

DYING ABROAD WITH UNITED STATES ASSETS

HYPOTHETICALS

I. HYPOTHETICAL ONE (DOMICILE TYPE: UNITED KINGDOM)

The decedent died in the United Kingdom on June 10, 2014. At date of death, the decedent was a citizen and a domiciliary of the United Kingdom. During his lifetime, the decedent never was a citizen nor a permanent resident alien of the United States. The decedent's gross estate located in the United Kingdom includes a flat in London valued at \$800,000 (after currency conversion from British pounds to United States dollars) and a bank account with a local London bank valued at \$200,000 (after currency conversion from British pounds to United States dollars). The decedent's Will leaves the United Kingdom assets to his daughter. In the United States, the decedent and his daughter hold a brokerage account as joint tenants with right of survivorship. The brokerage account contains United States stock, value totaling one million United States dollars. The decedent contributed one hundred percent to the acquisition of the brokerage assets. At the death of the decedent, the daughter expects to secure immediate release of the brokerage assets as a surviving joint tenant.

What if the United States asset is real estate?

II. HYPOTHETICAL TWO (SITUS TYPE: JAPAN)

The decedent died in Japan on June 10, 2014. At date of death, the decedent was a citizen and a domiciliary of Japan. During his lifetime, the decedent never was a citizen nor a permanent resident alien of the United States. The gross estate in and outside the United States includes:

1. Japanese real estate,
2. one hundred percent ownership interest in a company organized under the law of Japan,
3. a local Hawaii Bank of America personal bank account and
4. Hawaiian real property.

The beneficiaries of the decedent's estate are his three children. At the date of the decedent's death, each child is a citizen and a domiciliary of Japan. There is no United States gift tax liability.

III. HYPOTHETICAL THREE (CANADA)

The decedent died in Canada on June 10, 2014. At date of death, the decedent was a citizen and a resident of Canada. The decedent never was a citizen nor a permanent resident alien of the United States. The decedent's sole heir is his surviving spouse. The surviving spouse also is a citizen and a resident of Canada. The decedent's gross estate in and outside the United States includes:

1. a Canadian personal residence valued at 600,000 United States dollars (after currency conversion from Canadian dollars to United States dollars),
2. a Canadian registered retirement savings plan (RRSP) containing mutual funds, value totaling 400,000 United States dollars (after currency conversion from Canadian dollars to United States dollars),
3. Canadian corporate stock valued at 500,000 United States dollars (after currency conversion from Canadian dollars to United States dollars),
4. a condominium located in Florida valued at 400,000 United States dollars and
5. United States corporate stock valued at 100,000 United States dollars.

There is no United States gift tax liability.

What if the date of death value of the worldwide estate did not exceed 1.2 million United States dollars?