

9 April 2013

To the Financial Services Tax Committee of the Ways & Means Committee for Tax Reform

I am writing to ask that for repeal or revision of the Foreign Account Tax Compliance Act (FATCA).

I am an American citizen who has lived in Denmark since 1978. Personally, FATCA has not (yet) affected me very much. It has only added an extra half-day of work to the already considerable burden of doing my US tax return.

But it seems to be having a disastrous effect on many others – much to the harm of US international interests.

- Danish financial institutions will probably not be rejecting US customers – but financial institutions in other countries are doing so. People working abroad need financial services – and some are dropping their US citizenship in order to get these services. It's a matter of survival – not patriotism.
- I have heard that joint business opportunities for Americans overseas are blocked due to the 10% American ownership reporting threshold for start-ups and business ventures.
- FATCA creates a new barrier to companies operating abroad who would benefit from being able to have American employees or agents: the increased exposure to the IRS/Treasury and reporting requirements makes working with Americans abroad unattractive.
- I have also heard that foreigners are backing away from investments in the US.

*Please* repeal or revise FATCA and please seriously consider the RBT (Residence Based taxation) proposal submitted by American Citizens Abroad (ACA).

<http://americansabroad.org/files/6513/6370/3681/finalsbrbtmarch2013.pdf>

A move towards a residence-based system, like those used in the rest of the world (except Eritrea?), would resolve the issues of FATCA (and of FBAR!) while creating a simpler and fairer system for Americans living abroad. Many of us believe that a simpler, fairer system would result in increasing tax revenue. But in any event, it seems obvious to us that compliance resources are now being squandered for very little return.

I would recommend reading an article from the New York Times which gives an excellent and not-too-long description of the hassles we experience. The article was written in honor of the first steps of FATCA implementation but includes most of the challenges we face today, regardless of when a particular challenge was thrown at us. <http://www.nytimes.com/2012/04/16/business/global/for-americans-abroad-taxes-just-got-more-complicated.html?pagewanted=all>.

Yours sincerely,

Dian Grossman Kjaergaard

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]