuettel*1 day ago*

@holt jurie Have you already paid your fair share of North Korean taxes to support their nuclear weapons efforts?

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Paul Mcbride*1 day ago*

Lois Lerner isn't in jail.

The Clinton Foundation hasn't been shut down.

And that tells you all you need to know about corruption at the IRS.

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David Ingram *1 day ago*

@Paul Mcbride Hear, Hear Paul, you nailed it! We don't blame the IRS for enforcing the law. We blame them for the selective manner in which they enforce the law.

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GARY E. SULLIVAN *1 day ago*

I thing everybody should pay their fair of taxes, But the one tax that is truly unfair , is the tax on your SS Check. LBJ put it on to balance his budget and pay for his Great society. It truly hurts the senior citizens that help build this great country,

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Daniel Kuettel*1 day ago*

@GARY E. SULLIVAN «everybody should pay their fair of taxes»

Are you referring to local taxes or non-local double-taxation?

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Geri Scott*1 day ago*

Is the money hidden there by our elected officials in jeopardy? Of course not, they made themselves immune to their laws.

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Michael Chan *1 day ago*

Going to get bashed but here goes...

It's CONGRESS that creates the US tax laws while the IRS is the enforcer of such laws.

Hating the IRS for doing its job is like hating a police officer for doing his/her job in upholding the laws of the land. It's not the police officer's fault that many of the laws s#ck since it's *created by the Politicians*.

Blame the idiot US Politicians and lobby groups for messing up the US tax code.

The IRS will use almost any tactic to enforce the tax code, sometimes quite harshly, so it does get *some*of the blame and hate.

Blame Congress for creating convoluted tax laws.

A territorial tax would resolve much of the international tax issues as well as the US tax issue.

Lots of people come to America for a *better* life not available/possible in their own country! Appreciate it!

Many Americans don't realize they get the *benefit* of returning to the U.S. if anything happens.

If not, stop complaining and just renounce your American citizenship and go your own way.

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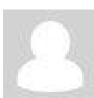

Laura Wilson *1 day ago*

@Michael Chan

Ha, here comes your bashing!!!

1. No one is blaming the IRS. Everyone is well aware congress has to fix this. In the case of FATCA President Trump can defang it with an EO nullifying the IGA's enforcing it. (As Obama legislated the IGA's with EO).

2. No bashing on idea that territorial tax, as practiced by every other single nation on this planet, would solve the problem.

3. Most live in stable environments. There is no need for eternal tax slavery just to insure against some remote possibility. (Plus right of return is a birthright).

4. Indeed many come to America for a better life. That is just great. No one should be concerned if some have found work/love abroad.

5. The US has the highest cost in the world to renounce citizenship. Most cannot afford the consular and compliance costs. That being said, many are lining up to do just that. There is a one year wait for appointments in many countries.

You should be concerned, US cannot compete in global economy.

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William Braun *1 day ago*

@Laura Wilson **@Michael Chan** There is not the tiniest chance that FATCA and expat taxation will go away. Expats are the low-hanging fruit, usually don't have a rep in Congress to complain to and can be ripped off with impunity. Nope, it will get worse, not better.

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F K Alpert *1 day ago*

@William Braun **@Laura Wilson** **@Michael Chan** Which is exactly why I renounced last year. If the US is going to insist on taxing non-resident citizens against all international norms, then the least they could do is to allow us to invest where we live. The US tax code is xenophobic and penalizes all foreign investment other than direct shares and direct real estate. Local index funds, retirement accounts, small businesses - all are punitively taxed by the US, severely limiting the ability of dual citizens to plan for their retirement. I was not hiding money overseas - I was investing at home. It is now much easier for me to do this without the ball and chain of US citizenship.

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Laura Wilson *1 day ago*

@William Braun @Laura Wilson @Michael Chan

It becomes more apparent daily that renunciation is the only choice, if one can afford to do so, for US citizens to financially survive outside the US borders.

It is beyond surprising that the US government does not grasp the long term fallout of this. In a global economy exporters need to bank, have boots on the ground, need Americans to work /study abroad etc.

I also wonder if US citizens even care that they are no longer free to leave. They certainly criticized other nations that had such a policy yet seem unconcerned that it now applies to them.

This mess has certainly created yet another group feeling ill-will towards the US government. Let alone all of the nations whose banks have been extorted and a promise of reciprocity that never happened.

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William Braun*21 hours ago*

@Laura Wilson Nah. They don't care. Why should they? It's only 15000 or so (depending what source you use). Far better to tax everyone (even if it means penalizing those who didn't even know they were American citizens) even though the generated revenue is far less than the administrative costs to collect it.

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DAVID LAWRENCE*1 day ago*

Maybe Trump can offer to reduce their tax burden and drop it to 10%. Doesn't it seem that in order to avoid taxes in the US, you have to be a corporation?

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Daniel Kuettel*1 day ago*

@DAVID LAWRENCE «offer to reduce their tax burden and drop it to 10%»

This would involve US residents paying non-US taxes on their US earnings to reduce the tax burden for non-residents. Is that what you want?

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GARY E. SULLIVAN *1 day ago*

Have you heard of any body in Congress being target? HO, I am sorry, I forgot they are pure as the snowflakes they have fostered.

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Daniel Kuettel *1 day ago*

@GARY E. SULLIVAN FATCA only harms the unrepresented poor abroad, not wealthy US politicians.

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STEVEN FRANKEL*1 day ago*

This entire FATCA headache needs to be repealed, the territorial approach needs to be instituted. Americans are persona non grata in banks around the world and our ability to do business and make money and repatriate it is hobbled by unending government greed. If they would incorporate an amnesty for US citizens abroad and domestic with a good and reasonable deal for paying up anything owed they would see an immediate windfall. If they unload this FATCA now, and make it easier to repatriate foreign earnings, they would see so much more money coming in that any real cheating would be drowned out and not really worth the effort. They seem to forget to whom the money belongs.

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William Braun*1 day ago*

@STEVEN FRANKEL I agree with you, but it won't ever happen. Can you imagine the outcry if someone eliminated expat taxation? I still read on this website where some idiots think it's OK to tax people who have never even set foot in the country.

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MARYNIA MACKIEWICZ*1 day ago*

I don't understand why this swamp hasn't been top priority.

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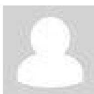

Patricia Moon*1 day ago*

@MARYNIA MACKIEWICZ We are not a "swamp." We are merely people living our lives in foreign countries due to marriage, employment, or education. We are not Homelanders with foreign accounts in order to cheat on taxes.

We pay our taxes where we live. We receive nothing in return from the U.S. except we may return to the country. That is hardly worthy of being treated the way we are nor taxed at the same levels as those of you living there, receiving services, benefits and so on.

How about making the "swamp" in your own country a top priority before you are so quick to jump on a situation with which you obviously are not familiar?

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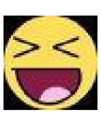

Michael Chan*1 day ago*

@Patricia Moon @MARYNIA MACKIEWICZ

"We receive nothing in return from the U.S. except we may return to the country."

Many people still come to the U.S. for a *Better* life than they could find in their home countries.

If you find that you "receive nothing in return" for being an American, feel free renounce your American citizenship.

Then you won't have to complain anymore or feel any resentment towards the U.S.

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Laura Wilson*1 day ago*

@Michael Chan @Patricia Moon @MARYNIA MACKIEWICZ

FATCA and citizen tax has caused the US to lose the good-will mini-ambassadorship of its own people abroad. Most nations view their diaspora as an irreplaceable national treasure, the US has destroyed theirs for a pittance in return.

Diasporas matter.

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Daniel Kuettel*1 day ago*

@Michael Chan @Patricia Moon @MARYNIA MACKIEWICZ

If it is so very important for you that Americans renounce US citizenship, then why don't you remove the exit tax, exit fee and repeal FATCA so that Americans can leave unrestricted?

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William Braun *1 day ago*

@Michael Chan The point is: Why should have to? The only other country that taxes expats is Eritrea. If you were born in California but now live in Iowa, would you happily still pay state tax to California? Didn't think so.

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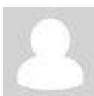

Patricia Moon *1 day ago*

@Michael Chan **@MARYNIA MACKIEWICZ**

So what? That in some way justifies what is going on? I renounced my citizenship over 5 years ago. If you think that Americans who have been so betrayed by their own country are NOT ANGRY think again. It cannot be erased simply by renouncing. You are threatened with possible fines of over $400,000 FOR NOT FILING A PIECE OF PAPER that you didn't even know existed. A fine that could only be paid by selling your home paid 4 by your "alien" spouse's parents. Your husband is livid because he didn't sign up 4 this. All of HIS accounts must be reported 2 the IRS because your name is on them. The $400k is only FBAR fines. Other reporting (non-tax) items are also $10k per form per year. Unfortunately, your worst anti-american sentiment now comes from people who once, were your best ambassadors. Patiently trying to explain that all Americans are not warlike pigs raised in barns.You have absolutely no idea what a valuable resource lost. We are not a "swamp.

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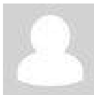

William Braun*21 hours ago*

@Patricia Moon A friend, when told he was a traitor for renouncing, asked the question: 'If you had a membership to a country club that had lost of nice people, but that cost you thousands in fees, very rarely went there, didn't play golf and basically had no interest in doing so, would you keep your membership anyway? Passports are essentially country club memberships. It doesn't change you as a person.

