

These Americans Pulled The Trigger To Keep Uncle Sam Out Of Their Lives For Good

So people who do it generally have a compelling motivation.



F. PETER BROWN—AUGUST 8, 2014



A record number of Americans have [renounced their citizenship](#). That marks 576 for the quarter and 1,577 for the year.

The Treasury Department is required to publish a quarterly list of those renouncing their citizenship; but Robert W. Wood, Forbes contributor, believes that this number is understated.

Most Americans don't renounce their citizenship because of financial reasons, especially taxes and FACTA.

US citizens are required to pay double taxes while living abroad, both to the US and in the country where they are residing.

Another thing that causes a headache is the Foreign Accounts Tax Compliance Act, or FACTA, which forces foreign banks to report on the holdings of US citizens when they reach a certain net worth. Many banks have felt conflicted whether they should accept or reject US citizens because of this law that raises the banks' compliance costs significantly.

Wisconsin financial advisor David Kuenzi said the following about the law:

[Congress] said to all of these institutions, 'You need to follow this set of criteria to determine all of the Americans who are your clients, and you need to report directly to us on their holdings.'

John Annen, a 46 year old American who has lived in Switzerland for ten years, says:

*I feel caught in the battle between the government and the banks. **The U.S. government is the biggest threat to my style of living.***

How hard is it to renounce your citizenship? According to NPR, the process is a lengthy one "involving interviews, paperwork, and legal procedures." NPR wrote in February:

So people who do it generally have a compelling motivation. And while individual reasons for renouncing may vary from person to person, experts in the field say the recent dramatic spike has more to do with the 2010 tax law than any other factor.

What do you think? Should the US revise its financial laws so that fewer Americans renounce their citizenship for financial reasons?