Kyle D. Hegarty – US Citizen based in Singapore

Re: International Tax Reform

I am writing this letter to express my support of changing the international tax laws from a citizenship-based to a residency-based system. I would also like to express my disappointment with the overall approach of FATCA and the damage this legislation is causing not only to US citizens and companies but also to highlight how it is damaging the reputation of the United States.

I have lived and worked in Singapore for nearly a decade and have spent tens of thousands of dollars dealing with US tax regulations. Last year, my US tax return actually broke my printer. It was 56 pages long. I spent $1,600 to have a professional get it done. At one point he had to call the IRS on my behalf to get a question answered. He was on hold for over two and a half hours. The 56 page return showed that I did not owe any money. Conversely, the Singapore tax return took me 5 minutes to complete. It was a one page document.

But my printer-destroying personal return is not the main concern. I've watched in dismay as US citizens are now actively singled out and discriminated against not only in financial communities but a number of other business environments. Americans abroad have become the caste of untouchables around the globe due to FATCA. Financial services companies now routinely have landing pages requiring you to confirm that you are *not* a US citizen before allowing you to visit their website. Financial planners and wealth managers here won't work with us. FATCA has created regulations too confusing and invasive to try and work with so many have decided to opt-out working with Americans at all. My Russian and Chinese friends here can't believe a government would do something like FATCA. This is a great irony of our time.

The bright side is that when I get an unsolicited sales call from firms wanting to manage my money, all I have to do is tell them I'm an American. It's all it takes to end the call. But this humor only lightly masks embarrassment and disbelief at what's happening. I've been turned down for a home loan. An offer of 50% down didn't matter. It wasn't my finances, it was because of my passport. I've given up thinking about growing my business with the help of banks.

Friends here who don't run their own companies lose out on jobs because of their passport. Their tax burden is higher than other candidates and therefore the salaries are not as attractive. I know several companies who no longer look at Americans for top roles because we require more compensation compared with other candidates.

FATCA and the citizenship-based tax system pulls Americans the opposite way of the inevitable forces of globalization. It's a backward set of rules. An IRS representative spoke here in Singapore a few months ago answering questions about new tax laws. Points similar to what I've written here were brought up. Her response was telling. Momentarily she dropped her guard and said what everyone in the room already knew. She said, "there have been unintended….consequences."

FATCA is not the answer.

A sincerely concerned, but still very proud American citizen,

Kyle D. Hegarty