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# INCOME AND ESTATE TAX PLANNING ON A LINEAR BASIS FOR THE INBOUND AND OUTBOUND RESIDENT

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Most presentations on this topic are done on a topical basis. This presentation will cover the income and estate tax issues as they arise when someone is first coming to the United States and then leaving, perhaps years later.

I. Residency for U.S. Immigration Purposes and for U.S. Tax Purposes

A. For U.S. Immigration Purposes

1. A U.S. resident is defined differently for U.S. immigration purposes and for U.S. tax purposes. You cannot tell what immigration status a person has by just looking at them, unless you are Sheriff Joe.

2. There are 73 different non-immigration classifications. The USCBP admitted over 181M people into the U.S. in 2017; most of them with non-immigrant status who left the U.S. within the year. There is estimated to be an additional 11 million people residing in the U.S. with no status, either because they overstayed the time period granted to them on entry or they entered without any status.

3. A person does not become a permanent resident without applying for it. This could be done at a U.S. Consulate which means the person presented his/her permanent residency packet at a Port of Entry and became a permanent resident on entry. Otherwise, permanent residency is obtained in the U.S. through the U.S. Citizenship and Immigration Service.

4. A person could be a U.S. citizen without ever having lived in the U.S. because of the U.S. citizenship of one or both of his/her parents. Otherwise, a person either has to be born in the U.S., in a U.S. Embassy, apply for naturalization or be under the age of 18 when his/her parent(s) naturalized.

B. For U.S. Income Tax Purposes

1. The test as to whether or not a person is resident for U.S. income tax purposes is more objective. A "U.S. person" is defined as a U.S. citizen or a "U.S. resident." A "U.S. resident" is defined as an individual who either is a permanent resident, ("green card"), or meets the "substantial presence test." Internal Revenue Code, ("IRC"), Section 7701(b)(1)(A).

2. For how an individual can be an U.S. citizen or permanent resident see subparagraph I.A. above.

3. For the "substantial presence test" an individual must be present in the U.S. (1) at least 31 days in the current year; and (2) at least 183 aggregate days using a formula that considers the days the individual is present in the U.S. during the current and the two preceding calendar years. I.R.C Section 7701(b)(3)(A). If an individual is present in the U.S. for even a minute that day counts as a whole day. You need to add all the days the individual is present in the U.S. in the current year, plus one-third of the days in the preceding calendar year, plus one-sixth of the days in the U.S. during the year that was two years ago. Most individuals think that they can stay in the U.S. for up to 182 days a year and not be subject to the substantial presence

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test. This is not correct because if the individual stays in the U.S. for just 122 days per year for three years, he/she meets the substantial presence test. PRACTICE POINTER: Make sure the individual is not in the U.S. 183 days in one year; or for more than 121 days each year if he/she will be here for three years.

4. If the substantial residency test is met, then residency for U.S. tax purposes relates back to the first actual day of presence in the U.S. in that calendar year. Thus, an individual may come to the U.S. in the first part of the year for two weeks and then come back in June and stay for the rest of year. That individual's tax year will start with the first day he/she was in the U.S. that year. There is an "up to ten days" exception, but only if the individual has a closer connection to his/her foreign country. PRACTICE POINTER: Make sure the individual comes to the U.S. for only nine days if there is going to be a gap between his/her first trip and when he/she actually moves to the U.S.

5. The substantial presence test may be rebutted if the individual can show that he/she: (i) has been present in the U.S. for less than 183 days in the most current year, (ii) has maintained a tax home in a foreign county during the entire current year, and (iii) has maintained closer ties to the foreign country. PRACTICE POINTER: The individual should be encouraged to maintain a home and personal belongings in his/her home country, as well as continuing to vote there, contributing to his/her favorite charities and religious organizations and maintaining memberships in local organizations if the individual wants the "tie" to go in favor of the foreign country.

6. Students are exempt from reporting worldwide income, (not U.S. earned income), while in F, J, M or Q status and they are complying with the requirements of that status. This exemption is good for five years which would cover the student while working on Optional Practical Training, ('OPT"), after graduation. PRACTICE POINTER: The student may not want to change status from F-1 to H-1B until the end of his/her five years because of other worldwide income and withholding requirements for FICA and FUTA. The individual may be able to go beyond five years if he/she can prove to the IRS that he/she does not intend to be a permanent resident. I.R.C. Section 7701(b)(E)(ii).

