

[Bay Area Estate Tax Attorney's Tips for Noncitizens and Nonresidents](#)

Posted by Janet Brewer

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To many, Bay Area real estate seems like a bargain right now. Prices are still some of the lowest in years, and foreign nationals, among others, are paying cash -- sometimes millions of dollars in cash -- for property in San Francisco area communities.

As I explain in a new guide, [U.S. Gift Tax and Estate Tax Planning for Non-Residents and Non-Citizens](#), such investments are at risk if the buyer is a non-citizen or non-resident without a sound strategy to minimize gift taxes and/or estate taxes. The guide outlines key elements in an [international estate plan](#), including:

- What is considered “home” for the purpose of estate planning?
- How the tax law treats citizens, non-citizens, and non-residents differently
- Treatment of minor children, including issues surrounding the choice and citizenship of a guardian
- One useful estate planning tool, the Qualified Domestic Trust

U.S. gift tax and estate tax laws are tough on non-citizens

The timing of international estate planning is key because federal estate and [gift tax laws are tough on non-citizens](#) -- even when non-citizens with ‘green cards’. In addition, many clients have assets both in the United States outside of the U.S. and not all countries recognize trusts and other tools that work within the United States.

The rules for a noncitizen and nonresident are even more complex if he or she dies owning 'U.S. situs' assets. The most common U.S. situs assets are real estate located in the U.S., stock options in a U.S. company, stock ownership in a U.S. company, and a U.S. company's corporate bonds.

Preventing asset erosion from fees and taxes

If you are a non-citizen or non-resident buying up U.S. assets, real estate agents, accountants and attorneys may each play an important role in asset protection. For example, accountants know a lot about keeping track and

building up clients' money. On the other hand, estate planning isn't their primary job. A real estate agent can help find killer deals on Bay Area houses, condos, and land -- but they won't be an expert on tax law. And a title company can't tell you the best way to pass your real estate assets to loved ones, either.

An attorney experienced in international estate planning law can help you can gain peace of mind that your loved ones will not face a snarl of tax issues down the road. At least, with this new guide as a start, families will know what kind of legal help they need, and the right questions to ask.

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