
SELECTED US TAX DEVELOPMENTS

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NEW EXPATRIATION RULES UNDER SECTIONS 877A AND 2801

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New rules were recently enacted in the United States that change the tax treatment, going forward, of certain US citizens and long-term US residents who expatriate after June 17, 2008. This article describes which expatriating US citizens and long-term US residents are subject to the new regime, how the new regime works, and the advantages and disadvantages of the new regime compared with the old one. The authors conclude that while the new rules must be considered in the decisions of those contemplating expatriation from the United States, other factors will certainly affect the outcome of the decision-making process.

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