U.S. Senate Finance Committee
Sen. Orrin Hatch (chairman) and Sen. Ron Wyden
Bipartisan working group on tax reform: International
international@finance.senate.gov

Dear Senators,

I am an overseas voter from New York, NY, and have been living in the Netherlands with my Dutch husband for almost 20 years now. I am **one of the 7.6 million Americans living and working outside the United States**. I appreciate the opportunity to offer my input on bipartisan tax reform. On February 20 I already (e)mailed my concerns on these matters to my representatives from New York: Sen. Charles E. Schumer, Sen. Kirsten E. Gillibrand, and Rep. Jerrold Nadler.

My income is taxed by the Netherlands, but it is also subject to income taxation by the United States. The U.S. is virtually the only country to tax domestically on the basis of residence and internationally on the basis of citizenship. Even with the agreement with the Netherlands to exempt a certain amount of income from double taxation, this adds a significant extra burden of administration for me.

Most egregious is **the loss of access to financial services due to the Foreign Account Tax Compliance Act of 2010 (FATCA)**. In my particular situation, I have a joint mortgage with my husband from a Dutch bank on our primary residence for our family, which includes three children (all U.S. citizens). In fact, all our bank accounts, whether in the U.S. or in the Netherlands, are joint accounts. My husband and I just recently signed an agreement with an investment advisor to open an investment account at a new bank, one used by our advisor for transactions. After submitting the paperwork and copies of our identification (passports), we learned that the new bank is not interested in my business, **simply because I am an American**. We are welcome to open the new investment account in solely my Dutch husband's name but I'm sure you can understand that I feel at an incredible disadvantage in this situation. My husband and I were married more than 20 years ago under community property legal guidelines. Our investment advisor has drawn up a separate explanatory document, stating that the monies invested are joint assets, but I have my doubts as to whether this will legally stand if it is put to the test.

And as the Netherlands is gearing up to comply with FATCA, I am worried that sooner or later we will get a letter from our mortgage bank, terminating our loan. From one day to the next, our mortgage may be cancelled and the proceeds immediately due. We still owe €200,000 on our house and do not have the monies elsewhere to immediately satisfy the mortgage. And **with two of our three children being autistic, it would be disastrous to have to sell our family home and find someplace cheaper to live that we could afford without a mortgage**. Transferring the mortgage into solely my Dutch husband's name would not be legally or financially desirable and would effectively shut me out of financial services overseas.

I am also a small business owner, having set up a one-person translating business a few years ago. I was able then to open an account at ING under my own name, but **I am now worried that ING will soon be informing me that my personal business account is cancelled**. This would directly affect my ability to get paid for the work I perform. A work-around with my husband's name on the account would put me at a financial disadvantage and add administrative burdens for both of us.

All of these situations in which my name is not welcome on an overseas financial services account, due to U.S. tax policy, makes me – as a woman – feel like I am living in the 1950s!

What I am advocating is:
First and foremost, I am in favor of U.S. taxation policies being based on residency rather than citizenship. I understand that this can be relatively easily accomplished by changing the definition of a U.S. person in Section 7701(a)(30) of the U.S. tax code. This would allow the taxation of green-card residents of the U.S. who are working in and enjoying the services of the U.S., but it would exclude US citizens who have not resided in the U.S. for a significant period of time, whether that is measured per year or after a number of years.

Second (but in a close tie with first), I also support a same-country exception for the reporting of 'foreign' bank accounts under FATCA. The FATCA legislation in particular has resulted in high costs, whether it is in payments to an overseas accountant knowledgeable in dealing with U.S. taxation legislation, or my own numerous hours of administration gathering and preparing the required information. Not to mention the fact that I have been shut out of financial services overseas due to being a U.S. citizen, as explained above.

I genuinely do not want to give up my US citizenship. I, like the vast majority of Americans living and working abroad, am a law-abiding citizen who feels strong ties to my homeland and I serve as an unofficial 'ambassador' for its image and its goods and services. But I can certainly understand how the effects of U.S. taxation policies on expatriates do make it tempting to make the difficult decision to renounce one's citizenship.

Yours sincerely,



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