ALLYSON WINDHAM

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Submission to the Finance Committee on Individual Income Tax Reform

My name is Allyson Windham. I was born and raised in Florida. I chose to go to university in Canada in order to reconnect with my Canadian roots from my mother's side. After university, I decided to stay here to make my life. Since I have landed a decent job in the Ontario Public Service as a policy advisor, I have turned my thoughts to saving for my future. However, one cloud constantly hangs over my potential savings: the draconian American tax laws.

Currently, the only savings account I have that is protected by Canadian-American tax treaties is my Registered Retirement Savings Plan (RRSP), but I have learned that even the earnings on this can be taxed by the US. I had to shut down my tax-free savings account (TFSA), since the American government views it as a foreign mutual fund and would have subjected me to heavy tax penalties for holding it.

Though I am childless today, I hope to have children in the future and just as my parents saved for me, I would want to save for my children. However, Registered Education Savings Plans (RESP) are too viewed as foreign mutual funds. I do not even try to invest my money, in fear of being penalized by the US. How can I be a fiscally responsible adult, when the US, a country I don't even live in, punishes me at every turn for this responsibility? I am not a millionaire trying to ferret away money in tax havens in the Caribbean. I am a regular citizen who wants to save for a fiscally sound future.

Just the cost of filing American taxes is burdensome. As I have struggled to complete the complicated tax forms, I have to turn to accountants to help me complete them. This costs me anywhere between 500 and 1000 dollars, another blow to my savings.

Only one other country in the world, Eritrea, taxes based on citizenship. There are some countries that tax based on citizenship in limited situations. However, they usually only tax citizens when they move to a tax haven and even then, they are taxed for a limited period of time. If the majority of the world taxes based on residence, then why does the United States continue to uphold these draconian tax laws?

Since I am a resident of Canada, no one in the US government speaks for me. The current tax rules goes against the ideals of the American Revolution, where patriots proudly exclaimed, "no taxation without representation!" Our forefathers would be ashamed. The only patriotic choice is to tax based on residency in the United States.

I am proud of being a US citizen. But I fear one day that I might have to make the difficult decision of renouncing my citizenship so as to safeguard my future.