

LETTERS

How It Feels to Renounce the U.S. and How to Avoid It

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The U.S.-centrism and lack of international living experience of Congress and the IRS really show in current U.S. income-tax and financial-account-disclosure rules ("[More Expatriate Americans Break Up With Uncle Sam.](#)" page one, June 17). The rule makers can't imagine that in addition to the handful of wealthy Americans trying to use foreign accounts to evade U.S. income taxes, there are a huge number of ordinary Americans living in foreign countries due to employment or marriage who have financial accounts in their country of residence because they need local accounts. Typically they pay local taxes and don't owe additional U.S. tax, but now they are subject to very severe penalties if they don't report these accounts. Here is a simple way to reduce the burden on our expatriates: Tie the penalty for nondisclosure of a foreign account to the U.S. tax owed rather than to the size of the account.

James G. Russell

Alexandria, Va.

Last December I renounced my American citizenship and found myself crying while I swore the oath. Today I walked past the consulate and saw a huge rainbow flag and felt proud to be an American, until I remembered that I'm not one anymore.

I didn't renounce as a political protest, although the thought has occurred to me during various military actions. At those times I felt it was better to stay an American, vote and try to change things. I renounced because I feel that Canadian-Americans living in Canada are being treated by the American government as if we are criminals. I work hard and am able to save money. This is now seen as money I am "hiding offshore" and is reportable yearly in a Foreign Bank Account Report (FBAR). Congress doesn't think that (and my annual U.S. tax filing) is good enough and has forced foreign banks to release all financial information on anyone suspected of being American.

I was proud to vote in American elections and willing to file U.S. income-tax returns. I will continue to contribute to the United States, sharing what I have learned through my academic and clinical work, collaborating with American researchers in my field, writing books and journal articles and providing a critical eye—in the way a family member does—for your (and no longer my) country.

Miriam Kaufman

Toronto

It's important that expats, for whom renouncing may be a very difficult decision, know there are ways to stay legally compliant without giving up U.S. citizenship. The IRS's Streamlined Procedure program is an excellent option for expats who didn't know they had U.S. filing requirements and is now even easier to use following the IRS announcement on June 18 to eliminate some requirements. Participants file three years of back tax returns, six years of FBARs and an explanation of why they didn't file before. My company has prepared U.S. tax returns for thousands of expats, and none who filed through this program incurred penalties. Costs to file are far less than the amounts mentioned in the article.

David McKeegan

Hong Kong

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