

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2012

To amend the Internal Revenue Code of 1986 to revise the income, estate, and gift tax rules applicable to individuals who lose United States citizenship.

---

IN THE HOUSE OF REPRESENTATIVES

JULY 11, 1995

Mr. CREMEANS introduced the following bill; which was referred to the Committee on Ways and Means

---

## A BILL

To amend the Internal Revenue Code of 1986 to revise the income, estate, and gift tax rules applicable to individuals who lose United States citizenship.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Expatriation Tax Act  
5 of 1995”.

1 **SEC. 2. REVISION OF INCOME, ESTATE, AND GIFT TAXES ON**  
2 **INDIVIDUALS WHO LOSE UNITED STATES**  
3 **CITIZENSHIP.**

4 (a) IN GENERAL.—Subsection (a) of section 877 of  
5 the Internal Revenue Code of 1986 is amended to read  
6 as follows:

7 “(a) TREATMENT OF EXPATRIATES.—

8 “(1) IN GENERAL.—Every nonresident alien in-  
9 dividual who, within the 10-year period immediately  
10 preceding the close of the taxable year, lost United  
11 States citizenship, unless such loss did not have for  
12 1 of its principal purposes the avoidance of taxes  
13 under this subtitle or subtitle B, shall be taxable for  
14 such taxable year in the manner provided in sub-  
15 section (b) if the tax imposed pursuant to such sub-  
16 section exceeds the tax which, without regard to this  
17 section, is imposed pursuant to section 871.

18 “(2) CERTAIN INDIVIDUALS TREATED AS HAV-  
19 ING TAX AVOIDANCE PURPOSE.—For purposes of  
20 paragraph (1), an individual shall be treated as hav-  
21 ing a principal purpose to avoid such taxes if—

22 “(A) the average annual net income tax  
23 (as defined in section 38(c)(1)) of such individ-  
24 ual for the period of 5 taxable years ending be-  
25 fore the date of the loss of United States citi-  
26 zenship is greater than \$100,000, or

1           “(B) the net worth of the individual as of  
2           such date is \$500,000 or more.

3           In the case of the loss of United States citizenship  
4           in any calendar year after 1996, such \$100,000 and  
5           \$500,000 amounts shall be increased by an amount  
6           equal to such dollar amount multiplied by the cost-  
7           of-living adjustment determined under section  
8           1(f)(3) for such calendar year by substituting ‘1994’  
9           for ‘1992’ in subparagraph (B) thereof. Any in-  
10          crease under the preceding sentence shall be round-  
11          ed to the nearest multiple of \$1,000.”

12          (b) EXCEPTIONS.—

13           (1) IN GENERAL.—Section 877 of such Code is  
14          amended by striking subsection (d), by redesignating  
15          subsection (c) as subsection (d), and by inserting  
16          after subsection (b) the following new subsection:

17          “(c) TAX AVOIDANCE NOT PRESUMED IN CERTAIN  
18          CASES.—

19           “(1) IN GENERAL.—Subsection (a)(2) shall not  
20          apply to an individual if—

21           “(A) such individual is described in a sub-  
22          paragraph of paragraph (2) of this subsection,  
23          and

24           “(B) within the 1-year period beginning on  
25          the date of the loss of United States citizenship,

1 such individual submits a ruling request for the  
2 Secretary's determination as to whether such  
3 loss has for 1 of its principal purposes the  
4 avoidance of taxes under this subtitle or subtitle  
5 B.

6 “(2) INDIVIDUALS DESCRIBED.—

7 “(A) DUAL CITIZENSHIP, ETC.—An indi-  
8 vidual is described in this subparagraph if—

9 “(i) the individual became at birth a  
10 citizen of the United States and a citizen  
11 of another country and continues to be a  
12 citizen of such other country, or

13 “(ii) the individual becomes (not later  
14 than the close of a reasonable period after  
15 loss of United States citizenship) a citizen  
16 of the country in which—

17 “(I) such individual was born,

18 “(II) if such individual is mar-  
19 ried, such individual's spouse was  
20 born, or

21 “(III) either of such individual's  
22 parents were born.

