Dear Bipartisan Committee for Tax Reform,

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

I have been living in Switzerland as a permanent resident since 2014. Prior to this I was a resident of Arizona since 1997. I reside in Prangins, Switzerland with my husband and 31-month-old daughter and 3 week old daughter. We rent a home, reside, work and pay taxes in Switzerland. I am an American, my husband is German and daughters are German and American.

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.

The financial and administrative burden that filing and paying taxes in two countries stretches and exhausts me, and this in turn affects the well being of my family—financially, mentally and emotionally.

Administrative Burden

Tax year 2014 is the first year I have seen this impact and now on going I will expect to have to spend on average 4 hours a month in tax off-season communicating to my 2 tax advisors (one in Switzerland and one in the US) managing my US tax returns, including FBARS and health insurance exemptions. Additionally I'll spend 6 to 8 hours a month in documenting expenses, accounts, etc. When tax season comes, on average I will spend 16 to 20 hours filing, reviewing and amending my US returns. I will also spend an additional 10 to 15 hours on Swiss tax returns to ensure that they are filed correctly to prepare for my US tax returns.

This is on top of the a fulltime job I hold as a IT Director with Honeywell as well as the admin time I spend in managing tasks related to living and a family in Switzerland. Critical administrative tasks to support my home and family in the country we live at times have taken less priority to make time to do US tax administration, and this has consequences for me. I have been late in filing paperwork with local banks and the local government, as well as late in paying Swiss bills. This has resulted in late fines and warning letters. I have spent late nights trying to balance the two (US tax administrative requirements and the day to day administrative tasks to manage living in Switzerland) and I am exhausted with less energy to give to my partner, my family, my job and myself.

Financial Burden

The financial burden hits my family hard financially. For 2014 I owe 31,000 in taxes and penalties. These taxes and accounting fees are incremental to the taxes I already pay in the country where I have a residency permit, where I live work to support my family.

The financial burden impacts every area of our lives:

Decreased ability to save money and cover day to day expenses in general:
The cost of living in Switzerland is highest in the world, with Geneva and Zurich always occupying the top three spots. Eggs cost USD 5 for a package of 6. Chicken breast is USD 30 per pound. Gasoline is USD 7.5 a gallon. Milk is USD 7 a gallon. The tax credit for expats (around USD 95,000) is unable to help, as the cost of living in Switzerland, compared to other countries, is the highest in the world.

It is hard to save money and pay for day-to-day expenses for my family. Childcare for our children is over 7000 CHF per month.

Decreased ability to save for retirement:
I am frightened that I will lack enough money to support myself when I retire. With being taxed in the US on my legally required contributions to Swiss pensions, it reduces my ability to contribute more as I am taxed on all my contributions in the US, including my company's contributions. Therefore I choose to not maximize the allowable contributions to my pensions, as doing so decreases my tax liability in Switzerland, which then increases my tax liability in the US and therefore decreases the amount saved for retirement.

Limited ability to save long-term when living in my resident country:
I am scared I will be unable to support my family in both short term and long term. As a US passport holder, I have been declined by banks to set up accounts. I understand it will be very challenging for me to buy a home here in Switzerland with banks declining me a loan to finance a home purchase simply because I am a US citizen. I am also limited as to what kind of accounts I can open, therefore decreasing my ability to save money for emergencies and day-to-day living expenses. Tax credits in Switzerland are not always transferable to the US; therefore I am increasing my tax liability in the US when I use standard Swiss deductions to save money.

I am unable to open savings accounts for my children and am unable to put away savings for them for neither primary school nor college.

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

The tax preparation for 2014 that I am going through now has been an eye opener and has been very concerned and afraid. I am really afraid that if we keep going like this, we will need to make choices that will harm my family for the long term. I am

nervous regularly regarding my financial future and if I can support myself in retirement. Balancing time spent with US taxes is overwhelming and affects my life almost daily. I am tired of feeling afraid.

Lastly it is difficult for to see companies like Microsoft, Starbucks and Apple have blockbuster, billions upon billions in earnings in their overseas affiliates and not get taxed in the US, while people like myself who work hard to support our families and pay taxes in the countries we live in are paying taxes in our non resident country, to the detriment of our families' survival. I totally understand the need to track those who invest abroad yet live in the US, I agree they should be monitored and adhere to a stringent tax code as they live in the US. Everyday people like me feel like we are getting penalized in a large casted net intended to monitor those who are earning income invested overseas, who may not report that income to the US as they live in the US.

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 help our families. We go without support of our extended family. We live, work, raise our families and own homes in the countries we live in. It is hard enough to get by with the day-to-day costs of living, and having the added burden of paying and managing taxes in our non-resident country puts extreme burdens on our families.

Best regards,
Laura Boehner
[redacted] Switzerland