

CAROL STRAMETZ

GERMANY

April 14, 2015

Senate Finance Committee  
Joint Committee on Taxation  
Finance Committee Tax Working Groups

**Individual Income Tax Group: Taxation and Financial Reporting**

Dear Co-Chairs Senator Chuck Grassley, Senator Mike Enzi, and Senator Debbie Stabenow,

I am an overseas voter from the 7th District of Indiana and have been living in Germany as a permanent resident (bona fide) for the last 45 years. I am a law-abiding US citizen who feels strong ties to my homeland and tries to be a good unofficial ambassador for the image of my home country.

I was pleased to learn that the Senate Finance Committee has announced a bipartisan effort to solicit ideas from interested members of the public and stakeholders on how to overhaul the nation's tax code to make it simpler, fairer, and more efficient.

**I sincerely request that the United States convert to residency-based taxation. Non-resident US persons should be treated for tax purposes the same as non-resident aliens: liable for US-sourced income only and benefiting from tax treaties where those exist.**

You are certainly aware that, even though I am taxed in Germany, I am subject to income taxation by the United States, virtually the only country to tax on the basis of citizenship. The US has a tax treaty with Germany but I am required to file a US tax return. I am not in position to file this return by myself and must commission an expat tax advisor to do this work for me. The yearly compliance cost for me is considerable although I do not owe US taxes. This also applies to my daughter (born 1974) who has dual US and German citizenship but has never lived or worked in the US except very briefly as an exchange student. She is not entitled to vote and has never had a permanent residence in the US, but must also pay a tax advisor yearly to help her file her US tax return to remain in compliance.

**I also sincerely request that the Foreign Account Tax Compliance Act (FATCA) should only apply to 1) US residents with foreign assets and 2) US persons abroad with assets in a country other than their country of bona fide residence over the same aggregate threshold as now applies to US residents, i.e. \$50,000.**

Because of FATCA US banks in the state of Indiana refused to let me open an account as a US citizen with no US residence. This was a crucial issue when my mother required financial support from me, because the cost for each international money transfer at that time was over \$25.00. I had wanted to transfer a yearly lump sum to make monthly payments to her via a US checking account.



**Last but not least, I sincerely request that the Foreign Bank Account Report (FinCEN Form 114) 1) eliminates the requirement to report on accounts held in the country of bona fide residence and 2) considers those who file FATCA Form 8938 deemed to have filed FinCEN Form 114.**

I must declare the maximum value on all accounts that I hold in my name, jointly or have signature authority over in my bona fide country of residence Germany. These accounts include those I own jointly with my husband and those that he owns but for which I have signature authority over, even though my husband is a law-abiding German citizen. The disclosure of the maximum value on the accounts in his name is an intrusion of his privacy according to German law. It is a reason for him to close joint accounts owned with me and to terminate my signature authority over his accounts.

I am one of the estimated 7.6 million US persons living and working abroad, who are all subject to the issues above. I urge you to consider my requests and seek solutions to costly and burdensome financial reporting requirements imposed on US citizens overseas.

Sincerely yours,

Carol Strametz