

Mentoring at Scale

# Country Comparison Matrix

*Where the US high earner  
actually ends up. Ten  
destinations vs the US  
baseline. First edition 2026.*

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The Baratelli Institute

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# Country Comparison Matrix — Where the US High Earner Actually Ends Up

A US high earner considering international relocation typically evaluates eight to ten destinations by the time they finish researching. This is the comparison matrix that walks the ones actually worth considering — Puerto Rico (as a US territory alternative), Portugal, Malta, the UAE, Singapore, Switzerland, the UK, Panama, and Costa Rica — against the US baseline. Every row is a real decision variable: rule type, corporate rate, individual rate, capital gains treatment, wealth tax, US treaty coverage.

**Snapshot:** 2026-06-30 · **Applies to:** US citizens and long-term green card holders considering relocation. Note: US citizenship-based taxation continues to apply worldwide regardless of physical residence, unless the citizen also expatriates under §877A — see the companion page.

The comparison

## The reference set (ten jurisdictions)

The comparison walks ten jurisdictions against the US baseline. The first table maps each jurisdiction's rule type (worldwide, residence, territorial, or hybrid). The second table lays out the headline rates side-by-side. Practitioner notes on each country follow below.

## Table 1 — The jurisdictional framework

Country	Rule type
United States	Worldwide (citizenship-based)
Puerto Rico (US territory)	US territorial + Act 60 (bona fide resident)
Portugal	Residence-based; NHR (Non-Habitual Resident) closed to new applicants 2024
Malta	Residence & domicile; Global Residence Programme for non-EU/EEA nationals
United Arab Emirates	Territorial; corporate tax introduced 2023
Singapore	Territorial (foreign-source income generally not taxed until remitted)
Switzerland	Residence-based; lump-sum taxation available to non-Swiss nationals
United Kingdom	Residence & domicile; remittance basis for non-doms (reformed 2024/25)
Panama	Territorial (foreign-source income exempt for residents)
Costa Rica	Territorial (foreign-source income exempt for residents)

## Table 2 — Headline rates by jurisdiction

Country	Corp rate	Individual top	Capital gains	Wealth tax	US treaty
United States	21%	37%	20% + 3.8% NIIT	None federal	N/A
Puerto Rico	4% (Act 60)	33%; 0% on qual. gains	0% qual. gains (Act 60)	None	PR outside US treaty net
Portugal	21-31.5% eff.	48% + 5% solidarity	28% flat	AIMI 0.4-1.5% >€600k RE	US-Portugal (1994) w/ LOB
Malta	35%; 5-10% eff.	35%	35% MT-source	None	US-Malta (2010)
UAE	9% >AED 375k	0%	0%	None	None
Singapore	17%	24% (>S\$1M)	0%	None; prog. property tax	None
Switzerland	12-21%	40-45%	0% priv. gains	Cantonal 0.1-1%	US-Switzerland
United Kingdom	25%	45% (>£125,140)	24% RE; 20% other	None; council tax	US-UK (2001); savings cl.
Panama	25% PA-source	25% (prog.)	10% PA; 0% foreign	None	None
Costa Rica	30%	25% CR-source	15% CR; 0% foreign	None; property 0.25%	None

Effective rates after credits, exemptions, and local mechanics can vary substantially from these headline figures — see the practitioner notes below. “LOB” = Limitation on Benefits article; “RE” = real estate.

The narrow point

## Citizenship-based taxation, and why every US citizen carries the US tax code with them

The United States and Eritrea are the only two countries in the world that tax on citizenship rather than residence. Every other country on this list taxes based on residence. The consequence for a US citizen is that no matter which foreign country you move to, you remain subject to US federal income tax on your worldwide income. The foreign country's tax regime layers on top, and the interaction is mediated by the foreign tax credit and (where available) tax treaties.

This is why the country comparison starts from a different question for US persons than for a UK citizen or a German citizen doing the same research. A UK citizen moving to Malta escapes UK residence tax immediately upon severing UK residence. A US citizen moving to Malta continues to file a US 1040 every year for the rest of their life, until they expatriate under §877A (which itself carries a mark-to-market exit tax — see the §877A page).

**The Puerto Rico exception:** Puerto Rico is a US territory, so a bona fide Puerto Rico resident is still a US person under the Internal Revenue Code. But §933 treats Puerto Rico-source income as excluded from US federal gross income, and Act 60 zeros the Puerto Rico local rate on qualifying capital gains and passive income. Puerto Rico is the only path in this table that avoids expatriation while still achieving a 0% blended rate on qualifying passive income.

