

To: Chairman of House Ways and Means Tax Reform Committee

Attention: Representative Devin Nunes and Representative Earl Blumenauer
Representative Adrian Smith and Representative John Larson

Subject: Submission for the International Tax Reform Working Group and Financial Services
Tax Reform Working Group

From: Marvin Van Horn, a DNA U.S. Person

Date: April 14, 2013

Concerns: Tax Code Complexity for Americans living abroad.

Dear Representatives

I am writing to ask that the International Taxation working group and/or the Finance working group of the House Ways & Means Committee for Tax Reform to seriously consider these 4 general reform proposals.

1. Recommend that you adopt the American Citizens Abroad ACA proposal to replace Citizenship taxation with Residency-based taxation, RBT.
2. Recommend that you take action to repeal FATCA (Foreign Account Tax Compliance Act) or eliminate all its reporting provisions for Americans living abroad.
3. Recommend that you end the 1970 Bank Secrecy Act FBAR requirements for Americans living abroad and/or consolidate reporting with FATCA form 8938
4. Recommendations on general and simple (KISS) ways to create better tax code change transparency and eliminate some of the complexity with one revenue generating idea.

I have just read and noted the recent “The Hill” article entitled: [Expats plead for Relief from IRS](#).

This comment got my attention, and made me more than ever determined to add a submission to your Tax Reform efforts by your April 15th deadline.

A House Republican aide said that business issues were the main focus of the international tax reform working group. Lawmakers knew about the issues facing citizens abroad before the letters came in, the aide said.

“We were definitely aware,” the aide said. “This isn’t anything new.”

But the aide added: “Unless we drag in the individual side [of the tax code], it’s kind of irrelevant.”

I hope this unnamed sourced comment, isn’t true, and that your reform efforts are as much for ‘DNA Persons’ (DPs) like me, as it is for ‘Paper Persons’, (PPs) like Corporation business interest.

If you don’t include both, then the reform effort is indeed “*kind of irrelevant*” and will fail to garner wide spread public support, IMHO.

If you only focus on business without consideration of what the bible calls *'the least of these'*, DNA persons, you lose even more trust in the Tax Code than you currently have, which by the way, is at all time lows.

We may be just small DPs scattered around the globe with no one Congressional Representative that has us as their natural constituency in Congress. We don't have any big time deep pocket lobbying arms or huge political contribution war chests that the PPs have. Our profile is generally misunderstood by homeland Americans. We are mostly middle class average people, and not the profiled Rich living an exotic high flaunting life style evading taxes the media love to focus on.

We are beginning to realize that we have to speak up about how homeland tax compliance policies are affecting us negatively. For who we really are, I recommend this scholarly survey: [The Face of Overseas Americans by Amanda Klekowski von Koppenfels, PhD](#)

With the help of the internet, and improvements in government transparency tools, even from a location half way around the world from the DC center of the universe, we can now view the special tax code provisions that treat Paper Corporations with earnings overseas differently than it treats the DNA expat goodwill and job creating Ambassadors living abroad!

Corporations currently can retain their earnings abroad without being taxed until the funds are repatriated onto U.S. shores. However, I, as a middle class DP who may live and work overseas, or to use the pejorative, offshore, my earnings in foreign currency, be they passive or 'earned income', are taxed in \$ USD whether or not they are ever repatriated.

This differing treatment of DPs vs PPs causes much frustration and cynicism abroad. Just based upon yearly currency fluctuations with only phantom gains in USD, I can generate tax liability to the U.S. under its unique Citizenship taxation regime even though I really did not have any income, passive or active, realized or repatriated.

On top of this, I have incredible tax complexity and duplicity in my FBAR and FATCA reporting form requirements with serious life altering penalty for compliance failure.

Additionally I am effectively excluded from participating and benefiting in my resident countries IRA like products or mutual funds which are treated and taxed as 'trusts' on a 'mark-to-market' basis every year even though they maybe tax exempt in my resident country! Oh, and of course, there is the accompanying complex forms 3520 and 3520-A which are required.

