Middleton's Tax Series:

The US Buyer's Guide

Webinar | 4:00pm (GMT) – Tuesday 4th November

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Welcome

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Agenda

- Market Update: US Buyers in the UK
- Tax Essentials: Buying, Owning & Selling
- Common Pitfalls & Top Tips
- Q&A

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Market Update: US Buyers in the UK

1. Relocating Families
2. UHNW Global Citizens
3. Second Home Buyers
4. Media & Entertainment

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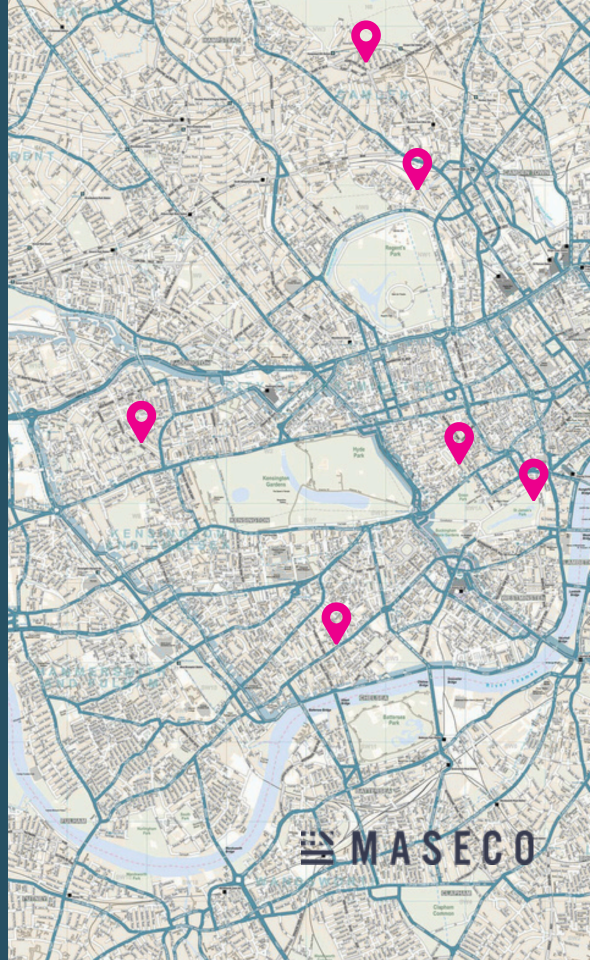

Before You Buy

US Tax Residency: Taxed on worldwide income.
Ownership Structures: UK Company (ATED), UK Trust, US LLC/S Corp/C Corp.
Mortgage Interest Deductibility: US vs UK treatment and planning tips.
Stamp Duty Land Tax (SDLT): First vs Second property rates and examples.
Clean vs Mixed Capital: FIG regime, remittance risks, and tax exposure.

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While You Own

Rental Income: Taxed in UK and reported to IRS.
Foreign Tax Credits: Timing and currency mismatches.
ATED: Applies to company-owned property > £500k.
Reporting Requirements: FBAR, Form 8938.
Estate Planning: UK IHT vs US Estate Tax, second-to-die risk and examples.

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When You Sell

UK CGT: Applies regardless of residency.

Primary Residence Exemption: UK rules and ownership strategy.

Currency Risk: USD reporting and phantom gains.

Example: FX-driven gain despite no GBP profit.

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FX Pitfalls – Currency Risk & Foreign Mortgages

Dollar-Based Capital Gains:
US tax applies even if no GBP gain.

Example: Buy at 1.35, sell at 1.20 → $150k gain → US tax due.

Foreign Currency Mortgages:
UK terms vs US terms and refinancing risks.

Example: Mortgage at 1.35, refinanced at 1.20 → IRS sees gain → tax due.

Planning Tips:
Use repayment or offset mortgages, consult tax advisor.

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Common Traps for US Buyers

Non-compliant structures	Punitive US tax
UK filing oversights	Missed obligations
Domicile confusion	Unexpected IHT exposure
Estate planning gaps	Probate delays and tax

Example: US will not covering UK property → costly delays.

Top Tips & Rules to Consider

1. Engage cross-border advisors early.
2. Keep detailed records of purchase, improvements, and mortgage interest.
3. Understand reporting obligations: FBAR, FATCA, UK self-assessment.
4. Plan long-term ownership and exit strategy.
5. Review estate plan regularly.

Questions?

Contact Details & Closing Statements

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Thank you for joining us

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