7. If the individual will present in a state that has an income tax, remember that every state has its own rules on when a person is considered to be a resident for income tax purposes.

C. For FICA and FUTA Purposes

1. Payments for personal services performed in the U.S. also are subject to FICA starting with the first day of work, unless a Totalization Agreement provides an exemption. The U.S. has entered into Totalization Agreements with 26 countries on the basis that payments are being made to the individual's home country's social security system and the person will not be dependent on the U.S. social security system.[1] Compliance with the Totalization Agreement needs to be done before

[1] https://www.irs.gov/government-entities/federal-state-local-governments/totalization-agreements

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working in the U.S. Payroll agencies do not always seek a Certificate of Coverage. PRACTICE POINTER: There are forms to be filed.

2. Most of the Totalization Agreements are limited to the first five years of working in the U.S.

D. For U.S. Estate Tax Purposes

1. The residency rules for U.S. Estate and Gift tax are based on the individual's place of domicile. It all depends on where the individual intends to be domiciled. So, you can have an individual in the U.S. for a short period of time with the intent to stay who is then considered to be domiciled in the U.S. Or, you can have an individual in the U.S. for a long period of time with no intention to stay indefinitely.

2. Non-residents for estate tax purposes are subject to U.S. estate taxation with respect to their U.S. situated assets. U.S. situated assets include U.S. real estate interests, tangible personal property, and securities of U.S. companies. A non-resident's stock holdings in a U.S. company, as well as shares of U.S. mutual funds, are subject to estate taxation even though the non-resident holds the certificates outside the U.S. or the certificates are registered in the name of a nominee. An Estate Tax Return must be filed if the U.S. situated assets exceed $60,000. If life time gifts were used to reduce the estate to under $60,000 an Estate Tax Return may still be required to be filed. Some States have their own estate or inheritance tax rules so be sure to review the rules in which the alien is going to be domiciled.

3. There are Estate Tax/Protocols between the U.S. and 17 other countries. With some of these countries there is no Gift Tax Treaty. Be sure to check to see if there is an Estate Tax Treaty or Protocol. Then read the applicable provisions. See: https://www.irs.gov/individuals/international-taxpayers/tax-treaty-tables

II. Pre-Arrival Tax Planning

A. Worldwide Wealth

1. The Estate of a non-tax resident only has to report U.S. situs property upon the death of the non-tax resident. There is a marital deduction for U.S. situs property given to a U.S. citizen spouse or to a Qualified Domestic Trust ("QDOT").[2] There is a $13,000 tax credit which offsets $60,000 in estate asset value.

2. If the individual has worldwide wealth exceeding $10 million then there should be serious tax planning in advance. The Federal Estate Tax exemption went to $11.4 million for 2019. However, the law is set to sunset in 2025, with the exemption returning to the $5.49 level. You also should check with a tax professional regarding the estate tax/inheritance provisions of whatever state the individual may become

[2] The QDOT instrument, (Last Will or Trust Agreement), must require at least one trustee who is an individual U.S. citizen or a U.S. domestic corporation, and the instrument provides there can be no distribution, other than income, unless the U.S. trustee has the right to withhold the tax imposed by I.R.C. Section 2056A. There are additional requirements imposed by the regulations promulgated under Section 2056A.

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domiciled if it is not going to be the state of Washington. The state of Washington currently has an estate tax exemption in of $2.193 million and no gift tax. PRACTICE POINTER: Substantial gifting of non-U.S. – sited assets needs to occur before the individual becomes domiciled in the U.S. (Gifts of U.S. real property with a tax basis lower than any debt secured by the real property triggers a tax.)

3. If the person is married and the spouse is a U.S. citizen, there should be consideration of preparing Last Wills/Trusts that include a QDOT for the non-U.S. citizen spouse. This should be done before the non-U.S. spouse becomes domiciled in the U.S. PRACTICE POINTER: If the U.S. citizen spouse dies before the estate planning is completed, consider having the non-U.S. spouse naturalized before the Federal Estate Tax Return is filed. An extension may have to be requested in order to accomplish this in time because the USCIS is currently taking over a year to process naturalization applications.

4. Individuals coming to the U.S. need to be advised of the Exit Tax if he/she are permanent residents for eight years, (possible done in six years and two days), or he/she become a U.S. citizen through naturalization. (See subparagraph IV.B.2 below.) PRACTICE POINTER: Clients of significant wealth should be referred to a tax advisor who is familiar with the Exit Tax.

