

Langenthal, CH

11 APR 2013

The Honorable Representative Devin Nunes
The Honorable Representative Earl Blumenaur
International Taxation Committee
United States House of Representatives
Washington, DC 20515
USA

ATTN: International Tax Reform Working Group

Dear Representative Nunes and Representative 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/finalsubrbtmarch2013.pdf>

The economic arguments listed below you have certainly read many times before, so I will start with one critical social argument.

FATCA deters good people from becoming Americans.

How so? The best way to explain it is to use a concrete example.

My son was born here in Europe. Because I am American, he is, by birthright also entitled to become an American. My son's mother is a citizen of Liechtenstein. Because of the drama with FATCA and the prospect of double-taxation, she will not register his birth with the US Embassy and will not apply for his US passport. Out of fear of harassment by the IRS and or other US authorities, she refuses to allow him to appear on the radar of any US agency, department, or organization whatsoever. As you can imagine, this caused some heated and emotional discussions. However, after I looked at this objectively, I had to agree that this was the right way to go. By doing this, I will spare my son the drama, stress, and difficulties I am now going through.

If this continues on a grander scale, where will America be in one generation?

I can answer that for you. The productive, responsible, free thinkers will be gone. All we will have left will be the sheep.

Now, here are the economic arguments skillfully assembled by the ACA:

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.

I have been personally affected by this situation. The bank where I have been a customer for the past 14 years canceled my accounts last year. I cannot open new accounts. It doesn't end there. Because I am a manager of our condominium building, I manage the funds, and thus the accounts for our building are in my name. Because some of the funds in these 2 accounts rightfully belong to me, this bank canceled the accounts. We proposed switching the name on the accounts to one of the Swiss citizens in the building, but they did not accept this proposal. Even if my name is not on a given account, FATCA still applies because I have a right to some of the funds in the account. The result... unnecessary problems and stress for two Swiss families. The taxation systems of the USA have absolutely nothing to do with them, yet now, because of me, they are affected. (And not in a positive way!)

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.

With kind regards,

Ian R. Bland