International Tax Non-Compliance, Exit Taxes, Special Treatment for Accidental Americans, and Urgency Created by Recent Whistleblower Actions

*By Hale E. Sheppard**

I. Introduction

Voluntary compliance is a hallmark of the U.S. tax system; taxpayers are expected to proactively file all appropriate returns with the Internal Revenue Service ("IRS") and pay all amounts due. Many taxpayers fail to meet that commitment, of course, either intentionally or out of ignorance. This is where so-called whistleblowers come into play. If they can provide data to the IRS that leads to the collection of taxes, penalties, and interest from non-compliant taxpayers, they stand to receive a percentage of the take. This financial reality has incentivized whistleblowers to bring to the IRS' attention taxpayers falling into various categories, including "accidental Americans."

The article explains obligations of U.S. persons with income, assets, or activities abroad, describes the exit tax imposed on expatriating individuals, identifies a special relief program for former U.S. citizens, summarizes the whistleblower process, and examines a recent Tax Court case that brings these concepts together.

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II. Worldwide Duties and Downfalls

Generally, U.S. persons, including U.S. citizens and U.S. residents, are subject to federal income tax on *all* income derived, regardless of where the income originates.[1] In other words, U.S. persons face a system of worldwide taxation, requiring them to declare to the IRS on Form 1040 (*U.S. Individual Income Tax Return*) all income, whether it was earned, obtained, received, or accrued in the United States or a foreign country. This, of course, creates potential issues for

U.S. persons who have lived, worked, or invested abroad at any point.

A. Overview of Tax and Information Reporting

Individual taxpayers with foreign involvement ordinarily must do several things with the IRS, including, but certainly not limited to, the following:

- They must declare on Form 1040 income from all sources around the globe;
- They must disclose on Schedule B (*Interest and Ordinary Dividends*) to Form 1040 the existence and location of foreign accounts;
- They must electronically file a FinCEN Form 114 ("*FBAR*") to provide more details about foreign accounts;
- They must report foreign financial assets, as this term is broadly defined, on Form 8938 (*Statement of Specified Foreign Financial Assets*);
- In situations where taxpayers own or have certain other links to foreign entities, they must report them on Form 5471 (*Information Return of U.S. Persons with Respect to Certain Foreign Corporations*), Form 8865 (*Return of U.S. Persons with Respect to Certain Foreign Partnerships*), Form 8858 (*Information Return of U.S. Persons with Respect to Foreign Disregarded Entities and Foreign Branches*), Form 8621 (*Information Return by Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund*), or Form 3520 (*Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts*), depending on the classification of the entities; and
- They must file a Form 8833 (*Treaty-Based Return Position Disclosure*) if they are claiming that the application of a treaty between the United States and another country overrules or modifies normal treatment.[2]

B. Sanctions for Violations

Failure to maintain compliance with the duties described above can trigger significant penalties. Some common punishments imposed by the IRS are recapped below.

First, taxpayers omitting foreign income often confront U.S. tax liabilities, as well as sizable penalties related directly to the taxes. Examples include negligence penalties equal to 20 percent of the tax debt, penalties rising to 40 percent of the tax debt in situations involving undisclosed foreign financial assets, and penalties reaching 75 percent of the tax debt if the IRS can prove civil fraud.[3]

Second, large sanctions for unfiled, late, inaccurate, or incomplete FBARs can overwhelm taxpayers. Congress was concerned about widespread FBAR non-compliance for many years; therefore, it enacted stringent penalties in 2004.[4] In the case of non-willful violations, the maximum penalty is $10,000 per violation.[5] Higher penalties apply where willfulness exists. Specifically, when a taxpayer willfully fails to file an FBAR, the IRS may assert a penalty equal to $100,000 or 50 percent of the balance in the undisclosed account at the time of the violation, whichever amount is larger.[6]