Also contrary to popular belief, and in spite of the benefits arising out of the complex foreign tax credit form 1116, and Foreign Earned Income Exclusion (FEIE) form 2555, with the differing ways each country taxes its residents and classifies income, and the differing fiscal years, I am still double taxed in ways that are not offset by any of our complex forms or so called 'double taxation' agreements.

Additionally, I live under the threat that some Congressman back in DC who has never experienced real life abroad, will slip some amendment into some unrelated legislation, and even these meager benefits will be withdrawn retro actively and I will not know about it for months. Or worse yet, as a DP abroad I may suddenly be impacted by an old, obscure tax law or form that is not generally known about until it is suddenly taken off the shelf and applied aggressively in a misguided belief that this somehow improves compliance and trust in a voluntary system. This has happened with the IRS and application of FBAR penalties in late 2008 and continues to this day.

More importantly, as a tax resident in New Zealand as I was until ~2 years ago, I still had to complete their tax forms and meet the NZ IRD reporting requirements in addition to my IRS reporting responsibilities and complex informational forms. In practice, I had to spend an inordinate amount of time on preparing and then amending two countries tax forms which are out of sync on a fiscal tax

year basis. If I wasn't competent to accomplish this task, my alternate choice was to spend big bucks on competent international tax practitioner fees which homeland Americans, or Kiwis that live in the States for that matter, do NOT have. That is an additional tax too.

As a preface to my 4 recommendations below, I strongly recommend that committee members and aides read the National Tax Payer Advocate, Nina Olson's most recent [2013 Report to Congress](#), specifically [MPS 8](#) and [MPS 15](#) that speak directly to the incredible problems of tax compliance, complexity and frustrations that Americans abroad have.

If, as your aid says, "*We were definitely aware,*" "*This isn't anything new.*", then with this submission I am asking you to turn your awareness of the problem into a solution which benefits all DNA Americans not just our Corporate Paper Persons.

Thank you.

-Recommendation 1: Replace Citizenship taxation with Residency-based taxation (RBT) as proposed by American Citizens Abroad (ACA) and similar to what is practiced around the globe and in the 50 states of the Union.

Rather than repeat and duplicate the excellent proposals made by both [American Citizens Abroad](#), and [Roger Conklin](#), I hereby incorporate by reference the salient points they have made. I don't think I can improve upon their descriptions of the problem and the suggestions they have for change. Please give them special consideration and review in your process. There is also another submission by **Jackie Bugnion**, which is not yet posted, that I would like to incorporate by reference into my recommendations.

-Recommendation 2: Repeal FATCA (Foreign Account Tax Compliance Act) or revise to eliminate all its provisions for Americans living abroad.

For America's economic growth and future prosperity sake, FATCA MUST be repealed.

While it probably was a well intentioned idea, stopping offshore evasion by homeland Americans, it is having the unintended consequence of essentially shooting [itself in the foot economically](#). It is using a "[Sledgehammer to Crack a Nut](#)". This must be undone soon, before this monster is cemented in place and there is no turning back. It is already doing harm in the governmental copy cat "Son of FATCA" world of high tax foreign countries, saying "*if it is good for the US goose, it is good for the UK/EU gander!*" Bad ideas spread faster than good ones, and this one is toxic for the world's economy, again, in spite of good intentions.

As the saying goes, "**the road to hell is paved with good intentions.**" FATCA represents a big section of the pavement!

While I may laud the DOJ and IRS efforts at stopping "offshore" tax evasion and BS tax shelters, I really object to this over the top world wide extra territorial application of U.S. tax law and regulations. Frankly, FATCA will NOT do what it is intended to so, but it will still attempt to "DO it" at great cost to our economy.

It pains me to see us start another pre-emptive war. This War is on offshore tax evasion (WOOTE) which comes not with physical weapons, but with the application of imperial financial hubris. The lever, is the heavy handed extortion threats of 30% withholding on the worlds Foreign Financial Institutions (FFIs) for compliance failure.

FATCA, as the ‘shock and awe’ weapon of choice in this war, will be just as effective as our 2003 cruise missiles were at bringing freedom and democracy to Iraq without a huge cost to the U.S. homeland.

