

# Citizenship

Word came in April that Superman would renounce his American citizenship in an upcoming issue. Three questions sprang to mind: When did Superman *gain* American citizenship? How hard is it to renounce one's citizenship? Why would one do that?

We are not authorities on comic book trivia, so the first question will remain unanswered. Renouncing citizenship is a straightforward process. One appears before a U.S. consular or diplomatic officer in a foreign country and signs the following oath of renunciation: "I hereby absolutely and entirely renounce my United States nationality, together with all rights and privileges and all duties of allegiance and fidelity." Although that seems simple enough, reportedly there has been more than a six-month's wait to get an appointment at the American embassy in London for this purpose.

The motivator for abandoning citizenship is typically taxes. A number of prominent wealthy persons have quit the U.S., including members of the Getty family and John Dorrance III, the grandson of the founder of Campbell Soup. Americans who are working abroad must file U.S. tax returns, which must be done in addition to abiding by the rules of the tax authorities in the country of residence. The double tax system can be complicated and frustrating. Those who have worked abroad for a long time may find their ties to the U.S. weakened. The IRS recently has been stepping up its tax enforcement efforts with penalties for hiding money in offshore accounts, another headache for those who work abroad. According to an item in the *Financial Times*, the number of Americans renouncing their citizenship tripled from 2008 to 2009. However, abandoning citizenship won't erase past tax obligations, the State Department's website reminds us. Nor will it allow one to avoid prosecution for crimes.

Still, those people who are not bound to a particular location, whose wealth is portable, may find that they can improve their lifestyle and keep more of their assets out of the hands of tax collectors by relocating abroad and acquiring new citizenship.