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## SELECTED US TAX DEVELOPMENTS

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### SNOWBIRDS FLYING BLIND: BEWARE THE US RESIDENCE TRAP

*Michael J. Miller\*\**

The US tax rules are extraordinarily complex, and they include many unwelcome surprises. One such surprise arises when an alien discovers that he or she has unwittingly become a US resident. An alien's unexpected status as a US tax resident may give rise to substantial tax liabilities and, worse yet, exposure to life-altering penalties. This article discusses the US residence trap and its application to Canadian snowbirds.

**KEYWORDS:** UNITED STATES ■ RESIDENCE ■ RESIDENT ■ TREATY ■ PENALTIES

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1 With apologies to Canadian readers, in the context of this article, the term "foreign" means non-US.