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IRS relief procedures for certain expatriates, U.S. tax law compliance

The IRS today issued a release announcing new relief procedures for former U.S. citizens, or for individuals considering relinquishing their U.S. citizenship, to allow them to come into compliance with their U.S. tax and filing obligations and receive relief for unpaid taxes.

As explained in today's IRS release—[IR-2019-151](#)—these relief procedures apply only to certain expatriates who:

- Have not filed U.S. tax returns as U.S. citizens or residents
- Owe a limited amount of back taxes to the United States
- Have net assets of less than \$2 million

The IRS explained that only taxpayers whose past compliance failures were non-willful can take advantage of these new procedures. According to the IRS, many eligible persons may have lived outside the United States most of their lives and were not aware that they had U.S. tax obligations.

Read about the relief procedures as well as a series of “frequently asked questions” (FAQs) on the [IRS website](#) (updated September 6, 2019).

Requirements, objectives

To participate under these relief procedures, the individuals must file their outstanding U.S. tax returns (including all required schedules and information returns) for a five-year period preceding year of expatriation plus that year. As long as a taxpayer is eligible for the relief procedures and has a tax liability that does not exceed a total of \$25,000 for the six-year period, the taxpayer is relieved from paying U.S. taxes and penalties.

The IRS further stated that:

- The purpose of these procedures is to provide relief for certain former citizens. Individuals who qualify for these procedures will not be assessed penalties and interest.
- There is no specific termination date, and the IRS will announce a closing date prior to ending the procedures.
- Individuals who relinquished their U.S. citizenship any time after March 18, 2010, are eligible for the process as long as they satisfy the other criteria of the procedures.
- These procedures are only available to individuals. Estates, trusts, corporations, partnerships, and other entities may not use these procedures.

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