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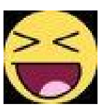

Michael Chan*12 hours ago*

@Patricia Moon

So you or your spouse never consulted a tax professional in all your years *before* renouncing?

After renouncing, you still complain about the U.S. when you no longer have ties to the U.S. government, regardless of any relatives in the U.S.?

You've renounced and no longer have to deal with the U.S.!

Hope you find peace one day.

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Patricia Moon *11 hours ago*

@William Braun What a perfect analogy! If someone calls you a traitor, they understand little about what it is to be an American. It does not mean that you accept everything dished out by the government.The government is there to serve the people, not the other way around. The reason America was/is supposed to be such a desirable place to live is due to the fact the people have the right (responsibility) to act when something is not right.Calling you a traitor is proof-positive they know virtually nothing about the situation.

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Patricia Moon*3 hours ago*

@Michael Chan They were living on a simple CDN pension plan, had many difficult physical issues & now, are psychologically destroyed. This person was tax compliant before entering the "amnesty program. She OWED NO TAX.As far as we are concerned this is what is criminal. No need nor any excuse for this.

I am the Secy-Treas of two non-profits-one suing the CDN govt for the IGA as infringement of charter rights and the second formed to sue the U.S. for CBT. That is on hold until we see whether tax reform produces RBT. We get the word out by commenting on articles like these, using FB, Twitter etc. A major source of work exists at the Isaac Brock Society. If you are curious please see an earlier piece by Laura Saunders “Expatriate Americans Break Up With Uncle Sam to Escape Tax Rules Cannot seem to get comment to work with link inserted. 2/2

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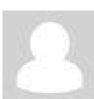

David Ingram*1 day ago*

I agree, the U.S. needs to complete the tax reform this year and go to a territorial system for businesses as well as individuals. Simplify the tax code - we all know we'll lose some of our deductions but overall Americans will accept this new reality with an understanding that it is fairer and better for the country.

We really need to stop designing tax law to accommodate the political special interests and donors.

How about the IRS focus on tax refund fraud - according to a 2015 article Tax-refund fraud was expected to hit a whopping $21 billion by 2016.

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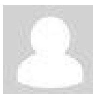

[THOMAS BEUSSE](#)*1 day ago*

[@David Ingram](#) I agree. Lessee - Momma is on govt. assistance and "sells" her child's Social Security number to a working person, etc. I once saw the tax return of a woman claiming to operate a beauty shop in her public housing apartment. No income tax and a $5,000 refundable credit.

It needs to stop.

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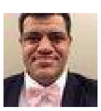

[Joe Hunt](#)*1 day ago*

Because in the United States (occasionally known as the "land of the free"), your money is never really "your money." A worldwide taxation scheme means it doesn't matter if you pay taxes on income received and then decide to invest it elsewhere; it's "their money" and they "allow" you to retain a portion of it.

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14

STEVEN FRANKEL*1 day ago*

@Joe Hunt Well said, sadly.

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Carl Perelli Minetti*1 day ago*

If the Soviet Union had had a tax regime that was as hostile to those who earn abroad and/or want to emigrate, it would have been denounced as just another aspect of totalitarianism, just as the German and Italian fascists forced those who wanted to flee to surrender most of their assets (often in forced 'sales' at bargain prices).

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Tommy Butler *1 day ago*

If you were a country with $20 Trillion in debt, and inflating the money supply by $4.5 Trillion, what capital controls would you impose to stop wealth from fleeing your country?

FATCA may be an aberrant oppressive burden on its citizens worthy of Stalin's Russia, but what do you expect when the USA cannot stop the spiraling borrowing, taxing, and spending?

Impose fiscal discipline, and our nation will have no need for such draconian measures.

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scott moseley *1 day ago*

@Tommy Butler Impose fiscal discipline....by our Government? You might as well ask that the sun rise in west, it is more likely.

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Jerry Purswell *1 day ago*

I can only imagine the heartburn this must be causing for US expats living abroad. I briefly had a Swiss bank account when I lived for a year in Geneva 35 years ago. I had quite a few friends who held both US and another citizenship. I can easily see more than a few of them renouncing their US citizenship as a result of this. The US needs to move to a territorial system like the rest of the world.

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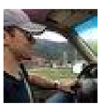

Brent Janezic *1 day ago*

@Jerry Purswell Yes it is painful. I lived and worked in Canada a few years. The biggest pain is the tax preparation and compliance. I am a guy that likes to do this stuff himself, but there is no out of the box turbo tax here. The CPA fees for proper reporting can easily amount to $1500 a year.

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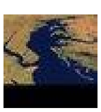

SARAH FARRAR*1 day ago*

@Brent Janezic @Jerry Purswell

Hell's belles, it can be a lot more than that. Especially if you're also paying an estate lawyer.

Will Trump please kill the Death Tax?

Now!

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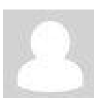

Ken Belcher*1 day ago*

@SARAH FARRAR @Brent Janezic @Jerry Purswell

Having lived abroad and complied I didn't find it that onerous, and was aware of the rules. It certainly wasn't so much trouble that I would renounce US citizenship. Anyone with foreign equity holdings should already be experiencing this now, even if they do live in the US.

Since one can offset US taxes with the taxes paid elsewhere and there is (was?) a partial earned income exclusion it is not even that expensive.

As far as estate planning, consulting an estate lawyer familiar with the inheritance laws of where you live is essential - they can be very different from what you encounter in the US.

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Daniel Kuettel*1 day ago*

@Ken Belcher @SARAH FARRAR @Brent Janezic @Jerry Purswell

It is unfair that you only file taxes in the country where you live and not in the country where I live too. Shouldn't all Americans be treated equally? Shouldn't you be filing tax returns for every country in which Americans reside? If you love double-taxation so greatly, then why don't you subject yourself to such instead of burdening others with it? Your argument is nothing but hypocritical racism.

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F K Alpert*1 day ago*

@Ken Belcher @SARAH FARRAR @Brent Janezic @Jerry Purswell There is a big difference between someone who moves abroad for a few years and someone who emigrates to another country, takes up citizenship, and plans to stay. For the latter, investing in the US is parking money "overseas" and may have tax consequences in their new home. In such a situation, the US citizen cannot win. There is no way to navigate two different tax systems when at least one of the (the US) treats everything offshore as potential tax evasion. Planning for retirement while living outside the US is nearly impossible for a US citizen, especially post-FATCA.

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Kirth Gersen*1 day ago*

Invariably all these articles refer to "secret offshore accounts"to "hide money".

Unless I'm missing something, this is purely about income that's not being reported, no?

Seems there are many smaller countries w/ tighter bank secrecy laws nowadays, Switzerland gave up that crown years ago.

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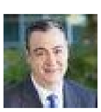

Harold Naparst*1 day ago*

@Kirth Gersen No. You have to declare any financial accounts held abroad on the FBAR to the U.S. Treasury and separately to the IRS on Form 8938 every year. This applies whether you live outside the U.S. or not.

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Laura Wilson *1 day ago*

@Kirth Gersen No, the US is unable to discern the difference between US residents off-shoring to avoid taxes and US citizens living abroad and banking locally. Their accounts are NOT secret, just used to receive pay checks and pay the rent. They pay taxes to the nations in which they reside.

Because of immoral, US only, taxation based citizenship the US believes its 9M diaspora are tax cheating money launderers unwilling to pay their "fair share" to a nation they DO NOT LIVE IN. FATCA scours the earth demanding (extorting) other nations become arms of the IRS at THEIR expense and find each and everyone with a US indicia, however remote. In unstable areas this is a VERY dangerous practice. In all areas it is simply disgusting and completely indefensible.

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Daniel Kuettel*1 day ago*

@Kirth Gersen America is the largest and most secret tax haven in the world. It rejects CRS and FATCA reciprocity.

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Paul Angelchik*1 day ago*

We need to simplify the rules of paying taxes. It's interesting that all the Leftists want us to sign up for the Paris Accord because "190 other countries did it and we don't want to be left out". But when it comes to taxes, I don't hear the Left suggesting we adopt the same rules that other countries have.

Why should an expat living abroad pay taxes in the USA when they are paying them in their country of residence? If the USA has a tax treaty with that country the expat may catch a break, but the principle is flawed and anticompetitive. Other countries don't do this.

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michael moy *1 day ago*

@Paul Angelchik We have this at the state level too in the US.

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Daniel Kuettel *1 day ago*

@michael moy **@Paul Angelchik**

Usually not. It can happen, but generally US residents fight to not harm themselves the way they harm expats.

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Patricia Moon *1 day ago*

@Paul Angelchik I like your comment. However, the tax treaties do not primarily exist to prevent double taxation. (That is done thru the FEIE and FTC). In fact the tax treaty often allows for double taxtion due to the savings clause the US insists upon in all treaty agreements. There are two main precepts: that the U.S. has the right to tax U.S. citizens residing in the other country & that the U.S. has the right to tax the citizen as if the treaty did not exist. You are absolutely correct that the principle is flawed and anti-competitive. No other countries do this to their expats. (Eritrea does not count...)

