

Please repeal all tax reporting demands upon US persons who do not live in USA. No other country requires its citizens to file tax and information forms while not residing in the country.

Here is what a US person is:

--A Swedish citizen, living in Sweden, who has one US parent.

--A Swedish citizen, living in Sweden, who was born in a USA hospital

--A Swedish citizen, living in Sweden, who has not properly renounced his USA visa (green card)

--A Swedish citizen, living in USA.

--A Swedish citizen, living in Sweden, who has "US indicia", suspecting him to be a US person, with funds at home to support his rented-out home or normal daily expenses.

The list below is a list of forms required for a Swedish citizen, living in Sweden, who is called a "US person" by the USA Internal Revenue service. These form demands are after having filled out Swedish skatteverket tax forms. Any US person in Sweden who has not filled these forms is defined as a "tax evader" and will be penalized via FATCA and the IGA reporting system.

USA YEARLY TAX FORMS

4868 Extension of time to file (by 4 months), for the filer to complete complex forms.

1040: Main tax form for filing USA taxes

214 pages of instructions (5 MB pdf)

No time estimate available. 40-60 hrs typical for the head of a Swedish household, if not reading all instructions.

1040 Schedule A: Itemized Deductions. Used for many situations

15 pages instructions

1040 Schedule B: Interest & Dividends

1040 Schedule D: Capital Gains & Losses

2 pages instructions

2555: Foreign income exclusion (Swedish income is subtracted from total income)

Time estimate: none

Penalties: not applicable

12 pages instructions.

1116: Foreign Tax credit (Swedish tax paid is credited to USA tax bill)

Time estimate: none

Penalties: not applicable

Recordkeeping, 2 hr., 43 min.; Learning law or form, 1 hr., 1 min.; Preparing form, 1 hr., 42 min.; Copy, & send form: 34 min.

1040x; Amendments of the 1040 form.

Required to revise the 1040 at the end of each year, due to the difference in Swedish with-held tax known at the beginning of the declaration year and the Swedish tax decision known at the end of the declaration year. (Requires revised form 2555 and revised form 1116.)

Time estimate: 7 hrs

Penalties: (same as 1040)

TAXES FOR PAYMENT TO USA, NOT COVERED BY TREATY AND NOT EXCLUDABLE TO THE USA, EVEN WHILE LIVING IN SWEDEN AS A SWEDISH CITIZEN

These taxes cannot be excluded or credited by a Swedish citizen in Sweden—they must be paid to USA:

- Inheritance tax from Swedish parents in Sweden
- capital gains tax on the sale of a Swedish home
- Tax upon income Swedish unemployment payments
- Tax upon income Swedish disability payments
- Tax upon income from Swedish retirement funds
- Tax upon USA healthcare (Obamacare), upon interest & dividends, (for higher--income earners)
- Exit tax for renouncing USA citizenship (30% reichsfluchsteuer)

INFORMATTION FORMS REQUIRED TO THE USA, LARGE PENALTIES AND MUCH PAPERWORK

Here is a list (BELOW) of the items that are necessary for a Swedish Citizen to fill out, who is a US person—whether they live in Sweden or USA. After they have paid Swedish taxes.

In the list, there is a description of the form, the IRS official time estimate to fill out the form (these are known to be extremely conservative—and there is time for the person required and time for a professional accountant to fill it out.

Since few people have ever known about these forms, they are being forced to fill them out 6-8 years retroactive, to provide intensive justification of all activities surrounding the forms. Then they must request for leniency with the fines.

These are additional reporting forms to be filled out for USA, after having properly and legally filed normal Swedish taxes while living in Sweden.

FBAR: Foreign Bank Account Reporting: To report bank accounts where one has signature authority

(applies to personal accounts, joint accunts with Swedish spouse, volunteer organization accounts, and accounts at workplace)

Arcane form, only 100,000 had been filed in year 2000. Now being enforced (6-8 yrs retroactive)

Filed to US Treasury, during June.

8 pages of instructions.

Time estimate: 75 minutes per respondent or record keeper, depending on individual circumstances

Penalty not to exceed \$10,000 per violation (per account per year?) if proven that it is not willful. A person who willfully fails to report an account or account identifying information may be subject to a civil monetary penalty equal to the greater of \$100,000 or 50 percent of the balance in the account at the time of the violation (reporting is required for signature authority upon accounts controlled by a manager at a workplace such as Ericsson, volunteer organization such as badforeningen, or personal account values)

Form 8938 Statement of Specified Foreign Financial Assets

New form 2011 tax year filed 2012

Duplicate form to FBAR---similar reporting requirements.

