# Exit Taxes As A Barrier To Emigration

- The Need For An International Treaty To Create Uniformity And Certainty Surrounding Emigration
- John Richardson – SEATNow.org
- Session 5C – June 12, 2025 – MigrationConference.net

# A More Complete Discussion With Tons Of References and Links …

https://citizenshipsolutions.ca/2025/06/08/exit-taxes-as-a-barrier-to-emigration-and-the-need-for-an-international-treaty-to-create-uniformity-and-certainty-surrounding-emigration/

The Proposed Solution … https://x.com/ParvizMalakouti/status/1931757163091030093

# Part A - Exit Taxes As A Barrier To Emigration And The Need For An International Treaty To Create Uniformity And Certainty Surrounding Emigration

**Outline:**

Part A – Introduction – what is the problem?

Part B – Emigration historically burdened by “exit taxes” (The Nazis and Soviets)

Part C – Modern Exit Taxes And First World Democracies (Canada, the United States, etc.)

Part D – A Tax Treaty Solution That Protects BOTH The Right Of Emigration And the Desire Of Governments To Tax Individuals On Gains Accruing While Living In The Country

Appendix – Human Rights Documents

# Part A – Introduction – What Is The Problem? – Real Barriers To Emigration

**Canada** – A tax resident of Canada cannot sever tax residency with Canada without being subject to Canada's Departure Tax. A deemed sale of certain assets

**United States** – A Green Card Holder living inside the United States may NOT be able to move back to the "home country" without paying an Exit Tax

**United States** – A U.S. citizen who has lived outside the United States most of his life and acquired his non-U.S. assets while living outside the United States, may NOT be able to renounce U.S. citizenship without paying an Exit Tax.

# Part B – Emigration historically burdened by “exit taxes” (The Nazis and Soviets)

## **Nazis** - "ReichsfluchtSteuer"

- The danger of a "shifting purpose"

## **Soviets** – Emigration Tax

- You owe the state for your education!!

# Part C – Modern Exit Taxes And First World Democracies (Canada, the United States, etc.)

Mostly based on a deemed (pretend) sale of assets and (in some cases) distribution of pensions.

**Canada** – Deemed sale of assets, no distribution of pensions

**United States** – Deemed sale of assets, distribution of ONLY non-U.S. pensions (U.S. pensions are not required to be distributed)

**Norway** – Deemed sale, rules have been in state of flux in recent years.

# Part D – A Tax Treaty Solution That Protects BOTH The Right Of Emigration And the Desire Of Governments To Tax

# Part B - Immigration with foreign assets

How are foreign assets treated for tax purposes by the country of destination/immigration?

**"Some" questions to consider:**

- Basis of assets owned at time of immigration
- Taxation of pensions earned in the country of emigration

It's not ONLY the poor who desire to emigrate!

**John Richardson, LL.B., J.D.**

https://www.SEATNow.org

Https://www.X.com/ExpatriationLaw