

Expatriate Tax Planning & Compliance



Globalization of the economy has caused consolidation of businesses in many industries. As a result, employees are routinely transferred between countries for short-term or longer-term assignments to manage the newly combined or separated operations.

This shuffling of resources can create real headaches when it comes to sorting out tax filing and withholding requirements in the host country and the United States.

For example, unlike the laws of other countries, American citizens who transfer abroad remain subject to the full force and effect of U.S. tax reporting and payment requirements. In addition, the particulars of their foreign assignment may cause those same individuals to be subject to the host country's employment taxes.

In order to ensure a U.S. transferee is not adversely affected by a higher global tax burden, many employers agree to tax equalization as part of the compensation package. While this part of the package sweetens the deal for the employee, it can lead to substantial costs on the employer's part.

Reduce taxes through proper planning.

Proper tax planning is a must to help ensure your company understands the implications this type of transfer agreement. Freed Maxick's international tax professionals can help you reduce your tax burden with various measures that minimize the foreign tax applicable to the employee. Our team looks for ways to reduce your U.S. and foreign social security taxes, payroll taxes, withholding taxes and other taxes, as well as limiting your company's nexus to business taxation in a host country.

And we make sure your international employees, both American citizens or permanent residents working abroad and foreign citizens temporarily present in the United States, are taxed correctly.

Prepare for your next move.

It is smart to utilize your best employees throughout your multinational operations. At the same time, it is crucial that you comply with the tax reporting and payment requirements in the United States and abroad. Let us help ensure you are prepared for all your employees' next moves.

For more information, contact:

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