

American-born London mayor refuses to pay US taxes, threatens to renounce citizenship

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The Internal Revenue Service reportedly wants London Mayor Boris Johnson to write a check for taxes he owes to the United States government, but the UK politician says he isn't paying.

Johnson, 50, has been the mayor of London since 2008 and is considering a bid at Parliament in the near future. In the meantime, however, he might soon find himself in hot water on the other side of the pond. Johnson, who was born in New York but moved at the age of five, told NPR host Susan Page during an <u>interview</u> last week that the US wants him to pay a capital gains tax owed by American citizens who earn income abroad.

Previously, Johnson wrote in a 2006 <u>column</u> that he was "getting a divorce from America" and would renounce his citizenship, noting "for years I have travelled exclusively on a British passport," and not the US-issued one he also holds. That threat failed to materialize, but a question emailed to the mayor while he was being interviewed by NPR recently might have rekindled his interest — and without a doubt revealed another issue that has peculiarly pitted Johnson against the IRS.

"It is very hard but I will say this: the great United States of America does have some pretty tough rules, you know," Johnson said. "You may not believe this but if you're an American citizen, America exercises this incredible doctrine of global taxation, so that even though tax rates in the UK are far higher and I'm Mayor of London, I pay all my tax in the UK and so I pay a much higher proportion of my income in tax, than I would if I lived in America."



Mayor of London Boris Johnson (L) attends the scene of fatality, caused by a tree falling outside Knightsbridge Barracks during high winds in west London on October 21, 2014. (AFP Photo / Jack Taylor)

"The United States comes after me, would you believe it, for the -- for capital gains tax on the sale of your first residence which is not taxable in Britain, but they're trying to hit me with some bill, can you believe it?" Johnson continued.

Page, who was filling in during the November 13 episode on behalf of NPR host Diane Rehm, quickly pressed Johnson: *"Are you gonna pay the bill?"* The mayor initially rebuffed her, though, saying instead that he just thought America's demands were *"outrageous."*

"Outrageous or not, will you pay this tax bill?" Page inquired again.

"Well, I'm -- no, is the answer," the mayor finally admitted. *"I think, it's absolutely outrageous. Why should I?"*

"I could but I pay -- I pay the lion's share of my tax, I pay my taxes to the full in the United Kingdom where I live and work," Johnson added, saying later that he continues to carry an American passport because *"it's very difficult to give up."*

Robert W. Wood, an expert on taxes and litigation, wrote for <u>Forbes</u> that Johnson still could decide to renounce his citizenship — something that Americans have done in record numbers in recent years. That wouldn't solve the mayor's tax problems, Wood wrote, however.

"When you exit you must certify five years of US tax compliance to the IRS. And any tax for the current or prior years must be paid. So, maybe Mayor Johnson should have renounced when he threatened to in 2006," Wood wrote.

Around 2,353 Americans have renounced their citizenship since the start of 2014, Wood wrote later, and a continuation of the current trend would shatter last year's record-breaking statistic of 2,999 renunciations.