

ATTN: International Tax Reform Working Group

Dear Representative Nunes and Blumenaur,

I am writing to urgently 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>

Current US tax policy is effectively based on an assumption that any citizen abroad is probably a rich tax evader. In reality the nearly 7 million American citizens living and voting from abroad, are largely ordinary working people, who pay full taxes where they live, and are contributing to the economic growth of the U.S. economy by fostering trade and investment. I believe the current citizenship based taxation regime must be reformed immediately to limit and reverse the major damage it is doing to both individuals and the welfare of our country. It is also, I believe, morally wrong in that it takes while providing nothing in return. Imagine the uproar if states with income tax continued to apply that tax to ex-residents who moved to another state. In addition, the IRS has taken a policy of destroying people financially based on onerous and complicated reporting requirements, even when no or minimal taxes are owed. At the same time, they reduce aid and information for overseas filers.

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 in that banks wont do business with me, I cant make investments, I cant be promoted in my company because of liability that could potentially ensue, I effectively cant buy a house because it makes me subject to

unpredictable taxes due exchange rates, I cant start a business because the taxes and US paperwork are too onerous. And so on.

And finally, on a personal note, I cant get married because a potential spouse would be stupid to expose themselves to the invasive obligations and final risks of marrying an American. And I would not ask them to.

These and more disadvantages are really serious. We Americans abroad have truly become pariahs, all because of US tax policy. At some point, maybe this year, I will have to choose between my US citizenship and being able to get on with a normal life. You can change this.

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,

Richard Knochenmuss