
Income & Estate Tax Planning for Foreign Nationals

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Goals of the Program

- **Foreign Investment into the U.S.**
- **Domicile and the U.S. Estate Tax**
- **Tax Consequences of a U.S. Green Card**
- **U.S. Tax Treatment of Foreign Gifts & Inheritances**
- **International Charitable Giving**

Protecting your assets

Foreign Investment in the U.S.

Corporate Investment

Amount invested	\$3,000,000
Anticipated gain	\$500,000
Estate tax exposure	NONE
Anticipated tax on LT gain	\$170,000

Foreign Investment in the U.S.

Offshore Partnership/LLC

Amount invested	\$3,000,000
Anticipated gain	\$500,000
Estate tax exposure	???
Anticipated tax on LT gain	\$70,118

Foreign Investment in the U.S.

Investment With a Trust

Amount invested	\$3,000,000
Anticipated gain	\$500,000
Estate tax exposure	NONE
Anticipated tax on LT gain	\$74,670

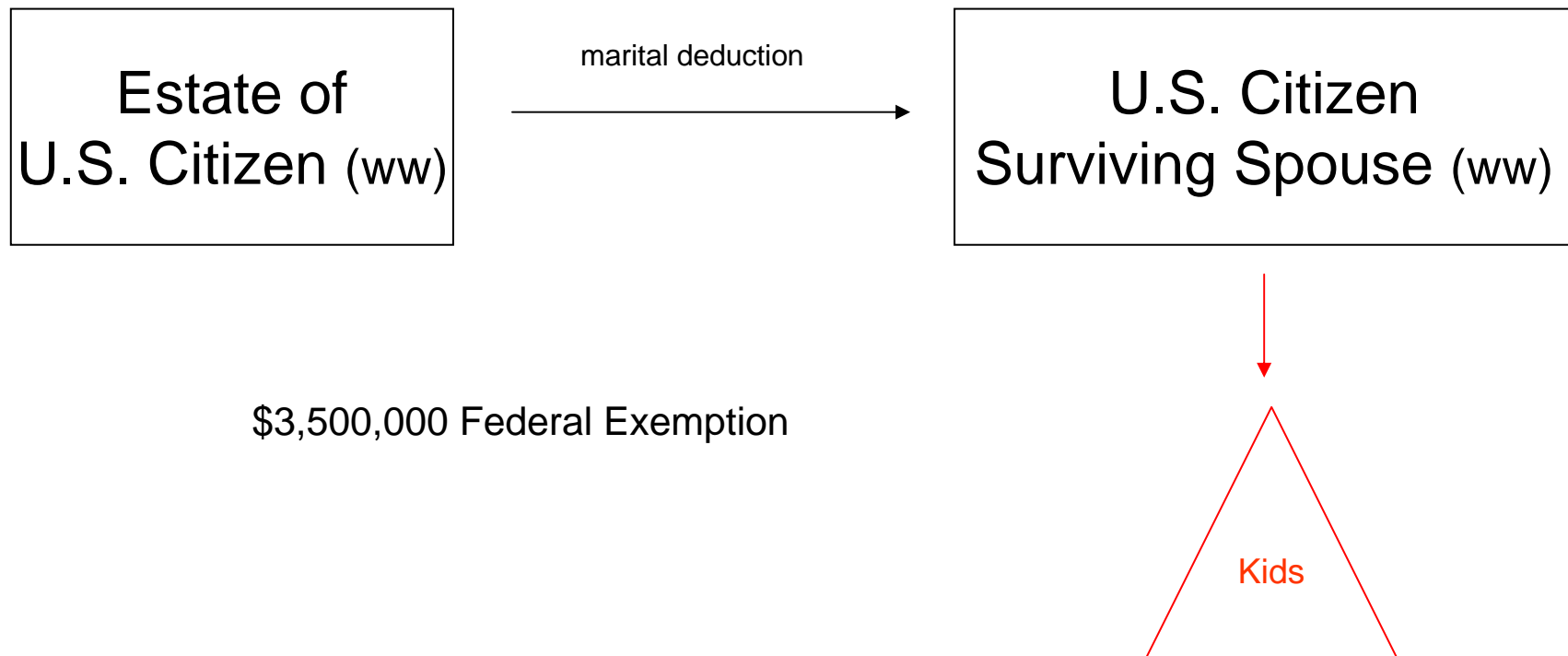
Foreign Investment in the U.S.