23 “(B) LONG-TERM FOREIGN RESIDENTS.—

24 An individual is described in this subparagraph  
25 if, for each year in the 10-year period ending on

1 the date of loss of United States citizenship, the  
2 individual was present in the United States for  
3 30 days or less. The rule of section  
4 7701(b)(3)(D)(ii) shall apply for purposes of  
5 this subparagraph.

6 “(C) RENUNCIATION UPON REACHING AGE  
7 OF MAJORITY.—An individual is described in  
8 this subparagraph if the individual’s loss of  
9 United States citizenship occurs before such in-  
10 dividual attains age 18<sup>1</sup>/<sub>2</sub>.

11 “(D) INDIVIDUALS SPECIFIED IN REGULA-  
12 TIONS.—An individual is described in this sub-  
13 paragraph if the individual is described in a  
14 category of individuals prescribed by regulation  
15 by the Secretary.”

16 (2) TECHNICAL AMENDMENT.—Paragraph (1)  
17 of section 877(b) of such Code is amended by strik-  
18 ing “subsection (c)” and inserting “subsection (d)”.

19 (c) TREATMENT OF PROPERTY DISPOSED OF IN  
20 NONRECOGNITION TRANSACTIONS; TREATMENT OF DIS-  
21 TRIBUTIONS FROM CERTAIN CONTROLLED FOREIGN  
22 CORPORATIONS.—Subsection (d) of section 877 of such  
23 Code, as redesignated by subsection (b), is amended to  
24 read as follows:

1       “(d) SPECIAL RULES FOR SOURCE, ETC.—For pur-  
2 poses of subsection (b)—

3               “(1) SOURCE RULES.—The following items of  
4 gross income shall be treated as income from sources  
5 within the United States:

6               “(A) SALE OF PROPERTY.—Gains on the  
7 sale or exchange of property (other than stock  
8 or debt obligations) located in the United  
9 States.

10              “(B) STOCK OR DEBT OBLIGATIONS.—  
11 Gains on the sale or exchange of stock issued  
12 by a domestic corporation or debt obligations of  
13 United States persons or of the United States,  
14 a State or political subdivision thereof, or the  
15 District of Columbia.

16              “(C) INCOME OR GAIN DERIVED FROM  
17 CONTROLLED FOREIGN CORPORATION.—Any in-  
18 come or gain derived from stock in a foreign  
19 corporation but only—

20                      “(i) if the individual losing United  
21 States citizenship owned (within the mean-  
22 ing of section 958(a)), or is considered as  
23 owning (by applying the ownership rules of  
24 section 958(b)), at any time during the 2-  
25 year period ending on the date of the loss

1 of United States citizenship, more than 50  
2 percent of—

3 “(I) the total combined voting  
4 power of all classes of stock entitled  
5 to vote of such corporation, or

6 “(II) the total value of the stock  
7 of such corporation, and

8 “(ii) to the extent such income or gain  
9 does not exceed the earnings and profits  
10 attributable to such stock which were  
11 earned or accumulated before the loss of  
12 citizenship and during periods that the  
13 ownership requirements of clause (i) are  
14 met.

15 “(2) GAIN RECOGNITION ON CERTAIN EX-  
16 CHANGES.—

17 “(A) IN GENERAL.—In the case of any ex-  
18 change of property to which this paragraph ap-  
19 plies, notwithstanding any other provision of  
20 this title, such property shall be treated as sold  
21 for its fair market value on the date of such ex-  
22 change, and any gain shall be recognized for  
23 the taxable year which includes such date.

24 “(B) EXCHANGES TO WHICH PARAGRAPH  
25 APPLIES.—This paragraph shall apply to any

1 exchange during the 10-year period described in  
2 subsection (a) if—

3 “(i) gain would not (but for this para-  
4 graph) be recognized on such exchange in  
5 whole or in part for purposes of this sub-  
6 title,

7 “(ii) income derived from such prop-  
8 erty was from sources within the United  
9 States (or, if no income was so derived,  
10 would have been from such sources), and

11 “(iii) income derived from the prop-  
12 erty acquired in the exchange would be  
13 from sources outside the United States.

