

U.S. Citizens Living Abroad Face Filing Confusion, June Deadline

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H&R Block Offers Advice and Assistance to Expats Wondering About Filing, Health Care Requirements

KANSAS CITY, MO -- (Marketwired) -- 05/08/14 -- With their tax filing deadline approaching, it is likely 1 in 3 U.S. expats hasn't filed a 2013 tax return, according to an [H&R Block](#) (NYSE: HRB) [survey](#). Since the United States is one of the only countries that taxes income based on citizenship instead of residency, all U.S. citizens living or working abroad face a June 16 filing deadline this year.

Since the regular due date of June 15 falls on a Sunday, the deadline is pushed to June 16 this year. In addition, returns for those on military duty abroad also are due at that time. To help these taxpayers meet their filing obligations, H&R Block launched a [remote filing service](#) last season and expanded that service for this tax season.

"Depending on where they live, U.S. expats may miss friends and family, certain foods and their favorite hangouts in the states. But, one thing they shouldn't miss is the tax filing deadline," said Roland Sabates, director of H&R Block's expat filing services.

H&R Block is the only company that can serve this unique taxpayer in an office abroad or via its expanded remote service. To better understand their U.S. tax obligations, expats should start by answering three questions:

1. Are they required to file?
2. How do they report money in foreign accounts and what foreign assets must be reported?
3. And new this year, what is their obligation to have health insurance?

Know the filing requirements

Citizens who meet the minimum income requirements for 2013 -- \$20,000 for married filing jointly and \$10,000 for single filers -- are required to file a federal tax return regardless of where they live, even if all of their income was earned in a foreign country. Some taxpayers working abroad may be able to exclude some or all of their foreign earned income and/or claim a credit for foreign taxes paid on their U.S. tax return, which could offset any taxes owed to the United States.

Taxpayers working abroad who are not able to file an accurate return by June 16 can submit a [tax filing extension](#) to make their filing deadline Oct. 15. While penalties are not assessed, interest accrues on any balance due from the April 15 filing deadline.

Understand the rules about reporting money in foreign accounts and assets

United States citizens or residents who own or control foreign financial accounts must file a [foreign bank account reporting form](#) (FBAR) if the accounts' combined value exceeds \$10,000 at any point during the year. This account reporting form must be submitted to the Department of Treasury by June 30, but the information also may need to be included with the tax return (due June 16) on Form 8938, [Statement of Specified Foreign Financial Assets](#).

On the statement of assets taxpayers must report information about ownership interests in foreign business entities and securities not in an account. This statement must be submitted by June 16 with tax returns.

"While some of the financial reporting rules won't apply to all expats, it's still very important that these taxpayers claim all the tax credits and deductions they qualify for and not pay taxes on income that should be excluded," Sabates said.

Understand health insurance obligations

While proof of health insurance is not needed for the 2013 tax return, it will be important to understand the obligations for next filing season. In general, for 2014, most U.S. citizens will be required to have health insurance. Those who do not obtain insurance for the whole year could qualify for an exemption, have to pay a penalty or both. However, many U.S. expats may be deemed to meet the insurance requirement and thus would not have to obtain an exemption.

In general, taxpayers who qualify to exclude their foreign earned income, as mentioned earlier, would also be treated as having met their health insurance coverage obligation. Otherwise, the taxpayer would have to get insurance coverage unless an exemption applies.

"ACA compliance adds another level of complexity to the filing process for expats," Sabates said. "Our international filing experts are well versed in both ACA issues and tax filing obligations for expats. We can help them understand their options when it comes to avoiding any penalties for not having insurance in the event they are not already exempt from this requirement."

Expats can have their U.S. tax returns completed by H&R Block tax experts in an H&R Block office in more than 14 countries and U.S. territories. In addition, they can now work with a tax professional, using the company's [virtual service](#). The virtual service is a secure option that includes a customized interview to ensure an accurate return is prepared. Plus, all the benefits of an H&R Block office experience are available, including accuracy guarantees and the opportunity for free Second Look[®] reviews of past returns.

To find an international H&R Block office, visit expats.hrblock.com or call 800-HRBLOCK.

About H&R Block

H&R Block, Inc. (NYSE: HRB) is the world's largest consumer tax services provider. More than 625 million tax returns have been prepared worldwide by and through H&R Block since 1955. In fiscal 2013, H&R Block had annual revenues of \$2.9 billion with 24.8 million tax returns prepared worldwide. Tax return preparation services are provided in over 11,000 [company-owned](#) and [franchise](#) retail tax offices worldwide by professional tax preparers, and through H&R Block [digital products](#). H&R Block Bank provides affordable banking products and services. For more information, visit the [H&R Block Newsroom](#).

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