

Submission re-Individual Income Tax
Regarding Taxation of ExPat US citizens living abroad
Individual@finance.senate.gov

To Whom it May Concern,

I am a US citizen currently living as a permanent resident in Australia. I am 70 years old and have had a US Social Security number since 1967 and I graduated from Amherst College in 1967 and served in the US Military.

I have been living as a permanent resident of either New Zealand or Australia since 1978, and I have filed tax returns annually in addition to filing my US tax return annually. I just accepted that since I have investments in the USA, I would need to file annually, and when I became a permanent resident of first, New Zealand for 17 years, and then Australia for over 12 years, I also fulfilled filing requirements for my country of permanent residence.

My tax filing situation was not convenient, certainly costly in accountancy fees, and ultimately of little tax collection benefit to the USA. I was taxed in Australia on "world wide income" so I had virtually no tax liability in the US other than that paid for capital gains on my US investments, but I did have the ongoing annual accounting expenses which I can ill afford.

Several years ago I was made aware of the Patriot Act, FBAR and FATCA and since accountant in the USA did not inform me that I had new filing obligations, I fell arrears on filing some required reporting forms.

While I can understand the need to disclose overseas financial information of US citizens living overseas, a huge problem arises in calculating and filing tax returns in the fact that the financial years for the US are 6 months out of kilter with Australia's and New Zealand's financial years. This causes time consuming problems with capital gains calculations of investments and is very frustrating for my accounts.

My long held investment account with Wells Fargo Investments was closed with very little warning, and my Wells Fargo bank account was also closed, causing chaos in my here-to-fore relatively organised and simplified financial life.

I am retired, draw no benefits from any government, and support myself on my investments, so having to reorganise my financial life and all the time worry about draconian IRS fines caused me to have many sleepless nights even though I knew I was an innocent victim.

I find the taxation of US citizens living overseas, filing tax returns and paying taxes in both their country of residence (for me Australia at this time) and their country of origin (for me USA) to be an unfair burden of little or no benefit to the US.

For the above reasons I am in strongly favour of a Residence-Based Taxation system in lieu of the current Citizenship-Based Taxation system.

Thank you for allowing me to make this submission.

Sincerely,

Harold Ward

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