## **Forbes**



## Robert W. Wood THE TAX LAWYER

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## London's Boris Johnson Gets Help In IRS Fight

Should London's Mayor Boris Johnson pay U.S. taxes and file FBARs? Born in New York, the iconic London mayor never gave up his U.S. citizenship. But rather than quietly paying U.S. taxes, Mr. Johnson in an NPR interview called it 'outrageous' to tax U.S. citizens on their global income. Mayor Boris hasn't lived in the U.S. since age 5, but the IRS seeks tax on the sale his U.K. home.

The sale is exempt from tax in the U.K., so Mayor Boris can't just claim a credit for his U.K. taxes to the IRS. It gladdens the heart of every expat and disgruntled American taxpayer to hear Mr. Johnson say that he won't pay. It even fuels speculation that the IRS and Mr. Johnson could go to the mat.



Meanwhile, Mr. Johnson is getting support from expats miffed with the American tax code and IRS. Case in point, several <u>Canadians filed suit to block FATCA</u> in Canada. A named plaintiff in the suit wrote Mayor Boris offering her support. The letter appears here in edited form.

To The Right Honorable Boris Johnson, Mayor of the City of London

**Dear Mayor Johnson:** 

My most heartfelt support in your quest to fight the unjust assessment of IRS taxes. Yes, Mr. Mayor, I know just how you feel. The reports—including this <u>article</u> in Forbes—seems incorrect about how much you might owe the IRS. There could be considerably more at stake than merely U.S. capital gain tax on your house.

Consider fines, exit fees and hefty penalties for failure to file income tax returns. Like many other quasi-Americans, you may not have known about any of this until recently. That's understandable, because the IRS never informed anyone or published their regulations in any way the public would see.

The USA is the only country in the WORLD that taxes citizenship, rather than residence. America needs tax dollars to fund its deficit. So the IRS is going after every person they consider American in every country.

Like you, many people who once lived in the USA had no choice where they were born, and never considered themselves U.S. citizens. You are British and have no ties to the USA. I know that feeling. However, to date there are only two people in the world, my co-plaintiff and I, who are taking on this issue in court in our home country as Canadian citizens.

Canada entered into an agreement with the USA which turns over our banking information to the U.S. The U.K. signed a similar intergovernmental agreement, so you might consider launching your own legal protest in the U.K. on behalf of people like you. I bet that might be an interesting political move for you, considering that the USA went to war with England over offshore taxing in the 'real' Tea Party Revolution.

I assume you know your history and see the irony. You have political cache that I don't. It's not easy and it sure is expensive. But principles and access to justice are very important. Your mentor, Mr. Churchill would no doubt be proud of you if you took on this issue in earnest.

All the best, Mr. Mayor!

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You can reach me at <u>Wood@WoodLLP.com</u> . This discussion is not intended as legal advice, and cannot be relied upon for any purpose without the services of a qualified professional.	