Dear Senators,

I would like to see the US conform to international standards: residence-based-taxation.

- Within the US, if you move from the state where you were born to another state, your "birth" state cannot claim you for taxes unless you have property or earnings there.
- If a Frenchman moves to the US, France has no further claim on him, unless he has assets and property in France.
- As a US citizen living in France for more than 40 years, I must pay my French taxes, of course, and file a US declaration, plus a Foreign Bank Account Report (FBAR), and in my case, Form 8938 (FATCA). So do my four (adult) children, all of whom were born in France and live in France and the UK. As long as any of us have assets in the US, paying US tax on income from those assets is normal, but not on savings accounts, retirement accounts and other investments abroad, which are taxed by our local governments.

It is normal that France should tax me on my worldwide income with a tax credit for whatever is paid in the US. If the US were to move to residence-based-taxation, the bilateral treaties would need to be renegotiated, but would also be simpler.

Because of the citizenship-based-taxation we have, many of us have been denied certain financial services by our local banks. We cannot hold certain investments. We are not considered for certain professional positions if the job requires signatory authority on the company's accounts. This can hinder business partnerships. We are unwanted investors (10% or more) because large investments, in family business, for example, requires certain reporting to the US, which the foreign spouse, partner, other family might object to.

Add to this the discrimination on the part of certain US banks and brokerages to let us maintain accounts and investments in the US. We can't invest in the US and can't invest where we live.

Please adopt residence-based-taxation. Tax our US investments as you do non-resident aliens' investments. Allow retirees who depend on their social security pensions to opt for citizenship-based taxation as their income and assets are US-based. I do not think the country will really lose any income.

Thank you,

Ellen Lebelle
AARO, vice-president administration
member of the delegation to Overseas Americans Week, March 2015

(voting address)
[redacted], PA [redacted]

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FRANCE