B. Potential Purposes for a Tax Regime for Former Citizens and Former Long-Term Residents

In analyzing a special tax regime applicable to individuals who relinquish citizenship or terminate residency, it is necessary to consider the purposes intended to be served by such a regime. A regime could be designed to serve one or more of a variety of purposes, including: (1) expressing official disapproval of tax-motivated citizenship relinquishment or residency termination; (2) deterring or punishing tax-motivated citizenship relinquishment or residency termination; (3) removing unintended tax incentives for relinquishing citizenship or terminating residency, thereby achieving tax neutrality in the decision to take such actions; (4) taxing appreciation and asset value that accrues while a person is a U.S. citizen or resident; (5) ensuring that individuals cannot enjoy any tax benefits that may arise from relinquishing citizenship or terminating residency while still maintaining significant ties to the country; and (6) combinations of and variations on these purposes. Although the present-law alternative tax regime may serve several purposes, the legislative history to the enactment of the alternative tax regime in 1966 and its modifications, particularly the 1996 amendments, as discussed below, indicates that Congress primarily intended the alternative tax regime to serve the purpose of eliminating unintended tax incentives for citizenship relinquishment or residency termination.