

08 April, 2013

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 living, working, and voting from abroad, I believe the current citizenship-based taxation regime must be reformed. Current tax policy is seriously hindering our ability to compete for jobs and grow the US economy through international business and exports. 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 over-broad application of criminal tax evasion regulations on those making simple filing errors due to complexity of the US tax code.

For the simple tax situation of one wage and some interest income, my 2012 U.S. tax return, with supporting documentation, is **28 pages!** It must cost the IRS a fortune in professional time to go through it. And for **zero financial benefit** to the U.S. government, because I pay all of my taxes in Australia where I live and work. (Which is only fair, because it's Australia's public infrastructure and services that I use every day.)

Five years ago, I solicited estimates from several tax firms in Minneapolis (where I used to live) for doing my U.S. tax return. The lowest estimate was \$2,500.00, because of the hideous complexity of overseas filing requirements. I can't afford that, so I muddle through as best I can, spending dozens of hours each year on it.

Please seriously consider the RBT proposal submitted by American Citizens Abroad (ACA). A residency-based system (like the rest of the world uses), would not only 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 and making U.S. companies more competitive in international employee placements.

Yours sincerely,



Howard E. Pierce