14 “(C) EXCEPTION.—Subparagraph (A)  
15 shall not apply if the individual enters into an  
16 agreement with the Secretary which specifies  
17 that any income or gain derived from the prop-  
18 erty acquired in the exchange (or any other  
19 property which has a basis determined in whole  
20 or part by reference to such property) during  
21 such 10-year period shall be treated as from  
22 sources within the United States. If the prop-  
23 erty transferred in the exchange is disposed of  
24 by the person acquiring such property, such  
25 agreement shall terminate and any gain which

1 was not recognized by reason of such agreement  
2 shall be recognized as of the date of such dis-  
3 position.

4 “(D) SECRETARY MAY EXTEND PERIOD.—  
5 To the extent provided in regulations prescribed  
6 by the Secretary, subparagraph (B) shall be ap-  
7 plied by substituting the 15-year period begin-  
8 ning 5 years before the loss of United States  
9 citizenship for the 10-year period referred to  
10 therein.

11 “(E) SECRETARY MAY REQUIRE RECOGNI-  
12 TION OF GAIN IN CERTAIN CASES.—To the ex-  
13 tent provided in regulations prescribed by the  
14 Secretary—

15 “(i) the removal of appreciated tan-  
16 gible personal property from the United  
17 States, and

18 “(ii) any other occurrence which  
19 (without recognition of gain) results in a  
20 change in the source of the income or gain  
21 from property from sources within the  
22 United States to sources outside the  
23 United States,

24 shall be treated as an exchange to which this  
25 paragraph applies.

1           “(3) SUBSTANTIAL DIMINISHING OF RISKS OF  
2 OWNERSHIP.—For purposes of determining whether  
3 this section applies to any gain on the sale or ex-  
4 change of any property, the running of the 10-year  
5 period described in subsection (a) shall be suspended  
6 for any period during which the individual’s risk of  
7 loss with respect to the property is substantially di-  
8 minished by—

9                   “(A) the holding of a put with respect to  
10                   such property (or similar property),

11                   “(B) the holding by another person of a  
12                   right to acquire the property, or

13                   “(C) a short sale or any other trans-  
14                   action.”

15           (d) CREDIT FOR FOREIGN TAXES IMPOSED ON  
16 UNITED STATES SOURCE INCOME.—

17           (1) Subsection (b) of section 877 of such Code  
18 is amended by adding at the end the following new  
19 sentence: “The tax imposed solely by reason of this  
20 section shall be reduced (but not below zero) by the  
21 amount of any income, war profits, and excess prof-  
22 its taxes (within the meaning of section 903) paid to  
23 any foreign country or possession of the United  
24 States on any income of the taxpayer on which tax  
25 is imposed solely by reason of this section.”

1           (2) Subsection (a) of section 877 of such Code,  
2           as amended by subsection (a), is amended by insert-  
3           ing “(after any reduction in such tax under the last  
4           sentence of such subsection)” after “such sub-  
5           section”.

6           (e) COMPARABLE ESTATE AND GIFT TAX TREAT-  
7           MENT.—

8           (1) ESTATE TAX.—

9           (A) IN GENERAL.—Subsection (a) of sec-  
10          tion 2107 of such Code is amended to read as  
11          follows:

12         “(a) TREATMENT OF EXPATRIATES.—

13                 “(1) RATE OF TAX.—A tax computed in accord-  
14                 ance with the table contained in section 2001 is  
15                 hereby imposed on the transfer of the taxable estate,  
16                 determined as provided in section 2106, of every de-  
17                 cedent nonresident not a citizen of the United States  
18                 if, within the 10-year period ending with the date of  
19                 death, such decedent lost United States citizenship,  
20                 unless such loss did not have for 1 of its principal  
21                 purposes the avoidance of taxes under this subtitle  
22                 or subtitle A.

23                 “(2) CERTAIN INDIVIDUALS TREATED AS HAV-  
24                 ING TAX AVOIDANCE PURPOSE.—

1           “(A) IN GENERAL.—For purposes of para-  
2 graph (1), an individual shall be treated as hav-  
3 ing a principal purpose to avoid such taxes if  
4 such individual is so treated under section  
5 877(a)(2).