Third, if a taxpayer fails to file a proper Form 8938, then the IRS generally will assert a penalty of $10,000 per violation.[7] The penalty increases to a maximum of $50,000 if the taxpayer does not rectify the problem quickly after contact by the IRS.[8]

Fourth, a variety of penalties come into play when taxpayers do not disclose their relationships with foreign entities. For instance, U.S. persons who are officers, directors, and/or shareholders of certain foreign corporations ordinarily must file a Form 5471 with the IRS.[9] If they neglect to do so, then the IRS may assert a penalty of $10,000 per violation, per year.[10]

The penalties described above can be significant, even when considered separately. They can become untenable, though, when the IRS decides to "stack" penalties, asserting several in connection with the same foreign item. As recently as 2019, a District Court held the "stacking" of certain penalties by the IRS is not prohibited by the constitution.[11]

C. Endless Assessment Periods

Failure to file nearly all international information returns not only triggers the penalties described above, but also gives the IRS an unlimited period of time to audit the Form 1040 to which the information returns should have been attached, and then assess additional taxes, penalties, and interest. A relatively obscure procedural provision contains a powerful tool for the IRS.[12] It generally states that, where a taxpayer does not file required international information returns, the assessment period remains open "with respect to any tax return, event, or period" to which the information returns relate, until three years after the taxpayer ultimately files the returns.[13] Consequently, if a taxpayer never files, say, a Form 8938 to reveal his interest in foreign financial assets, then the assessment period never begins to run against the IRS.[14]

III. Expatriation and Code Sec. 877A

Understanding this article requires some knowledge about what happens when a U.S. citizen decides to seek greener pastures, permanently extricating himself from the United States.

A. Evolution

In 1966, Congress enacted the expatriation tax rules to discourage U.S. citizens from moving abroad and surrendering their citizenship to avoid paying U.S. taxes.[15] Code Sec. 877 originally imposed taxes on individuals who surrendered their U.S. citizenship with a tax-avoidance purpose. Later that same year, Congress expanded Code Sec. 877 to cover long-term residents who terminated their U.S. residency, too.[16] Congress again revised Code Sec. 877 in 2004 based on various recommendations from the Joint Committee on Taxation.[17] Finally, in 2008, Congress made its final changes thus far by replacing Code Sec. 877 with a new provision, Code Sec. 877A.[18] The IRS has not yet issued regulations concerning Code Sec. 877A, but it provided guidance in Notice 2009-85.[19] Code Sec. 877A is described in more detail below.

B. Concepts and Definitions

Code Sec. 877A generally imposes a mark-to-market tax regime on certain taxpayers who decide to abandon the United States. They generally must pretend to sell all their property at fair market value the day before their "expatriation date" and pay the corresponding U.S. income taxes on any gains.[20]

Expatriation by a U.S. citizen occurs when (i) the individual renounces his U.S. nationality at a diplomatic or consular office,[21] (ii) the individual furnishes to the Department of State a signed statement of voluntary relinquishment of U.S. nationality,[22] (iii) the Department of State issues the individual a certificate of loss of U.S. nationality,[23] or (iv) a U.S. court cancels an individual's certificate of naturalization.[24] The "expatriation date" is the day on which one of these four events takes place.[25]

The so-called "exit tax" only applies to "covered expatriates."[26] For purposes of Code Sec. 877A, this term means an "expatriate" who has an average annual U.S. income tax liability for the past five years over a particular amount ("Tax Liability Test"), *or* who has a net worth exceeding a certain threshold ("Net Worth Test"), *or* who cannot certify to the IRS that he maintained full U.S. tax compliance during the past five years ("Certification Test").[27] An individual failing just one of the preceding three tests normally is considered a "covered expatriate."

