

April 4, 2015

Dear U.S. Senate Finance Committee,

I am writing in support of ACA's Residence-based taxation (RBT) proposal including the following points:

- Replacement of the present system of taxation of overseas Americans, usually referred to as Citizenship-Based Taxation (CBT), by a system of Residence-Based Taxation (RBT): Americans overseas would be taxed by the U.S. on U.S.-source income.
- Treatment of bona fide Non-Resident Americans in a manner analogous to that of Non-Resident Aliens (NRAs), The system is in place, has proven its workability, and includes provisions for:
 - withholding taxes at source on unearned income— dividends, interest, royalties, etc.
 - 1040NR taxation of earned income “effectively connected” with the United States
 - taxation of rental income and capital gains on U.S. situs real estate
- Anti-abuse provisions would prevent RBT from being used as a loophole to avoid U.S. taxes.
- Residents of designated tax haven countries, overseas military personnel, U.S. diplomatic corps and Puerto Rico residents with U.S. income would continue to be taxed as U.S. residents.

I am an American citizen who has recently moved to the United Kingdom to live with my British husband. The 2014 tax year was the first year I had to research how to pay my taxes as an expat. It was so incredibly complicated (the IRS website was useless) that I had to pay almost \$400 for an accountant to help me. I didn't even owe any money to the IRS so it was \$400 down the drain that could have gone to more important financial responsibilities.

In fact, even my accountant didn't prepare one of the forms (related to the Affordable Care Act) because she was not up-to-date on all the forms due (I only noticed from an email the accountant's firm sent to everyone). That's how complicated expat tax law is.

This is just the first year of preparing my US tax return abroad. Thinking about having to pay someone to tell me I don't owe anything for the rest of my life (since it's too complicated and stressful to do on my own) is very upsetting. Why is the United States the only country in the world that forces its citizens to file a tax return even if they don't live there anymore? Surely the whole world can't be wrong about the fairest way to tax its expats.

I do not live in the US nor do I plan to ever return to the US. Therefore, I would like to see tax reform to protect US expats from unfair and burdensome tax requirements.

Sincerely,

Jessica Ten-Kate