To: International Tax Working Group

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I have been living outside of the U.S. since 1989. I first spent 17 years in Denmark followed by 10 years in Switzerland. My parents and siblings are still in the U.S. so I visit a few times a year. As a dutiful citizen, I have been filing my U.S. taxes since leaving the U.S. Since the tax rates in Denmark and Switzerland are higher than those of the U.S. Federal taxes, I have never paid extra taxes to the U.S. What has resulted is a waste of the following:

- **Money for me and my kids**: since the filing is complex, I have used a tax company to help me file my taxes at a current cost of $350 per year. Given 27 years, this adds up to a lot of money. My children will soon be entering the work force. Although they have never lived in the US, it is unreasonable that they should bear the extra costs of filing US taxes when they are earning very little and will not pay any US taxes anyway.
- **Money for the Federal Government**: Since I have not paid any extra taxes during this time, all of the time and effort to review my taxes by the IRS have been wasted. By comparing the US and Danish/Swiss tax rates, it is obvious that I would never pay any extra taxes in the US.
- **Difficulties in getting a mortgage and bank account**: because of the cost of complying with the current reporting laws, many banks do not want US citizens as customers. This is currently a problem because I am limited in my choice of banks, resulting in higher costs for my mortgage and general banking.
- **Difficulties in saving for my pension**: Savings in the Swiss pension fund are not deductible from my US taxes, although it is deductible from my Swiss taxes. This means that I am limited in my pension contributions.

Recommendations:

- Tax filing is not mandatory for US citizens who meet the bona fide residence test or physical presence test for two or three consecutive tax years. An alternative is that tax filing is only mandatory if the standard country tax rates are lower than the US federal rates.
- Reporting from banks is only mandatory for those who are not resident in their country.
- There should be a same-country exception when reporting “foreign” bank accounts under Fatca so that, since I am an American living in Switzerland, my Swiss accounts are not considered “foreign”.