

**ATS Test Scenario 7
Taxpayer: Edward White
SSN: 400-00-1047**

Test Scenario 7 includes the following forms:

- **Form 1040**
- **Form W-2**
- **Form 8854**

Additional information:

**Taxpayer's Date of Birth is August 17, 1980
Taxpayer became a citizen by birth
No previous Form 8854 filed**

Filing Status

Single Married filing jointly Married filing separately (MFS) Head of household (HOH) Qualifying widow(er) (QW)

Check only one box. If you checked the MFS box, enter the name of spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent.

Personal information section including name, address, and social security numbers.

Standard Deduction

Someone can claim: You as a dependent Your spouse as a dependent Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness

You: Were born before January 2, 1955 Are blind Spouse: Was born before January 2, 1955 Is blind

Dependents (see instructions):

Table with columns for First name, Social security number, Relationship to you, Child tax credit, and Credit for other dependents.

Main income and deduction table with rows for wages, interest, dividends, IRA distributions, pensions, capital gain, and total income.

Standard Deduction for— Single or Married filing separately, \$12,200 Married filing jointly or Qualifying widow(er), \$24,400 Head of household, \$18,350 If you checked any box under Standard Deduction, see instructions.

12a	Tax (see inst.) Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	12a	
b	Add Schedule 2, line 3, and line 12a and enter the total		12b
13a	Child tax credit or credit for other dependents	13a	
b	Add Schedule 3, line 7, and line 13a and enter the total		13b
14	Subtract line 13b from line 12b. If zero or less, enter -0-		14
15	Other taxes, including self-employment tax, from Schedule 2, line 10		15
16	Add lines 14 and 15. This is your total tax		16
17	Federal income tax withheld from Forms W-2 and 1099		17
18	Other payments and refundable credits:		
a	Earned income credit (EIC)	18a	
b	Additional child tax credit. Attach Schedule 8812	18b	
c	American opportunity credit from Form 8863, line 8	18c	
d	Schedule 3, line 14	18d	
e	Add lines 18a through 18d. These are your total other payments and refundable credits		19
20	Subtract line 19 from line 16. If zero or less, enter -0-. This is the amount you owe		20
a	Amount of line 20 you want refunded to you. Form 8878 attached, check here <input type="checkbox"/>		21
b	Routing number	c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
d	Account number		
22	Amount of line 20 you want applied to your 2020 estimated tax	22	

Amount You Owe

23	Amount you owe. Subtract line 19 from line 16. For details on how to pay, see instructions	23	
24	Estimated tax penalty (see instructions)	24	

Third Party Designee

Do you want to allow another person (other than your paid preparer) to discuss this return with the IRS? See instructions. **Yes.** Complete below. **No**

Designee's name Phone no. Personal identification number (PIN)

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.) <input type="text"/>
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.) <input type="text"/>
Phone no.	Email address		

Paid Preparer Use Only

Preparer's name	Preparer's signature	Date	PTIN	Check if: <input type="checkbox"/> 3rd Party Designee <input type="checkbox"/> Self-employed
Firm's name	Phone no.			
Firm's address	Firm's EIN			

Initial and Annual Expatriation Statement

Department of the Treasury
Internal Revenue Service

For calendar year 2019 or other tax year beginning _____, 2019, and ending _____, 20

▶ Go to www.irs.gov/Form8854 for instructions and the latest information.
▶ Please print or type.

2019
Attachment
Sequence No. **112**

Name Edward White Identifying number (see instructions) 400-00-1047

Part I General Information. For all filers.

- 1 Mailing address and telephone number where you can be reached after expatriation 28 Greek Street
London, UK W1D5DQ 12 345 222 0000
- 2 Address of principal foreign residence (if different from line 1) _____
- 3 Country of tax residence (if different from line 2) _____

- 4 Check the box that applies. See instructions.
 - Initial expatriation statement for persons who expatriated in 2019. Complete Part II.
 - Annual expatriation statement for persons who expatriated before 2019. Complete Part III.