Time estimate:: 1 hour and 5 minute

Failure-to-File Penalty If you are required to file Form 8938 but do not file a complete and correct Form 8938 by the due date, you may be subject to a penalty of \$10,000. Continuing failure to file. If you do not file a correct and complete Form 8938 within 90 days after the IRS mails you a notice of the failure to file, you may be subject to an additional penalty of \$10,000 for each 30-day

Criminal penalties also.

Effect of Swedish jurisdiction laws: The fact that a Swedish jurisdiction would impose a civil or criminal penalty on you if you disclose the required information is not reasonable cause (for not reporting to USA).

Form 8621 –to report a Swedish citizen’s shareholder interest in a Passive Foreign Investment Company (PFIC),(most Swedish mutual funds) or a Qualified Electing Fund.

Recordkeeping: 15 hr, 4 min. Learn about law or form: 11 hr, 13 min. Prepare & send: 20 hr., 21 min.

12 pages of instructions. File to IRS with return

· Failure to file Form 8621: \$10,000 failure to file penalty per person for year.

Form 8886 to report any ”transaction of interest” (as called by the IRS)

Recordkeeping PER TRANSACTION: 10.3 hrs, Learning 4.8 hrs, Preparing, copy, send 6.4 hrs. 7 pages of instructions. File with return to IRS.

· Failure to file Form 8886 penalties: minimum of \$5,000 in the case of an individual, \$10,000 in the case of any other entity, maximum of \$10,000 for an individual and \$50,000 for other entities. This rises to a maximum of \$100,000 per individual and \$200,000 per entities for certain listed transactions for which the form is not filed.

Form 3520 –Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts

Certain transactions with foreign trusts, Ownership of foreign trusts under the rules of sections 671 through 679, and Receipt of certain large gifts or bequests from certain foreign persons.

A separate Form 3520 must be filed for transactions with each foreign trust.

File to IRS with taxes. Instructions 12 pages. . One form for each trust.

Recordkeeping 42 hr., 48 min. Learning about the law or the form 4 hr., 50 min. Preparing the form . 6 hr., 40 min. Sending the form to the IRS . 16 min.

A penalty generally applies if Form 3520 is not timely filed or if the information is incomplete or incorrect. Generally, the initial penalty is equal to the greater of \$10,000 or: 35% of the gross value of any property transferred to a foreign trust for failure by a U.S. transferor to report the creation of or transfer to a foreign trust or 35% of the gross value of the distributions received from a foreign trust for failure by a U.S. person to report receipt of the distribution or 5% of the gross value of the portion of the trust's assets treated as owned by a U.S. person for failure by the U.S. person to report the U.S. owner

information. Additional penalties will be imposed if the noncompliance continues after the IRS mails a notice of failure to comply with the required reporting. For more information, see section 6677.

Form 3520a –Annual Information Return of Foreign Trust With a U.S. Owner

the annual information return of a foreign trust with at least one U.S. owner. The form provides information about the foreign trust, its U.S. beneficiaries, and any U.S. person who is treated as an owner of any portion of the foreign trust

Recordkeeping: 37 hr., 18 min. Learn law or form: 2 hr., 40 min. Prepare: 3 hr., 24 min.

The U.S. owner is subject to an initial penalty equal to the greater of \$10,000 or 5% of the gross value of the portion of the trust's assets treated as owned by the U.S. person at the close of that tax year, if the foreign trust: (a) fails to file a timely Form 3520-A or (b) does not furnish all of the information required by section 6048(b) or includes incorrect information. See section 6677(b). Additional penalties will be imposed if the noncompliance continues after the IRS mails a notice of failure to comply with the required reporting. For more information, see section 6677. Criminal penalties may be imposed under sections 7203, 7206, and 7207 for failure to file on time and for filing a false or fraudulent return. Penalties may also be imposed under section 6662(j) for undisclosed foreign financial asset understatements.

INFORMATION FORMS TO USA FOR HAVING A SWEDISH BUSINESS

Form 8865 –Used to report that a Swedish citizen in Sweden is a 10% partner in a Swedish partnership.

6 pages of forms. 17 pages of instructions

· Failure to file Form 8865 penalties: \$10,000 failure to file penalty per year per person required to file.

