

ATTN: International Tax Reform Working Group

Dear Representative Nunes and Blumenaur,

I am writing to ask that the International Taxation Committee of the Ways & Means Committee for Tax Reform seriously consider the ACA proposal for reform to Residency-based taxation RBT. See link:

<http://americansabroad.org/files/6513/6370/3681/finalsubrbtmarch2013.pdf>

As one of nearly 7 million American citizens living, working and voting from abroad, and contributing to the economic growth of the U.S. economy, I believe the current Citizenship based taxation regime must be reformed. Current tax policy is negatively affecting this important sector of American and their ability to compete for jobs, grow the US economy through international business and exports, and live overseas. Current tax policy damages both individuals and the welfare of our country.

The following are some examples of the fallout on Americans working overseas from current U.S. Citizenship based taxation:

- Inability to relocate and work internationally
- Denial of job opportunities or job advancement
- Refusal of entry into business partnerships
- Closure or denial of financial instruments (pensions, insurance policies, bank accounts, etc.)
- Exposure to double taxation or increased tax burden
- Financially ruinous penalties due to broad application of criminal tax evasion regulations on those making simple filing errors due to complexity of the US tax code.

I have been personally affected by this situation:

I moved overseas in 2004 and found the increased tax burden cumbersome, but not punitive. I returned to the US in 2009, but moved again in 2012.

As an American I cannot get a mortgage in the United Kingdom, today, because banks refuse to lend to those with American passports. In the rare cases a bank may be willing to lend, the amount of monies required to remain in the account and size of the down payment exceed US\$100,000. This difficulty is directly due to the challenges that US laws place on foreign banks relative to their relationships with US citizens.

The timing and additional cost burdens placed upon me because I am working outside of the US are time consuming and costly, an order of complexity of at least 4 times what I have to deal with when based in the United States. As the only country on the planet requiring such measures, this seems to punish me for living elsewhere temporarily.

As a member of the Texas Exes and University of California Alumni associations in London, I see fewer and fewer Americans able to take on international assignments and many more leaving London as their taxation concerns become heightened.

Please seriously consider the RBT proposal submitted by American Citizens Abroad (ACA). A move towards a residence-based system, like the rest of the world, not only would it be simpler and fairer for Americans living abroad, but it would actually bring in MORE tax revenue than the current system, which wastes compliance resources for very little return. RBT would increase United States exports strongly by facilitating American mobility in the global business environment of today's world.

Yours sincerely,

Philip Allega

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