- 5 Date of expatriation under section 877A(g)(3) for expatriating citizens and long-term residents. See instructions.
 - Citizen December 7, 2019
 - Long-term resident
 - Long-term resident with dual residency in a treaty country. Date commencing to be treated, for tax purposes, as a resident of the treaty country _____

- 6 List all countries (other than the United States) of which you are a citizen.
 - a Name of country UK
 - b Date you became a citizen of each country listed in line 6a December 8, 2009

- 7 How you became a U.S. citizen By birth By naturalization
- 8 Date you became a U.S. lawful permanent resident _____

Part II Initial Expatriation Statement for Persons Who Expatriated in 2019

Section A Expatriation Information

1	1st Year Before Expatriation	2nd Year Before Expatriation	3rd Year Before Expatriation	4th Year Before Expatriation	5th Year Before Expatriation
Enter your U.S. income tax liability (after foreign tax credits) for the 5 tax years ending before the date of expatriation.	\$ <u>27,000</u>	\$ <u>26,000</u>	\$ <u>25,000</u>	\$ <u>24,000</u>	\$ <u>23,000</u>

2 Enter your net worth on the date of your expatriation for tax purposes \$ 40,000

3 Did you become at birth a U.S. citizen and a citizen of another country, and do you continue to be a citizen of, and taxed as a resident of, that other country? Yes No

4 If you answered "Yes" to question 3, have you been a resident of the United States for not more than 10 of the last 15 tax years? Yes No

5 Were you under age 18½ on the date you expatriated and have you been a U.S. resident for not more than 10 years? Yes No

6 Do you certify under penalties of perjury that you have complied with all of your tax obligations for the 5 preceding tax years? See instructions Yes No

Section B Balance Sheet

List in U.S. dollars the fair market value and the U.S. adjusted basis of your assets and liabilities as of your expatriation date. For more details, see the separate instructions.

Assets		(a) Fair market value (FMV)	(b) U.S. adjusted basis
1	Cash, including bank deposits	9,000	0
2	Marketable stock and securities issued by U.S. companies		
3	Marketable stock and securities issued by foreign companies		
4	Nonmarketable stock and securities issued by U.S. companies		
5	Nonmarketable stock and securities issued by foreign companies		
a	Separately state stock issued by foreign companies that would be controlled foreign corporations if you were still a U.S. citizen or permanent resident. See instructions		
b	Provide the name, address, and EIN, if any, of any such company		
6	Pensions from services performed in the United States		
7	Pensions from services performed outside the United States		
8	Partnership interests. See instructions		
9	Assets held in trust. See instructions		
10	Beneficial interests in trusts not included in line 9. See instructions		
11	Intangibles used in the United States		
12	Intangibles used outside the United States		
13	Loans to U.S. persons		
14	Loans to foreign persons		
15	Real property located in the United States	35,000	0
16	Real property located outside the United States		
17	Business property located in the United States.		
18	Business property located outside the United States.		
19	Other assets. See instructions		
20	Total assets. Add lines 1 through 5 and lines 6 through 19. Don't include amounts on line 5a in this total		
Liabilities		Amount	
21	Installment obligations.		
22	Mortgages, etc.		
23	Other liabilities. See instructions		
24	Total liabilities. Add lines 21 through 23		
25	Net worth. Subtract line 24 from line 20, column (a)		

Section C | **Property Owned on Date of Expatriation**

Don't complete Section C if:

- Your average net income tax liability for the 5 tax years immediately before expatriation (see line 1 in Section A) wasn't more than \$168,000, your net worth (see line 2 in Section A) was under \$2 million, and you checked "Yes" on line 6 in Section A;
- In Section A, you checked "Yes" on lines 3, 4, and 6; or
- In Section A, you checked "Yes" on lines 5 and 6.