Practitioner notes by country

## What matters at the country level

### United States

The default baseline. Every other row in this table is compared back to the US. Citizenship-based taxation is the outlier feature globally — the US and Eritrea are the only two countries that tax on citizenship rather than residence.

### Puerto Rico (US territory)

Not a foreign country from a US tax perspective — a US territory with its own tax code plus a specific decree framework (Act 60) that offers dramatic incentives for bona fide residents who move from the mainland. Does not require citizenship renunciation. See the dedicated Puerto Rico page.

### Portugal

The NHR regime that made Portugal the retirement destination of choice for high-earning US professionals closed to new applicants in 2024. New IFICI (Incentive for Scientific Research and Innovation) opened 2024 with narrower criteria targeting researchers and specific sectors. Practitioners considering Portugal in 2026 should model the standard residence regime, not NHR.

### Malta

Malta's full-imputation corporate tax system produces an effective 5% rate on qualifying non-domiciled trading income through a refundable credit mechanism. Popular for iGaming, fund management, and IP holding companies. The US-Malta treaty was reformed in 2010 to close

specific abuse cases; practitioners should verify current treaty coverage before relying on withholding relief.

## United Arab Emirates

The UAE introduced federal corporate tax in June 2023 at 9% above the AED 375k threshold, ending the pure zero-tax narrative for corporate income. Personal income remains untaxed. No US tax treaty means US persons cannot claim treaty-based withholding relief on US-source income. The Golden Visa and freelance/entrepreneur visa programs are the primary residency vehicles for individuals.

## Singapore

Singapore's territorial system means foreign-source income is generally not taxed until remitted, which enables significant deferral for individuals with foreign passive income. No US tax treaty. The Global Investor Programme (GIP) is the primary permanent residence path for high-net-worth individuals; the ONE Pass targets highly-compensated professionals earning above S\$30k per month.

## Switzerland

Private capital gains untaxed for individuals is a distinctive Swiss feature that materially changes portfolio planning versus other high-income jurisdictions. Wealth tax is cantonal but universal for residents. Lump-sum taxation (“forfait fiscal”) available to non-Swiss nationals who do not work in Switzerland — taxed on a deemed expenditure base rather than actual income, and negotiated with the canton. Not available in every canton and increasingly politically contested.

## United Kingdom

The non-dom remittance basis regime was substantially reformed in 2024/25, moving to a four-year foreign income and gains regime for new arrivals and phasing out the historic remittance basis for existing non-doms. Any US practitioner working with UK-resident clients should verify which transitional rule applies. The US-UK treaty savings clause preserves US taxing rights over US citizens regardless of UK residence, which limits treaty benefits.

## Panama

Panama's territorial tax system is one of the cleanest in Latin America: foreign-source income is exempt for Panama residents, and Panama-source income is taxed at moderate rates. The Friendly Nations Visa program (open to nationals of 50+ countries including the US) is the primary path to permanent residency. No US tax treaty means US persons cannot claim treaty-based withholding

relief. The dollarized economy (Panamanian balboa pegged 1:1 to USD, and US dollars circulate freely) removes FX friction for US movers. A common Latin America outbound destination for US persons who want territorial taxation without giving up US citizenship — but citizenship-based US taxation continues to apply.

## Costa Rica

Costa Rica's territorial system exempts foreign-source income for residents, similar to Panama. The *Pensionado* residence program (requiring \$1,000/month permanent pension income) and the *Rentista* program (requiring \$2,500/month for two years, or \$60,000 bank deposit) are the two primary paths for retirees and non-employed movers. No US tax treaty. Costa Rica's environmental and political stability, developed medical system, and expat community make it a common destination for US retirees seeking territorial taxation. As with Panama, citizenship-based US taxation continues to apply unless the taxpayer also expatriates under §877A.

Cross-references

## Where to read next

**Puerto Rico specifically:** Puerto Rico Act 60 & Act 22 — the individual investor decree.

**Expatriation cost:** §877A expatriation tax.

**The applied companion:** The Baratelli International Tax & Cross-Border Wealth guide walks each of these destinations at greater depth with worked founder-liquidity-event and retirement scenarios.

**Print edition:** Download the country-comparison print PDF.

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