

Monday, April 08, 2013

To whom it may concern,

I have lived in Canada since I was nine years old. I am now fifty-two. I have a wife and two grown kids. I own a house in Canada, work here, and live here. For all intents and purposes, I am a Canadian. I do not yet have Canadian citizenship, but that is because I am a natural procrastinator.

I attempted to remedy my procrastinating ways in 1992 by filing three income tax returns. I specifically asked for forms to be sent to me; because I had no idea where else to find them. Here in Canada they always sent us our forms in the days before the internet. Our trips through Maine are typically during off hours or on weekends, and I did not even know about the consulate in Halifax back then. But to be fair, I had made it to Maine to acquire my SSN and register for the draft. I come from a long line of proud procrastinators.

The IRS never sent me anything. They never have. It is like dealing with a black hole. I can't call them toll-free, and they send zero feedback. In Canada I get a summary of my filing, a receipt if you will, and when tax time rolls around, I get notifications on e-file changes, direct deposit instructions, or whatever else they deem relevant. From the IRS I get nothing. Zip.

Last year I worked for Bell Canada. I had a company share purchase plan, a company RRSP, and a company pension plan. Canada taxes investments differently than America. Fiscal policies between the countries differ. This makes sense. America treats capital gains more favorably than Canada does while Canada treats dividends more favorably than America does. Again, this makes sense. America is more capitalistic and Canada is more socialist.

John is stuck in the middle. I do not have significant investments to worry about – I may have even less when all of this FBAR business is settled – but if I say win a lottery, where should I put my money? When I retire, where should I put my money? Do I invest in common stocks or dividends? If I buy common shares, I may be taxed heavily up here but not down there. If I invest in dividends I might be taxed favorably up here but pay through the nose down there. It's a lose, lose scenario, and the impacts are unpredictable. I now give all my money to my wife, and force myself to treat her like she's an eighteen year old hottie.

I get a tax break with my pension contributions. They are not taxed. America treats pensions similarly. I cannot say for sure; because discovering such information from abroad with now locally knowledgeable people and an inability to call the IRS is rather difficult. But the kicker here is I cannot claim my pension deduction on my American return because it is not an American pension. Hello? What kind of law is that? Every time I put money in one pocket, somebody lifts it out of the other one.

Yes I do get to claim a foreign income deduction, to a point. So far I do not breach the limit, so I am good. That is until crazy, ignorant representatives like John Tierny are able to remove it. Then what do I do?

So I didn't file for a couple of decades. It wasn't a problem; because I will arguably never owe America money. I am a small fish. And then I hear on CBC radio I am considered a criminal. What? Cannot the IRS