6           “(B) EXCEPTION.—Subparagraph (A)  
7 shall not apply to a decedent meeting the re-  
8 quirements of section 877(c)(1).”

9           (B) CREDIT FOR FOREIGN DEATH  
10 TAXES.—Subsection (c) of section 2107 of such  
11 Code is amended by redesignating paragraph  
12 (2) as paragraph (3) and by inserting after  
13 paragraph (1) the following new paragraph:

14           “(2) CREDIT FOR FOREIGN DEATH TAXES.—

15           “(A) IN GENERAL.—The tax imposed by  
16 subsection (a) shall be credited with the amount  
17 of any estate, inheritance, legacy, or succession  
18 taxes actually paid to any foreign country in re-  
19 spect of any property which is included in the  
20 gross estate solely by reason of subsection (b).

21           “(B) LIMITATION ON CREDIT.—The credit  
22 allowed by subparagraph (A) for such taxes  
23 paid to a foreign country shall not exceed the  
24 lesser of—

1           “(i) the amount which bears the same  
2           ratio to the amount of such taxes actually  
3           paid to such foreign country in respect of  
4           property included in the gross estate as the  
5           value of the property included in the gross  
6           estate solely by reason of subsection (b)  
7           bears to the value of all property subjected  
8           to such taxes by such foreign country, or

9           “(ii) such property’s proportionate  
10          share of the excess of—

11                   “(I) the tax imposed by sub-  
12                   section (a), over

13                   “(II) the tax which would be im-  
14                   posed by section 2101 but for this  
15                   section.

16           “(C) PROPORTIONATE SHARE.—For pur-  
17           poses of subparagraph (B), a property’s propor-  
18           tionate share is the percentage which the value  
19           of the property which is included in the gross  
20           estate solely by reason of subsection (b) bears  
21           to the total value of the gross estate.”

22           (C) EXPANSION OF INCLUSION IN GROSS  
23           ESTATE OF STOCK OF FOREIGN CORPORA-  
24           TIONS.—Paragraph (2) of section 2107(b) of  
25           such Code is amended by striking “more than

1 50 percent of” and all that follows and insert-  
2 ing “more than 50 percent of—

3 “(A) the total combined voting power of all  
4 classes of stock entitled to vote of such corpora-  
5 tion, or

6 “(B) the total value of the stock of such  
7 corporation,”.

8 (2) GIFT TAX.—

9 (A) IN GENERAL.—Paragraph (3) of sec-  
10 tion 2501(a) of such Code is amended to read  
11 as follows:

12 “(3) EXCEPTION.—

13 “(A) CERTAIN INDIVIDUALS.—Paragraph  
14 (2) shall not apply in the case of a donor who,  
15 within the 10-year period ending with the date  
16 of transfer, lost United States citizenship, un-  
17 less such loss did not have for 1 of its principal  
18 purposes the avoidance of taxes under this sub-  
19 title or subtitle A.

20 “(B) CERTAIN INDIVIDUALS TREATED AS  
21 HAVING TAX AVOIDANCE PURPOSE.—For pur-  
22 poses of subparagraph (A), an individual shall  
23 be treated as having a principal purpose to  
24 avoid such taxes if such individual is so treated  
25 under section 877(a)(2).

1           “(C) EXCEPTION FOR CERTAIN INDIVID-  
2           UALS.—Subparagraph (B) shall not apply to a  
3           decedent meeting the requirements of section  
4           877(c)(1).

5           “(D) CREDIT FOR FOREIGN GIFT TAXES.—  
6           The tax imposed by this section solely by reason  
7           of this paragraph shall be credited with the  
8           amount of any gift tax actually paid to any for-  
9           eign country in respect of any gift which is tax-  
10          able under this section solely by reason of this  
11          paragraph.”

