

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 residing abroad 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:

- I am a dual US-Irish citizen born in the US to Irish parents. We moved back to Ireland when I was 7 years old.
- All of my education between the ages of 7 and 25 was Ireland based.
- 14 years of my 19 year career has been as a resident of Ireland.
- Irish income tax is higher than US income tax. If Irish income tax were to drop below US rates I would then be liable to pay the difference to the US. Therefore I, like other Americans, am perpetually obliged to pay on the highest rate in either country and will never be on the receiving end of improving (reducing) rates.
- My US tax liability was just over \$900 dollars in the past 5 years yet it cost more than \$3,000 in CPA fees to demonstrate this. Over the past 2 years my US tax liability was \$0 dollars even though my income increased during this period.
- When filing my US taxes I have to pay extra for international registered mail to guarantee that my return will reach the IRS offices in the US.
- Potentially I need to hire two financial accounting professionals in any given year to help file two tax returns. It is not possible to find a professional that is qualified to prepare returns in both countries, therefore the possibility of double taxation is ever present.

So while I am a US citizen the majority of life, 30 of my 43 years, has been lived as a child, student and citizen of Ireland. I am hugely proud of my American citizenship and ties and will forever preserve their integrity. The double obligation associated with being a US citizen and Irish citizen and resident fills me with fear of doing the wrong thing and confusion over how to address two highly complex tax systems. There is no doubt that I am being exposed to double taxation however hard my financial accounting professionals try to avoid this, but the approach must be conservative to guarantee there are no inadvertent violations. The financial and personal burden of maintaining such compliance seems inordinate and unfair.

From historical and current circumstances it should be clear that I am living in Ireland as that is where I grew up for the most part, there is no agenda of tax evasion – I pay significant levels of taxes to the Irish government through direct deductions by my employer from my pay check each month.

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.

Thank you for taking the time to read my letter.

Yours sincerely,  
Tara Nestor

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