5. The Internal Revenue Service may collect any unpaid estate tax from any person receiving a distribution of the decedent's property under the transferee liability provisions of the IRC. See I.R.C. Section 6324.

B. Worldwide Income

1. A non-tax resident does not have to file a U.S. tax return unless the individual has some taxable connection to the U.S.

2. The source of income is not the country where the payment is made, the contract is made, or the residence of the payor, but rather the country where the service is performed. Treas. Reg. Section 1.861-4(a)(1). There is an exception for services performed in the U.S. by a non-tax resident who has not been in the U.S. for more than 90 days during the taxable year, the services are performed for either a non-tax resident or business or for the foreign office of a U.S. citizen or tax resident, and the compensation does not exceed $3,000.[3]

3. If a non-tax resident is making brief business trips into the U.S. his/her compensation should be allocated between countries, probably based on the number of days in each. If an allocation is done for one employee, an allocation should be done for all traveling employees. PRACTICE POINTER: Make sure the payor of the compensation is not a resident of the U.S., nor does the foreign payor "charge back" the compensation to a U.S. tax resident/company with a permanent establish in the U.S.

4. A non-tax resident must file the IRS Form 1040NR if:

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[3] A Tax Treaty may provide for a different amount of compensation and days in the U.S., such as the one with Canada where the amount is $10,000 and the number of days is 183. See U.S. Income Tax Withholding Rules chart.

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a) A non-tax resident is engaged or is considered to be engaged in a trade or business in the United States during the year. The maximum tax rate currently is 37% for individuals and 21% for corporations for Limited Liability Companies which elect to be taxed as corporations. The individual must file even if (1) the income did not come from a trade or business conducted in the United States, (2) the individual had no income from U.S. sources, or (3) the income is exempt from income tax. If there is an income tax treaty provision, then the business income is taxable in the U.S. only if the income is attributable to a "permanent establishment." A "permanent establishment" requires a greater level of activity by the non-tax resident than for "establishing a U.S. trade or business." However, if the only U.S. source income is wages in an amount less than the personal exemption amount (see Publication 501), the non-tax resident is not required to file.

b) If the non-tax resident only has Fixed, Determinable, Annual, or Periodic Income,[4] ("FDAP"), which is not effectively connected to a U.S. business, then the payor withholds the tax at source and a Form 1040NR does not need to be filed by the non-tax resident. The amount withheld is 30% unless there is an Income Tax Treaty that sets a lower percentage.[5] A non-tax resident individual not engaged in a trade or business in the United States with U.S. income on which the tax liability was not satisfied by the withholding of tax at the source must file the Form 1040NR.

c) Capital gains not effectively connected to a U.S. trade or business are taxed only to the non-tax resident who has been physically present in the U.S. for 183 days or more during the year in which the gain is realized. PRACTICE POINTER: If there is going to be capital gain realized in any calendar year make sure the non-tax resident is not in the U.S. for 183 days or more. Look for any period of time when the individual was in the U.S. for more than

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[4] The following items are examples of FDAP income:

- Compensation for personal services
- Dividends
- Interest
- Original issue discount
- Pensions and annuities
- Alimony
- Real property income, such as rents, other than gains from the sale of real property
- Royalties
- Scholarships and fellowship grants
- Other grants, prizes and awards
- A sales commission paid or credited monthly
- A commission paid for a single transaction
- The distributable net income of an estate or trust that is FDAP income, and that must be distributed currently, or has been paid or credited during the tax year, to a nonresident alien beneficiary
- A distribution from a partnership that is FDAP income, or such an amount that, although not actually distributed, is includible in the gross income of a foreign partner
- Taxes, mortgage interest, or insurance premiums paid to, or for the account of, a nonresident alien landlord by a tenant under the terms of a lease

[5] For instance the percentage for the citizens of Canada is 10%.

ten days in that calendar year because of the First Day of Residency Test. See subparagraph I.B.4 above.

5. If there is a Tax Treaty between the individual's home country and the U.S., there generally is a "tiebreaker" provision that helps determine the individual's residency. If the individual does not have to report any income because of a Tax Treaty, the individual still needs to file an income tax return and attach Form 8833 or face a $1,000 penalty. PRACTICE POINTER: Always check to see if there is an Income and/or Estate Tax Treaty or Protocol between the U.S. and the home country. Then read the applicable provisions. See: http://www.irs.gov/publications/p901/ar02.html

6. Even if the non-tax resident has to file a Form 1040NR, he/she does not have to include income realized outside the U.S.

