

# OUR PRACTICE

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## Obligation of U.S. Citizens and "Tax Residents"

Many people who have come from abroad do not realize the nature and seriousness of the obligation of U.S. citizens and "tax residents" to report to the IRS their worldwide financial holdings regardless of whether they will owe U.S. tax on them, and that they also are taxable in the U.S. on their worldwide income subject to exemptions and tax treaties. Many people do not realize that tax residents include not only people who have obtained a "green card" for U.S. permanent residence, but also people who have had certain amounts of physical presence in the U.S. without a green card (in temporary status or no status at all). Foreign nationals might not realize how severe are the penalties for non-compliance with the asset reporting obligation, not to mention the tax payment obligation. The opportunity to cure reporting failures should be seriously considered.

[This](#) is an article published by our firm's tax department about the latest opportunity for taxpayers to "come clean" on their foreign holdings.