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Sam Natarajan*1 day ago*

It's still a pain to do FBAR filing. IRS should look to simplify the process like allowing data upload in CSV format.It's painful to work with PDFs if you have multiple accounts (If you open a good number of CDs or FDs). I can work my way through this issue but don't think everyone else can (Export data as XML and copy paste repeating data)

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michael moy*1 day ago*

@Sam Natarajan If your accounts are mostly the same from year to year, then you can just cut and paste your previous entries which is what I do. It may even be possible to just edit a copy of your previous years - I don't know whether or not that works.

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Daniel Kuettel *1 day ago*

@michael moy @Sam Natarajan

It is perfectly fine for the US government to burden itself with all of its tax-filing requirements. US little people work too hard to be bothered with such things.

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Melissa Shepperd *1 day ago*

For those of you desiring to hide your (hard earned) money and to remain private otherwise, check out "How To Be Invisible" by J.J. Luna

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Donald McCarthy *1 day ago*

The United States is one of only two countries in the world that taxes its citizens on their worldwide income, regardless of residency status. The IRS, however, is limited as to what recourse they may have against U.S. citizens who live overseas. No country would extradite an American for not paying their U.S. taxes as they haven't violated any of the laws in that country.

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Laura Wilson*1 day ago*

@Donald McCarthy Some countries have mutual collection agreements.

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Patricia Moon*1 day ago*

@Laura Wilson **@Donald McCarthy** yes but the 5 who do have been clear- they will not collect on anyone who was a citizen of that country when the tax was incurred.

Canada will not collect FBAR penalties because they are not taxes.

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Cameron Winship1 day ago

Good.

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John Rogitz1 day ago

So the inspector Javerts of the IRS have recovered $10B in eight years. I guess that's nice. Much less than the voracious maw of the IRS budget to fund itself over that period, but still....

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Daniel Kuettel1 day ago

@John Rogitz The source of the $10 billion is non-transparent and secret.

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Eileen Weber*1 day ago*

How come they don't look into Western Union cranking billions wired to Latin American countries that illegals send and others?

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Daniel Kuettel*1 day ago*

@Eileen Weber The US government only harms US citizens, not illegal immigrants.

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Michael Devlin*1 day ago*

Heaven forbid that the IRS wouldn't know about every penny you have.

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Daniel Kuettel *1 day ago*

@Michael Devlin The IRS only knows that it wants to have your every penny.

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William Charles *1 day ago*

The small to medium businessman get's left in the dust in terms of expanding internationally thanks to FATCA. The residual effects kills expansion and with it economic growth which is now reserved for the multinational corps., pay to play. Problem is who would do business with America when outfits risk penalties and seizure of assets if for some reason they don't comply perfectly. Sorry, but this is an economy killer.

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Liang Hong *1 day ago*

Fatca for fat cats... nice one

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Richard Saunders *1 day ago*

@Liang Hong I believe that as a working title it was originally called fatcat. Later on they thought better of it and dropped the "t" for more subtlety. Bureaucrats with fascist tendencies like to amuse themselves.

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Laura Wilson *1 day ago*

@Liang Hong

Only a moronic legislator would think that any FAT CAT worth their salt would be caught by such simplistic schemes as FATCA. It is only destroying the Skinny Cats without teams of lawyers/accountants.

This was enacted to soothe the masses into thinking they are addressing tax evasion. It is anything but, fat cats are long gone. Plus for a pittance in return (most probably a loss once US enforcement costs are calculated) FATCA and taxation based citizenship has locked Americans in. You cannot leave if you cannot bank, save, invest.

So much for "land of the free". Just don't try to leave.

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Jim Lambert *1 day ago*

F(u)BAR compliance filing

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Daniel Kuettel *1 day ago*

@Jim Lambert little kids have to report their pennies to the Financial Crimes Enforcement Network or be punished with jailtime

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William Braun*21 hours ago*

@Liang Hong Yeah. That's one of those stupid acronyms Congress dreams up to make it look like they are actually accomplishing something.

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Ken Sherman*1 day ago*

This article should help dispel the notion that USA is a free country. If you open a foreign bank account, you must report it to the US government via FBAR (FinCEN Report 114). There is a $10,000 fine for failure to file, or late filing, for every year that you fail to do so. If you live in Spain for example, and open a Spanish bank account to pay your bills, but fail to file the form, the US government can fine or jail you.

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[Gerti Tuzi]() *1 day ago*

The IRS is just a communist institution that hates success and the successful. The rich have all the rights to maximize profits every which possible way (take our beloved POTUS, the symbol of a well deserved successful person). We, the rest are genetically deficient and deserve to pay taxes - because we are incapable of doing any better. Moreover, any criticism, that comes from the pool of the genetically (and consequently economically) unfortunate - lazy, low IQ, taken to entertainment, frail, etc which is why we're poor - and which aims towards the "unfair" practices of the well-deserved, successful and genetically gifted is also communist hatred. We should instead sing praises to the rich and self-flagellate. Strange language ? No, simply the rational consequence of right wing radio talk shows feeding on two millenia of church herd management. These are simply operating premises and axioms seen in the language used from right wing poor and blue collar supporters as well as the propagandists of the fortunate rich, and inadvertently "genetically superior". Results of a well oiled stupification machine.

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David Brown *1 day ago*

Whatever.

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[Gerti Tuzi](#)*1 day ago*

@David: on point.

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[Robert Chase](#)*1 day ago*

Unfortunately renouncing your citizenship is also a taxable event! If your net worth is greater than $2 million (I think, it may have increased) you get hit with the "exit tax" - tax on unrealized property capital gains. And after you renounce and you think finally I'm out, there's the death or "final exit" tax on your estate! When you renounce you also renounce your right to claim the $5.49 million exclusion and this may disappoint your kids.

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[Richard Saunders](#)*1 day ago*

@Robert Chase You are more or less correct. So what would you do if you had a large estate and you have renounced your citizenship? Answer: Your children also renounce their citizenship. Thus the current laws motivate the departure of the entire family.

Human beings are somewhat migratory.

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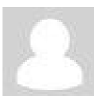

Patricia Moon *1 day ago*

Thanks for making a distinction in your article between Americans abroad who were unaware of any obligations to file anything & Homelanders who have foreign accounts purposely to evade taxes.

The real problems are generally NOT taxes as annual income tax is rarely owed. Tax is already paid to the countries where they reside & where the money was earned. It belongs to the economy from which it is derived, not to the U.S. government. OTOH, for those who live in the U.S., the income from offshore investment is likely not offset by tax paid in the host country so the U.S. is owed. These are the people who will be "outed" by information from the Panama Papers etc.

The only "benefit" that remains for a citizen living outside the U.S. is the ability to return, something which those who made their lives elsewhere rarely do. It is hardly fair to expect the same level of tax from someone not using the services. Not all can afford to renounce; this is far more complicated than need be.

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michael moy *1 day ago*

@Patricia Moon It would also be nice if they pointed out the number of people that report and pay their taxes on overseas income and fill out the FBAR on time every year. The FBAR has gotten far easier to fill out, submit and get confirmation of thanks to technology.

Communications would help a lot too. This year, the deadline for the FBAR was moved from the end of June to the date when taxes are due. I only found out about this because a couple of guys in the office were discussing it and I chimed in - they informed me that the deadline had moved up. I would have preferred it if I had read this in the news long before the new deadline.

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Laura Wilson *1 day ago*

@michael moy **@Patricia Moon**

Indeed they should publish the names of those living abroad that are dutiful eternal taxcompliant slaves to a nation they do NOT live in. After all they publish the names of those that renounce US citizenship.

In the past this was known as the "Name and Shame" list. It is now known as the "Freedom List". Folks that can afford to do so are lining up in droves to get on the list, hoping they can finally financially survive abroad.

Such a shame. One would have thought the US was better than this. The US government completely fails to grasp that diasporas matter. Destroying theirs for a pittance in return is a very short sighted fool's errand. Americans cannot compete in a global economy.

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Patricia Moon*1 day ago*

@michael moy It would have been nice if the US had done their due diligence in the first place. All of this could have had a completely different tone/outcome if they would have taken the responsibility. What does it say about a government when one learns of such things through a foreign newspaper?

The IRS releases SOI's that one can infer how many have filed by looking at the number of 2555's 1116's and so in.

We are not hearing reports of anyone being contacted by the IRS due to FATCA.

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William Braun*21 hours ago*

@michael moy **@Patricia Moon** I always laughed at the fact that the FBAR and FATCA accomplished almost the same thing, but that each department used their own interpretation of the currency cross rates, so that the assets were different. You can't make this up.

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michael moy*19 hours ago*

@William Braun **@michael moy** **@Patricia Moon** The FBAR is self-reported while FATCA goes after foreign financial institutions to report on individuals and other entities. I do think that you need to do both as there are a couple of places that we have to report on that don't do FATCA reporting.

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Patricia Moon *12 hours ago*

@William Braun **@michael moy** Exactly! It is so Kafkaesque it would be funny if it were not so destructive, particularly if one is in (or close to) retirement, where any lost of income can be catastrophic.

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Tom Topar *1 day ago*

"Including a surgeon and a retired professor" but strangely no mention of going after the politically connected like Hillary and Bill's Clinton foundation or Soros's source of money to fund the urban terrorism he and the democrats are so fond of.

