

March 31, 2015

Finance Committee
United States Senate

Re: Individual Income Tax; American Overseas – Input to Senate Finance Committee

Ladies and Gentlemen,

Thank you very much for your solicitation of input from Americans on how to address fundamental issues in our individual taxation system for United States Citizens and Residents.

I write to you as a United States citizen that resides outside of America. I reside in Canada and have done so since 1971.

There are two issues that are critical to me as an American residing overseas:

- Repeal of FATCA (Foreign Account Tax Compliance Act)
- Residence-based Taxation

I know others are providing more detailed submissions with more detailed analysis on these issues so I thought I would just provide you some concrete example of how FATCA has significantly negatively impacted my life and decreased the ability of America to export goods and services through the support of Americans overseas.

Well, since I've been tax compliant with both Canada and the US for many years perhaps FATCA doesn't directly affect me, unless of course my personal banking information were to be lost, hacked, misreported, etc. Certainly US citizen based taxation denies me the same benefits that a US or Canadian, non-dual citizen would have. Effectively I cannot use Canada's TFSA and RESPs as these are taxed (and painfully reported on forms 3520(A)) by the US, yet very similar benefits would be available to me if I was US tax resident, through Roth IRAs or 529 education savings plans. There is even an issue with owning ordinary Canadian mutual funds! This feels like a denial of 'life, liberty, and pursuit of happiness' expressed in the Declaration of Independence. The penalties associated with forms: FBAR, 3520, 3520A, 8938, and 8621 are hugely excessive and seem to violate the 8th amendment, which protects against excessive punishment. Also, there is a strong feeling of 'taxation without representation', as 'offshore' citizens do not have any directly elected House members or senators to represent us as a group. So, adopt resident based taxation like all other 1st world countries, and until then, reopen the US Canada tax treaty and make provisions that recognize a US citizen's right to live in another country without financial punishment, and provide us directly elected politicians. As a result, I believe that, as a first step, FATCA should be repealed in its entirety.

Sincerely,
Bill Roland