U.S. citizens who relinquish their U.S. citizenship, and who are subject to the Code Sec. 877A rules (even if they are exempt from the exit tax), must file a Form 8854 (*Initial and Annual Expatriation Statement*) either as soon as possible after expatriation or by the due date for filing their first U.S. tax return as a nonresident alien.[28] Various sources contain details about filing Form 8854.[29]

C. Exemptions from the Exit Tax

There are exceptions to classification as a "covered expatriate." Specifically, an individual shall *not* be treated as a "covered expatriate," and thus shall *not* be subject to exit tax, in the following circumstances. First, an individual is not a "covered expatriate" where he became both a U.S. citizen and a citizen of a foreign country at birth and, as of the expatriation date, he continues to be a citizen of, and is taxed as a resident of, the foreign country, and he has not been a U.S. resident under the "substantial presence" test for more than 10 years during the 15-year period before his expatriation date.[30] Second, an individual also will not be deemed a "covered expatriate" where his relinquishment of U.S. citizenship occurs before he is 18½ years old and he has not been a U.S. resident for more than 10 years before his expatriation date.[31] According to legislative history, Congress created these two exceptions to relieve from the exit tax individuals whose principal purpose for expatriating was not tax avoidance and who were previously unaware of their status as U.S. citizens.[32] Those falling into this category are often referred to as "accidental Americans."

IV. Relief Program for Former U.S. Citizens

The IRS announced an initiative in late 2019 called Relief Procedures for Certain Former Citizens ("RPCFC"), whose goal is to allow some taxpayers to avoid classification as "covered expatriates" and exposure to the exit tax under Code Sec. 877A.[33]

A. Eligible Participants

The RPCFC is designed to benefit a narrow group of taxpayers who (i) were U.S. citizens, (ii) have already

expatriated, (iii) had either no U.S. income tax liability or a minimal liability in the years preceding expatriation, (iv) were effectively "off the grid" in terms of U.S. tax compliance in that they never filed Forms 1040 or international information returns with the IRS, (v) had no problems with the Tax Liability Test or Net Worth Test, but were liable for exit tax solely because they failed the Certification Test, and (vi) did not pay the exit tax.[34]

B. General Information

The IRS recognizes that "[s]ome U.S. citizens, born in the United States to foreign parents, or born outside the United States to U.S. citizen parents, may be unaware of their status as U.S. citizens or the consequences of such status."[35] The IRS later explains that in order to comply with existing law and avoid significant tax liabilities, citizens who relinquish their U.S. citizenship must comply with U.S. tax obligations for the year of expatriation, as well as the previous five years.[36] The IRS goes on to clarify that, in order to meet the Certification Test and thus avoid being classified as a "covered expatriate," taxpayers must file a Form 8854 with their final Form 1040 and certify full U.S. compliance for the past five years.[37]

With mounting pressure from both IRS enforcement campaigns and whistleblower allegations, taxpayers who have fallen short of full U.S. compliance in past years, such as the target in Whistleblower 15977-18W v. Commissioner, find themselves in a race against time.

The RPCFC is an alternative means for satisfying the Certification Test for U.S. citizens who expatriated after March 18, 2010. If the individuals submit the mandatory documents and meet the eligibility requirements for the RPCFC, then they will not be "covered expatriates" under Code Sec. 877A, will not be subject to the exit tax, will not be required to pay back income taxes, and will not suffer penalties for unfiled international information returns.[38] The IRS emphasizes that the RPCFC is only available to taxpayers whose violations were attributable to "non-willful conduct."[39]

C. Examples

The IRS provided nine examples of how the RPCFC functions. The two examples most relevant to this article are set forth below, with certain modifications to enhance readability.[40]

