

Dear Chairman Hatch, Ranking Member Wyden, and Committee,

I'm writing to you today to discuss Tax Reform, and how badly changes are needed for American Citizens who live outside the US borders. I was born and raised through high school in Minnesota and Maine, respectively. After graduating, I decided to attend college in Canada. Like many, I found the love of my life at college, and I settled down with this Canadian girl. In the 12 years since, we have built a life and raised a family in Canada. I was blessed to have dual US/Canadian citizenship through my parents (another American boy and Canadian girl story).

I love America more than any other place on Earth, and I have long yearned to return to the States, but every year that passes, and every year my children grow older, it gets harder to uproot and move south. It becomes more likely that we will spend our whole lives in Canada. I am ok with this reality – I can always come home to visit. But every April, I am reminded of my situation with uneasiness.

Hundreds of thousands of expat Americans are in my same boat. Tax time approaches, and we fill out the paperwork for our country of residence, but then we have to do the same for the US. Why is this? We love America, but we don't benefit from any infrastructure programs, entitlement systems, healthcare, education, etc. It is absolutely right for us to pay taxes where we live and work, but why are we also forced to file these forms in the US? I am no tax-dodger, and I have no great wealth. I am a simple man, trying to build a better future for my family. Because I've never made, nor had, much money, I've never had to pay taxes twice – I always land under the IRS' foreign exemption. However, this isn't likely to stay that way forever, given my career path.

American Citizens Abroad compiled the following proposal.

<https://americansabroad.org/files/6414/2352/3607/rbt-and-tax-reform-feb-2015-final.pdf> Citizenship-Based Taxation (CBT) is simply not how US tax code should operate. In theory it helps to find tax cheats; in reality, it punishes hard-working, middle-class folks, like me, for simply living outside the borders. As time goes on, and hopefully my wealth and assets grow, trying to navigate tax systems in two countries is, and will continue to be, both extremely challenging and oppressive. There is no reasoning that anyone (including the rest of the world's nations) has made that explains why CBT is better than Residency-Based Taxation (RBT). The IRS spends thousands of man-hours and millions of dollars processing returns like mine (which bring no dollars into the system), when RBT reform would allow for that time and money to be better spent catching actual tax-cheats and increasing the revenues of the State.

I urge the committee to seriously look at abolishing CBT and replacing it with an RBT system, and to do so quickly. Come in line with all other nations of the world (save Eritrea), and make this reform first priority. We've seen Americans giving up their citizenship at an alarmingly increasing rate – I believe CBT is the main reason why. We don't want to lose our American identity, but we also don't want to be unfairly punished and pursued because of unnecessary bureaucratic red-tape. We Americans living abroad have so little voice in government – please hear us on this one issue. It is the one we care most deeply about, the one that affects us so greatly, and the one that you can change to not only *our* betterment, but the betterment of the tax-system and country as a whole.

I thank you for your time and consideration, and pray that we will have RBT reform very, very soon.

Sincerely,
Steven Paulson