New York – Florida

U.S. Estate Taxes & Foreign Nationals

Estate Taxes:

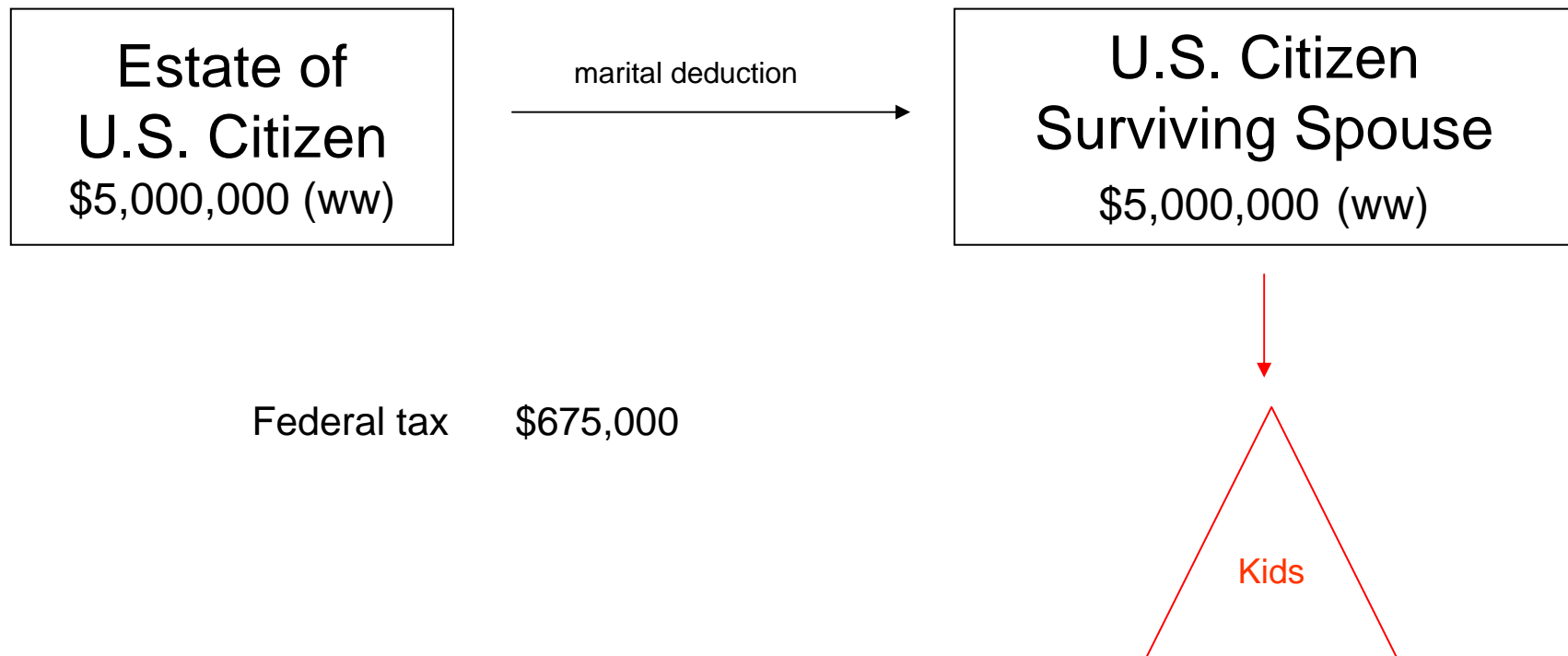
The U.S. system for U.S. citizens



U.S. Estate Taxes & Foreign Nationals

Estate Taxes:

