Dear Bipartisan Committee for Tax Reform,

I reaching out to you as an American living as a permanent resident abroad regarding the current US Citizen based tax code for expatriates.

I have been living in Switzerland as a permanent resident since 2012. Prior to that I was a permanent resident of the United Kingdom from 2006 to 2011. I reside in Zurich, Switzerland with my Swiss husband and our 21-month-old son. We own a home, reside, work and pay taxes in Switzerland. As an American citizen, I also file and pay taxes in the US.

I am seeking your support in changing the current citizen based tax code for Americans living overseas from a citizen based tax code to a residency based tax code. Specifically, I ask for your support in changing the definition of a US person in section 7701(a)(30) of the federal tax code so that a US person who meets the bona fide residence/physical test for 2 to 3 years is no longer considered a US person for federal income tax and reporting purposes. In addition, I ask for your support for a same-country exception when reporting "foreign" bank accounts under Fatca.

The administrative and financial burden that filing and paying taxes in two countries brings significant stress and challenge to my family.

Each year, together we spend 40+ hours on the administrative tasks to enable us to file a joint return in Switzerland as well as my married filing separately return in the US. Up until this year, as an expatriate, I have received support from my employer on tax preparation in Switzerland and US. However, as I am now considered a local permanent employee I will no longer receive the support in the preparation. This will result in at least double the amount of time spent for managing documentation and tax preparation as well as tax preparation costs of around 3,000-4,000 USD.

The financial burden of me filing and paying taxes in the US has a significant impact on me and my family for several reasons:

- Foreign pension plans in Switzerland are not recognised in as a qualified retirement plan and therefore both my required employer and employee contributions to my pension are taxable in the US. Because of this, I choose not to maximise the allowable contributions. If I did, this would decrease my tax liability in the Switzerland which then increases my tax liability in the US and decreases the amount I can save for retirement.
- Furthermore, any other retirement savings (eg similar to a 401k) are also not recognised which means that to the extent I want to contribute to these retirement savings plans I have to pay taxes on these contributions in the US.
- The Child allowance that I receive in Switzerland to cover costs of raising a child is taxed in the US. This allowance is 2,400 per year which hardly covers Day Care costs which are approximately 20,000 per year for part time care.
- In 2013, I was fortunate to have a foreign tax credit from taxes paid while I was previously living and working the UK. As a result, I only paid 3,101 USD in taxes, penalties and fees for 2013. My foreign tax credit has now been fully depleted. Without this credit I would have owed 35,000 USD and I anticipate that from 2014, this will be the amount I will have to pay.

- Due to the process / timing of Swiss tax returns, I can only file my US taxes once the Swiss tax returns are accepted by the local authorities as this is when we receive the final bill for our taxes. The taxes are generally filed in April / May and it takes several months to receive the final bill. Each year this results in my US taxes having to be filed late which results in additional penalties and fines.

In closing, as outlined above, the current tax code is impacting my family negatively in regards to time and finances.

Please kindly consider changing our tax status. We are proud Americans living abroad, expanding and challenging our knowledge of life every day. We learn new languages to integrate and support our multi-national families. We live, work, raise our families and own homes in the countries we live in. The added burden of paying and managing taxes in our non-resident country puts extreme burdens on our families.

Best regards,
Andrea Leigh Blatter
[redacted]