- *Example 1.* John was born in the United States while his foreign parents were attending university for post-graduate studies. Shortly after John was born, the family returned to Country E. John is a citizen of Country E and lives and works in Country E. John renounced his citizenship on October 1, 2019, and received a Certificate of Loss of Nationality. John has never filed a U.S. income tax return and never applied for or received a Social Security Number. He wants to use the RPCFC to come into compliance with his U.S. tax obligations. He must report his worldwide income for 2019 and the preceding five tax years (and may claim all available deductions and credits, including foreign tax credits, to the extent permitted) to determine the total tax. In each year, John had various sources of income, including small amounts of income from foreign mutual funds that are passive foreign investment companies. John submits the following tax returns: (i) 2019 Form 1040NR (with Form 1040 attached reporting worldwide income through October 1, 2019), with a total tax of $1,000, and (ii) Forms 1040 for 2014 through 2018, each of which shows a total tax of $4,800. John uses his best efforts in computing his total tax for each year. John computed the income from his foreign mutual funds and reported them as ordinary income on his Forms 1040. He should have also used Form 8621 (*Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund*) to make additional computations, but he failed to include it with his Form 1040. John adds the "total tax" amounts for all his six tax returns submitted under the procedures; the amount is $25,000. John's total tax liabilities are within the limit. John is eligible to use the RPCFC.
- *Example 2.* Jane was born in the United States. Her parents, citizens of a foreign country, were in the United States on a temporary work assignment with a multinational company when she was born. While on that temporary work assignment, Jane's parents purchased a house in the United States. Jane and her family returned to their country shortly after

she was born. Although they left the United States, Jane's parents kept the house in the United States and rented it to tenants. Jane lives and works outside the United States. When her parents died, Jane inherited the rental house (with a fair market value of $300,000). Jane wants to renounce her U.S. citizenship and use the RPCFC to come into compliance with her tax obligations. Jane has never filed a U.S. income tax return and never applied for or received a Social Security Number. Jane must report her worldwide income on her U.S. income tax returns, including any income from the U.S. rental home. Jane renounces her citizenship on December 31, 2019. Then, Jane submits the tax returns required under the RPCFC for 2014 through 2019 (including a Form 8854). Assuming the aggregate total tax amount is less than $25,000 and Jane's net worth is below $2 million, Jane may use the RPCFC.

V. Whistleblower Awards

The IRS is authorized to pay "such sums as [it] deems necessary" for purposes of detecting tax underpayments and punishing persons guilty of violating tax laws or "conniving at the same."[41] Thus, individuals who provide information to the IRS might receive a financial award, if such information results in the collection of taxes, penalties, interest, or other amounts from a non-compliant taxpayer, otherwise known as the target.[42]

To receive an award, a whistleblower must provide the IRS with "specific and credible information" about the target.[43] This normally includes the identity of the target, as well as "substantive information" and "all available documentation" regarding the violations.[44] The whistleblower must send a Form 211 (*Application for Award for Original Information*) to a specialized IRS office, ensuring under penalties of perjury that it is accurate and complete.[45] In situations where the Form 211 is deficient for some reason, the IRS can give the whistleblower an opportunity to fix matters, or it can issue a rejection, after which the whistleblower can remedy and resubmit Form 211.[46]

The magnitude of the IRS awards varies. Ordinarily, in cases where the amount in dispute exceeds $2 million dollars and the IRS takes administrative or judicial action based on the information provided by the whistleblower, the award is between 15 percent and 30 percent of proceeds collected from the target.[47] If the whistleblower disagrees with the amount, he can file a Petition with the Tax Court seeking review, on an anonymous basis.[48]

VI. Recent Tax Court Case

In a recent Tax Court case, *Whistleblower 15977-18W v. Commissioner*, the whistleblower first tried to convince the Whistleblower Office of the IRS ("WBO") that the target was a dual citizen of the United States and a foreign country, was thus subject to U.S. taxes, and failed to pay them.[49] The whistleblower filed a Form 211, along with a narrative statement and various exhibits to support the claim. The exhibits consisted of a copy of the target's birth certificate showing that he was born in the United States, information about activities of his parents in the United States at the time of the target's birth, details about how the target now occupies a position of prominence and influence in the foreign country, and data about his foreign wealth. Not surprisingly, the whistleblower did not have, and thus did not supply, the target's Social Security Number with the application materials.