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Richard Saunders *1 day ago*

I am all for prosecuting tax cheats. The US though puts expats in the big squeeze play. US citizenship based taxation forces expats to pay taxes(often double taxed) with no services provided, unless you consider the ridiculous notion that the US Marines will come and save you on some street in Paris or London. And if one decides to renounce his citizenship then he is pelted with laws designed to bankrupt and intimidate.

Imagine if all of the immigrants that live in the US were forced to pay taxes to their country of origin and that their country of origin made it almost impossible to fully integrate into the US economy without going through the draconian gauntlet of renouncing ones citizenship.

The US wants it both ways. I guess as the most powerful country on the planet it can do what it wants. For US citizens there is already a wall....you just can't see it.

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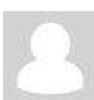

michael moy *1 day ago*

@Richard Saunders I believe that there's a foreign income exclusion that's pretty generous. I had to do this once for my wife several decades ago and there was a nice number for a floor and she was below the floor so her earned income was a moot point. There are also foreign tax credits so if you're paying taxes on investments to the foreign country, then you can claim foreign tax credits on your US return.

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Richard Saunders*1 day ago*

@michael moy **@Richard Saunders** Without completely hijacking the authors original intent or turning this into a tedious discussion on the intricacies of double taxation I would refer you to many of the discussion boards for expats.

There are many cases where there is double taxation, either explicitly or implicitly. Some countries have a high VAT but do not have a capital gain tax on one's primary residence. The expat pays the high VAT and then has to pay capital gains to the US. There are lots of these types of examples.

Additionally, for many, the filing of the tax returns is complicated. The point being citizenship based taxation and the US laws around changing ones citizenship suppress freedom of movement.

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michael moy*1 day ago*

@Richard Saunders @michael moy Yeah, I thought about the VAT and the inability to get some kind of tax credit or exclusion for it.

Tax returns are complicated whether you live in the US or outside of it and we also have state returns which can also be quite complicated. For me, TurboTax takes a lot of the headache out filing. It literally saves me about a week of labor in filing taxes. Maybe Intuit should come out with TurboTax, ExPat Edition.

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Nancy Herring *1 day ago*

@Richard Saunders Don't ex-pats still get something like a $70,000 income tax exclusion while working overseas?

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Laura Wilson *1 day ago*

@michael moy @Richard Saunders

Filing taxes to a nation you do NOT live in nor receive benefit from is simply ridiculous plus it is completely impossible to meld two differing tax schemes. Those thresholds are for earned income only. All else is doubly taxed.

That being said taxation, horrific as it is, isn't the worst problem. The IRS HATES anything foreign and deferred. That includes retirement, educational and disabled child accounts. (Yes, the US even destroys saving accounts parents use to protect their disabled children when they pass AND also tax the local governments contributions to these accounts. Utterly disgusting.)

Then there is the PFIC issue regarding any investments that aren't in the US...an untold nightmare.

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William Braun*21 hours ago*

@Laura Wilson Most foreign banks have two lists (but you already know this) a) the list of lucrative investment possibilities and b) the list for Americans.

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Zach S*1 day ago*

Wouldn't it be easier to force Amazon, Google, and Apple to repatriate their earnings instead of going after the assets of individuals? Thanks president dipshit

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Robert Chase*1 day ago*

@Zach S You think TRUMP started this nonsense?

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Tom Topar*1 day ago*

@Robert Chase **@Zach S** Zach is a long time Koolaid drinker and never had a original thought. Just think democrat snow FLAKE with emphasis on the FLAKE.

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Zach S*1 day ago*

@Tom Topar **@Robert Chase** **@Zach S**

At least we know neither of you two welfare collectors are hiding any money overseas! Lol!

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William Gianopulos*1 day ago*

What a waste of good taxpayer money. So far $9 billion collected? Seriously? That's on par to equal what Hillary might have continued to receive from 3rd world dictators in a few years. Chump change. The IRS is chasing its tail. The Eastern European Oligarchs spit this kind of money, and right through the NY Fed system. No wonder they laugh at us.

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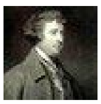

Jason Chimienti*1 day ago*

Wonder if all these resources and expenses justify the collected taxes.

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Daniel Kuettel*16 hours ago*

@Jason Chimienti Let see. Trillions are spent to collect a few million in double-taxation from the unrepresented. If expats had representation, then the double-taxation would end. This means that the trillions are spent for nothing.

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William Schott*1 day ago*

After eight years of Obama lawlessness why pay your taxes unless you are a Republican conservative. Just become a liberal Democrat and pay taxes no more and make sure you vote Democrat.

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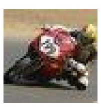

Ernest Montague*1 day ago*

@William Schott I can assure you, William, that the IRS doesn't differentiate.

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JAMES HEARD*1 day ago*

This sounds like a good start to me. As long as a U S citizen living abroad retains and expects the legal protections implicit in his citizenship (Benghazi aside - which was a gross failure of the SoS and POTUS), he should be paying his fair share of US taxes on his income. Otherwise, he can renounce his US citizenship. I just wonder why it took Congress so long to enact the mechanisms to discover the tax cheats.

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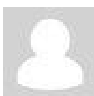

Richard Saunders*1 day ago*

@JAMES HEARD Every other nation on the planet allows its citizens to retain their citizenship and pay local taxes to the country in which they live. The US is the only nation to tax its citizens regardless of where they live. Citizenship based taxation makes it difficult to live overseas.

You claim that US citizens can renounce their citizenship if they don't like it. Unfortunately the US makes this very difficult and expensive. The US is the only nation other than North Korea to have a "name and shame list" of former citizens. The US is the only nation other than North Korea to threaten to ban its former citizens from returning to visit their home country. The US is the only nation in the world that has draconian fees and taxes for renunciants.

I'm all in favor of preventing tax cheats but it seems like the US wants it all ways.

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Laura Wilson*1 day ago*

@JAMES HEARD

1. What are the legal protections implicit in US citizenship?

2. What is "fair share" of taxes when there is no benefit? These folks pay taxes to the nations in which they reside and receive benefit.

Taxation isn't the largest problem for these folks. They cannot open bank accounts, invest, save for retirement, to educate their children nor to protect their disabled children. ONLY the US taxes in such an immoral, unethical and unjustifiable fashion.

3. It is prohibitively costly to renounce US citizenship, the highest in the world.

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michael moy *1 day ago*

@JAMES HEARD Do you actually wind up owing the US anything when you file your returns? Tax rates are often higher in other countries and ex-pats have income exclusions and foreign tax credits that can wipe out taxes owed to the US but it depends on your circumstances.

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F K Alpert *1 day ago*

@michael moy **@JAMES HEARD** It's not so much the actual tax owed. It's the compliance cost if you have any investments where you live. Plus, US tax law makes it prohibitively expensive to invest in any type of managed investment where you live (and securities law makes it illegal for US funds to sell to non-US residents). In Australia all employees MUST have a retirement account and employers make mandatory contributions to the account. The Australian government encourages retirement savings and has one of the better retirement systems in the world. However, US citizens living in Australia must pay US tax on the employer contributions (and in some circumstances on the income accruing inside the account) - thus nullifying Australian government policy and making it more likely that the Australian government will be left paying an Age Pension to US/Aus dual citizens than to other Australians.

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William Braun *21 hours ago*

@JAMES HEARD That's one of the biggest scams, by the way. Ask the hostages in Iran how much 'legal protection' or 'support of the US military' they got. The other bright shining lie is the 'embassy services'. That's bull too. EVERY embassy offers the same if not better services.

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michael moy *17 hours ago*

@F K Alpert **@michael moy** **@JAMES HEARD** I had to deal with the paperwork for a couple of Superannuation accounts in Australia for about three decades and kept up with the legal discussions in Australia. Suffice it to say that Australia wasn't big on helping out foreign Ex-Pats either.

Ultimately the solution was to get out of the Superannuation accounts and I don't think that Australia charged us for taxes on it but we paid US taxes on it.

Ultimately I was happy to be done with the Superannuation stuff.

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James Mulcahy*1 day ago*

Interesting. They go after these folks but we read that many IRS staffers are delinquent on their own income taxes. Physician, heal thyself.

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michael moy*1 day ago*

One form of this that I've heard of is people making money and transferring it to relatives in other countries. When it's needed back here, they just transfer it back. Of course you have to be able to trust your relatives that they won't just take off with it.

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Michael J Knight*1 day ago*

tax glitches with innocent mistakes dont worry? what unicorn planet are you from?

irs goons no only one way. especially if you are resource poor. cram you, slam you, destroy you.

dont ever expect anything different.

and as my staff says even when im wrong im right. same for irs. with sovereign immunity they can be dead wrong and you john q public cant do anything about it.

take that taxpayer.

yours truly john koskinen.

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michael moy *1 day ago*

@Michael J Knight If you're living in another country and assume that you don't have to pay taxes or file a US return - I guess you might call that an innocent mistake if you don't keep up with US financial and legal news. I'd guess that most people don't - the folks here probably keep up with this stuff.

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Jay Joyce *1 day ago*

Here is a hint for the IRS. Start with the Clinton "foundation."

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John Martens *1 day ago*

@Jay Joyce Clinton "foundation" principals are pikers compared to the Jill + Nicholas Woodman Foundation (GoPro).