If the information is not filed within 90 days after the IRS has mailed a notice of the failure to the U.S. person, an additional \$10,000 penalty (per foreign partnership) is charged for each 30-day period, or fraction thereof, during which the failure continues after the 90-day period has expired. The additional penalty is limited to a maximum of \$50,000 for each failure.

<u>Form Recordkeeping</u>	<u>Learning about law & form</u>	<u>Prep, copy, send</u>
8865	66 hr., 58 min. 23 hr., 11 min.	36 hr., 5 min.
Schedule K-1 (Form 8865)	13 hr., 38 min. 41 min.	57 min.
Schedule O (Form 8865)	12 hr., 12 min. 2 hr., 22 min.	2 hr., 41 min.
Schedule P (Form 8865)	5 hr., 15 min. 35 min.	42 min.

8832 Entity Classification Election

For a Swedish citizen starting up a Swedish corporation. Filed when it is made

3 pages forms, 4 pages instructions.

Recordkeeping 2 hr., 46 min. Learn law or form 3 hr., 48 min. Prepare: 36 min.

Form 5471 –to report that a Swedish citizen living in Sweden is a 10% or more shareholder in a Swedish corporation.

used by certain U.S. citizens and residents who are officers, directors, or shareholders in certain foreign corporations. The form and schedules are used to satisfy the reporting requirements of sections 6038 and 6046, and the related regulations

Filed to the IRS with tax return

· Failure to file Form 5471 penalties: \$10,000 failure to file penalty per year per person required to file.

A \$10,000 penalty is imposed for each annual accounting period of each foreign corporation for failure to furnish the required information within the time prescribed. If the information is not filed within 90 days after the IRS has mailed a notice of the failure to the U.S. person, an additional \$10,000 penalty (per foreign corporation) is charged for each 30-day period, or fraction thereof, during which the failure continues after the 90-day period has expired. The additional penalty is limited to a maximum of \$50,000 for each failure

Form	Recordkeeping	Learning about the law or the form	Prepare, send
5471	82 hr., 45 min.	16 hr., 14 min.	24 hr., 17 min.
Sch. J (5471)	3 hr., 49 min.	1 hr., 29 min.	1 hr., 37 min.
Sch. M (5471)	32hr., 3 min.	12min.	43 min.
Sch. O (5471)	10 hr., 45 min.	24 min.	35 min

· Form 5472 –Information Return of a 25% Swedish-Owned U.S. Corporation or a Swedish Corporation Engaged in a U.S. Trade or Business

4 pages instructions. 2 pages forms

Recordkeeping . 17 hr., 42 min.

Learning about the law or the form 3hr., 4 min.

Preparing and sending the form to the IRS 3hr., 30 min.

· Failure to file Form 5472 penalties: \$10,000 failure to file per year per person required to file.

If the failure continues for more than 90 days after notification by the IRS, an additional penalty of \$10,000 will apply. This penalty applies with respect to each related party for which a failure occurs for each 30-day period (or part of a 30-day period) during which the failure continues after the 90-day period ends.

Form 926 to report transfers of property from a Swedish citizen to a Swedish corporation, including undistributed earnings. (for example, a Swedish citizen loaning startup money to one's own Swedish corporation? Or maintaining earnings in a Swedish company)

3 pages of forms, 7 pages instructions

· Failure to file Form 926 penalties: 10% of the property transfer, up to \$100,000 although not limited if the failure to file was due to "intentional disregard."

Recordkeeping 23 hr., 12 min.

Learning about the law or the form .6hr., 52min.

Preparing and sending the form to the IRS 14hr., 44 min

CANADIAN ISSUES

Form 8891, U.S. Information Return for Beneficiaries of Certain Canadian Registered Retirement Plans.

Instructions 2 pages

Time to file not listed.

Penalties: to be investigated.

PROCEDURE FOR RENUNCIATION OF USA VISA (GREEN CARD) OR USA CITIZENSHIP

\$450 application fee

Renunciation procedure, appointment at USA embassy

File IRS form 8854—attesting that all USA taxes have been filed (as above) for the last 5 years.

Pay the applicable exit tax (**Reichsfluchsteuer**) from USA (for hi-earners, it is 30% of the gains of assets, even if the asset gain occurs completely in Sweden by a Swedish citizen)

(Even for Swedish citizens living in Sweden) It is against the law to give up USA citizenship for tax reasons.