FATCA, in the end, will be no more effective then our War on Drugs has been at stopping drug addiction and trafficking after 50 years, and carry with it BIG unintended costs to society.

Tax evasion is part of human nature, and like drug or alcohol ingestion it will NOT be ended with GREAT BIG ideological missions or Wars launched with the intention to **“to root out tax cheats once and for all,”** as proclaimed in [the JCT 2009 press release](#).

Maybe we can wipe out Small Pox, “once and for all”, but lets be a bit more humble as to our ability to change human nature. FATCA will not reprogram DNA and human nature. There are much [simpler solutions or nudges](#) which can be used which are far more effective at modifying human behaviour than this punitive and complex monster, and far less costly.

On a broader front, the shaky world economy does not need these extra complex regulations right now piled on top of Frank Dodd, Basil III, TRACE, SWIFT, KYC, AML and all other regulatory reporting requirements pouring out of governments these days. The expensive compliance burden only benefits and reinforces the market position of the Too Big Too Fail (TBTF) financial institutions who have the IT resources, low cost of money that comes from the implicit government guarantees that disadvantage their smaller competition. Of course, the cost is passed onto the consumer, you and me.

Then, more worrying, is the coming **FATCA blowback** onto U.S Shores.

With the proposals in the [Obama 2014 budget](#) on page 211, Treasury is planning to repatriate the cost of FATCA compliance onto the domestic shores.

Treasury is attempting to get more regulatory authority to create a domestic DATCA equivalency for the reciprocity promises it has made in FATCA IGAs to other countries, and the cost of compliance with 544 pages of complexity is blowing back onto US Shores.

Provide for reciprocal reporting of information in connection with the implementation of FATCA

Further, here is the explanation of this line in [Analytical Perspectives](#): See page 202 (spacing and highlighting below for clarity)

Provide for reciprocal reporting of information in connection with the implementation of the Foreign Account Tax Compliance Act (FATCA).—*In many cases, foreign law would prevent foreign financial institutions from complying with the FATCA provisions of the Hiring Incentives to restore Employment Act of 2010 by reporting to the IRS information about U.S. accounts.*

*Such legal impediments can be addressed through intergovernmental agreements under which the foreign government agrees to provide the information required by FATCA to the IRS requiring U.S. financial institutions to report **similar information** to the IRS with respect to **nonresident** accounts would facilitate such intergovernmental cooperation by enabling the IRS to reciprocate*

*in appropriate circumstances **by exchanging similar information** with cooperative foreign governments to support their efforts to address tax evasion by their residents.*

The proposal would provide the Secretary of the Treasury with authority to prescribe regulations that would require reporting of information with respect to nonresident alien individuals, entities that are not U.S. persons, and certain U.S. entities held in substantial part by non-U.S. owners, including information regarding account balances and payments made with respect to accounts held by such persons and entities.

Notice how broad based this reciprocal reporting is that they are proposing, and then notice the blank lines as to cost estimates or revenue projection for the next 10 years!

Like FATCA, in its original legislative form, there was no cost vs benefit analysis of these few lines, but at least with FATCA there was the projection (WAG) from the JCT that it would raise a meager ~ \$800 million a year, while it had NO estimate on the cost to raise that revenue!

Now, with such a MAJOR proposal like this, buried in the budget, to bring FATCA reciprocity compliance complexity back home, without any estimate as to the cost of this compliance initiative IS JUST STAGGERING.

Make no mistake about it. This is a new compliance condition and new expense and burden proposed which was created solely by Treasury on its own initiative, and was **NOT** provided for in FATCA legislation in the first place!

Do you know that, do you care? Fair question, I think.

Administration costs alone on the IRS would be very very expensive. To require all US financial institutions (USFIs) to provide similar level of reciprocal information on all Non Resident Aliens (NRAs) living around the globe that is similar to what FATCA requires on all Foreign Financial Institutions (FFIs) on all U.S. Persons irrespective of where they reside is amazing enough. To casually set up the mechanism for this to happen on domestic shores, in the form of a DATCA, and have it buried so deep in the budget speaks volumes to what is wrong with our entire tax compliance efforts and the endless creation of more complexity.

