

March 23, 2015

Dear International Committee:

I am writing to respond to the issues raised on tax filing requirements from the perspective of an American living in Canada. I came up here to take a new job and to join a new partner. One of the reasons we chose not to marry was that he was a British citizen and we both thought we had enough tax filing complications with each of us filing two sets of forms. This is my particular situation – which is less difficult than that of many.

My annual income is just under \$50,000 US. I pay taxes in Canada but I have not owed taxes to the United States since I lived there. Yet, if I hire a tax preparer, my bill is likely to come to more than \$1,000. I do not understand why those of us with very modest means should have to do more than submit a declaration and a copy of our Canadian taxes if our earnings are under a certain amount. Many of us have income that is much less than the earned income exclusion and owe no tax.

I am an officer in a small Canadian charity and have signing authority but no financial interest in it. My colleagues at the charity are not happy with its financial information being shared with another government through my FBAR. In any case, the FBAR's \$10,000 threshold has not been adjusted for inflation over the decades since it began.

I earn a modest amount through self-employment. Last year, for the first time I was required to also fill out the additional self-employment form. It is different from Canada's and required information about square footage that was confusing. I reported the minimum although it made no difference anyway. Just extra work.

I will be seventy-two my next birthday and concerned that I will not be able to keep up with new filing requirements as there is really not much notice. For example, I found out by chance that the FBAR must now be e-filed. I did that last year but found the process much more difficult and time consuming than doing it on paper and never did get confirmation that my submission had been received.

I am also concerned about complications with settling my estate as my adult children live in different parts of the States and none live in the state where I last lived as a US resident. This also is likely to incur additional legal costs that will not be proportional to the size of my estate.

I have no quarrel with cracking down on Americans who hide their money overseas to avoid paying taxes they owe but the routine financial accounts held by Americans living abroad should not be caught up in this dragnet. It is onerous and an additional burden on the IRS and Treasury who must process our paperwork for little or no additional revenue.

Sincerely,
Allenna Leonard

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