

TAX PLANNING AND COMPLIANCE FOR FOREIGN INVESTORS IN U.S. REAL ESTATE

Whether for investment or personal use, foreign investors in United States real estate face a number of income, estate and transfer tax concerns. The Foreign Investment in Real Property Tax Act (FIRPTA) subjects gains from the disposition of U.S. real estate to income tax and imposes intricate and onerous withholding procedures designed to enforce the FIRPTA income tax. Absent proper structuring, the after-tax rates of return and investor risk premiums of U.S. real estate investments can be significantly reduced.

Marks Paneth & Shron LLP specializes in advising foreign investors on all tax and practical aspects of foreign real estate investment and tax compliance. Our specialists tailor real estate investment structures to obtain client objectives, tax and otherwise. These structures minimize, and sometimes even eliminate, the income and estate tax liabilities associated with U.S. real estate investment.

Services Offered:

- Structures to Minimize Federal, State and Local Income Taxes on the Current Operating Income and Gains on Disposition of Income Producing Property
- Structures to Minimize Estate and Income Taxes on Undeveloped Land and Personal Use Property
- Federal, State and Local Tax Compliance for Income Producing Properties
- State and Local Tax Capital and Alternative Tax Compliance for Personal Use Properties
- Planning and Compliance for Minimizing Withholding Taxes on the Disposition of Property, Including Applications for Withholding Certificates to Avoid Over-Withholding on Dispositions
- Reorganization of Ownership Structure for Existing Property Investments
- Planning Utilizing Domestically Controlled Real State Investment Trusts
- Evaluation of Entities for Classification as US Real Property Interests
- Planning to Avoid Status as a US Real Property Interest
- Use of Tax Treaties
- Administration of Property Ownership for Absentee Owners
- Responsibilities of US Sellers of Properties in Relation to Foreign Buyers
- Branch Profits Tax Planning
- Compliance Procedures and Obligations
- Pre-Immigration/Emigration Planning
- Cost Segregation Studies
- Controlled Foreign Corporation, Passive Foreign Investment Company and Foreign Personal Holding Company Implications