Treasury wants to add this complication to a broad swath of the USFIs and that is way more than just banks, as it includes all kinds of entities like insurance agencies, brokerages, mutual funds, bond funds, hedge funds, etc, etc, etc. They mention this reciprocal data collection and reporting on NRAs who have money in USFIs so casually and so low key as if it is just a small undertaking. Well it is NOT a small undertaking! IT IS HUGE! This is being proposed without any consideration of capital flight, what it would cost the USFIs to comply, and what it could mean for bank liquidity and reserve requirements.

This DATCA regulatory proposal means setting up mechanisms and managing them to report back to 193 individual cooperating countries around the globe. This has to be done in a manner that maintains individual tax identification number (ITIN) and account data security. It is a **stunning** endeavour, and probably not workable, no matter how much you spend and how good the intention is! We have enough problems with ID theft of SS numbers and homeland tax fraud as it is. We don't need to take on the entire world right now and expand these problems globally!

Americans living abroad are naturally very concerned about the security of their data which under the [Final FATCA regulations](#) will soon rest in third party administrator (TPA) hands. Why do we need to have FFIs identify and round up all U.S. Persons around the world, just to catch a few homeland tax cheats?

It is stunning that a country so concerned about U.S. security following 9/11 would so glibly set up a world process that makes account data and addresses of its citizens around the world more accessible for hacking and falling into terrorist or thieves hands in the name of catching some homeland tax evaders. Now Treasury wants to extend that fatal security flaw of FATCA and make it apply to ALL residents of the globe who have funds invested in accounts in America! They want to shut down the U.S. Tax Haven. Heaven save us from the good intentions of our ideologues!

Action by Congress is urgently needed to STOP this totally misguided and very expensive effort.

With Treasury's initiation of FATCA inter-government agreements (IGAs) as a FATCA implementation tool, Congress is being left out of the loop on these unique and [legally dubious](#) global agreements. It needs to step in.

Did the members of this Committee and its aides understand what FATCA implementation meant, and do they now agree with the direction Treasury has now taken it with the IGAs?

Was a domestic DATCA your intention when Congress voted for and passed FATCA inside the Hire Act in 2010?

I fear some well meaning Treasury and IRS ideologues have taken over U.S. international tax enforcement policy and are using FATCA as the 'tip of the spear' in a global agenda, cheered on by the OECD, to create a global GATCA of automatic tax data exchanges.

Is Congress really going to be complicit in this Orwellian world that is being created by Treasury without any further oversight? Are you really going to just give the Secretary of Treasury more regulatory power to impose a DATCA on the USFIs as part of this mission?

As some House members know, requests to Treasury to explain the regulatory action it has already undertaken is not well received. It has already imposed [IRS Bulletin 2012-20](#) on USFIs, and has not responded satisfactorily to [Congressman Boustany](#) on his questions in this regard. Nor has it responded (to my knowledge) to [Congressman Reichert](#) as to what it is doing in regards to FATCA implementation.

Well, I guess your answers are in the Obama 2014 budget, and it shows how they view their regulatory function. They basically have replaced the Tax Treaty process which is subject to an 'Advise and Consent' Congressional review, with an IGA Competent authority or Executive Agreement process. It excludes Congress from any additional oversight and then asks for more regulatory power.

With serious Constitutional issues being raised with this usurpation of Congressional prerogatives, you need to reign them in, rather than giving them more regulatory power. Otherwise, they will just stonewall your whimsical questions and complaints about their authority later, and while they ignore Congressional intent with continued hubris.

In our war on offshore tax evasion, rather than creating sweeping programs like FATCA, we need to be more specifically targeted with existing laws and DOJ efforts which are frankly more effective than this GREAT BIG COMPLEX global initiative that is carpet bombing the world with all its unintended consequences and collateral damage.

FATCA is begetting DATCA which will beget GATCA. Is this the future we want to leave for our children?

Finally, I hereby incorporate by reference [ACA proposals for FATCA repeal](#). Please, Repeal FATCA NOW!