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Anthony Zipple*1 day ago*

@jay Joyce The foundation is carefully audited annually. It posts its financials publically (unlike orange turkeys). Do you know actually know of any tax fraud or are you just blathering?

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R Siegel*1 day ago*

@Anthony Zipple Why do you suggest that the foundation is audit annually? I believe that this is not correct. If you know more, what was the last year that an audit was performed?

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Ed Johnson*1 day ago*

@Anthony Zipple

Tax fraud has already been exposed via the "charitable Canadian foundations" the Clintons used to launder their money.

Of course, just like the emails, destruction of public property, obstruction of justice, lying to Congress, etc., the Clintons are not obliged to follow the same laws which apply you, Anthony.

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richard barry*1 day ago*

Ah. Now HERE is some advice some WSJ readers can use.

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Graham Arader*1 day ago*

$9.9b is peanuts but the 99.9% of the American population that dont use this sophisticated form of tax cheating will take heart that some fairness is creeping into our system.   And the benefit of that will bring in vastly more with enhanced compliance.

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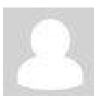

Laura Wilson*1 day ago*

@Graham Arader

Off-shoring for tax evasion by US residents is one issue, viewing US citizens residing abroad, banking locally and paying taxes to the nations in which they reside is quite another.   The US has NO business taxing these folks, no other nation does this.

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Comments as of 08:00AEST 3 June 2017

There are 117 comments.

NewestOldestReader Recommended

JAMES MARION *31 minutes ago*

Don't forget, part of a good diversification plan to avoid the taxman must include making regular deposits with the Posturepedic Bank of Florida and coffee cans buried throughout your property in upstate New York.

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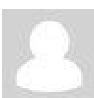

Karen Venice *1 hour ago*

This article mentions FATCA but not FBAR.

FBAR requires a report to the IRS if a foreign account hits $10,000 for just one day. That's right - Ten Thousand Dollars just once!!

The problem is the same as FATCA - we are worried that the foreign bank will cancel our only account in that country if there is any reporting requirement or even the most innocuous query from the IRS. So we have deliberately held its balance below $10,000 all the time. We need that account for our small business. This is very inconvenient.

Couldn't the FBAR reporting requirement be raised to something reasonable, like $100,000? Do the Feds really think that a reasonable reporting threshold like $100,000 would lead to substantial international crime?

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Massimo Mazzone*2 hours ago*

Big Brother is watching you

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Matt McCall*3 hours ago*

When Helmut is working on a project in the Venezuela Chemical industry and needs something, he calls Ernst in Hanover to have it made. When Tom is working on a project in Saudi and needs something he does not call Ernst in Hanover he calls Billy Bob in Houston. Billy Bob I need another one of those custom fracking towers like you made me for the Corpus Christi plant, when I was working in the south Texas office. This folks is why Germany does not tax expats, they are national export sales people. If we want to balance the trade deficit and bring back jobs then we need to quit punishing (taxing and regulating) our expats to death. What we are practicing is a national tax policy of envy. Envy never built anything.

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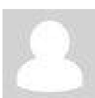

Daniel Kuettel*3 hours ago*

Your article gives one the impression that America is a fear country, where its citizens are driven by fear and may only behave after being heavily threatened. I don't remember it being so bad in the past.

While the current title is catchy, it sends the wrong message. I'd recommend using a title which promotes positive change, such as calling for #FATCA to be repealed to protect the innocent from being wrongly harmed.

In your article, I think that you made it pretty clear that the US government really doesn't care about the innocent and will eagerly harm them to catch one suspect. This seems to be the latest movement going on in America, but I hope that things won't become as bad as this article suggests that it will be.

The US government could treat its citizens much better if it wanted to. It is sad that it came to this.

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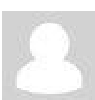

Colin Firmin*3 hours ago*

Here's an interesting idea... don't tax citizens at 25%-40%+ and they won't bend over backwards to avoid taxation by storing money in offshore banks. Then, they would save money in American banks and the economy could actually grow without being financed by debt.

It's almost like people want to keep the money that they work for instead of funding IRS investigations or contributing to a failing SS system that will reap no benefits for the people contributing to it.

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Scott Hammet *3 hours ago*

There's some irony in that they couldn't find some missing hard drives that were, at one time, in their own building, yet they can find complicated tax havens spread out over the globe.

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Darl J. Dumont *3 hours ago*

Good news. Lock them up.

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Daniel Kuettel*3 hours ago*

@Darl J. Dumont Lock up who?

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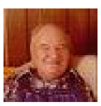

Robert Eisenhauer*4 hours ago*

When Switzerland agreed to betray its depositors to foreign thugs, the term "Swiss bank" vanished.

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Laura Wilson*4 hours ago*

@Robert Eisenhauer Now US is #1 tax haven having eliminated the competition. Wonder what could go wrong when the world wakes up to this hypocrisy.

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Daniel Kuettel*3 hours ago*

@Robert Eisenhauer Swiss banks still exist. They are just trying their best to evade the foreign thugs.

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holt jurie*4 hours ago*

one of the many benefits of the internet; world taxation.

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Daniel Kuettel*3 hours ago*

@holt jurie Have you already paid your fair share of North Korean taxes to support their nuclear weapons efforts?

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Paul Mcbride*5 hours ago*

Lois Lerner isn't in jail.

The Clinton Foundation hasn't been shut down.

And that tells you all you need to know about corruption at the IRS.

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David Ingram*4 hours ago*

@Paul Mcbride Hear, Hear Paul, you nailed it! We don't blame the IRS for enforcing the law. We blame them for the selective manner in which they enforce the law.

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GARY E. SULLIVAN*5 hours ago*

I thing everybody should pay their fair of taxes, But the one tax that is truly unfair , is the tax on your SS Check. LBJ put it on to balance his budget and pay for his Great society. It truly hurts the senior citizens that help build this great country,

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Daniel Kuettel*3 hours ago*

@GARY E. SULLIVAN «everybody should pay their fair of taxes»

Are you referring to local taxes or non-local double-taxation?

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Geri Scott*5 hours ago*

Is the money hidden there by our elected officials in jeopardy? Of course not, they made themselves immune to their laws.

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Michael Chan*5 hours ago*

Going to get bashed but here goes...

It's CONGRESS that creates the US tax laws while the IRS is the enforcer of such laws.

Hating the IRS for doing its job is like hating a police officer for doing his/her job in upholding the laws of the land. It's not the police officer's fault that many of the laws s#ck since it's *created by the Politicians*.

Blame the idiot US Politicians and lobby groups for messing up the US tax code.

The IRS will use almost any tactic to enforce the tax code, sometimes quite harshly, so it does get *some*of the blame and hate.

Blame Congress for creating convoluted tax laws.

A territorial tax would resolve much of the international tax issues as well as the US tax issue.

Lots of people come to America for a *better* life not available/possible in their own country! Appreciate it!

Many Americans don't realize they get the *benefit* of returning to the U.S. if anything happens.

If not, stop complaining and just renounce your American citizenship and go your own way.

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Laura Wilson*5 hours ago*

@Michael Chan

Ha, here comes your bashing!!!

1. No one is blaming the IRS. Everyone is well aware congress has to fix this. In the case of FATCA President Trump can defang it with an EO nullifying the IGA's enforcing it. (As Obama legislated the IGA's with EO).

2. No bashing on idea that territorial tax, as practiced by every other single nation on this planet, would solve the problem.

3. Most live in stable environments. There is no need for eternal tax slavery just to insure against some remote possibility. (Plus right of return is a birthright).

4. Indeed many come to America for a better life. That is just great. No one should be concerned if some have found work/love abroad.

5. The US has the highest cost in the world to renounce citizenship. Most cannot afford the consular and compliance costs. That being said, many are lining up to do just that. There is a one year wait for appointments in many countries.

You should be concerned, US cannot compete in global economy.

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William Braun *1 hour ago*

@Laura Wilson **@Michael Chan** There is not the tiniest chance that FATCA and expat taxation will go away. Expats are the low-hanging fruit, usually don't have a rep in Congress to complain to and can be ripped off with impunity. Nope, it will get worse, not better.

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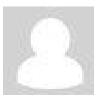

F K Alpert *1 hour ago*

@William Braun **@Laura Wilson** **@Michael Chan** Which is exactly why I renounced last year. If the US is going to insist on taxing non-resident citizens against all international norms, then the least they could do is to allow us to invest where we live. The US tax code is xenophobic and penalizes all foreign investment other than direct shares and direct real estate. Local index funds, retirement accounts, small businesses - all are punitively taxed by the US, severely limiting the ability of dual citizens to plan for their retirement. I was not hiding money overseas - I was investing at home. It is now much easier for me to do this without the ball and chain of US citizenship.

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Laura Wilson *56 minutes ago*

@William Braun @Laura Wilson @Michael Chan

It becomes more apparent daily that renunciation is the only choice, if one can afford to do so, for US citizens to financially survive outside the US borders.

It is beyond surprising that the US government does not grasp the long term fallout of this. In a global economy exporters need to bank, have boots on the ground, need Americans to work /study abroad etc.

I also wonder if US citizens even care that they are no longer free to leave. They certainly criticized other nations that had such a policy yet seem unconcerned that it now applies to them.

