

Trish Drasnin



24 March 2013

For the attention of the 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 American Citizens Abroad (**ACA**) proposal for reform to Residency-based taxation (**RBT**) (see link <http://americansabroad.org/files/6513/6370/3681/finalsubrbtmarch2013.pdf>).

I have been living in the United Kingdom since 1987 but have always been an American citizen and voted in every federal election. As I understand it there are nearly 7 million American citizens living, working and voting from abroad. Committed Americans who live abroad contribute to the standing of the United States by our links to the US economy and our promotion of the US by our actions. Along with ACA, I believe the current Citizenship based taxation regime must be reformed. Current tax policy negatively affects the ability of Americans 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.)
  - My US based BankAmericard has VISA, which I had since 1971, had the credit limit reduced to \$500. This makes it difficult to spend money when I visit the US on holiday
  - I am unable to get a new VISA card from my credit union as have no credit rating - my previously perfect credit rating was wiped out just because I had moved overseas
- Exposure to double taxation or increased tax burden
  - When I was made redundant (laid off) from my previous employment, the redundancy payment was not taxable in the UK but was subject to US tax, which I found difficult to pay as I didn't have a job. It was necessary to convert some UK money into dollars to pay it which also incurred transaction costs
- 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 work as admin support staff in a state school in London. I make less than \$44,000 per year and have little or no savings. It seems unfair that the US wants to tax me and potentially also my dual national grown-up children - all of whom only have minimum or low wage jobs.

Please seriously consider the RBT proposal submitted by 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 apparently would 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  
Ms P A Drasnin