

ATTN: International Tax Reform Working Group

Dear Representatives 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, 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.

Exposure to double taxation or increased tax burden are just two examples of the fallout on Americans working overseas from current U.S. Citizenship based taxation:

As an American living abroad for the past 40 years, I find compliance to the more and more complicated tax rules extremely difficult, time consuming and expensive. In addition, my non-US spouse who has never been a resident of the US and does no business with the US is nevertheless impacted by US tax requirements: I must include all our joint financial information on tax forms plus the F-Bar form. He is thus taxed on our joint investment interest, even though my filing status is married filing separately. Moreover, financial information of foreign spouses is therefore subject to scrutiny by the US, which causes personal strife between these couples.

I will not receive social security from the US, so in order to save for my retirement, I have had to refuse the best investments offered in my country of residence because of changing and conflicting IRS regulations which penalize these same investments, and make reporting of investments such as foreign mutual funds both too complicated, and too risky because of the stiff penalties imposed in case of error. Please also note that accountants specializing in French-US taxes are rare and very expensive – for a simple tax return, it costs in excess of 800 euros (more than \$1000) - so the taxpayer often pays more in fees than in taxes. Complicated ones are of course more expensive.

In addition, double taxation is growing: as of 2013, US persons residing in France will have to include the 15.5% paid on all earned and unearned income back into their revenues for US tax purposes, and will be taxed again on these same amounts even though I understand that France has declared these as income taxes for US tax purposes.

The tax laws and regulations concerning overseas Americans ignore the reality of long-term or permanent residents abroad whose fiscal environment is totally different from domestic Americans who invest abroad. These are two different "species" and should not be treated in the same manner. To illustrate the point, the IRS term "foreign accounts" and "foreign financial institutions" leads to confusion and logically should not apply to those accounts or financial institutions in the taxpayer's country of residence. French banks are not "foreign" for a resident of France.

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,

J. Taieb

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