

# Digital Nomad Tax Analysis Report

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Profile Parameters	Value
Citizenship	France
Target Country	USA
Stay Duration	More than 183 days
Income Source	Mixed sources
Annual Income	€60,000 - €100,000
Business Structure	Limited liability company (LLC or equivalent)
Special Tax Status	No
Home Office Use	Yes
Long-term Plans	3-5 years

## Tax Analysis Recommendations

### Residence Status

- France (Home Country): - As a French citizen, you're taxed based on your worldwide income.
- However, if you stay outside France for more than 183 days in a year, you might not be considered a tax resident.
- This can be a bit tricky, so it's important to check specific rules or consult a tax advisor in France.
- USA (Target Country): - For tax purposes, you won't be considered a U.S. resident just by staying more than 183 days. The U.S.
- taxes based on citizenship or green card status, not residency. Since you're not a U.S.
- citizen or green card holder, you won't be taxed on your worldwide income by the U.S. unless you have U.S.-sourced income.

### Tax Obligations

- France: - If you're not a tax resident in France, you won't be taxed on your worldwide income. However, any French-sourced income will still be taxed.
- - France has progressive income tax rates, so any French income will be taxed at these rates.
- USA: - If you earn income in the U.S., it will be taxed at the progressive federal rates, starting from 10% up to 37%.
- - You might also need to file a U.S.
- tax return if you have U.S.-sourced income, even if you're not a resident.

### Available Benefits

- USA: - Foreign Earned Income Exclusion (FEIE): Even though you're not a U.S.
- citizen, if you qualify under the Physical Presence Test (330 days outside the U.S.
- in a 12-month period), you can exclude up to \$126,500 (2024) of foreign earned income from U.S. taxation.
- - Foreign Tax Credit: If you pay taxes in France or another country, you can claim a credit for those taxes paid on your U.S.
- tax return, reducing your U.S. tax liability. - Foreign Housing Exclusion: Additional exclusion for qualifying housing expenses.
- France: - France has tax treaties with many countries, which can help avoid double taxation. Check if there's a treaty with the U.S.
- that might benefit you.

### Planning Strategies

- 1.
- Residency Planning: - Ensure you spend more than 183 days outside France to avoid being a tax resident there.
- - Keep records of your travel to prove your non-residency status if needed. 2.
- Income Structuring: - If you have control over your income sources, structure them to minimize French-sourced income.

- - use the FEIE if you qualify, to exclude a significant portion of your foreign earned income from U.S. taxation. 3.
- Tax Credits: - Make sure to claim foreign tax credits for any taxes paid in France or other countries to reduce your U.S. tax liability. 4.
- Business Structure: - Since you have an LLC, consider how the income is distributed.
- LLCs can be taxed as partnerships or corporations in the U.S., affecting your tax liability.
- - If your LLC is taxed as a partnership, your share of the income will flow through to your personal tax return, making the FEIE more useful.

## **Potential Issues**

- 1.
- Double Taxation: - Even with tax treaties, there's a risk of double taxation if you're not careful.
- Ensure you're claiming all available credits and exclusions. 2.
- Compliance: - Filing tax returns in multiple countries can be complex. Make sure you stay compliant with both French and U.S. tax laws. 3.
- Residency Rules: - Be cautious with residency rules.
- Even a slight misstep could result in being considered a tax resident in France, leading to higher tax obligations. 4.
- Healthcare and Social Security: - Consider the impact on healthcare and social security contributions.
- Being a non-resident in France might affect your eligibility for certain benefits.
- By following these strategies and being mindful of the potential issues, you can optimize your tax position while living as a digital nomad in the U.S.
- Make sure to consult with a tax professional to tailor this advice to your specific situation.