FOR THE UNITED STATES SENATE COMMITTEE ON FINANCE

subject: Individual Tax
International Tax

I am an individual writing in response to your request of March 11, 2015 for input into possible tax reform. Specifically, I am writing in support of Residence Based Taxation (RBT) to replace the current system of taxation based on citizenship (CBT).

I am a retired US-born American citizen, 76 years old, currently living in Switzerland. After graduating from university and serving two years as naval officer, I was hired by the Ford Motor Company in Dearborn, Michigan in July of 1961. In January 1963 Ford assigned me to Brussels Belgium, where I worked until 1967, thence to Paris, France. In 1970 I was sent to London, England, and finally back to Paris in 1973 where I remained until 2003, when I retired and moved to Switzerland to live with my Swiss companion.

In addition to my work in the automotive industry, I was active in the American volunteer community: from 1976 to 1993 I was President of the Board of Governors of the American Hospital of Paris, a large not-for-profit hospital founded in 1906. I also served as Vice President of the American Chamber of Commerce in France, Vice President of the American Club of Paris, and was active in several other American organisations. I believe this shows that I worked diligently to promote American interests, even though resident abroad.

I have lived and worked continuously in Europe for more than 50 years. I do not now, nor have I ever owned any physical property in the United States. I intend to live out the rest of my life in Switzerland, where I am resident, and where I pay tax.

I have been filing US tax returns every year for as long as I can remember. While my income situation is such that in recent years I pay less tax, I paid considerable sums while I was working. I am required to file numerous forms, many of which I find increasingly hard to understand, and require professional help to complete. My European friends are astonished to learn that Americans are required to pay tax to the country of their birth, even though not living there. They point out that we must be the only country with this requirement (I believe Somalia also has such a law). They wonder that I haven't given up my American citizenship [a step I have contemplated, but have never been able to bring myself to take: my grandfather was a US senator from South Carolina (1919-1925); my father was an Annapolis graduate captured at Corregidor in May 1942 and died at the hands of his Japanese captors in the Philippines in December 1944.]

For bona fide citizens who find themselves through chance or by their own volition permanent residents outside of the United States, it seems eminently unfair that we

be required to go to the expense and aggravation of filing US tax returns, and often to pay an additional tax. We get virtually nothing in return, and consume little if any US services: no medicare, no medicaid, no food stamps, no unemployment insurance, no anything! Not even an invitation to the Ambassador's 4th of July party! (In fairness, I do collect Social Security retirement benefits, but I paid into the system when I was working, and now I'm just being repaid (a part of) the money that I paid in in the first place).

In a document dated February 2015, the Geneva-based association American Citizens Abroad (ACA) prepared an analysis showing that adoption of RBT would be revenue neutral compared to CBT. Americans who for bona fide reasons are non resident should not be burdened by the requirement to prepare two tax returns, and in many cases, pay taxes to both their country of residence and their country of birth.

Thank you for soliciting my opinion, and I hope my fellow citizens and I may rely on your very best efforts to adopt RBT.

Sincerely Yours,

Victor Dial

March 23, 2015

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