

ATTN: 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 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.

I have been personally affected by this situation. On two occasions over the last several years I have mistakenly made a filing error due to the complexity of the US tax code, which has resulted in demands from the IRS that I owe additional taxes plus interest & penalties. Each time, I have spent hours and hours over a course of several months with re-filings and multiple (costly) overseas calls to IRS representatives in order to rectify the situation. Ironically, the annual Finnish taxes that I pay are almost DOUBLE my US tax liability and yet I am often targeted by the IRS for additional taxes.

Related to this, the Finnish income taxes that I pay are almost double the US income tax liability. However, due to how the IRS tax calculations are done on the 1040s (and other IRS forms) I am only able to apply a smaller percentage of these foreign Finnish taxes against my US tax liability amount – which essentially results in double taxation.

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,

Susan Ingman