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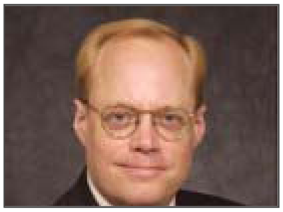

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How IKEA Billionaire Legally Avoided Taxes From 1973 Until 2015

89-year old IKEA founder Ingvar Kamprad is said to be the eighth wealthiest person in the world, with an estimated net worth of $43.2 billion. He was in favor of everything Swedish except taxes. So he spent more than 40 years paying as little as possible, both individually and for his company. Finally, though, he is back to paying tax in his home country.

It would be hard to find a more ardent promoter of all things Swedish, with all Swedish names for every product, and Swedish only food items. IKEA stores worldwide pay homage to Sweden. Yet the man responsible for the iconic brand fled his homeland 40 years ago. After his return, Mr. Kamprad's reported 2014 income to his native country was 17.7 million Swedish kronor ($2 million). In all, he paid approximately six million kronor in taxes. What took him from Sweden in 1973 was a calculated move.

The move helped fuel his company's growth into the world's biggest furniture retailer. The company was founded in 1943, and is the number one furniture store in the world. In all, it brought in approximately 31.9 billion euros for its

2014-2015 fiscal year. And taxes have been important to the company's planning too.

Mr. Kamprad didn't want to pay Sweden's high taxes. So he moved to Switzerland, and spent 40 years there building his empire. He had to pay some tax in Switzerland, of course, but not the full freight he would have paid in Sweden. He made his views about Sweden's high taxes known in the 1970s, and set up residence in Switzerland. Apart from age and family, one reason to return is Sweden's now lower tax rates and reforms. The country's welfare system is less extreme than it was in the 1970s, with reduced income taxes and the abolishment of the wealth tax.

When Mr. Kamprad returned, he came back to his roots, where he founded IKEA 70 years ago. The Kamprad family controls the IKEA empire, and his youngest son took over as chairman. Over the years, IKEA endured its own tax scrutiny quite apart from its patriarch. UK's Guardian claimed the company slashed UK taxes by diverting profits to a sister company. The Economist claimed the company manipulated finances to minimize its tax bill, greatly benefiting Mr. Kamprad and his family.

There is no doubt that taxes influence behavior, and while Mr. Kamprad has returned home after 40 years, American expatriation is way up. Many now find America's global income tax compliance and disclosure laws to be a burden. There is a spike in the quarterly name and shame list of those who renounced their U.S. citizenship or terminated long-term U.S. residency. It means the 2015 third quarter published expatriates is at a record high. The tally for three months was 1,426, and although that may seem a trickle, it is the highest number ever.

It can be over family, tax and legal complications. Dual citizenship isn't always possible, as this infographic from MoveHub shows. Some countries make citizens pay a fee to hand in their passport. Some countries have no fee, but America's $2,350 fee is more than twenty times the average level in other high-income countries. America now has the highest fees in the world. On top of that, depending on income levels and asset values, leaving America can also trigger an exit tax.

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