The WBO sent the whistleblower an acknowledgement letter and then began its own investigation. Ultimately, the WBO rejected the application on grounds that the target was not sufficiently identified because of the missing Social Security Number, the allegations were not "specific and credible," and no bank statements, financial records, or other documents were supplied by which the IRS could determine foreign income amounts, relevant years, related entities, or validity of the claims. The whistleblower challenged the WBO's decision by filing a Petition with the Tax Court.

After the Whistleblower and the IRS completed their initial pleadings with the Tax Court, various Motions were filed, including a Motion for Summary Judgment ("MSJ") by the IRS. In short, the IRS argued that the administrative record supported its decision to reject the claim, while the whistleblower urged the Tax Court to find that the rejection constituted an abuse of discretion because it was based on a misstatement of the facts, inadequately explained, and not representative of reasoned decision-making.

The Tax Court issued a ruling in December 2021 that has already been subject to criticism; adding to the list of possible shortcomings is not the purpose of this article.[50] Suffice it to summarize what the Tax Court said, without commentary. The Tax Court explained that the information provided by the whistleblower was largely derived from public sources, it did not demonstrate that the target exercised fundamental rights or privileges of a U.S. citizen (such as obtaining a Social Security Number or a U.S. passport), and failed to include the Social Security Number of the target. The Tax Court further indicated

that the fact that the target became a prominent and influential person in the foreign country "casts serious doubt" on the idea that the target retained his U.S. citizenship into adulthood, even if he were a U.S. citizen at birth. The written record underlying the rejection by the WBO was "relatively sparse," but the Tax Court nonetheless held that the WBO followed applicable procedures and did not abuse its discretion in concluding that the whistleblower "did not provide specific and credible information" to support his claim.

VII. Conclusion

This article serves as a reminder of several important lessons. First, U.S. persons generally face worldwide taxation, along with expansive information-reporting requirements. Failure to meet all these obligations can trigger taxes, large and overlapping penalties, and indefinite assessment periods. Second, U.S. citizens who expatriate often get hit with the exit tax, unless they manage to meet one of the exceptions designed for "accidental Americans." Third, certain former U.S. citizens, including many "accidental Americans," can rectify past violations with the IRS on favorable terms through the RPCFC. Fourth, whistleblowers looking to profit from non-compliance by others, particularly in the international arena, often file claims with the WBO and challenge unsatisfactory awards with the Tax Court. With mounting pressure from both IRS enforcement campaigns and whistleblower allegations, taxpayers who have fallen short of full U.S. compliance in past years, such as the target in *Whistleblower 15977-18W v. Commissioner*, find themselves in a race against time. They would be wise to retain international tax specialists, scrutinize all their options, and implement the most beneficial one, before actions by the IRS or a whistleblower render them ineligible.

ENDNOTES

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1 Code Sec. 7701(a)(30)(A); Reg. §7701(b)-1; Code Sec. 61(a) and Reg. §1.61-1(a) both provide that "gross income" generally means "all income from whatever source derived."

2 For a detailed discussion of common international filing requirements, *see* Hale E. Sheppard, *Specified Domestic Entities Must Now File Form 8938: Code Sec. 6038D, New Regulations in 2016, and Expanded Foreign Financial Asset Reporting*, 42(3) Int'l Tax J. 5 (2016); Hale E. Sheppard, *Canadian Retirement Plans: What Does Rev. Proc. 2014-55, IRB 2014-44, 753, Mean for U.S. Tax Deferral, Form 8891, Form 8938, and the FBAR?* 41(6) Int'l Tax J. 25 (2016); Hale E. Sheppard, *Extended Assessment Periods and International Tax Enforcement: Rafizadeh v. Commissioner, Unreported Foreign Assets, and Use of FATCA Weapons*, 44(5) J. Int'l Taxation 25 (2018); Hale E. Sheppard, *IRS Issues New Form 14457 and Instructions regarding Its Comprehensive Voluntary Disclosure Program*, 46(4) Int'l Tax J. 41 (2020); and Hale E. Sheppard, *Lessons from an International Tax Dispute: Three Interrelated Cases, in Three Different Proceedings, Generating Three Separate Liabilities*, 46(5) Int'l Tax J. 43 (2020).

