

March 22, 2013
Switzerland

ATTN: International Tax Reform Working Group

Dear Representatives 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/finalsbrbtmarch2013.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.
- Inability to find affordable US tax advice for US citizens working/living abroad—often the accountant's bill is more than the actual taxes owed.

I have been personally affected by this situation. Unable to find good, affordable tax advice in Geneva to help me with the preparation of my taxes, I have not been aware of all of the different provisions relevant to my tax status, have been hounded by the IRS for taxes that once I was aware of particular provisions / exemptions relevant to my status, I did not owe. Subsequently, I was faced with redoing my taxes and sending amended returns to rectify prior errors--a process which as a full-time working mother with two children, I still have not had the time to complete. I regularly take off one day of vacation per year to do my US taxes, with the end result that I don't owe anything (but I have lost a day of vacation). Also, I have received contradictory advice from IRS employees that I have spoken with on the phone—on the phone they explained to me one way to complete my taxes, but then this was not accepted by IRS authorities later on. The level of stress and aggravation caused by this burdensome and ineffective system is unconscionable, particularly as a regular salaried employee I don't earn enough in the end to actually pay US taxes.

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,

Anne-Marie Buzatu
Switzerland