

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/finalsubrbrtmarch2013.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. I am an American citizen who is currently working as a physician in Canada. My goals at this time are to work hard at my job and create a reasonable retirement plan. Medical education in the United States is a costly endeavour and it takes 14+ years to complete the necessary training. Therefore, physicians are not able to start saving for retirement until we are in our 30s. I am trying to be as prudent as possible is setting up my retirement planning and the current tax laws are causing difficulties. If Americans living abroad are not able to set up reasonable retirement plans due to American tax code, how will America support us in retirement?

Physicians are self-employed in Canada and typically form a personal incorporation. I am not able to form such an incorporation as it would incur double taxation under current US tax law. I am limited in the types of retirement investments I can make in Canada. Non-US investments and some of the common Canadian investment strategies incur tax penalties in the US. This significantly limits the types of investment I can make.

I have been horrified to hear of recent stories from other Americans living abroad (e.g. unable to open bank accounts). The current tax laws are a violation of our basic human rights. We should not have to disclose our citizenship to banks, employers, etc. and then be penalised for the same.

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,

Erica O'Neal, MD

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