3 Code Sec. 6662; Code Sec. 6663.

4 Pub. L. No. 108-357 (Oct. 22, 2004).

5 31 USC §5321(a)(5)(B)(i). This penalty is inapplicable if the taxpayer was "non-willful" and there was "reasonable cause" for the violation. *See* 31 USC §5321(a)(5)(B)(ii).

6 31 USC §5321(a)(5)(C)(i).

7 Code Sec. 6038D(d)(1); Reg. §1.6038D-8(a).

8 Code Sec. 6038D(d)(2); Reg. §1.6038D-8(c).

9 Code Sec. 6038; Reg. §1.6038-2; Code Sec. 6046; Reg. §1.6046-1; Code Sec. 6679; Reg. §301.6679-1; Instructions to Form 5471.

10 Code Sec. 6038(b)(1); Reg. §1.6038-2(k)(1)(i); Code Sec. 6046(f); Reg. §§1.6046-1(k).

11 Hale E. Sheppard, *What Garrity Teaches about FBARs, Foreign Trusts, "Stacking" of International Penalties, and Simultaneously Fighting the U.S. Government on Multiple Fronts*, 20(6) J. Tax Practice & Procedure 27 (2019).

12 Code Sec. 6501(c)(8)(A).

13 Code Sec. 6501(c)(8)(B) contains a limitation, stating that the assessment period will remain open only with respect to "the item or items" related to the late international information return if the taxpayer can demonstrate that the violation was due to reasonable cause and not due to willful neglect.

14 *See* Hale E. Sheppard, *Unlimited Assessment-Period for Form 8938 Violations: Ruling Shows IRS's Intent to Attack Multiple Tax Returns*, 95(5) Taxes 31 (2017).

15 HR Rep. No. 1450, 89th Cong., 2d Sess. 22–23 (1966); S. Rep. No. 1707, 89th Cong., 2d Sess. 28–29 (1966); *See also Dillin*, 56 TC 228, Dec. 30,768, 56 TC 22 (1971) (husband and wife expatriated, in an effort to avoid paying U.S. taxes, after husband became involved in a lucrative oil-production scheme but before he was paid from such a scheme).

16 Health Insurance Portability and Accountability Act of 1996, §511; HR Rep. No. 496, pt. 1, 104th Cong., 2d Sess. 148 (1996); Joint Committee on Taxation, 104th Cong., 2d Sess., General Explanation of Tax Legislation Enacted in the 104th Congress, at 378–379 (1996); *See also* Code Sec. 6039G and Notice 97-19, 1997-1 CB 394 (Feb. 24, 1997).

17 American Jobs Creation Act of 2004, Sections 804(a) through (c), and Section 804(e) (June 3, 2004); Joint Committee on Taxation, Review of the Present-Law Tax and Immigration Treatment of Relinquishment of Citizenship and Termination of Long-Term Residency, at p. 103–137 (JCS-2-03, Feb. 2003); S. Rep. No. 192, 108th Cong., 1st Sess. 148–149 (2003); HR Rep. No. 548, pt. 1, 108th Cong., 2d Sess. 253–254 (2004); HR Conf. Rep. No. 755, 108th Cong., 2d Sess. 568–580 (2004).

18 P.L. 110-245, 122 Stat. 1624 HR 6081, 110th Cong., 2d Sess.; Heroes Earnings Assistance and Relief Tax Act of 2008, Section 301 (June 17, 2008).

19 Notice 2009-85, IRB 2009-45, 598 (Oct. 15, 2009).

20 Code Sec. 877A generally applies to individuals who cease to be U.S. citizens or lawful permanent residents on or after June 17, 2008. *See* Notice 2009-85, IRB 2009-45, 598.

