

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, 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 currently revising my taxes yet again, after the accountant I hired this year informed me that I had gotten poor advice regarding how US tax law treats superannuation in previous tax years. My tax situation is not unique—in fact, my return is fairly uncomplicated (though the 41 pages of paperwork doesn't suggest it). The bad advice I received is common, I am finding—despite many companies claiming to be “experts” in expat taxes, most have no specific expertise in dealing with expat returns from a particular country. Those who do have that expertise charge upwards of \$1200 for a single year's returns. As it stands, I expect to pay a decent amount of fees to the IRS for the bad advice I received (in addition to the fees I already paid for preparation), and I also see no way around double taxation—particularly with regards to retirement savings--simply because of how the US and Australia treat such items. I also have to fear that there is something else I am missing.

Between the rather frequent penalty of \$10000+ fines for getting something wrong and the (expensive) complexity of being caught between the tax laws of the US and Australia, I feel like I am being persecuted for marrying an Australian and choosing to move to his country. I have found that the US tax treatment of expats to be in contrast to everything I thought America stood for. **Most of us who are living abroad are just normal citizens, trying to live our lives, and I wish the American tax system recognized 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,

Elizabeth Williams (Voter registered in CT)