

**For Americans: A Checklist of US Tax Forms You May Need to File**

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*This article is for general information purposes only and is not intended as specific tax advice. Please consult your tax advisor for advice relevant to your situation.*

As year-end 1099 forms from US banks and brokerages start to roll in, many Americans living overseas are beginning to collect the various documents needed to file their US taxes. Since there's a number of sometimes obscure US tax forms that expatriate US citizens are required to file, to help you keep track of them we've put together the following checklist. As an added benefit, using some of the following forms may help to shield some of your foreign income from US tax (unfortunately US citizens cannot "opt-out" of filing or paying US federal income tax even if they're legally resident in another country). There's also at least one new tax form for US expats to be aware of: Form 8938-Statement of Foreign Financial Accounts, although filing it may be delayed until 2012. This list should be used as a starting point only—more detail on each form can be found on the IRS website: [www.irs.gov](http://www.irs.gov).

1. **Form 2555—Foreign Earned Income**—If you qualify, you may be able to exclude foreign earned (salary) income of up to \$91,500 for 2010, as well as potentially exclude or deduct housing costs using this form.
2. **Form 1116—Foreign Tax Credit**—If you've paid foreign taxes on foreign income (either from your salary or investments) and you haven't otherwise excluded the income from your US taxes using Form 2555 above, you may be able to take a credit against any US taxes owed by filing this form.
3. **Form 8621—Information Return for Passive Foreign Investment Company (PFIC)**—If you own shares in a Passive Foreign Investment Company (ex: foreign domiciled mutual fund, offshore investment scheme, resident country tax-deferred fund, etc), it can be advantageous to you to file Form 8621 annually for each PFIC you own—that way you can elect the method that you'd like used to calculate tax on your PFIC income. If instead you wait to file Form 8621 until you are required (when you have realized gains or distributions), you'll have to accept the IRS's punitive default method of calculating tax on your investment return. For more information on this subject, see the article "The IRS Never Sleeps: Taxes Americans Need to Know About Before Investing Offshore" [www.crevelingandcreveling.com/blog/34-the-irs-never-sleeps-taxes-americans-need-to-know-about-before-investing-offshore.html](http://www.crevelingandcreveling.com/blog/34-the-irs-never-sleeps-taxes-americans-need-to-know-about-before-investing-offshore.html)
4. **Form 5471—Information Return of US Person with Respect to Certain Foreign Corporations**—If you're a shareholder of a Controlled Foreign Corporation (CDC) you must file this form. A foreign corporation is generally classified as a CDC if you own 10% of the shares or control 10%

of the voting rights. American expats who own foreign registered businesses or significant stakes in restaurants, bars, or other companies may need to file this form.

5. **Form 926—Return of a US Transferor of Property to a Foreign Corporation**—This form is generally required to be filed in the year you transfer cash, assets, or property (tangible or intangible) to a foreign corporation. US citizens either just setting up and providing initial capital to a foreign business or injecting fresh capital/new assets to an existing business may need to file this form.
6. **Form 8865—Information Return of US Persons with Respect to Certain Foreign Partnerships**—If you're a partner in a foreign partnership with five or fewer US partners who each own 10% or more interest and in aggregate have more than 50% of the partnership, you may need to file this form to report income and transactions between you and the partnership.
7. **Form 3520—Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts**—This form is used to report transactions you may have with foreign trusts, as well as if you receive large gifts from foreign persons (greater than US\$100,000), or corporations or partnerships (greater than US\$14,139).
8. **Form 3520A—Information Return of Foreign Trust with a US Owner**—If you own a foreign trust you need to file this form to provide information about the trust, its US beneficiaries and anyone who's treated as an owner of any portion of the trust.
9. **Form TD F 90-22.1 Report of Foreign Bank and Financial Accounts (FBAR)**—If you own or have authority over a foreign financial account, including a bank account, brokerage account, mutual fund, unit trust, or other types of financial accounts, and the aggregate value of all foreign financial accounts is over US\$10,000 at any time during year, you're required to report the account each year to the Department of the Treasury. Please note that this form is still required even with the new introduction of Form 8938 described below.
10. **Form 8938 (new)—Statement of Foreign Financial Assets**—This is a new tax form that is expected to be required for anyone with more than \$50,000 in foreign financial assets. A product of the 2010 HIRE Act legislation, it's currently only available in draft form and filing may be not be required until tax year 2011. Note that this form is different from Form TD F 90-22.1 (FBAR) which is still required. For example, Form 8938 will require more detailed information on a variety of foreign assets including bank accounts, stocks, various types of investment accounts, and potentially other assets such as rental properties and foreign insurance policies. Form 8938 will also differ in that it's included along with your 1040 filing rather than sent separately to the Department of Treasury. To get the latest on the final version of a form and its instructions, check [www.irs.gov](http://www.irs.gov).

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