- 1a** Do you have any **eligible deferred compensation items**? Checking the "Yes" box is an irrevocable waiver of any right to claim any reduction in withholding for such eligible deferred compensation item under any treaty with the United States **Yes** **No**
- b** Do you have any **ineligible deferred compensation items**? If "Yes," you must include in income the present value of your account on the day before your expatriation date **Yes** **No**
- c** Do you have any **specified tax deferred accounts**? If "Yes," you must include in income the entire account balance on the day before your expatriation date **Yes** **No**
- d** Do you have an interest in a **nongrantor trust**? Checking the "Yes" box is a waiver of any right to claim any reduction in withholding on any distribution from such trust under any treaty with the United States unless you make the election below **Yes** **No**
- Check this box to elect under section 877A(f)(4)(B) to be treated as having received the value of your entire interest in the trust (as determined for purposes of section 877A) as of the day before your expatriation date. Attach a copy of your valuation letter ruling issued by the IRS. See instructions.

2 Recognition of gain or loss on the deemed sale of mark-to-market property. **Caution: Don't include in column (a) any property described on line 1a, 1b, 1c, or 1d.**

Complete column (g) only if you are deferring tax on gain from any property listed in column (a).

(a) Description of property	(b) Fair market value on day before date of expatriation	(c) Cost or other basis*	(d) Gain or (loss). Subtract (c) from (b)	(e) Gain after allocation of the exclusion amount (see instructions)	(f) Form or Schedule on which gain or loss is reported	(g) Amount of tax deferred (attach computations)
3 Total. Add the amounts in column (d) and column (e)						
4 Total tax deferred. Add the amounts in column (g). Enter here and on Part II, Section D, line 5						

* You must identify as "(h)(2)" any property for which you are making the special basis election under section 877A(h)(2). This election is irrevocable. See the instructions for Part II, Section C, line 2, column (c).

Section D Deferral of Tax

Election to defer tax. You can defer tax only if you have provided adequate security. Adequate security is described in the instructions.

1 Are you electing to defer tax under section 877A(b)?

Checking the "Yes" box is an irrevocable waiver of any right under any treaty of the United States that would prevent assessment or collection of any tax imposed because of section 877A Yes No

If you checked the "Yes" box, continue to line 2. Otherwise, don't complete lines 2 through 5.

2 Enter the total tax you would have reported, absent the deferral election, on Form 1040 or 1040-SR, line 15, for the part of the year including the day before the expatriation date absent the deferral election	2	
3 Enter the total tax for the same part of the tax year determined without regard to the amounts attributable to section 877A(a). Attach computation	3	
4 Subtract line 3 from line 2. This is the amount of tax eligible for deferral	4	
5 Enter the total tax deferred from Part II, Section C, line 4, column (g)	5	
<ul style="list-style-type: none"> • If you are filing Form 1040 or 1040-SR, enter this amount in brackets to the left of the entry space for line 15. Identify as "EXP." • If you are filing Form 1040-NR, enter this amount in brackets to the left of the entry space for line 61. Identify as "EXP." 		

Part III Annual Expatriation Statement for Persons Who Expatriated Before 2019

- If you made an election to defer the payment of tax, complete line 1.
- If you have an item of eligible deferred compensation, complete line 2.
- If you have an interest in a nongrantor trust, complete line 3.

1 Complete columns (a), (b), and (c) for all property on which you deferred tax on a prior year Form 8854. Complete column (d) for any property you disposed of in 2019 and see the instructions for Part III.

(a) Description of property	(b) Amount of mark-to-market gain or (loss) reported on prior year Form 8854	(c) Amount of tax deferred on prior year Form 8854	(d) Date of disposition (if any)

Part III Annual Expatriation Statement for Persons Who Expatriated Before 2019 (continued)

2 Did you receive any distributions of eligible deferred compensation items for 2019? **Yes** **No**
 If "Yes," enter the amount of distribution(s) and amount withheld at source, if any, below.

	Amount of distribution	Amount withheld at source, if any
1		
2		
3		

3 Did you receive any distributions from a nongrantor trust for 2019? **Yes** **No**
 If "Yes," enter the amount of distribution(s) and amount withheld at source, if any, below.

	Amount of distribution	Amount withheld at source, if any
1		
2		
3		

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than filer) is based on all information of which preparer has any knowledge.

Sign Here

Your signature

Date

**Paid
Preparer
Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶	Firm's EIN ▶			
Firm's address ▶	Phone no.			