21 8 USC §1481(a)(5).

22 8 USC §1481(a)(1)-(4).

23 Notice 2009-85, IRB 2009-45, 598, Section 2(A).

24 Notice 2009-85, IRB 2009-45, 598, Section 2(A).

25 Code Sec. 877A(g)(2)(B).

26 Code Sec. 877A(a)(1).

27 Code Sec. 877A(g)(1)(A); Notice 2009-85, IRB 2009-45, 598, Section 2(A); Section 877(a)(2)(A), (B), and (C).

28 Code Sec. 6039G(a).

[29] Code Sec. 6039G(b); Notice 2009-85, IRB 2009-45, 598, Section 8(C)—*Filing and Reporting Requirements*—Form 8854.

[30] Code Sec. 877A(g)(1)(B)(i)(I) and (II).

[31] Code Sec. 877A(g)(1)(B)(ii)(I) and (II).

[32] S. Rep. No. 1707, 89th Cong., 2d Sess. 28–29 (1966). The Obama Administration, made aware of potentially unfair treatment of accidental Americans, proposed legislation in 2015 that would have provided relief to certain dual citizens. It contained an exception to the definition of "covered expatriate" that was similar to the two existing exceptions in Code Sec. 877A. The major difference in the proposal was the last requirement. Under the proposal by the Obama Administration, the individual would only need to have complied with U.S. tax duties as if he were a nonresident alien, not a U.S. citizen. This means that the individual would not have needed to report worldwide income to the IRS, disclosed information about foreign assets, etc. Rather, he only would have been required to report to the IRS all income derived from U.S sources, which likely would be $0 if he were truly an "accidental American." *See* General Explanations of the Administration's Fiscal Year 2016 Revenue Proposals, Department of Treasury, p. 282 (Feb. 2015).

[33] IRS News Release, IR-2019-151, Sept. 6, 2019.

[34] *www.irs.gov/individuals/international-taxpayers/relief-procedures-for-certain-former-citizens.*

[35] *www.irs.gov/individuals/international-taxpayers/relief-procedures-for-certain-former-citizens.*

[36] *www.irs.gov/individuals/international-taxpayers/relief-procedures-for-certain-former-citizens.*

[37] *www.irs.gov/individuals/international-taxpayers/relief-procedures-for-certain-former-citizens.*

[38] *www.irs.gov/individuals/international-taxpayers/relief-procedures-for-certain-former-citizens.*

[39] *www.irs.gov/individuals/international-taxpayers/relief-procedures-for-certain-former-citizens.*

[40] *www.irs.gov/individuals/international-taxpayers/relief-procedures-for-certain-former-citizens*, FAQ #9.

[41] Code Sec. 7623(a); Reg. §301.7623-1(a)(1).

[42] Code Sec. 7623(c); Reg. §301.7623-1(c)(1).

[43] Reg. §301.7623-1(c)(1).

[44] Reg. §301.7623-1(c)(1).

[45] Reg. §301.7623-1(c)(2) and (3).

[46] Reg. §301.7623-1(c)(4).

[47] Code Sec. 7623(b)(1) and (5); Reg. §301.7623-2(d)(1); Reg. §301.7623-2(e)(1); Reg. §301.7623-4.

[48] Code Sec. 7623(b)(4); Reg. §301.7623-3(d); Tax Court Rules 340 through 345.

[49] *Whistleblower*, Tax Court Docket No. 15977-18W, 122 TCM 389, Dec. 61,967(M), TC Memo. 2021-143.

[50] Alan S. Lederman, "Can the Whistle Be Blown Against Accidental Americans? Part I" Bloomberg Daily Tax Report (Feb. 14, 2022); Alan S. Lederman, "Can the Whistle Be Blown Against Accidental Americans? Part II" Bloomberg Daily Tax Report (Feb. 15, 2022).