7. U.S. Real Property Income

a) Income realized from the disposition of U.S. real property interests by a non-tax resident is deemed to be "income effectively connected with a U.S. trade of business." I.R.C. Section 897. Real property interests include real property held in a domestic real property holding corporation, ("USRPHC"). See I.R.C. Section 897(c)(1). The purchaser must withhold 15% of the gross sale price. This is true even if there is a loss on the sale. The non-tax resident can apply for a reduction in the withholding, but the IRS is slow in issuing such certificates. PRACTICE POINTER: Any time there is the sale of real estate by a non-tax resident individual or a USRPHC, make sure the withholding requirements are met.

b) Rental income may be "a U.S. trade or business" if the rental activity is significant enough. Active management of leased real estate is a U.S. trade or business. If the rent is not from a U.S. business than it is subject to the 30%, withholding tax, with no deductions. The IRS can go after any of the parties, (tenant, property manager and foreign owner), who fail to send in the 30% of the gross rental payments tax. If the rent is from a U.S. business the net income is taxed at regular income tax rates. An election can be made to have the income from U.S. real estate be considered from a U.S. business. See I.R.C. Sections 871(d)(1) and 882(d). PRACTICE POINTER: Be sure to check any applicable income tax treaty.

III. Issues for the married couple where one is a U.S. permanent resident or U.S. citizen and the other is a non-tax resident upon entering the U.S.

A. Worldwide Wealth

1. The non-tax resident spouse with significant assets will need to consider his/her estate and gift plan prior to entry. This may involve the use of gifting or an off-shore trust, but only with the assistance of expert tax advice.

2. The permanent resident spouse needs to consider the advantages of not becoming a U.S. citizen or the advantages of abandoning his/her permanent residency status

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before being a permanent residency for eight years. PRACTICE POINTER: A permanent resident may be in the U.S. for only six years and two days and be subject to the Exit Tax discussed below in subparagraph IV B.

3. The U.S. citizen spouse needs to consider establishing a QDOT in his/her Last Will or Trust Agreement.

4. Both spouses need to consult an expert tax advisor when there is a change of status to permanent residency or naturalization of one of the spouses.

B. Worldwide Income

1. A married couple cannot file a join return if, at any time during the calendar year, one or both spouses was a non-tax resident. The U.S. tax resident spouse can file a married, but filing separately. He/she cannot file as Head of Household. The non-tax resident who becomes a tax resident for any part of the calendar year can elect to be treated as a tax resident for the entire year if his/her spouse is a U.S. citizen, permanent resident, or tax resident during that same year. The same is true even if the non-tax resident is not a tax resident for any part of the calendar year. I.R.C. Section 6013(g).

2. If a spouse is ineligible for a social security card, he/she still can file a form W-7 with the IRS for an Individual Taxpayer Identification Number, ("ITIN"). But an individual is only eligible for an ITIN if he/she must file a U.S. tax return, is claiming a refund, or is being claimed as a spouse or dependent on a U.S. tax return. A completed tax return must accompany the Form W-7 unless an exception applies.[6] The IRS is now requiring the original or certified copies of the passports and birth certificates which it will keep for a minimum of 65 days. PRACTICE POINTER: Do not have everyone file for an ITIN. An ITIN does not authorize employment in the U.S.

3. The tax resident needs to be concerned about any interests in foreign bank account. The reporting of foreign bank accounts appears on Schedule B of the Form 1040 and Treasury forms for FBAR. Form 8938 also needs to be filed.

4. A permanent residency spouse should be concerned about the under-reporting of income to the IRS for the additional reason that it may be considered an aggravated felony and the basis for removal proceedings by USICE.

5. A permanent resident who may not be in compliance with his/her U.S. taxes and reporting of foreign interests should discuss with knowledgeable tax counsel whether or not he/she should participate in an Offshore Voluntary Disclosure Procedure ("OVDP"), if available. For immigration purposes, participants in an OVDP will avoid criminal prosecution and possible removal proceedings.

[6] Exceptions include: (1) compensation being excluded by a tax treaty, (2) reporting of mortgage interest by a third party, withholding on FDAPI, and (3) disposition of U.S. real property interests.

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6. The permanent resident should not be claiming residency in another country on Form 8233 because it could the basis for the USCIS claiming abandonment of permanent residency status, especially at the time for naturalization.