Recommendation 3. End FBAR requirements for Americans living abroad and/or consolidate with FATCA form 8938

The FBAR, TD F 90-22.1, Report of Foreign Bank and Financial Accounts is very frustrating for many Americans living abroad who now find themselves non compliant with a form they did not know about. Many have not been filing them until just recently, and now have another form to complete, the duplicative FATCA IRS form 8938. Many are just now discovering their non compliance and failure to file these informational forms.

I was one of those compliance failures who have lived the pain of dealing with the IRS to try to find a simple and easy way back to compliance after they launched their offshore crackdown back in 2008. That is when they decided to use the FBAR penalties as their weapon of choice to force compliance on U.S. Homelanders engaged in offshore tax evasion.

Unfortunately, with our citizenship taxation, this hammer applied equally to Americans living abroad (me) who found themselves non compliant with little understanding of U.S. citizenship tax law generally, and this form specifically. Boy, am I better educated now! :)

FBAR compliance was legislated under Title 31 to FinCin in 1970, but the power to enforce was delegated to IRS under Title 26 and the Internal Revenue Manual (IRM) was only written in 2008, right before the offshore crackdown began. They have enforced it with much great gusto and chest thumping proclamations of success without any attempt to educate Americans living around the world about its requirements on them before they started this effort.

Ultimately, for me, it took intercession by the TAS, Nina Olson's office for more reasonable penalty approach to the 'one size fits all' compliance method the IRS was insisting upon at the time in their notorious 2009 OVDP and 'bait and switch' tactics. For this I thank Congress generally for creating the agency, and Nina Olson specifically for being such a tireless advocate for trapped taxpayers. Without her staff help, I was hopelessly mired in a non discretionary OVDP process with little hope for extraction from a 2 year processing mill that ground up expat minnows into fertilizer as a by product catch in their search for homeland tax evading whales.

She has spoken about these problems in her recent reports to Congress [here in 2012, paragraph K on page 23](#) and [here in 2013, paragraph F on page 22](#).

The FBAR and now the additive FATCA form 8938, reigns terror into the hearts of many American expats just now discovering their problem. They are looking for routes to compliance without endless catch 22s. Even the so called "Streamline" program the IRS recently started in response to complaints about the OVDI, is full of risk for long term residents abroad. It is causing many average middle class citizens to now think the unthinkable, and that is if they are to remain living abroad due to jobs or family commitments, they may have to relinquish or renounce their citizenship.

Policies that are driving Americans away like this, can not be good for America in the long term. The implications are profound, and it is destroying the fabric of the U.S. Diaspora around the globe. Faith is eroding that America will come to its senses on the harm it is causing, and will do the right thing. As Winston Church once said, "Americans can always be counted on to do the right thing...after they

have exhausted all other possibilities” With the IRS, after 4 plus years now, we are still waiting for the exhaustion of ‘all other possibilities.’

There is great emotional cost for how U.S expats are being treated. The investment in life credit units (LCUs) towards compliance efforts, combined with the significant financial penalties risk for even the most innocent of non willful form filing failures is totally out of proportion for tax revenues lost to the IRS. Americans living abroad, including dual citizens and accidental Americans now face hard cost vs benefit analysis if they are to be compliant with Citizenship taxation responsibilities and associated form filing requirements. It is little wonder that some now grimly refer to their American Citizenship as a problem to be solved. It is becoming to be seen as a ‘Tax, Form and Penalty Club’ whose membership dues are prohibitively expensive.

This is not good. When an 80-something year old American lady who has lived abroad a half a century, has to renounce her U.S. citizenship because of all the complications of filing tax returns, America has to reflect why that is so. She says she couldn't afford the time and money involved any longer. Aside from a rather wistful reference to regretting it because of her lengthy US ancestry, she says, “it is definitely for the better”, and she remains “American in her grieving heart even if not a citizen”. Sadly, it seems, America no longer values her.

As for me, I am not one of those that will relinquish or renounce my citizenship, but I understand those that do. It is a hard choice they make and risk being ‘Named and Shamed” on the highly inaccurate quarterly IRS report. However, U.S tax policies have forced me to physically move my tax residency from New Zealand back to America along with my Australian wife who after 33 years of married life is befuddled by all this new imposition of U.S. international tax code compliance complexity. As I told a CPA I have used in NZ, “I can deal with the complexity of one country or the other, but not both! With each wanting to tax my offshore earnings, it is a complexity too far, at least for me!”

