April 6th, 2015

To Whom it May Concern:

I'm writing with regards to current Citizenship-based taxation policy to encourage tax reform for overseas Americans.

I'm a young (28 year old) American who moved abroad to Germany not long after my university graduation. I am someone who likes to follow the rules, but although I have done extensive research on how to file my American taxes as a self-employed US citizen abroad working abroad indefinitely, I have found it extremely difficult and anxiety inducing to properly submit my American taxes.

I do not earn very much money in Germany. My first year I earned less than €8000 (currently US$8798.60) in Berlin, yet when getting quotes from accountants in Germany qualified to prepare my US taxes I am quoted between €400-500 per year by multiple organizations and individuals. Trying to find a more affordable accountant in the States is no help either, as many of the individuals I contacted were not quite sure what to do with a self-employed American living overseas and those that do raise their prices dramatically to take advantage of the situation. If I try to do my own taxes, I am constantly afraid of getting it wrong, as the process for Americans abroad is far from simple. Where does this leave me?

I pay my taxes already in Germany and do not and have never earned enough here to also pay taxes in the States, yet I must pay €400 or more to qualified accountant in Germany just to prove to the American IRS that I don't earn enough to pay taxes. I find this not only nonsensical, but also supremely unfair and an undue stress placed on Americans abroad both emotionally and financially.

With regards to Social Security, I need to show proof of 5 years worth of payments to a German public or private pension fund in order to qualify for my permanent residence as required by the German government. After much research, lawyer fees and accountant fees, going to a financial advisor, etc. I learned that I would be double-taxed on contributions. Not only that, but it would likely be necessary to choose the less favorable (public German) pension plan just do I don't have to pay double pension both in the States and in Germany. Instead of being supported for undertaking a responsible action like setting up a pension plan for my future, I feel I am penalized for living abroad due to the double taxation related for foreign pension and retirement savings and the lack of recognition for private German pension plans.

To add insult to injury, when I go to try and file my FBAR, it takes me to a website labeled "The Financial Crimes Enforcement Network", automatically giving the impression that I have done something wrong. Not all Americans living abroad are trying to hide money. In fact, I would argue that most aren't. There are also many young Americans living abroad who do not earn much money, still paying off their student loans from abroad. Many of us moved abroad simply to gain international experience and see the world, study more affordably than in the States, learn a foreign language, to be with a foreign partner or because we found the job market more favorable here than in the States for our field.

For the above reasons, I fully support the replacement of the present system of taxation of overseas Americans, usually referred to as Citizenship-Based Taxation (CBT), by a system of Residence-Based Taxation (RBT) as outlined by American Citizens Abroad (ACA).

Sincerely,

Nicole Abramowski

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