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Senate Finance Committee
International Taxes
Washington DC

Dear Senate Committee,

I encourage you to bring the United States in line with other countries, which do not tax the incomes of their citizens who live and work elsewhere. Perhaps my personal story can illustrate some reasons. I will describe it briefly.

I am a 49 year-old college professor at a Swiss university, having moved to Europe from the United States in 2006. I like living in Switzerland, and having put down roots here, have no intention to leave, just as my grandparents, who had immigrated to the United States, had no desire to return to their countries of birth. The earliest that I can apply for Swiss citizenship is 2023. I intend to do this; I learned from my own grandparents how important it is, if you immigrate, to really immigrate. I already do what I can, participating in local civic life, but I look forward to being able to vote and in my retirement to serving on town planning committees. At that point, I will apply to renounce my United States citizenship. I have come to peace with this. Losing my United States citizenship will not change who I am, someone who grew up with American values, which are very much like Swiss values, practicing them wherever I live. Only my home country will change. But until I do lose my United States citizenship, which realistically will be about the time I retire, the United States tax code affects me in three respects that I consider to be unjust.

First, I am being doubly taxed on the defined contribution pension plan that Swiss law mandates. The Swiss tax code counts contributions to that plan — both from me and from my employer — as deferred income, and will tax me on it when I receive the money during my retirement. The United States tax code does not recognize the deferment, and taxes me on the current contributions to that plan. So that means that from now until my retirement I will have to pay United States taxes equivalent to 35% of the amount that is going into my retirement savings, even though I will not see that money until after I retire. When I do retire, I will have to pay normal Swiss income taxes on income from my pension.

Second, my wife and I try to be socially responsible. We contribute to charitable organizations in our community. We recently purchased an electric car to help the environment. All of these things are eligible for Swiss tax deductions. If we lived in the United States these would be eligible for American tax deductions. But our local charities in Switzerland don't have 501(c)(3) status, and the American credit for electric vehicles doesn't apply to ones driven exclusively outside the 50 states or territories. More importantly, whatever deduction we take on our Swiss tax return pushes down our Swiss taxes and the corresponding credit for those taxes on my American tax return; our Swiss taxes go down, but our American taxes go up by the exact same amount. The result of losing the deduction is that we probably do less giving for the community. Is it really the intention of the United States government that its citizens living in other countries have less of an incentive to be active members of their communities, less of an incentive to practice their American values? Should the American citizen on the block be the worst neighbor?

Third, it is complicated and expensive to deal with the complexity of the American reporting requirements. I always used to fill out my tax forms myself, but now the complexity of the interaction between my Swiss and American tax liabilities means that I need to spend thousands of dollars each year to hire expert tax accountants. I live in fear that a mistake will be made in my reporting of my bank and investment accounts in Europe, and the IRS will then have the legal right to confiscate a large share of my assets. It feels like the United States government suspects that I am a criminal because I have assets here in Switzerland. What I am is simply a hardworking middle-class father who wants the best for his family. I didn't move to Switzerland in order to cheat the United States. I moved here because I got a good job, where I can do my part to make the world a better place while raising my children in a safe and healthy community.

I believe that taxes are important, and that we can often achieve more with that money collectively than we can individually. I have nothing against paying taxes, if they are fair. And I also can't really complain. I knew what United States tax policy was before I moved to Switzerland. But I do believe that the world would be a better place, and that Americans living abroad would be better citizens in their adopted homelands, if American tax policy were changed. Please use your power to do so. Thank you very much for reading.

Sincerely yours,



Anthony G. Patt