

To: Members of the Individual Tax Working Group,
Joint Committee on Taxation, U.S. Senate Committee on Finance,
Washington, D.C.

From: Dennis Downes, [REDACTED], France
(U.S. voting address: [REDACTED] Mass.)

Dear Sirs,

I strongly support the reforms of taxation of American citizens overseas, as proposed by the AARO (Association of Americans Resident Overseas) and the ACA (American Citizens Abroad).

In particular, I recommend the following:

1. Change to Residence-Based Taxation, instead of the present system of Citizenship-Based Taxation.

The U.S. would then be following the standard practice of all other countries in the world, and would greatly simplify its tax system. The cost savings from this change, in staff, office space, time, complexity, and paperwork, would largely offset the relatively small tax revenue which the current system brings in.

2. Exempt American citizens who are bona-fide residents of other countries (about 7.6 million U.S. citizens) from FATCA reporting.

The present system is too complex, and in my personal experience, is resented by, and is not understood by, the personnel of the foreign banks where I have my bank accounts. My daughters, both U.S. citizens, have been prevented from investing in U.S. companies on the New York Stock Exchange, because the local bank personnel misunderstood the FATCA rules. The FATCA regulations must, in the long term, make U.S. businesses uncompetitive overseas.

3. Exempt American citizens who are bona-fide residents of other countries from FBAR (FinCen) reporting.

This would also greatly reduce the total number of filings, time, complexity, and paperwork, and allow the Treasury Department to re-center its efforts on wealthy Americans resident in the United States who are hiding income in accounts abroad, rather than on law-abiding non-residents, which is the system at present.

Thank you very much for helping to reform, and hopefully simplify, the U.S. tax system.

Sincerely yours,

Dennis Downes