7. Assets placed into a foreign trust by a U.S. person or any distributions from a foreign trust to a U.S. person have to be disclosed on IRS Form 3520 and Form 3520A.

IV. Leaving the United States

A. Income

1. Before leaving the United States, all individuals who have resided in the U.S. (except those listed under Aliens Not Required to Obtain Sailing or Departure Permits) must obtain a certificate of compliance. This document, also popularly known as the sailing permit or departure permit, must be secured from the IRS before leaving the U.S. The individual will receive a sailing or departure permit after filing a Form 1040-C (PDF) or Form 2063 (PDF). https://www.irs.gov/individuals/international-taxpayers/departing-alien-clearance-sailing-permit

B. Wealth

1. If the person remains a permanent resident or U.S. citizen his/her gifts remain subject to U.S. gift taxes and then upon his/her death his/her worldwide wealth is subject to U.S. estate tax. The permanent resident is not eligible for the unlimited marital exclusion for inheritances from his/her spouse. Thus, the U.S. citizen spouse should have provided for a QDOT in his/her estate plan. PRACTICE POINTER: Make sure the individual has effectively turned in his/her permanent residency card to the USCBP or the U.S. Embassy or if a U.S. citizen that he/she has effectively renounced his/her U.S. citizen at the U.S. Consulate.[7]

2. A U.S. citizen who relinquishes his/her citizenship or a long-term, (8 years), permanent resident who ceases to be a U.S. permanent resident on or after June 17, 2008, and who meets specific average tax or net worth thresholds[8] on the day prior to his/her expatriation are considered to be a “covered expatriate” subject to I.R.C. Section 877A, known as the Exit Tax. There is an exception for a person who was a dual citizen at birth and has been a tax resident of the non-U.S. country of citizenship and was not a resident of the U.S. for more than 10 years during the 15-tax-year period ending with the tax year of expatriation. PRACTICE POINTER: A permanent resident may unintentionally abandon his/her permanent residency by living outside the U.S. for more than 183 days a year.

[7] A renunciation of U.S. citizenship is not official until the Department of State approves it in Washington, D.C., but the provisions of Sections 877 and 877A renunciation means the date it is accepted by the Consular Officer so long as it is later approved by the Department of State in Washington, D.C.

[8] The individual’s average annual net income tax liability for the five tax years ending before the date of expatriation was $165,000, (for 2018), the individual’s net worth was $2 million or more on the date of expatriation, or the individual failed to certify on Form 8854 that he/she has complied with all federal tax obligations for the five tax years preceding the date of his/her expatriation.

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3. A U.S. citizen or permanent resident who receives a gift or inheritance from a covered expatriate under I.R.C. Section 877A may be subject to a tax equal to the highest estate or gift tax in effect. This applies no matter how long it has been since the expatriation.

4. The Exit Tax: This tax is calculated as if the individual sold all of his/her assets that would have been taxable as part of his/her gross world estate for Federal estate tax purposes. It is the gain in value on the deemed sale over the actual cost that is taxable. There are certain rules as to inclusions and exclusions which apply. When calculating the gain from the deemed sale, there is a gain exclusion amount, which for 2018 was $711,000, that is allocated among all built-in gain property that is subject to this Section 877A tax. The exit tax can be deferred until each property is sold or the former U.S. citizen passes away, by posting adequate security as determined by the Internal Revenue Service. There is interest charged on the underpayment of the tax. PRACTICE POINTER: Anyone who will be subject to the Exit Tax should calculate exactly what that tax would be on renunciation of his/her U.S. citizenship.

V. Returning to the U.S. after renunciation of U.S. citizenship.

1. An individual who is determined by the U.S. Attorney General to have officially renounced her/his U.S. citizenship for the purpose of avoiding taxation by the U.S. is inadmissible for entry into the U.S. under any status according to Section 212(a)(10)(E) of the Immigration and Nationality Act. Section 212(a)(10)(E) does not limit its scope to just income taxes. It logically includes avoidance of estate or gift taxes as well.

