

Karri Goeldner Byrne
New Hope Real Estate, #10
Addis Ababa, Ethiopia

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Dear Senators,

More than 7 million Americans live overseas, but only about 500,000 file their taxes each year. I'm one of them.

However, because I serve my country as a Humanitarian Aid Worker, rather than in the military, I get very little support when tax time comes. And now that I have a husband (British), two children (American), and own my home, filing my taxes has become incredibly complicated and takes about 50-70 hours of my time each year.

For example, my husband – a British citizen who has never lived in the US, nor earned money in the US – is required to file US taxes (we file “married filing jointly”) but cannot get a Foreign Earned Income credit, nor use the Foreign Tax Credit to cover the self-employment taxes from his consulting business (based outside the US). It just doesn't make sense to me that someone who has never lived or earned in the US, and is unlikely to retire in the US would be asked to pay these taxes, and effectively penalized for marrying an American.

I have tried using programs like Turbo Tax. But because it is so complicated to file, my returns done with Turbo Tax have often been returned to me by the IRS because of calculation errors – the program can't handle overseas addresses, ITINs, or many of the tax situations of “normal” families living overseas. One year I visited the IRS office in London nine times trying to get my taxes right—which I had to fit in around childcare and making it to the office on time. When I've looked into getting a tax expert to do my taxes for me, learned how hard it is to find someone willing to work with us – I have contacted more than 12 over the last 3 years and most say our situation is “too complex” or simply never return emails and phone calls. When they do, they normally ask between \$2,000-5,000, which is more than we can afford. Is it any wonder that 6.5 million Americans overseas don't file? Most of them aren't tax cheats, I suspect most of them are just frustrated.

There has been a lot of emphasis on FATCA over the last few years. But I ask you to consider how the world is changing... some of America's best “Ambassadors” are not wealthy business people looking to get around the system. We are serving our country too – as teachers, development workers, and experts in our technical fields. We are the international middle class, with kids and dogs and mortgages. Our foreign bank accounts are for paying bills, not tax avoidance.

I ask you to take a hard look at the US tax system, and find ways to simplify it. Specifically, I ask you to consider:

- Changing the U.S. Federal tax system to a residency- rather than citizenship-based system for individuals
- Acknowledging that foreign spouses not working or residing in the US should not be liable for US taxes
- Supporting a same-country exception when reporting “foreign” bank accounts under FATCA, so that the bank account in the country you reside is not considered “foreign” for you or your financial institution
- Simplifying reporting requirements, especially for foreign pension funds, to reduce excessive reporting
- Consider changing the definition of a U.S. person in section 7701(a)(30) of the federal tax code, so that a U.S. person meeting the bona fide residence test or physical presence test for two or three consecutive tax years is no longer considered a U.S. person for federal income tax and reporting purposes. This

change should not need legislative action and would provide a lot of overseas Americans with tremendous relief.

We need to have a system that serves our future, not our past. And one that makes it easier for those 7 million overseas Americans to do the right thing.

Thank you for taking the time to consider this issue,

A handwritten signature in black ink, reading "Karri Goeldner Byrne". The signature is fluid and cursive, with the first name "Karri" being the most prominent.

Karri Goeldner Byrne

Des Moines, Iowa and Addis Ababa, Ethiopia