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April 5, 2013

Rep. Adrian Smith (R, Nebraska)
Rep John Larson (D, Connecticut)
Financial Services Tax Reform Working Group
House Ways and Means Committee
United States Congress
Washington, D. C.

Dear Reps. Smith and Larson:

I am writing to ask that the Financial Services Tax Committee of the Ways & Means Committee for Tax Reform recommend repealing or revising the Foreign Account Tax Compliance Act (FATCA).

As one of nearly 7 million American citizens living, working and/or voting from abroad -- about one million of us in Canada -- I can testify from personal experience that the FATCA legislation, along with the Foreign Bank Account Report (FBAR), is having serious negative consequences for us.

Because of FACTA, American citizens are being denied financial and banking services and assistance. Our fellow Canadians are backing away from investments in the US due to the increased oversight, risks and dangers of financial reporting in the United States. FATCA puts non-resident Americans at personal and financial risk due to unsecured data transfer of highly sensitive financial and personal information. It is poorly thought out legislation, catching very few of those who are flouting US tax laws.

My husband and I pay about \$2,000 each year to an accountant to figure out these new forms that the US government is requiring from us. When we were working, we never had high enough salaries to meet the IRS treaty threshold. Now that we are retired and dependent on pensions and savings, our US tax obligation is usually about \$500. Not only are we wasting our own limited funds on this exercise, but the US government is spending considerably more than it is collecting to process this information.

I am asking that Congress repeal or revise FATCA. And please seriously consider the residence-based taxation proposal submitted by American Citizens Abroad. The only other jurisdiction in the world that uses a citizenship-based taxation regime is Eritrea, great company for our country! A move towards a residence-based system would resolve the issues of FATCA and FBAR while creating a simpler and fairer system for Americans living abroad. Tax revenue would actually increase if the current system was abandoned.

Sincerely,

Merry Chellas (a Michigan voter)