2. Since the enactment of this provision in 1996 there have been no implementing regulations. In checking with other immigration attorneys around the U.S. who practice in the citizenship and taxation area there have been only two reported cases where there has been enforcement of the provision by the U.S. Customs and Border Protection Service. Both cases were in Vancouver, B.C.[9] The reason there has been

[9] The first reported case of denial of entry was at the Vancouver, B.C. International Airport by the USCBP. The refusal to allow entry was based on the person having renounced his U.S. citizenship for tax reasons. Because the renunciation was made before Section 212(a)(10()E) was enacted in 1996, the USCBP reversed its position after being presented a legal brief by the person's attorney. The second reported case is one my client litigated in the Federal District Court in the District of Columbia. The person was denied a NEXUS card at the downtown Vancouver, B.C. office of NEXUS on the basis that he had renounced his U.S. citizenship. The expatriation was after Section 212(a)(10)(E) was enacted in 1996. The USCBP placed information in his file that appears in the Lookout Book used by the U.S. Department of State and the USCBP. He was subsequently denied entry into the U.S. The Department of State refused to release any documents until the lawsuit was filed. The DOS has released a copy of his whole file, except for the information provided by the USCBP from his NEXUS interview. After s Motion for Summary Judgment was filed the Judge reviewed the file and ordered that all of the file be released except for some confidential government information. The court awarded attorney's fees.
While these two cases are local to the Vancouver, B.C. airport and Vancouver, B.C. NEXUS office, the viewpoint of these officers who are from different divisions within the USCBP may infect other USCBP Ports of Entry with their viewpoint. All the USCBP offices share the same Lookout Book. The information that one officer puts into a person's computer file stays there for everyone in Department of State and USCBP systems to read until that officer or the supervisor removes it.

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little enforcement is the inability of the government agencies to agree on how it should be enforced. One of the overriding concerns is over the privacy of U.S. tax files. Nevertheless, the law is still there. A person who is renouncing should be able to explain the reasons for renouncing, assuming they are not related to tax-avoidance.

3. As to developments in Congress, there has not been any action on Senator Schumer and Senator Casey's proposed bill since it was introduced shortly after it came to Congress' attention that a FACEBOOK co-founder had expatriated and was now a citizen of Singapore.[10] Senators Schumer and Casey's bill could move forward if the tax revenues it would raise could be used to offset some unrelated spending. The Trump Administration may find a way to implement this provision in order to keep wealthy people from leaving the U.S. to avoid taxes.

4. If there is either a new regulation or new legislation giving Section 212(a)(10)(E) an enforcement mandate, the USCBP now have the means to implement it. From 1996 to June 1, 2009 there was no practical way to know the identity of every Canadian coming into the U.S. Canadians did not need visas. Since June 1, 2009, all Canadians had to have a valid passport, enhanced driver's license, enhanced identification card, Fast/Expres, Sentri or NEXUS card when applying for entry into the U.S. (Those who were flying into the U.S. had this requirement since 2007.) Every entry since June 1, 2009 has been recorded. Thus, if a person was deemed to be inadmissible under Section 212(a)(10)(E), the USCBP easily would be able to identify the person and bar her/his entry which was not true from 1996 to 2009.

5. NOTE: There is a small risk at this time, (less than 10%), that the USCBP at the Vancouver, B.C. airport will make an issue out of the expatriation. As long as the Department of State or the USCBP do not have any damaging statements regarding tax avoidance being the reason for the expatriation then we believe that the USCBP can be successfully challenged until there are regulations or further legislation. The chances of regulations or legislation being adopted/enacted in the near term also are low, (less than 20%). However, Republicans who hate taxes in general also have little sympathy for U.S. citizens who renounce their U.S. citizenship. Democrats love to tax the rich. So we see little political resistance to new legislation if it were to get some traction. There just are so many other issues and so little time in the legislative process to get something passed. As for regulations, there has been historically very little coordination/cooperation between the Departments of Homeland Security, (USCBP), Treasury, (IRS), and Justice, (Attorney General), but that has been changing as newer pragmatic employees have been replacing the "baby boomers." So, the time may come in the next ten years where the USCBP will be enforcing Section 212(a)(10)(E). The odds increase for a tougher stance on entry to the U.S. as time passes and the federal budget becomes more imbalanced.

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[10] The legislation is known as the Expatriation Prevention by Abolishing Tax Related Incentives for Offshore Tenancy, "EXPATRIOT" Act of 2012. Now we have the news that Denise Rich expatriated during the first quarter of 2012. The story that Denise Rich will save millions in tax dollars may provide traction for this legislation. The names of anyone who renunciates will appear in the Federal Register just like Denise Rich and Eduardo Saverin. Their names are easily retrievable.