

SPECIAL REQUIREMENTS RELATED TO U.S. EXPATRIATION – FORM 8854

Definition of “Expatriation”

“Expatriation” for U.S. tax purposes occurs when a person either:

1. For U.S. citizens - renounces their U.S. citizenship at a U.S. consulate
2. For long-term lawful permanent residents (hereafter referred to as an “LPR”) - surrenders their green card and receives Form I-407 documenting the surrender

A “long-term” lawful permanent resident is an individual who has had a green card for 8 of the last 15 years.

The date of expatriation for U.S. citizens

The date of expatriation is recorded on the “Certificate of Loss of Nationality of the U.S.” The key section with the date looks like this example:

That: said expatriating act was performed voluntarily with the intent to relinquish United States citizenship;
That: he/she thereby expatriated him self on (Date) 08-21-2018 under the provisions of
Section 349(a)(5) of (~~The Nationality Act of 1940~~)* (*The Immigration and Nationality Act
of 1952 as amended*)

The date of expatriation for LPRs

The date of expatriation is the date recorded on USCIS Form I-407, “Record of Abandonment of Lawful Permanent Resident Status”. If the surrender of the green card occurs in person, the date of expatriation will be the date on which the interview takes place. If it is done by mail, it is the date on which the I-407 surrender application is received in the mail by the USCIS.

Filing requirements

In the year of expatriation, Form 8854 needs to be filed with the final U.S. tax return. Basically, the purpose of Form 8854 is to provide the IRS with:

1. Information to determine if you are a “covered expatriate”, subject to tax on your net worth at the time of expatriation, and
2. A net worth statement on the date of expatriation listing your assets and liabilities and their values

To complete this form, we need some special documents. Here is a list of what we need:

1. The “Certificate of Loss of Nationality of the U.S.” or USCIS Form I-407 (whichever is applicable)
2. Signed authorization on Form 2848 (which Unbordered will provide) to download the last 5 years of tax transcripts from the IRS
3. Completion of our expatriation questionnaire

Based on the answers provided in the expatriation questionnaire, we will request additional information specific to your situation, so that don’t burden you with requests or forms that are not applicable.