12          (f) COMPARABLE TREATMENT OF LAWFUL PERMA-  
13          NENT RESIDENTS WHO CEASE TO BE TAXED AS RESI-  
14          DENTS.—

15                 (1) IN GENERAL.—Section 877 of such Code is  
16                 amended by redesignating subsection (e) as sub-  
17                 section (f) and by inserting after subsection (d) the  
18                 following new subsection:

19                 “(e) COMPARABLE TREATMENT OF LAWFUL PERMA-  
20                 NENT RESIDENTS WHO CEASE TO BE TAXED AS RESI-  
21                 DENTS.—

22                         “(1) IN GENERAL.—Any long-term resident of  
23                         the United States who—

1           “(A) ceases to be a lawful permanent resi-  
2           dent of the United States (within the meaning  
3           of section 7701(b)(6)), or

4           “(B) commences to be treated as a resi-  
5           dent of a foreign country under the provisions  
6           of a tax treaty between the United States and  
7           the foreign country and who does not waive the  
8           benefits of such treaty applicable to residents of  
9           the foreign country,

10          shall be treated for purposes of this section and sec-  
11          tions 2107, 2501, and 6039F in the same manner  
12          as if such resident were a citizen of the United  
13          States who lost United States citizenship on the date  
14          of such cessation or commencement.

15          “(2) LONG-TERM RESIDENT.—For purposes of  
16          this subsection, the term ‘long-term resident’ means  
17          any individual (other than a citizen of the United  
18          States) who is a lawful permanent resident of the  
19          United States in at least 8 taxable years during the  
20          period of 15 taxable years ending with the taxable  
21          year during which the event described in subpara-  
22          graph (A) or (B) of paragraph (1) occurs. For pur-  
23          poses of the preceding sentence, an individual shall  
24          not be treated as a lawful permanent resident for  
25          any taxable year if such individual is treated as a

1 resident of a foreign country for the taxable year  
2 under the provisions of a tax treaty between the  
3 United States and the foreign country and does not  
4 waive the benefits of such treaty applicable to resi-  
5 dents of the foreign country.

6 “(3) SPECIAL RULES.—

7 “(A) EXCEPTIONS NOT TO APPLY.—Sub-  
8 section (c) shall not apply to an individual who  
9 is treated as provided in paragraph (1).

10 “(B) STEP-UP IN BASIS.—Solely for pur-  
11 poses of determining any tax imposed by reason  
12 of this subsection, property which was held by  
13 the long-term resident on the date the individ-  
14 ual first became a resident of the United States  
15 shall be treated as having a basis on such date  
16 of not less than the fair market value of such  
17 property on such date. The preceding sentence  
18 shall not apply if the individual elects not to  
19 have such sentence apply. Such an election,  
20 once made, shall be irrevocable.

21 “(4) AUTHORITY TO EXEMPT INDIVIDUALS.—

22 This subsection shall not apply to an individual who  
23 is described in a category of individuals prescribed  
24 by regulation by the Secretary.

1           “(5) REGULATIONS.—The Secretary shall pre-  
2       scribe such regulations as may be appropriate to  
3       carry out this subsection, including regulations pro-  
4       viding for the application of this subsection in cases  
5       where an alien individual becomes a resident of the  
6       United States during the 10-year period after being  
7       treated as provided in paragraph (1).”

8           (2) CONFORMING AMENDMENTS.—

9           (A) Section 2107 of such Code is amended  
10       by striking subsection (d), by redesignating sub-  
11       section (e) as subsection (d), and by inserting  
12       after subsection (d) (as so redesignated) the fol-  
13       lowing new subsection:

14       “(e) CROSS REFERENCE.—

**“For comparable treatment of long-term lawful  
permanent residents who ceased to be taxed as resi-  
dents, see section 877(e).”**

15       (B) Paragraph (3) of section 2501(a) of  
16       such Code (as amended by subsection (e)) is  
17       amended by adding at the end the following  
18       new subparagraph:

19       “(E) CROSS REFERENCE.—

**“For comparable treatment of long-term lawful  
permanent residents who ceased to be taxed as resi-  
dents, see section 877(e).”**

20       (g) EFFECTIVE DATE.—

21       (1) IN GENERAL.—The amendments made by  
22       this section shall apply to—

1 (A) individuals losing United States citi-  
2 zenship (within the meaning of section 877 of  
3 the Internal Revenue Code of 1986) on or after  
4 February 6, 1995, and

5 (B) long-term residents of the United  
6 States with respect to whom an event described  
7 in subparagraph (A) or (B) of section 877(e)(1)  
8 of such Code occurs on or after June 13, 1995.

