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Boris Johnson's Big Win? He Beat IRS

Whether you love him or hate him, UK's dethroned Prime Minister was sure different. He will be pilloried for a while yet, probably much more pilloried than praised. But anyone who has faced off with America's powerful IRS might admire him just a little bit. After all, despite being a Brit, he came up against the IRS and in the end found a way to best them. Before his [PM victory](#), Mr. Johnson was Mayor of London, then foreign secretary. Yet he was famously an American citizen too, born in the U.S. and leaving at age five. That meant dealing with the IRS every year, on top of British taxes. He did not like paying the IRS and he was vocal about it for years, refusing to pay and being a kind of tousel tax protestor. Then in 2017, it came out that he renounced his U.S. citizenship the prior year and was on the official [published list of Americans who renounced](#). He had famously dodged IRS bills and eventually ended his tax fight by renouncing his American citizenship. For a time, Mr. Johnson made the gutsy move of publicly refusing to pay the IRS.

Indeed, as payback, he once lambasted the U.S. Embassy in London for failing to pay London's congestion tax. He protested U.S. taxes for years, with some reports saying that he renounced his U.S. citizenship many years back. [The](#)

[BBC confirmed](#) that he did not give it up until 2016, despite threats to renounce in [a 2006 column](#). If you want to hear a disgruntled taxpayer, check out his 2014 [interview with NPR](#), where Johnson complained that he was been hit with IRS demands for [capital gains tax](#). The IRS taxed the sale of his first home *in the U.K.*, even though under UK law it was not subject to tax in England! Mr. Johnson said it was outrageous to tax U.S. citizens everywhere, no matter what. He hasn't lived in the U.S. since he was five years old. Asked in 2014 whether he would pay the bill, Johnson replied:



"No is the answer. I think it's absolutely outrageous. Why should I? I think, you know, I'm not a ... I, you know, I haven't lived in the U.S. for, you know, well, since I was five years old ... I pay the lion's share of my tax, I pay my taxes to the full in the U.K. where I live and work."

Did Boris really beat the IRS? Well, renouncing would not solve a past or *current* tax bill. The details are not public, but Mr. Johnson probably had to pay the IRS to be able to renounce. To exit the U.S., you generally must prove five years of U.S. tax compliance, and in some cases you also pay an [exit tax](#).

Some long-term residents giving up Green Cards must pay the tax too. Every three months, the U.S. Treasury Department publicly [names individuals](#) who renounced their U.S. citizenship. Renouncing is clearly not for the faint of heart, but for people who have [left the U.S., and don't want to pay the IRS forever](#), it is one option.

You don't have to be a politician to be tempted. Many Americans abroad are tempted. Federal Register data shows that renunciations spiked after Congress passed [FATCA](#)—the Foreign Account Tax Compliance Act. No one seems to know exactly how big the real number is, even though both the [IRS and FBI track Americans who renounce](#). There is no single explanation for the increase, although some renouncers write [why they gave up their U.S. citizenship](#). Reasons for renouncing can be family, tax and legal complications. Plainly, though, some renounce because of global tax reporting and FATCA.

[FATCA](#) requires non-U.S. banks and financial institutions around the world to reveal American account details or risk big penalties. Americans living and working in foreign countries must generally report and pay tax where they live. But they must also continue to file taxes in the U.S., where reporting is based on their worldwide income. Some say a move to residence-based taxation is too big a fix for the U.S. to make. We may never know exactly what kind of tax deal Boris cut with the IRS to get them off his back. I'm betting that he paid the taxes in full, with interest, but he might have escaped penalties. But one victory you can't take away from him was handing in his U.S. passport—and cutting off his yearly tax show-and-tell (and pay) to the American IRS.

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