

Attention: Working Groups for Individual Income Tax / International Tax

Dear Finance Committee

I am an American citizen, formerly of Brooklyn, now living and working in France for nearly twenty years. I am not a member of any financial elite; rather I am a former registered nurse who worked through law school and now has a job at an international bank.

I am writing to you in support of tax reform for Americans living and working abroad and in particular in support of residence based taxation. I call your attention to the fact that the US is the only country in the OECD that imposes citizen (as opposed to residence) based taxation. This antiquated system unjustly burdens average people who happen to live and work outside of the United States. Congress needs to recognize that it is a fact of modern life that more and more US citizens are working abroad for some period of time and that this is a good thing. US expats act as ambassadors and advance US trade and business interests. Thus the US federal government must stop penalizing overseas Americans with its crushing tax rules and adopt residence based taxation in line with all other modern nations.

In my own case, I pay high taxes in France – a country not known as a tax haven -- while also being required by US law to file voluminous yearly US tax forms and FBAR statements. **Thus I am obliged to comply with two incompatible tax systems layered one on top of the other.** Due to the mismatch in legal systems, I am often double taxed on the same income; I pay significant US tax on top of already high French taxes. The US filings are so burdensome and complex and the penalties for even innocent error so ruinous, I am obliged to pay tax accountants approximately \$2000 per year to assist me. As I am aging, I am finding it increasingly difficult to keep up with such expense and complexity.

Due to FATCA, European banks now often refuse to open new accounts for US persons and due to the due diligence burdens of the Patriot Act, US persons working overseas cannot open accounts in banks situated in the US. I have been denied an investment account here in France due to the burdens imposed by FATCA. Due to PFIC rules, I cannot purchase any local mutual funds. Due to my French address, I am unable to purchase US mutual funds. Since there are no tax efficiencies, I am struggling to save for my retirement.

In brief, the impact of these intrusive, extraterritorial US tax rules on me – just an average person trying to work and save for retirement -- is Orwellian and grotesque. I note that many expat Americans are being compelled to relinquish US citizenship in order to get from A to B and maintain a normal life. In effect the US federal government is constructively stripping its long term expats of their citizenship by imposing on them impossible burdens and threatening them with unreasonable sanctions. It is a disgrace.

Please consider the following remedies:

- Changing the definition of a US person for tax purposes in the US tax code (e.g. if a US person meets the bona fide residence test or physical presence test for two or three consecutive tax years, they are no longer considered a US person for federal income tax and reporting purposes).
- Residence based taxation as submitted by the American Citizens Abroad organization

- Adjustment to the implementation rules for FATCA to exclude local accounts in country of residence

Take it from me, **Democrats and Republicans** living overseas are on the same page; this is a non partisan issue. I understand that there are 7.5 million US expats but our votes are divided among the 50 states. If we could vote as a block, I think our voices would have already been heard. As it is, we could impact the next presidential election. But I urge you to set aside politics and take action because it is the right thing to do and in the best interest of the US.

I urge you to act soon, because the situation has become very grave for us.

Thank you for your attention.



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Paris France, 9 April 2015

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