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THE TAX LAWYER

TAXES 1/13/2015

### Citizenship Renunciation Fee Hiked 422%, And You Can't Come Back

Tax rules for U.S. citizens are notoriously unforgiving and notoriously expansive, even for those living abroad. They are one reason the uptick in American expatriations is continuing. In fact, given the demand, the State Department [raised the fee](#) for renunciation of U.S. citizenship from \$450 to \$2,350. That is more than [twenty times the average level](#) in other high-income countries. The State Department says it's about demand on their services and all the extra workload they have to process people who are on their way out.

But regardless of what motivates a person to renounce, ***you can come back to see friends and relatives, right?*** It's an assumption that may not be a safe one these days, at least for some. Take so-called Bitcoin Jesus [Roger Ver](#), a Bitcoin entrepreneur and angel investor. He funded Blockchain, Ripple, and Blockpay. His 'Bitcoin Jesus' label came for giving thousands of them away. And now, [he can't come back to America](#).

Mr. Ver was born in the U.S., making him a citizen, but he renounced it in March 2014. [As Coindesk reports](#), the U.S. refused a request for a non-immigrant visa. Mr. Ver says the U.S. embassy in Barbados refused to even consider the evidence for his application. The official reasoning was that Mr. Ver does not have sufficient ties to new Caribbean home and failed to demonstrate his "ties that will compel [him] to return to your home country after your travel to the United States," according to a picture he tweeted of [a letter that appears to be from the embassy](#). Still, some of America's Ver-phobia could be because of his [launch of a website](#) to help wealthy people buy citizenship in St. Kitts and Nevis.



Photo by Dry2

With global tax reporting and FATCA, the list of the [individuals](#) who renounce keeps going up, and many claim that [many aren't counted](#). Of those on the official list, 2013 saw a 221% increase, with [record numbers renouncing](#). The Treasury Department is required to publish a [quarterly list](#), but these numbers are under-stated. Notably, the presence or absence of tax motivation is not relevant, but that could change. After Facebook co-founder [Eduardo Saverin](#) departed for Singapore, Senators [Chuck Schumer](#) and Bob Casey introduced a bill to *double* the exit tax to 30% for anyone leaving the U.S. for tax reasons.

To leave America, you generally must prove 5 years of U.S. tax compliance. If you have a net worth greater than \$2 million or average annual net income tax for the 5 previous years of \$157,000 or more for 2014 (that's tax, not income), you pay an [exit tax](#). It is a capital gain tax as if you sold your property when you left. At least there's an exemption of \$680,000 for 2014. Long-term residents giving up a Green Card can be required to pay the tax too.

No one is likely to want to pay an exit tax if they can avoid it. And sometimes planning and valuations can reduce or even eliminate the tax. But taxed or not, many still seem to be headed for the exits. Some groups are especially vocal about their tax plight. Dual citizens in Canada who are trying to shed their U.S. citizenship have [created a backlog](#) at the U.S. consulate in Toronto.

A decision to expatriate should not be taken lightly. Taxes or not, it can be a big step. Around the world, many people are talking about taking it. What's more, increasing numbers of people are actually doing it.

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