This mess has certainly created yet another group feeling ill-will towards the US government. Let alone all of the nations whose banks have been extorted and a promise of reciprocity that never happened.

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DAVID LAWRENCE*5 hours ago*

Maybe Trump can offer to reduce their tax burden and drop it to 10%. Doesn't it seem that in order to avoid taxes in the US, you have to be a corporation?

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Daniel Kuettel*3 hours ago*

@DAVID LAWRENCE «offer to reduce their tax burden and drop it to 10%»

This would involve US residents paying non-US taxes on their US earnings to reduce the tax burden for non-residents. Is that what you want?

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GARY E. SULLIVAN*5 hours ago*

Have you heard of any body in Congress being target? HO, I am sorry, I forgot they are pure as the snowflakes they have fostered.

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Daniel Kuettel*3 hours ago*

@GARY E. SULLIVAN FATCA only harms the unrepresented poor abroad, not wealthy US politicians.

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STEVEN FRANKEL *6 hours ago*

This entire FATCA headache needs to be repealed, the territorial approach needs to be instituted. Americans are persona non grata in banks around the world and our ability to do business and make money and repatriate it is hobbled by unending government greed. If they would incorporate an amnesty for US citizens abroad and domestic with a good and reasonable deal for paying up anything owed they would see an immediate windfall. If they unload this FATCA now, and make it easier to repatriate foreign earnings, they would see so much more money coming in that any real cheating would be drowned out and not really worth the effort. They seem to forget to whom the money belongs.

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William Braun *1 hour ago*

@STEVEN FRANKEL I agree with you, but it won't ever happen. Can you imagine the outcry if someone eliminated expat taxation? I still read on this website where some idiots think it's OK to tax people who have never even set foot in the country.

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MARYNIA MACKIEWICZ*6 hours ago*

I don't understand why this swamp hasn't been top priority.

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Patricia Moon*5 hours ago*

@MARYNIA MACKIEWICZ We are not a "swamp." We are merely people living our lives in foreign countries due to marriage, employment, or education. We are not Homelanders with foreign accounts in order to cheat on taxes.

We pay our taxes where we live. We receive nothing in return from the U.S. except we may return to the country. That is hardly worthy of being treated the way we are nor taxed at the same levels as those of you living there, receiving services, benefits and so on.

How about making the "swamp" in your own country a top priority before you are so quick to jump on a situation with which you obviously are not familiar?

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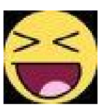

Michael Chan*5 hours ago*

@Patricia Moon @MARYNIA MACKIEWICZ

"We receive nothing in return from the U.S. except we may return to the country."

Many people still come to the U.S. for a *Better* life than they could find in their home countries.

If you find that you "receive nothing in return" for being an American, feel free renounce your American citizenship.

Then you won't have to complain anymore or feel any resentment towards the U.S.

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Laura Wilson*5 hours ago*

@Michael Chan @Patricia Moon @MARYNIA MACKIEWICZ

FATCA and citizen tax has caused the US to lose the good-will mini-ambassadorship of its own people abroad. Most nations view their diaspora as an irreplaceable national treasure, the US has destroyed theirs for a pittance in return.

Diasporas matter.

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Daniel Kuettel*3 hours ago*

@Michael Chan @Patricia Moon @MARYNIA MACKIEWICZ

If it is so very important for you that Americans renounce US citizenship, then why don't you remove the exit tax, exit fee and repeal FATCA so that Americans can leave unrestricted?

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William Braun*1 hour ago*

@Michael Chan The point is: Why should have to? The only other country that taxes expats is Eritrea. If you were born in California but now live in Iowa, would you happily still pay state tax to California? Didn't think so.

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David Ingram*7 hours ago*

I agree, the U.S. needs to complete the tax reform this year and go to a territorial system for businesses as well as individuals. Simplify the tax code - we all know we'll lose some of our deductions but overall Americans will accept this new reality with an understanding that it is fairer and better for the country.

We really need to stop designing tax law to accommodate the political special interests and donors.

How about the IRS focus on tax refund fraud - according to a 2015 article Tax-refund fraud was expected to hit a whopping $21 billion by 2016.

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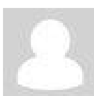

THOMAS BEUSSE*7 hours ago*

@David Ingram I agree. Lessee - Momma is on govt. assistance and "sells" her child's Social Security number to a working person, etc. I once saw the tax return of a woman claiming to operate a beauty shop in her public housing apartment. No income tax and a $5,000 refundable credit.

It needs to stop.

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Joe Hunt*7 hours ago*

Because in the United States (occasionally known as the "land of the free"), your money is never really "your money." A worldwide taxation scheme means it doesn't matter if you pay taxes on income received and then decide to invest it elsewhere; it's "their money" and they "allow" you to retain a portion of it.

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STEVEN FRANKEL*6 hours ago*

@Joe Hunt Well said, sadly.

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Carl Perelli Minetti*7 hours ago*

If the Soviet Union had had a tax regime that was as hostile to those who earn abroad and/or want to emigrate, it would have been denounced as just another aspect of totalitarianism, just as the German and Italian fascists forced those who wanted to flee to surrender most of their assets (often in forced 'sales' at bargain prices).

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Tommy Butler*7 hours ago*

If you were a country with $20 Trillion in debt, and inflating the money supply by $4.5 Trillion, what capital controls would you impose to stop wealth from fleeing your country?

FATCA may be an aberrant oppressive burden on its citizens worthy of Stalin's Russia, but what do you expect when the USA cannot stop the spiraling borrowing, taxing, and spending?

Impose fiscal discipline, and our nation will have no need for such draconian measures.

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scott moseley *5 hours ago*

@Tommy Butler Impose fiscal discipline....by our Government? You might as well ask that the sun rise in west, it is more likely.

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Jerry Purswell*7 hours ago*

I can only imagine the heartburn this must be causing for US expats living abroad. I briefly had a Swiss bank account when I lived for a year in Geneva 35 years ago. I had quite a few friends who held both US and another citizenship. I can easily see more than a few of them renouncing their US citizenship as a result of this. The US needs to move to a territorial system like the rest of the world.

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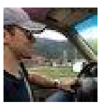

Brent Janezic*7 hours ago*

@Jerry Purswell Yes it is painful. I lived and worked in Canada a few years. The biggest pain is the tax preparation and compliance. I am a guy that likes to do this stuff himself, but there is no out of the box turbo tax here. The CPA fees for proper reporting can easily amount to $1500 a year.

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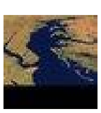

SARAH FARRAR*7 hours ago*

@Brent Janezic **@Jerry Purswell**

Hell's belles, it can be a lot more than that. Especially if you're also paying an estate lawyer.

Will Trump please kill the Death Tax?

Now!

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Ken Belcher*5 hours ago*

@SARAH FARRAR **@Brent Janezic** **@Jerry Purswell**

Having lived abroad and complied I didn't find it that onerous, and was aware of the rules. It certainly wasn't so much trouble that I would renounce US citizenship. Anyone with foreign equity holdings should already be experiencing this now, even if they do live in the US.

Since one can offset US taxes with the taxes paid elsewhere and there is (was?) a partial earned income exclusion it is not even that expensive.

As far as estate planning, consulting an estate lawyer familiar with the inheritance laws of where you live is essential - they can be very different from what you encounter in the US.

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Daniel Kuettel*3 hours ago*

@Ken Belcher @SARAH FARRAR @Brent Janezic @Jerry Purswell

It is unfair that you only file taxes in the country where you live and not in the country where I live too. Shouldn't all Americans be treated equally? Shouldn't you be filing tax returns for every country in which Americans reside? If you love double-taxation so greatly, then why don't you subject yourself to such instead of burdening others with it? Your argument is nothing but hypocritical racism.

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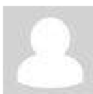

F K Alpert*59 minutes ago*

@Ken Belcher **@SARAH FARRAR** **@Brent Janezic** **@Jerry Purswell** There is a big difference between someone who moves abroad for a few years and someone who emigrates to another country, takes up citizenship, and plans to stay. For the latter, investing in the US is parking money "overseas" and may have tax consequences in their new home. In such a situation, the US citizen cannot win. There is no way to navigate two different tax systems when at least one of the (the US) treats everything offshore as potential tax evasion. Planning for retirement while living outside the US is nearly impossible for a US citizen, especially post-FATCA.

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Kirth Gersen*7 hours ago*

Invariably all these articles refer to "secret offshore accounts"to "hide money".

Unless I'm missing something, this is purely about income that's not being reported, no?

Seems there are many smaller countries w/ tighter bank secrecy laws nowadays, Switzerland gave up that crown years ago.

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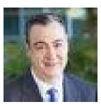

Harold Naparst*7 hours ago*

@Kirth Gersen No. You have to declare any financial accounts held abroad on the FBAR to the U.S. Treasury and separately to the IRS on Form 8938 every year. This applies whether you live outside the U.S. or not.

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[Laura Wilson]*7 hours ago*

[@Kirth Gersen] No, the US is unable to discern the difference between US residents off-shoring to avoid taxes and US citizens living abroad and banking locally. Their accounts are NOT secret, just used to receive pay checks and pay the rent. They pay taxes to the nations in which they reside.

