

Dear International Tax Reform Working Group,

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, 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 in the area of double taxation. I currently pay about 45% of my income and bank holdings in taxes to Norway, where I live. Unfortunately, my yearly income exceeds the limits specified in the "foreign earned income exclusion" allowance, meaning that part of the remaining 55% has to go to U.S. taxes. I say "unfortunately" because my "high" salary does not reflect a high-paying job, but rather the fact that I reside in a country whose cost of living is much higher than in the U.S. – and so all salaries here have to be higher than corresponding jobs in the States. Hence, the double-taxation hits hard because not only am I already paying a high level of taxes, I live in a very expensive country.

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,

Michael Stiso, Ph.D.