Australia does not impose similar draconian FATCA like restrictions and FBAR requirements or ‘Aussie Person’ tax filing imposition on my wife, like what the U.S. imposes on me, and now on her, as a so called Greencard ‘U.S. Person’. It makes no logical sense to her, but I admonish, logic as applied to the U.S. tax code is an oxymoron. It doesn't have to make sense, it just is what it is, arbitrary and capricious, and pretty much uncaring about its impacts on the lives of normal DNA persons.

So, while I remain a Compliant U.S. Citizen, I do complain, and I do warn others. You can say, I am CCW.

The warnings are essentially negative marketing messages, that America should not want me to be providing to those skilled and talented potential immigrants who think the green card is a passport to the American Dream and opportunity. That may have been true at one time, especially if you had nothing to start out with, but something has happened in the last 4 years that is unsettling.

I don't like doing it. However, I can not in good conscious provide encouragement for that choice without pointing out the possible pitfalls of their decision. I suggest that they do their own due diligence about the long term tax compliance and reporting costs, especially if they think they might want to return to their homeland in the future. My suggestion is for them to look to Australia or Canada instead for opportunity, as they already practice a Residency based taxation (RBT) system that is not so entrapping as the unique U.S. Personhood club.

If you adopt a RBT system, as proposed in recommendation number 1, than both of these Fwhat? forms would be moot for the long term resident abroad. If, at some time in the future, they returned to the homeland, and took up tax residency again on American shores, then the reporting would apply.

If you can't make the leap to the RBT as practiced by the rest of the world and the 50 individual states, then please, PLEASE, exempt those Americans living abroad from the requirements to report their "onshore" accounts via these duplicative FATCA and FBAR forms and remove the penalty fears for failure.

If you can't even bring yourself to accomplish this FBAR/FATCA form exception in the reform efforts, then at the VERY MINIMUM, consolidate the FBAR and FATCA form into ONE form so there isn't double penalty jeopardy and the bureaucratic time waste that two forms require. Thank you.

And now my final recommendation:

Recommendation 4. Some ideas on ways to create better tax code change transparency and eliminate some of the complexity.

The National Taxpayer Advocate routinely identifies **tax law complexity** as the **number one problem** facing taxpayers.

Or, to paraphrase a famous saying by President Bill Clinton, **It's the Tax Complexity, Stupid.**

Just google 'tax code complexity' and you will see many groups agreeing with this analysis, including many of you in Congress.

It has been reported many places that the Tax Code and associated regulations probably number somewhere [north of 73,000 pages](#), and that it is humanly impossible for any person alive to understand all the provisions therein, let alone be compliant with all the non willful penalties for failure to know the law.

It is the size, complexity and the process creating the complexity that contributes to its continued growth which leads to great cynicism that anything will ever change. Some believe we will never ever arrive at the 'pearly gates' of real Tax Reform effort that isn't just more complexity heaped upon more regulations with new exemptions, exclusions, deductions or rules passed off as reform.

If that is the end result of your effort, then of course, I think you know you have failed.

I appreciate real tax reform is NOT an easy task, and I applaud Representative Dave Camp's approach to this reform effort. In [this recent article](#) by Bloomberg, he is criticized obliquely with this quote:

"His approach initially was to set a goal without any indication of how to get there."

I don't think that is a fair criticism. This is EXACTLY what you have to do. It is how any well run business or organization goes about the process of setting a BIG objective and turning loose the creative juices to find the route from the "ground up" to get there.

You don't have to know the way, you just have to know the goal.

With that goal set, there needs to be a realistic appreciation on where the tax complexity problem comes from. You have to look over your shoulder and ask, "How did we get here?" As much as we delight in beating up the IRS for how their technocrats muddy up the end product with their regulatory process and rule writing, you still have to go back to the source. Who provides the material for their technical complexity machine?

If we wiped the Tax Code slate clean today, and started over tomorrow, with the crazy idea that everyone paid tax like the religious pay tithing, it wouldn't be long until that simple 10% rule which hasn't changed in a couple thousand years, would be complexed up and back to the +73,000 pages we have now.