Because of immoral, US only, taxation based citizenship the US believes its 9M diaspora are tax cheating money launderers unwilling to pay their "fair share" to a nation they DO NOT LIVE IN. FATCA scours the earth demanding (extorting) other nations become arms of the IRS at THEIR expense and find each and everyone with a US indicia, however remote. In unstable areas this is a VERY dangerous practice. In all areas it is simply disgusting and completely indefensible.

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[Daniel Kuettel]*3 hours ago*

[@Kirth Gersen] America is the largest and most secret tax haven in the world. It rejects CRS and FATCA reciprocity.

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Paul Angelchik*7 hours ago*

We need to simplify the rules of paying taxes. It's interesting that all the Leftists want us to sign up for the Paris Accord because "190 other countries did it and we don't want to be left out". But when it comes to taxes, I don't hear the Left suggesting we adopt the same rules that other countries have.

Why should an expat living abroad pay taxes in the USA when they are paying them in their country of residence? If the USA has a tax treaty with that country the expat may catch a break, but the principle is flawed and anticompetitive. Other countries don't do this.

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michael moy*7 hours ago*

@Paul Angelchik We have this at the state level too in the US.

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Daniel Kuettel*3 hours ago*

@michael moy @Paul Angelchik

Usually not. It can happen, but generally US residents fight to not harm themselves the way they harm expats.

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Sam Natarajan*7 hours ago*

It's still a pain to do FBAR filing. IRS should look to simplify the process like allowing data upload in CSV format.It's painful to work with PDFs if you have multiple accounts (If you open a good number of CDs or FDs). I can work my way through this issue but don't think everyone else can (Export data as XML and copy paste repeating data)

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michael moy*7 hours ago*

@Sam Natarajan If your accounts are mostly the same from year to year, then you can just cut and paste your previous entries which is what I do. It may even be possible to just edit a copy of your previous years - I don't know whether or not that works.

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Daniel Kuettel*3 hours ago*

@michael moy **@Sam Natarajan**

It is perfectly fine for the US government to burden itself with all of its tax-filing requirements. US little people work too hard to be bothered with such things.

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Melissa Shepperd*7 hours ago*

For those of you desiring to hide your (hard earned) money and to remain private otherwise, check out "How To Be Invisible" by J.J. Luna

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Donald McCarthy*8 hours ago*

The United States is one of only two countries in the world that taxes its citizens on their worldwide income, regardless of residency status. The IRS, however, is limited as to what recourse they may have against U.S. citizens who live overseas. No country would extradite an American for not paying their U.S. taxes as they haven't violated any of the laws in that country.

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Laura Wilson*6 hours ago*

@Donald McCarthy Some countries have mutual collection agreements.

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Patricia Moon*6 hours ago*

@Laura Wilson **@Donald McCarthy** yes but the 5 who do have been clear- they will not collect on anyone who was a citizen of that country when the tax was incurred.

Canada will not collect FBAR penalties because they are not taxes.

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Cameron Winship*8 hours ago*

Good.

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John Rogitz*8 hours ago*

So the inspector Javerts of the IRS have recovered $10B in eight years. I guess that's nice. Much less than the voracious maw of the IRS budget to fund itself over that period, but still....

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Daniel Kuettel*3 hours ago*

@John Rogitz The source of the $10 billion is non-transparent and secret.

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Eileen Weber*8 hours ago*

How come they don't look into Western Union cranking billions wired to Latin American countries that illegals send and others?

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Daniel Kuettel*2 hours ago*

@Eileen Weber The US government only harms US citizens, not illegal immigrants.

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Michael Devlin*8 hours ago*

Heaven forbid that the IRS wouldn't know about every penny you have.

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Daniel Kuettel*2 hours ago*

@Michael Devlin The IRS only knows that it wants to have your every penny.

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William Charles *8 hours ago*

The small to medium businessman get's left in the dust in terms of expanding internationally thanks to FATCA. The residual effects kills expansion and with it economic growth which is now reserved for the multinational corps., pay to play. Problem is who would do business with America when outfits risk penalties and seizure of assets if for some reason they don't comply perfectly. Sorry, but this is an economy killer.

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Liang Hong *8 hours ago*

Fatca for fat cats... nice one

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Richard Saunders*8 hours ago*

@Liang Hong I believe that as a working title it was originally called fatcat. Later on they thought better of it and dropped the "t" for more subtlety. Bureaucrats with fascist tendencies like to amuse themselves.

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Laura Wilson*8 hours ago*

@Liang Hong

Only a moronic legislator would think that any FAT CAT worth their salt would be caught by such simplistic schemes as FATCA. It is only destroying the Skinny Cats without teams of lawyers/accountants.

This was enacted to soothe the masses into thinking they are addressing tax evasion. It is anything but, fat cats are long gone. Plus for a pittance in return (most probably a loss once US enforcement costs are calculated) FATCA and taxation based citizenship has locked Americans in. You cannot leave if you cannot bank, save, invest.

So much for "land of the free". Just don't try to leave.

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Jim Lambert *5 hours ago*

F(u)BAR compliance filing

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Daniel Kuettel*2 hours ago*

@Jim Lambert little kids have to report their pennies to the Financial Crimes Enforcement Network or be punished with jailtime

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Ken Sherman*8 hours ago*

This article should help dispel the notion that USA is a free country. If you open a foreign bank account, you must report it to the US government via FBAR (FinCEN Report 114). There is a $10,000 fine for failure to file, or late filing, for every year that you fail to do so. If you live in Spain for example, and open a Spanish bank account to pay your bills, but fail to file the form, the US government can fine or jail you.

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Gerti Tuzi*8 hours ago*

The IRS is just a communist institution that hates success and the successful. The rich have all the rights to maximize profits every which possible way (take our beloved POTUS, the symbol of a well deserved successful person). We, the rest are genetically deficient and deserve to pay taxes - because we are incapable of doing any better. Moreover, any criticism, that comes from the pool of the genetically (and consequently economically) unfortunate - lazy, low IQ, taken to entertainment, frail, etc which is why we're poor - and which aims towards the "unfair" practices of the well-deserved, successful and genetically gifted is also communist hatred. We should instead sing praises to the rich and self-flagellate. Strange language ? No, simply the rational consequence of right wing radio talk shows feeding on two millenia of church herd management. These are simply operating premises and axioms seen in the language used from right wing poor and blue collar supporters as well as the propagandists of the fortunate rich, and inadvertently "genetically superior". Results of a well oiled stupification machine.

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David Brown*8 hours ago*

Whatever.

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Gerti Tuzi*8 hours ago*

@David: on point.

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Robert Chase*9 hours ago*

Unfortunately renouncing your citizenship is also a taxable event! If your net worth is greater than $2 million (I think, it may have increased) you get hit with the "exit tax" - tax on unrealized property capital gains. And after you renounce and you think finally I'm out, there's the death or "final exit" tax on your estate! When you renounce you also renounce your right to claim the $5.49 million exclusion and this may disappoint your kids.

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Richard Saunders*8 hours ago*

@Robert Chase You are more or less correct. So what would you do if you had a large estate and you have renounced your citizenship? Answer: Your children also renounce their citizenship. Thus the current laws motivate the departure of the entire family.

Human beings are somewhat migratory.

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Patricia Moon*9 hours ago*

Thanks for making a distinction in your article between Americans abroad who were unaware of any obligations to file anything & Homelanders who have foreign accounts purposely to evade taxes.

The real problems are generally NOT taxes as annual income tax is rarely owed. Tax is already paid to the countries where they reside & where the money was earned. It belongs to the economy from which it is derived, not to the U.S. government. OTOH, for those who live in the U.S., the income from offshore investment is likely not offset by tax paid in the host country so the U.S. is owed. These are the people who will be "outed" by information from the Panama Papers etc.

The only "benefit" that remains for a citizen living outside the U.S. is the ability to return, something which those who made their lives elsewhere rarely do. It is hardly fair to expect the same level of tax from someone not using the services. Not all can afford to renounce; this is far more complicated than need be.

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michael moy*8 hours ago*

@Patricia Moon It would also be nice if they pointed out the number of people that report and pay their taxes on overseas income and fill out the FBAR on time every year. The FBAR has gotten far easier to fill out, submit and get confirmation of thanks to technology.

Communications would help a lot too. This year, the deadline for the FBAR was moved from the end of June to the date when taxes are due. I only found out about this because a couple of guys in the office were discussing it and I chimed in - they informed me that the deadline had moved up. I would have preferred it if I had read this in the news long before the new deadline.

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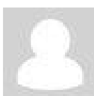

Laura Wilson*7 hours ago*

@michael moy @Patricia Moon

Indeed they should publish the names of those living abroad that are dutiful eternal taxcompliant slaves to a nation they do NOT live in. After all they publish the names of those that renounce US citizenship.

In the past this was known as the "Name and Shame" list. It is now known as the "Freedom List". Folks that can afford to do so are lining up in droves to get on the list, hoping they can finally financially survive abroad.

Such a shame. One would have thought the US was better than this. The US government completely fails to grasp that diasporas matter. Destroying theirs for a pittance in return is a very short sighted fool's errand. Americans cannot compete in a global economy.

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Patricia Moon*6 hours ago*

@michael moy It would have been nice if the US had done their due diligence in the first place. All of this could have had a completely different tone/outcome if they would have taken the responsibility. What does it say about a government when one learns of such things through a foreign newspaper?