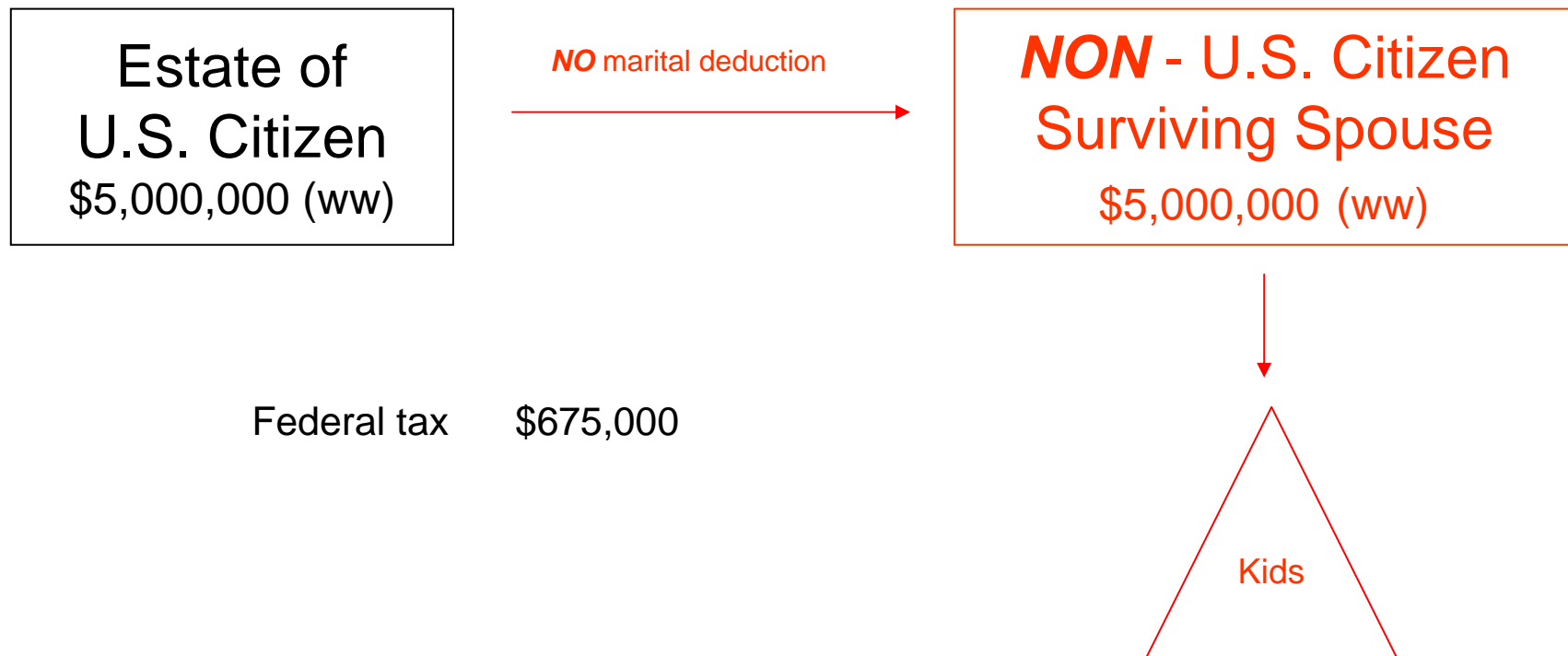
The U.S. system for U.S. citizens



U.S. Estate Taxes & Foreign Nationals

Issue # 1 – Estate Taxes:

The U.S. system for **NON** U.S. citizens



U.S. Estate Taxes & Foreign Nationals

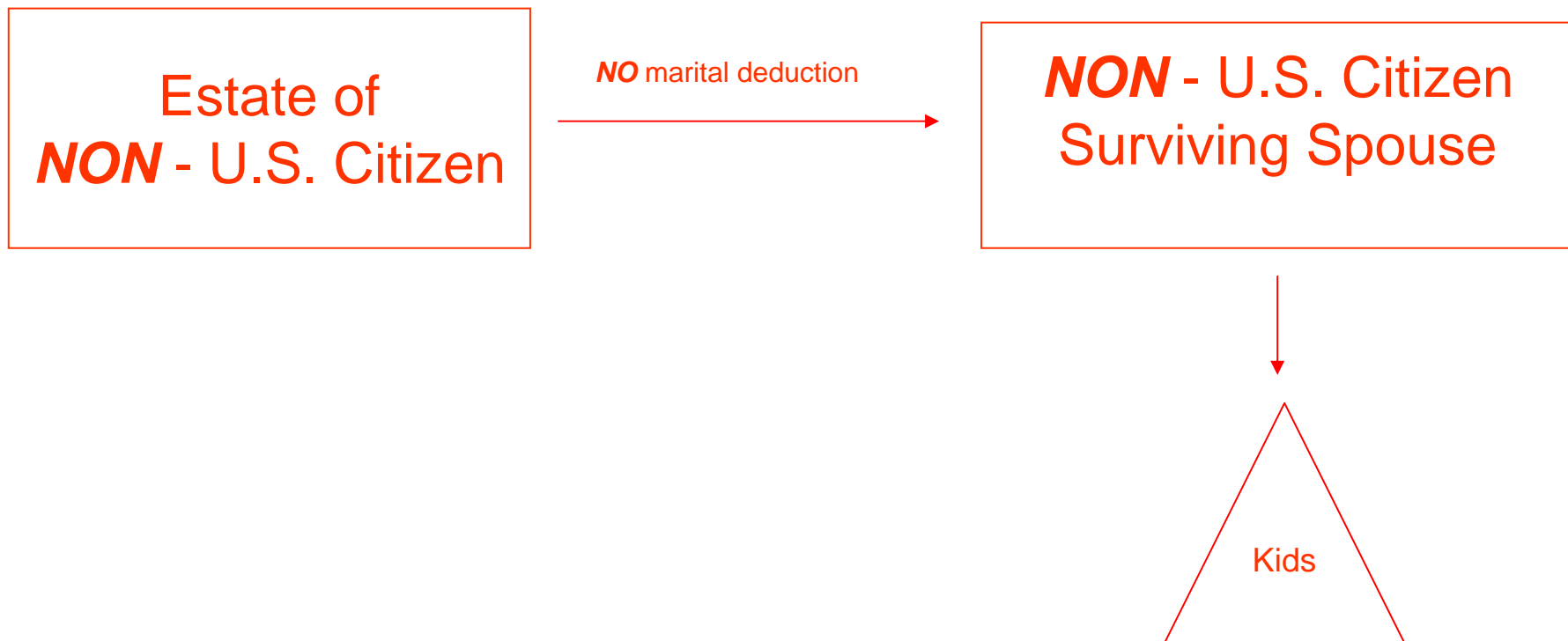
The concept of domicile:

- Living in the U.S. with no present intent to leave
- The U.S. as your permanent home

U.S. Estate Taxes & Foreign Nationals

Estate Taxes:

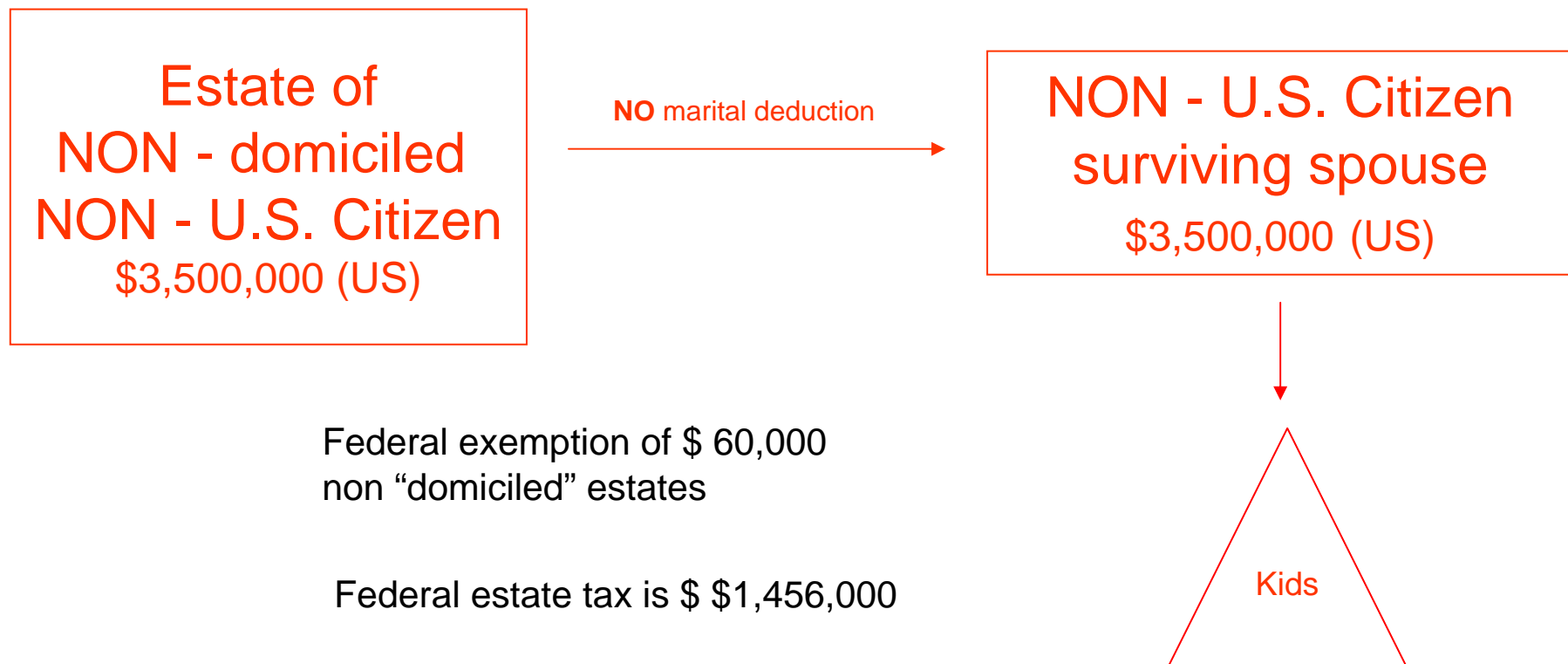
The U.S. system for **NON** U.S. citizens



