

# Noé Barkate

Avocat Fiscaliste  
France/USA

## ❖ Wealth tax issues related to the qualification of "US person"

<b>Criteria for qualifying as a "US person"</b>	<ul style="list-style-type: none"><li>- American <u>citizenship</u>;</li><li>- Possession of an American <u>green card</u>;</li><li>- <u>Presence</u> on American soil for a certain period of time.</li></ul>
<b>Specific tax obligations, including:</b>	<ul style="list-style-type: none"><li>- Annual declaration of <b>worldwide income</b>, even for non-US residents;</li><li>- Annual declaration of bank <u>accounts</u> and investments <u>outside the U.S.</u>;</li><li>- Return and taxation of income from certain <u>Passive Foreign Investment Companies</u> (PFICs);</li><li>- Return and taxation of the results of <u>controlled foreign corporations</u> ("CFCs").</li></ul>
<b>Specific heritage obligations, including:</b>	<ul style="list-style-type: none"><li>- Ownership dismemberment not recognised in the U.S.;</li><li>- Income accumulation involving substantial tax implications (SCI, life insurance, etc.);</li><li>- Specific asset valuation rules;</li><li>- Specific US tax returns relating to the transfer or receipt of an asset by donation/inheritance.</li></ul>
<b>Problems related to the loss of "U.S. person" status</b>	<ul style="list-style-type: none"><li>- Risk to be subject to the expatriation tax: taxation of unrealised capital gains relating to the taxpayer's worldwide assets.</li></ul>

## ❖ Specific tax benefits related to American citizenship:

<b>Relating to income tax</b>	<b>Relating to free transfer tax</b>
Existence of a conventional tax credit allowing <b>French tax to be cancelled</b> concerning certain US-source income (particularly financial income).	Existence of a conventional tax credit allowing <b>French donation/succession taxes to be cancelled</b> on the transfer of certain types of assets.