9 (2) SPECIAL RULE.—

10 (A) IN GENERAL.—In the case of an indi-  
11 vidual who performed an act of expatriation  
12 specified in paragraph (1), (2), (3), or (4) of  
13 section 349(a) of the Immigration and Nation-  
14 ality Act (8 U.S.C. 1481(a)(1)–(4)) before Feb-  
15 ruary 6, 1995, but who did not, on or before  
16 such date, furnish to the United States Depart-  
17 ment of State a signed statement of voluntary  
18 relinquishment of United States nationality con-  
19 firming the performance of such act, the  
20 amendments made by this section shall apply to  
21 such individual except that—

22 (i) the 10-year period described in  
23 section 877(a) of such Code shall not ex-  
24 pire before the end of the 10-year period

1 beginning on the date such statement is so  
2 furnished, and

3 (ii) the 1-year period referred to in  
4 section 877(c) of such Code, as amended  
5 by this section, shall not expire before the  
6 date which is 1 year after the date of the  
7 enactment of this Act.

8 (B) EXCEPTION.—Subparagraph (A) shall  
9 not apply if the individual establishes to the  
10 satisfaction of the Secretary of the Treasury  
11 that such loss of United States citizenship oc-  
12 curred before February 6, 1994.

13 **SEC. 3. INFORMATION ON INDIVIDUALS LOSING UNITED**  
14 **STATES CITIZENSHIP.**

15 (a) IN GENERAL.—Subpart A of part III of sub-  
16 chapter A of chapter 61 of the Internal Revenue Code of  
17 1986 is amended by inserting after section 6039E the fol-  
18 lowing new section:

19 **“SEC. 6039F. INFORMATION ON INDIVIDUALS LOSING**  
20 **UNITED STATES CITIZENSHIP.**

21 “(a) IN GENERAL.—Notwithstanding any other pro-  
22 vision of law, any individual who loses United States citi-  
23 zenship (within the meaning of section 877(a)) shall pro-  
24 vide a statement which includes the information described  
25 in subsection (b). Such statement shall be—

1           “(1) provided not later than the earliest date of  
2 any act referred to in subsection (c), and

3           “(2) provided to the person or court referred to  
4 in subsection (c) with respect to such act.

5           “(b) INFORMATION TO BE PROVIDED.—Information  
6 required under subsection (a) shall include—

7           “(1) the taxpayer’s TIN,

8           “(2) the mailing address of such individual’s  
9 principal foreign residence,

10           “(3) the foreign country in which such individ-  
11 ual is residing,

12           “(4) the foreign country of which such individ-  
13 ual is a citizen,

14           “(5) in the case of an individual having a net  
15 worth of at least the dollar amount applicable under  
16 section 877(a)(2)(B), information detailing the as-  
17 sets and liabilities of such individual, and

18           “(6) such other information as the Secretary  
19 may prescribe.

20           “(c) ACTS DESCRIBED.—For purposes of this sec-  
21 tion, the acts referred to in this subsection are—

22           “(1) the individual’s renunciation of his United  
23 States nationality before a diplomatic or consular of-  
24 ficer of the United States pursuant to paragraph (5)

1 of section 349(a) of the Immigration and Nationality  
2 Act (8 U.S.C. 1481(a)(5)),

3 “(2) the individual’s furnishing to the United  
4 States Department of State a signed statement of  
5 voluntary relinquishment of United States national-  
6 ity confirming the performance of an act of expatria-  
7 tion specified in paragraph (1), (2), (3), or (4) of  
8 section 349(a) of the Immigration and Nationality  
9 Act (8 U.S.C. 1481(a)(1)–(4)),

10 “(3) the issuance by the United States Depart-  
11 ment of State of a certificate of loss of nationality  
12 to the individual, or

13 “(4) the cancellation by a court of the United  
14 States of a naturalized citizen’s certificate of natu-  
15 ralization.

