A citizens testimony for the Individual and International Tax Working Group

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submitted to: individual@finance.senate.gov and
the International Tax working group at: international@finance.senate.gov.

Dear Congress Committee,

Thank you so much to taking the time to hear our voice about taxation. I commend you for focusing on this topic. It is crucial that changes be made.

A bit about me…I have always been enamored with Europeans. Perhaps this was influenced by the fact that my father was born in Germany and immigrated to America and my mother was a first generation American of Italian descent. Twenty-five years ago, I moved to Germany and stayed and had children. As an American, I am an ambassador for the USA in many ways, but most notably when the topic turns to how life compares between the two countries.

It is downright unfair that America is the only country in the double-taxation tax treaty that demands that their citizens complete their taxes again for a country that they are not living in and get minimal, if any, services from. Even voting for the US president was a challenge at times.

As you know, governments use the taxation system to influence behavior through tax incentives. If you can deduct the mortgage, then it encourages constituents to purchase houses. Well enough. But when two countries have significantly different models, it requires the tax preparer to gather different documentation and data. I studied accounting, and have a masters in IT, but the average person would not be able to complete the forms. Even software, such as Turbo Tax, says *adios* when arriving at the AMT. If the system continues as it is, there will be more and more americans making the leap to avoid this non-sensical methos.

Currency is another nightmare. Over the last 25 years, a 50k euro salary would appear in the US taxes with a value of anywhere from $45,000 to $75,000. This is a significant gap and can impact taxes from year to year.

The crowning touch was due to FACTA. I was recently turned down for a bank account because the bank is not willing to take any more Americans due to FACTA filing requirements. When the banker explained this to me, it struck at my American pride.

America, restore my faith in you and be fair. Adopt RBT, residence-based taxation, for Americans overseas, especially the ACA proposal found here.

Feel free to contact me if you have any further questions.

Barbara Willis