

Nelson Andrews

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Germany

ATTN: International Tax Reform Working Group

Dear Representatives Nunes and Blumenaur,

I'm sure you get plenty of boring form letters, so I'd like to begin with a few quick illustrations on how American tax law is seriously hindering the lives of Americans who happen to live abroad:

My German bank closed my investment account because it's too onerous for them to comply with IRS reporting requirements for American citizens, so I can't invest in stocks or bonds.

To put it more colorfully: just after the markets took a heavy dip, the bank wrote me to tell me they were liquidating them and putting the proceeds in my savings account. I was forced to sell off assets just after a stock market crash because my German bank didn't feel like complying with American regulations.

I can't sign up for private pension insurance, because the terms and conditions specifically exclude American citizens on account of those reporting requirements.

I'm self-employed, so I can't use EZ forms and have to pay someone to prepare my taxes here in Germany. Then, I have to laboriously "translate" my German tax return into an American one (remember - I can't use the EZ forms since I'm self employed) even though I never owe a penny. I already pay my taxes here in Germany.

Making things even more complicated, I am married to an Austrian man in Germany, and we file our taxes jointly. Because our marriage is not recognized by the IRS, I can't even "translate" my German return into a 1040 anymore - I have to reconstruct it from the P&L account.

Now, there are also the requirements of Foreign Bank Account Report (FBAR) and the Foreign Account Tax Compliance Act (FATCA) Form 8938. I have to report every account that at some point had more than \$10,000 in it during the fiscal year. Well, I have joint accounts with my Austrian husband in euros, not in dollars. Is half the money mine and half his? Am I supposed to watch the account balance and exchange rate every day of the year for the days when the account is more than \$10,000? Does my husband now suddenly owe capital gains taxes in the USA even though he's only been there on vacation... and our marriage isn't even recognized by the US federal government?

Just figuring out these things takes hours... or hundreds of dollars... **even though I don't live in the USA or benefit from the services provided by the US government.**

Virtually all other industrialized countries use territorial-based taxation instead of citizenship-based taxation. This is a burden unique to American citizens living abroad.

I 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/finalsbrbtmarch2013.pdf>

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,

Nelson Andrews