

Dan Hartmann's Tax Guide - 2017

When I first found out I was 5 years behind, I was quite honestly shocked and overwhelmed in equal measure, I had no idea I had to file back in the US.

I jumped onto Google to see what I could find and there is just so much information online, often contradictory, which just made it worse!

I called the IRS to confirm I needed to file and the answer was a resounding YES!

I asked them to recommend a service provider, they wouldn't recommend one but they do list licensed providers on their website...

So I set about calling a few of these licensed tax firms but the prices, services, and advice they offered had no consistency at all, it was just too much!

Then a friend through Facebook then gave me a great recommendation and everything started to fall into place...

Here's my simple 3-point tax guide...

1. Work out if you even need to file a US return; considering your worldwide income, do you fall into one of these categories?

- Single with gross income over USD \$10,350
- Married filing jointly with gross income over USD \$20,700
- Married filing separately with gross income over USD \$4,050
- Head of Household (Married, Divorced with US dependents)

No? Then you don't need to file a US tax return!

*If you are married to a person that doesn't have any ties to the United States, you'll fall into the "**Married filing separately**" filing status.*

*If you are married to a person that does have ties to the United States, such as a US citizen or Green Card holder, you can file as "**Married filing jointly**".*

Married filing jointly is generally the most advantageous filing status.

2. Don't worry about getting a tax bill from the IRS

- If you're paying the correct level of tax in the UK, Australia or Canada (any country where you pay more tax that you would in the US), it's unlikely you will even get a tax bill from the IRS due to the tax treaty between the US and these countries.
- The important thing here is to file to **prove** that you don't owe anything and be tax compliant.



EXPAT TAX.ONLINE

3. If you do need to file, work out when you last filed a US tax return

- If was more than 3 years ago, scroll down and read about the "IRS Streamlined Amnesty Program".
- If you're only a few years out of date, scroll and read about "Additional Child Tax Credits"

Time-saving shortcuts

IRS Streamlined Amnesty Program

- It's an official IRS program designed for Americans living and working abroad to catch up on their US tax returns
- No matter how many years behind you are, we just have to file your last 3 overdue tax returns and 6 years of foreign bank account reports (FBARs)
- The IRS promise no fines, no late fees, and no penalties!
- They also promise they wouldn't look back any further and you'll be fully compliant

Additional Child Tax Credits - **WOW!** I had no idea about these - if you have **children under 17 years old** with a US Social Security Number, *read this...*

- The IRS will give you up to \$1,000 per child, per year. The amount depends on how much you earn. High-income earners get less.
- We back-dated the Additional Child Tax Credits for 3 years using the Streamlined Amnesty Program
- I have two children and I'm a moderate-income earner and that's how I ended up fully compliant with almost \$6,000 as a refund from the IRS.
- You can claim this credit until your dependents turn 17 years old.

What next?

- If you need to file, my strong advice is to use an expat tax preparer such as Expat Tax Online, or you could try it on your own.
- I could have done it on my own too, and I did quickly look at it. For me, I have better things to spend my time on and frankly the last thing I want to do it learn how to file a tax return from a foreign country, no thanks!

Getting Started:

- Go back to the email I sent you and use the links to get started.

*I hope you find my research helpful.
All the best, Dan.*