

April 13, 2013

Dear Rep Adrian Smith and Rep John Larson,

I am writing to ask that the Financial Services Tax Committee of the Ways & Means Committee for Tax Reform to repeal or revise the Foreign Account Tax Compliance Act (FATCA) that is destroying the community of Americans working overseas.

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, FATCA legislation along with FBAR (Foreign Bank Account Report) is having serious negative consequences for those of us working abroad and for the US economy.

**American citizens have become pariahs in the international financial community because of FATCA and are being denied financial tools essential for survival.**

**Business opportunities for Americans overseas are blocked due to the 10% American ownership-reporting threshold for start-ups and business ventures**

**Foreigners are backing away from investments in the US due to the increased oversight, risks and dangers of financial reporting in the United States**

**FATCA creates a new barrier to U.S. exports as companies, start-ups are loath to hire Americans or deal with Americans due to increased exposure to the IRS/Treasury and reporting requirements**

**FATCA creates systemic risks for the entire international financial community**

**FATCA puts Americans working overseas at personal and financial risk due to unsecured data transfer of highly sensitive financial and personal information.**

*I have been personally affected by this situation:* I didn't realize that when I met and fell in love with a Canadian at Detroit's Metro Airport over 25 years ago that moving residence to a foreign country would have any dire consequences. Back then things were not so complex. Identity theft was not a grave concern. Tax returns were pretty easy to prepare. Fast forward to the 21<sup>st</sup> century. Since at least 2005, I have had an expert (expensive) in U.S. tax laws preparing my tax returns. I wrote to the IRS on one occasion regarding my concerns about identity theft and protection of personal information. The response was not reassuring. Over these many years abroad, a significant amount of my Canadian income has helped to support American businesses, especially when I visit family and friends in the U.S. Many of those businesses also operate here in Canada. I have always been proud to be an American. The unintended consequences of FATCA and FBAR on honest citizens abroad needs addressing.

Please repeal or revise FATCA and 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, would resolve the issues of FATCA and FBAR while creating a simpler and fairer system for Americans living abroad and increasing more tax revenue than the current system, which wastes compliance resources for very little return.

Yours sincerely,

L. J. Leonard