U.S. Estate Taxes & Foreign Nationals

Estate Taxes:

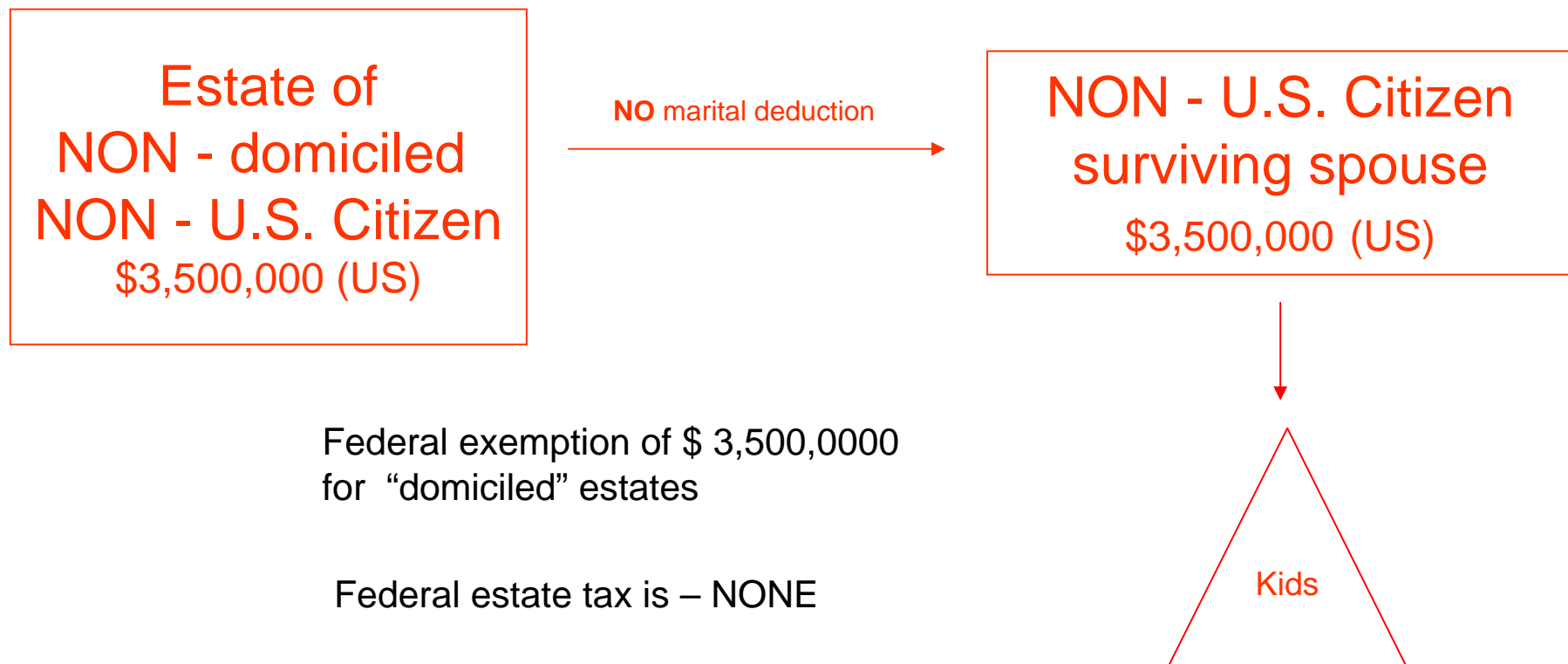
The U.S. system for **NON** U.S. citizens



U.S. Estate Taxes & Foreign Nationals

Estate Taxes:

The U.S. system for **NON** U.S. citizens



U.S. Estate Taxes & Foreign Nationals

Planning to minimize the impact

Tax Consequences of a U.S. Green Card

The Green Card

- U.S. income tax
- U.S. gift tax
- U.S. estate tax
- The risk of an “exit tax”

U.S. Tax Treatment of Foreign Gifts & Inheritances

Foreign Gifts and Inheritances

Reporting obligations

v.

Tax liability

There are opportunities for significant tax savings but the rules are complex and penalties are harsh

U.S. Tax Treatment of Foreign Gifts & Inheritances

General reporting obligations

Form TDF 90-22.1... – Foreign financial accounts

Forms 3520 & 3520A – Foreign trusts

Form 8621 – PFIC's (including foreign funds)

Form 5471 – CFC's (includes family businesses)

Form 3520 – Receipt of foreign gifts or inheritances

International Charitable Giving

Issue # 6 – Charitable Giving:

Maximize your U.S. tax deduction

Treaties may help