The reason, well, you know it. The finger is pointing right back to you, and how you, Congress, legislate changes in the Tax Code.

Unless you are willing to totally eliminate the income tax code and find revenue via some other type of tax revenue stream like VAT or GST, then that is the reality. We all know it, you know it, but what to do about it? It is something at the core of the problem that you have to deal with in this reform effort, or you will never solve this issue. Just rewriting some of the existing code, and/or eliminating some of the exemptions or special provisions isn't enough. In a few years with lobbying pressure and needs for campaign financing, they will be back, buried in some amendment to a 'must pass' piece of legislation!

So, for real reform, you have to start with some BIG structural changes, yet simple processes to reduce the temptation to use the Tax Code for policy creation, behavioral manipulation or special provisions to reward big political campaign contributors.

You all play at this game, and I would guess, most of you actually hate it. You complain about the complexity or loopholes at the same time you add some new provision, maybe just a line or two to an unrelated bill as an amendment, and VOILA! After the IRS gets done with their magical rule writing and form creation, we add another couple hundred pages to tax code complexity.

So let's start here with 4 simple ideas. (I bet they are NOT new)

1. **Prohibit adding any tax code provisions as amendments in any bill that is not specifically budget or tax related.** I.E., No adding increases in child tax credits to an amendment to some Clean Air act or Transportation infrastructure bill. If you need funding for some new GREAT idea, than the tax code funding mechanism must be passed as a separate bill.
2. **Create a quarterly Report itemizing on all tax code changes enacted.** Assuming politically, number 1 is not doable, require that the CBO or some appropriate Congressional office produce a quarterly report to the American people that itemizes and then summarizes in plain English what tax code changes were introduced in the previous quarter. It would include these items, in a format an average American could understand. Call it **General Explanations of Changes to the U.S. Tax code for the Previous Quarter.**
 - A) What was the prevailing tax code?
 - B) What was the change?
 - C) In which bill and which amendment was it made?
 - D) Which Legislator inserted it?
 - E) What was the reason for the change, and
 - F) What is projected impact on the budget?

I suggest something similar in format to the [Green book that Treasury produces](#) with the yearly Administration's budget proposal.

For transparency, post it prominently on a House web site. At least, that would help us voters keep track of all the little things you are adding, deleting or changing without requiring that we read every line of 1000 page bills and reference back to original IRC to figure out what changed. No more FATCA bombshell surprises buried in there somewhere!

3. **Set a physical page cap on the total number of pages and associated regulations.** This means if you want to add something new, something has to be removed, consolidated or reduced in size. No exceptions and no raising of the limit. If God has got by with 10 commandments for eons, maybe you can survive with just a capped 75,000 pages limit on the tax code. If you don't do that, it will, just like our budget deficit, continue to grow and **grow** and **GROW**.
4. **Create a simple small non resident interest tax on USFI accounts held by NRAs.** For Non Resident Aliens, that do not have other income filing obligations that requires a 1040NR create a small (2%) non refundable withholding tax on the gross monthly or quarterly interest earned. This would be something similar to what New Zealand does to my non resident bank accounts now that I am no longer tax resident there. It is 2% of gross that is deducted each time interest is posted and transmitted to the IRD.

I bet this simple tax would be simpler to administrate, and probably generate way more revenue than this whole FATCA/DATCA complex reporting fiasco does, and would not cause capital flight that the DATCA reporting definitely will.

That's it.

Thank you for your diligence and patience with this lengthy submission. Please understand any hyperbole you see expressed arises from the frustration of the past 4 years of IRS offshore actions and the new found negative impacts of U.S. tax law. We appreciate Representative Dave Camps willingness to provide this opportunity to submit proposals. I know when he started this, the American abroad Diaspora had few avenues to express its frustration with U.S. Tax policy. Maybe this little effort will provide some release and the input might help stem the tide of those voting with their feet.

Bottomline, please seriously consider the RBT proposal for DNA persons submitted by American Citizens Abroad (ACA). I agree with them whole heartedly when they say, "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,

Marvin Van Horn