[redacted]
[redacted] Nova Scotia
Canada [redacted]
April 15, 2015

SUBJECT: Individual Income Tax Group
Citizenship based taxation and Foreign Account Tax Compliance Act (FATCA)

Dear Senators Hatch and Wyden:

My name is Melvin L. Cross, my email address is [redacted], and my phone number is [redacted]. I was born in Montana, and I continue to use my (deceased) mother's address in Glendive (59330) when I cast absentee ballots. I have lived and worked in Canada for nearly 40 years. I write to report some of the effects of citizenship based taxation and FACTA that I have observed during the past several years.

- PricewaterhouseCoopers (PwC) charged me $2000 to prepare my US tax and information returns for 2013. A small, local firm charged me less than $100 to prepare my Canadian return. I owed no taxes to the U.S.
- A few years ago, I made a modest investment in a Canadian Mutual Fund and a Tax Free Savings Account (TFSA). A TFSA is a vehicle the Canadian Government uses to encourage people to save for retirement. At tax time, PwC advised that both accounts were Passive Foreign Investment Companies. I closed the accounts and PwC completed the required forms. As I recall, reporting and compliance costs added between $1500 and $2000 to my bill with PwC. I paid $30 in taxes to the U.S., the only amount I have paid since 1975. I paid less than $100 for preparation of the Canadian return.
- A medical student who had completed her first year at Dalhousie University Medical School (Halifax, Canada) told me that she attended a workshop about establishing a medical practice, operating a small business, and making investments. Someone asked about implications that might arise from owning assets jointly with an American citizen. The student gave me a trenchant, though perhaps overstated, summary of the advice: do not, under any circumstances, own any assets jointly with an American citizen, past or present holder of a green card, or any individual or entity that the IRS might identify as an American person; otherwise, one would become enmeshed in America's complex and costly tax code. Between 20 and 30 students attended the workshop. These young students will travel deep into the 21st century, and they will repeat this advice along the way. I suppose other workshops are being held at other locations.
- I have been asked several times to volunteer as treasurer for community groups. I explained that if I was to have signing or co-signing authority, I would be obliged to file Foreign Bank Account Reports (FBARs) with the Financial Crimes Enforcement Network of the U.S. Treasury. Conversations werebrief, and in each case somebody else served as treasurer.

I value US citizenship, I am proud of America's many accomplishments, and I am willing to pay my fair share of taxes. However, the tax code that America applies to its citizens who live and work abroad violates American values, especially the principle of no taxation without representation. With respect, I suggest that America move to residence based taxation and that Congress repeal FACTA.

Sincerely,

Melvin L. Cross
Melvin L. Cross