16 “(d) PENALTY.—Any individual failing to provide a  
17 statement required under subsection (a) shall be subject  
18 to a penalty for each year (of the 10-year period beginning  
19 on the date of loss of United States citizenship) during  
20 any portion of which such failure continues in an amount  
21 equal to the greater of—

22 “(1) 5 percent of the tax required to be paid  
23 under section 877 for the taxable year ending during  
24 such year, or

25 “(2) \$1,000,

1 unless it is shown that such failure is due to reasonable  
2 cause and not to willful neglect.

3 “(e) INFORMATION TO BE PROVIDED TO SEC-  
4 RETARY.—Notwithstanding any other provision of law—

5 “(1) any Federal agency or court which collects  
6 (or is required to collect) the statement under sub-  
7 section (a) shall provide to the Secretary—

8 “(A) a copy of any such statement, and

9 “(B) the name (and any other identifying  
10 information) of any individual refusing to com-  
11 ply with the provisions of subsection (a),

12 “(2) the Secretary of State shall provide to the  
13 Secretary a copy of each certificate as to the loss of  
14 American nationality under section 358 of the Immi-  
15 gration and Nationality Act which is approved by  
16 the Secretary of State, and

17 “(3) the Federal agency primarily responsible  
18 for administering the immigration laws shall provide  
19 to the Secretary the name of each lawful permanent  
20 resident of the United States (within the meaning of  
21 section 7701(b)(6)) whose status as such has been  
22 revoked or has been administratively or judicially de-  
23 termined to have been abandoned.

24 Notwithstanding any other provision of law, not later than  
25 30 days after the close of each calendar quarter, the Sec-

1 retary shall publish in the Federal Register the name of  
2 each individual losing United States citizenship (within  
3 the meaning of section 877(a)) with respect to whom the  
4 Secretary receives information under the preceding sen-  
5 tence during such quarter.

6 “(f) REPORTING BY LONG-TERM LAWFUL PERMA-  
7 NENT RESIDENTS WHO CEASE TO BE TAXED AS RESI-  
8 DENTS.—In lieu of applying the last sentence of sub-  
9 section (a), any individual who is required to provide a  
10 statement under this section by reason of section  
11 877(e)(1) shall provide such statement with the return of  
12 tax imposed by chapter 1 for the taxable year during  
13 which the event described in such section occurs.

14 “(g) EXEMPTION.—The Secretary may by regula-  
15 tions exempt any class of individuals from the require-  
16 ments of this section if he determines that applying this  
17 section to such individuals is not necessary to carry out  
18 the purposes of this section.”

19 (b) CLERICAL AMENDMENT.—The table of sections  
20 for such subpart A is amended by inserting after the item  
21 relating to section 6039E the following new item:

“Sec. 6039F. Information on individuals losing United States citi-  
zanship.”

22 (c) EFFECTIVE DATE.—The amendments made by  
23 this section shall apply to—

1           (1) individuals losing United States citizenship  
2           (within the meaning of section 877 of the Internal  
3           Revenue Code of 1986) after the date of the enact-  
4           ment of this Act, and

5           (2) long-term residents of the United States  
6           with respect to whom an event described in subpara-  
7           graph (A) or (B) of section 877(e)(1) of such Code  
8           occurs after such date.

9   **SEC. 4. REPORT ON TAX COMPLIANCE BY UNITED STATES**  
10                           **CITIZENS AND RESIDENTS LIVING ABROAD.**

11           Not later than 90 days after the date of the enact-  
12           ment of this Act, the Secretary of the Treasury shall pre-  
13           pare and submit to the Committee on Ways and Means  
14           of the House of Representatives and the Committee on  
15           Finance of the Senate a report—

16           (1) describing the compliance with subtitle A of  
17           the Internal Revenue Code of 1986 by citizens and  
18           lawful permanent residents of the United States  
19           (within the meaning of section 7701(b)(6) of such  
20           Code) residing outside the United States, and

21           (2) recommending measures to improve such  
22           compliance (including improved coordination be-  
23           tween executive branch agencies).

○

HR 2012 IH—2