The IRS releases SOI's that one can infer how many have filed by looking at the number of 2555's 1116's and so in.

We are not hearing reports of anyone being contacted by the IRS due to FATCA.

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Tom Topar*9 hours ago*

"Including a surgeon and a retired professor" but strangely no mention of going after the politically connected like Hillary and Bill's Clinton foundation or Soros's source of money to fund the urban terrorism he and the democrats are so fond of.

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16

Richard Saunders*9 hours ago*

I am all for prosecuting tax cheats. The US though puts expats in the big squeeze play. US citizenship based taxation forces expats to pay taxes(often double taxed) with no services provided, unless you consider the ridiculous notion that the US Marines will come and save you on some street in Paris or London. And if one decides to renounce his citizenship then he is pelted with laws designed to bankrupt and intimidate.

Imagine if all of the immigrants that live in the US were forced to pay taxes to their country of origin and that their country of origin made it almost impossible to fully integrate into the US economy without going through the draconian gauntlet of renouncing ones citizenship.

The US wants it both ways. I guess as the most powerful country on the planet it can do what it wants. For US citizens there is already a wall....you just can't see it.

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michael moy*8 hours ago*

@Richard Saunders I believe that there's a foreign income exclusion that's pretty generous. I had to do this once for my wife several decades ago and there was a nice number for a floor and she was below the floor so her earned income was a moot point.

There are also foreign tax credits so if you're paying taxes on investments to the foreign country, then you can claim foreign tax credits on your US return.

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Richard Saunders*8 hours ago*

@michael moy **@Richard Saunders** Without completely hijacking the authors original intent or turning this into a tedious discussion on the intricacies of double taxation I would refer you to many of the discussion boards for expats.

There are many cases where there is double taxation, either explicitly or implicitly. Some countries have a high VAT but do not have a capital gain tax on one's primary residence. The expat pays the high VAT and then has to pay capital gains to the US. There are lots of these types of examples.

Additionally, for many, the filing of the tax returns is complicated. The point being citizenship based taxation and the US laws around changing ones citizenship suppress freedom of movement.

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michael moy*8 hours ago*

@Richard Saunders **@michael moy** Yeah, I thought about the VAT and the inability to get some kind of tax credit or exclusion for it.

Tax returns are complicated whether you live in the US or outside of it and we also have state returns which can also be quite complicated. For me, TurboTax takes a lot of the headache out filing. It literally saves me about a week of labor in filing taxes. Maybe Intuit should come out with TurboTax, ExPat Edition.

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Nancy Herring*8 hours ago*

@Richard Saunders Don't ex-pats still get something like a $70,000 income tax exclusion while working overseas?

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Laura Wilson*7 hours ago*

@michael moy **@Richard Saunders**

Filing taxes to a nation you do NOT live in nor receive benefit from is simply ridiculous plus it is completely impossible to meld two differing tax schemes. Those thresholds are for earned income only. All else is doubly taxed.

That being said taxation, horrific as it is, isn't the worst problem. The IRS HATES anything foreign and deferred. That includes retirement, educational and disabled child accounts. (Yes, the US even destroys saving accounts parents use to protect their disabled children when they pass AND also tax the local governments contributions to these accounts. Utterly disgusting.)

Then there is the PFIC issue regarding any investments that aren't in the US...an untold nightmare.

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Zach S *9 hours ago*

Wouldn't it be easier to force Amazon, Google, and Apple to repatriate their earnings instead of going after the assets of individuals? Thanks president dipshit

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Robert Chase *9 hours ago*

@Zach S You think TRUMP started this nonsense?

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Tom Topar*9 hours ago*

@Robert Chase **@Zach S** Zach is a long time Koolaid drinker and never had a original thought. Just think democrat snow FLAKE with emphasis on the FLAKE.

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Zach S*6 hours ago*

@Tom Topar **@Robert Chase** **@Zach S**

At least we know neither of you two welfare collectors are hiding any money overseas! Lol!

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William Gianopulos*9 hours ago*

What a waste of good taxpayer money. So far $9 billion collected? Seriously? That's on par to equal what Hillary might have continued to receive from 3rd world dictators in a few years. Chump change. The IRS is chasing its tail. The Eastern European Oligarchs spit this kind of money, and right through the NY Fed system. No wonder they laugh at us.

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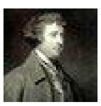

Jason Chimienti*9 hours ago*

Wonder if all these resources and expenses justify the collected taxes.

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William Schott*9 hours ago*

After eight years of Obama lawlessness why pay your taxes unless you are a Republican conservative. Just become a liberal Democrat and pay taxes no more and make sure you vote Democrat.

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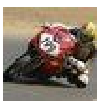

Ernest Montague*8 hours ago*

@William Schott I can assure you, William, that the IRS doesn't differentiate.

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JAMES HEARD*10 hours ago*

This sounds like a good start to me. As long as a U S citizen living abroad retains and expects the legal protections implicit in his citizenship (Benghazi aside - which was a gross failure of the SoS and POTUS), he should be paying his fair share of US taxes on his income. Otherwise, he can renounce his US citizenship. I just wonder why it took Congress so long to enact the mechanisms to discover the tax cheats.

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Richard Saunders*9 hours ago*

@JAMES HEARD Every other nation on the planet allows its citizens to retain their citizenship and pay local taxes to the country in which they live. The US is the only nation to tax its citizens regardless of where they live. Citizenship based taxation makes it difficult to live overseas.

You claim that US citizens can renounce their citizenship if they don't like it. Unfortunately the US makes this very difficult and expensive. The US is the only nation other than North Korea to have a "name and shame list" of former citizens. The US is the only nation other than North Korea to threaten to ban its former citizens from returning to visit their home country. The US is the only nation in the world that has draconian fees and taxes for renunciants.

I'm all in favor of preventing tax cheats but it seems like the US wants it all ways.

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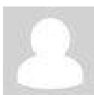

Laura Wilson*9 hours ago*

@JAMES HEARD

1. What are the legal protections implicit in US citizenship?

2. What is "fair share" of taxes when there is no benefit? These folks pay taxes to the nations in which they reside and receive benefit.

Taxation isn't the largest problem for these folks. They cannot open bank accounts, invest, save for retirement, to educate their children nor to protect their disabled children. ONLY the US taxes in such an immoral, unethical and unjustifiable fashion.

3. It is prohibitively costly to renounce US citizenship, the highest in the world.

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12

michael moy*8 hours ago*

@JAMES HEARD Do you actually wind up owing the US anything when you file your returns? Tax rates are often higher in other countries and ex-pats have income exclusions and foreign tax credits that can wipe out taxes owed to the US but it depends on your circumstances.

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James Mulcahy *10 hours ago*

Interesting. They go after these folks but we read that many IRS staffers are delinquent on their own income taxes. Physician, heal thyself.

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michael moy *10 hours ago*

One form of this that I've heard of is people making money and transferring it to relatives in other countries. When it's needed back here, they just transfer it back. Of course you have to be able to trust your relatives that they won't just take off with it.

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Michael J Knight*10 hours ago*

tax glitches with innocent mistakes dont worry? what unicorn planet are you from?

irs goons no only one way. especially if you are resource poor. cram you, slam you, destroy you.

dont ever expect anything different.

and as my staff says even when im wrong im right. same for irs. with sovereign immunity they can be dead wrong and you john q public cant do anything about it.

take that taxpayer.

yours truly john koskinen.

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michael moy*10 hours ago*

@Michael J Knight If you're living in another country and assume that you don't have to pay taxes or file a US return - I guess you might call that an innocent mistake if you don't keep up with US financial and legal news. I'd guess that most people don't - the folks here probably keep up with this stuff.

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Jay Joyce*11 hours ago*

Here is a hint for the IRS. Start with the Clinton "foundation."

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22

John Martens*11 hours ago*

@Jay Joyce Clinton "foundation" principals are pikers compared to the Jill + Nicholas Woodman Foundation (GoPro).

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Anthony Zipple*10 hours ago*

@jay Joyce The foundation is carefully audited annually. It posts its financials publically (unlike orange turkeys). Do you know actually know of any tax fraud or are you just blathering?

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R Siegel*9 hours ago*

@Anthony Zipple Why do you suggest that the foundation is audit annually? I believe that this is not correct. If you know more, what was the last year that an audit was performed?

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Ed Johnson*3 hours ago*

@Anthony Zipple

Tax fraud has already been exposed via the "charitable Canadian foundations" the Clintons used to launder their money.

Of course, just like the emails, destruction of public property, obstruction of justice, lying to Congress, etc., the Clintons are not obliged to follow the same laws which apply you, Anthony.

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richard barry*11 hours ago*

Ah. Now HERE is some advice some WSJ readers can use.

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Graham Arader*11 hours ago*

$9.9b is peanuts but the 99.9% of the American population that dont use this sophisticated form of tax cheating will take heart that some fairness is creeping into our system.   And the benefit of that will bring in vastly more with enhanced compliance.

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5

[Laura Wilson](#)*9 hours ago*

[@Graham Arader](#)

Off-shoring for tax evasion by US residents is one issue, viewing US citizens residing abroad, banking locally and paying taxes to the nations in which they reside is quite another.   The US has NO business taxing these folks, no other nation does this.