Hannah KURTH
[redacted]

Finance Committee
United States Senate

March 20, 2015

Re: FATCA impact on Americans living overseas

Dear Sir/Madam,

Thank you very much for your solicitation of input from Americans on how to address fundamental issues in our individual taxation system for United States Citizens and Residents.

I write to you as a United States citizen that resides outside of America. I reside in France and have done so since 2008.

There are two issues that are critical to me as an American residing overseas:

- Revision of FATCA (Foreign Account Tax Compliance Act)
- Residence-based Taxation

FATCA has significantly negatively impacted my life. As you may know, taxes in France are very high (total social charges plus income taxes comprise over 50% of my income). There are numerous investment tools (e.g. tax-deferred retirement funds) in France that are not options for myself and my husband, as the providers have stated that they no longer do business with Americans. This is impacting not only me but also my entire family, my husband being French and my daughter American/French. I also worry about the possibility of other options being closed to us, such as refinancing our home. Please note that I continue to invest monthly in US investment tools as well, but fear that we will have much difficulty in the future setting up even simple bank accounts.

Further, an American friend of mine living and working in Switzerland as an expat had numerous banks refuse him bank accounts because he was American. I work in in an international pharmaceutical company (which brought me to France on an international assignment), and there is a possibility of my working in Switzerland in the future. I truly fear the burden that FATCA could place on my entire family if we are not able to have access to basic banking services. In my friend's case, he felt he had no choice but to renounce his citizenship. This is not something I would consider, so I plead with you to keep in mind the needs of Americans living abroad such as myself.

Please note that I have complied with all FATCA requirements to date, and have faithfully filed taxes every year. In the past, a tax attorney was provided to me by my company; they will no longer provide me this service, and the estimates I received so far to prepare my 2014 taxes to ensure FATCA-compliancy were €1300-€4500 **($1400-$5000).** I think it's fair to say that this amount is unaffordable for most middle-class Americans.

As your constituent, I urge you to consider three possible solutions:

1. Support Residence-Based Taxation when tax reform is reviewed in Congress, or
2. Support a definition of "foreign" in Treasury and IRS regulations which excludes financial accounts already reported in the country of bona fide residence.
3. Support a general and complete IRS amnesty for a limited period of time to allow the *non-willful* non-compliant US taxpayer to enter the system without fear of penalties.

Yours sincerely,

Hannah Kurth

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French address:
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75017 Paris
France

Senator Edward Markey
975 JFK Federal Building
15 New Sudbury Street
Boston, MA 02203
USA

Boston, MA 02203

March 9, 2015

Re: FATCA impact on Americans living overseas

Dear Senator Markey,

I am an overseas voter from Holliston, Massachusetts, currently living in France. As I'm sure you know, there are, according to State Department estimates, **7.6 million Americans living and working around the globe**, the vast majority of whom are law-abiding citizens who feel strong ties to their homeland and serve as unofficial ambassadors for its image and its goods and services around the globe.

You are certainly also aware that, even though those who work in their host countries are taxed by those same countries, they are also subject to income taxation by the United States, virtually the only country to tax domestically on the basis of residence and internationally on the basis of citizenship.

What you may not realize is that, in addition to this potential double tax liability, many of your constituents face problems abroad that are due only to legislation crafted in the United States without taking into account the particular circumstances of overseas Americans. One of these problems, the most widely covered in the press today and currently the most harmful for America's overseas population, is **the loss of access to financial services, both at home and abroad, largely due to the Foreign Account Tax Compliance Act of 2010 (FATCA)**. Because of FATCA, foreign financial institutions are closing the accounts of Americans because the reporting obligations are too burdensome; foreign spouses and partners are removing Americans from jointly-held bank accounts to avoid what they consider invasive intrusion into their personal and/or business affairs; American entrepreneurs and NGO leaders are becoming unwelcome in joint business ventures and non-profit organizations abroad, etc.

In my own case, there are numerous investment tools (e.g. retirement funds) in France that are not options for myself and my husband, as they have stated that they no longer do business with Americans. This is impacting not only myself but also my entire family, my husband being French and my daughter American/French. I also worry about the possibility of other options being closed to us, such as refinancing our home. Please note that I continue to invest monthly in US investment tools as well, but fear that we will have much difficulty in the future setting up even simple bank accounts.

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Also as your constituent, I would like to maintain a dialogue with you so that when you are making decisions in Congress, you can learn the perspective of the overseas voters in Massachusetts. **According to some estimates, there are as many as 104,098 overseas voters in the state of Massachusetts!**

Yours sincerely,

Hannah Kurth

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Representative James McGovern
438 Cannon HOB
Washington, DC 20515
USA

March 9, 2015

Re: FATCA impact on Americans living overseas

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