



February 2014 Barnett Law Group Breaking News

Record Number of Americans Renouncing Citizenship

The U.S. Treasury Department has reported that last year a record of 2,999 U.S. Citizens or long-time Permanent Residents gave up their citizenship or Permanent Residency. Although tax experts have stated that this wasn't to reduce taxes, let's look at the 3 top reasons given. (1) Increased awareness of tax filing laws. Many people with U.S. passports who live permanently overseas have been unaware of the rule requiring all citizens to file tax returns. Once aware some have given up their citizenship rather than comply. (2) The Foreign Account Tax Compliance Act of 2010 will soon require all foreign financial institutions to report accounts held by U.S. taxpayers to the IRS. Some banks are closing the accounts of U.S. clients as a result. (3) Big penalties for unintentionally failing to file a tax return -- \$10,000 -- and even more for intentionally failing to file a tax return. How ironic that millions worldwide would give anything to be a U.S. resident while for some the price is apparently too high.

Immigration Reform Just Won't Go Away

House Speaker John Boehner, who was forced to backtrack on his earlier call for immigration reform this year, said that the House GOP couldn't possibly move on such consequential legislation until President Obama had won the trust of his members. Sen. Chuck Schumer (D-NY) offered this solution: House Republicans should join with Senate Democrats in passing immigration reforms this year but not have it take effect until 2017 after Obama leaves office!

In the meantime, George F. Will, published a surprising piece in "The Washington Post" entitled: "Why Immigration Reform Matters." Will, an arch conservative commentator, countered common Republican arguments against immigration reform with the following: (1) Republicans can focus on more than Obamacare for the next nine months. (2) If the Republican Party wants a harmonious party then it may get one but it will be small. (3) Immigrants will become future Democrats. However, U.S. history shows that the party identified with prosperity attracts voters. (4) The U.S. has lost its assimilative power. Why then are so many millions undocumented people still here after 15 or more years? (5) Task One for the U.S. is to control its borders. Net immigration from Mexico has been zero of late and illegal entries are a 40-year low. (6) President Obama can't be trusted to enforce immigration reforms. The Obama administration has deported more aliens than any other administration. (7) Allowing more immigration will depress wages of lower-earning Americans. However, many immigrants will become small business owners -- 20% of owners already are. And more than 40% of Fortune 500 companies were founded by immigrants or their children.

The Waiting Game

Immediate relatives of U.S. citizens are currently enduring long waits for Permanent Residency caused by a shortage of examiners. USCIS claims that they have been diverted from relative petitions to Deferred Action for Childhood Arrival applicants. In any event, families are now being separated for up to a year.

The CBP has introduced 20 automated check-in kiosks at Bush IAH for US and Canadian citizens to pre-clear their arrivals before reaching an U.S. CBP Inspector. This measure has reduced wait times by more than 34%.

If you are interested in learning more about these new developments, please contact our firm at (713) 980-9939 or psb@barnett-lawgroup.com.