

RALLIS * SEGUNDO, P. A.

FROM: John N. Rallis II, CPA
SUBJECT: Information For Nonresident Aliens Investing in US Rental Real Estate
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The following issues apply to virtually every nonresident owning US real property:

1. **Estate Tax.** Nonresidents have only a limited credit against the estate tax, a tax that is assessed on the value of your assets at death. If you die owning US property, only \$60,000 of the value of your US assets is exempt from tax. This has NOT been indexed for inflation...

Caution: Most mortgages are not deductible against the value of your assets, and those that are deductible are only *partially* deductible (and require you to disclose your *worldwide asset to obtain the deduction*).

2. **US Income Taxation.** The US requires nonresidents to file annual income tax returns annually when they hold real estate in a trade or business (as most rentals are considered). We help our nonresident clients minimize or defer tax (including "FIRPTA" planning) on their US real estate property interests.

We also coordinate with your home country tax and legal advisors, to consider *worldwide* tax savings from US investments in real estate.

3. **Immigration.** Many who immigrate to the US choose to expedite the process by purchasing an existing US-based business. Due diligence is a critical step in this process that should not be overlooked. We have provided due diligence consultations on target businesses in immigration cases since 1994.

After the purchase, we help you transition from *nonresident* to *resident* and the unique tax aspects that accompany the change. We also act as tax advisor to the business and can help you structure the acquisition to your advantage.

For more information on any of the above, please contact us on 1-407-812-8490 or by electronic mail to nonresidents@ralliscpa.com.

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