

Congress of the United States
Washington, DC 20515

September 15, 2015

The Honorable Jacob Lew
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable John Koskinen
Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

Dear Secretary Lew and Commissioner Koskinen,

On behalf of the roughly eight million American citizens who live abroad, we write to express our concerns regarding several tax reporting requirements imposed on U.S. citizens living abroad that have created the unintended consequence of limiting overseas Americans' access to legitimate banking services. We respectfully request that the Treasury Department adopt a recent Taxpayer Advocate Service recommendation that Foreign Account Tax Compliance Act (FATCA) reporting exclude financial accounts maintained by a financial institution in the country of which the U.S. person is a bona fide resident.

When FATCA was passed in 2010, the intent was to combat and prevent overseas tax havens. Unfortunately, in its implementation, FATCA has had detrimental consequences on law-abiding Americans living outside the U.S.

As you know, FATCA requires Foreign Financial Institutions (FFIs) to report accounts of U.S. citizens directly to the United States or to the government of the country where the bank is located for further transmission to the U.S. through Intergovernmental Agreements (IGAs), or be subject to a 30% withholding on their U.S. investments. In many cases, these accounts are no different than savings or checking accounts in local bank branches across the U.S. People rely on their convenience and depend on these accounting services to simplify basic financial responsibilities such as paying living expenses, saving for higher education or planning for retirement.

Some Foreign Financial Institutions have simply closed accounts or refused to open new ones for U.S. citizens in order to minimize their exposure to FATCA reporting requirements, withholding fees and potential penalties. This practice leaves law-abiding American citizens without access to everyday financial tools such as mortgages, bank accounts, insurance policies and pension funds -- all of which are critical services regardless of place of residence.

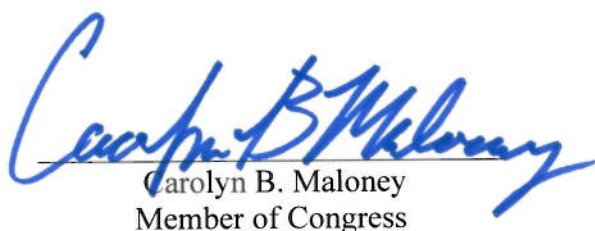
The IRS Taxpayer Advocate Service (TAS) has recognized this issue and has expressed concerns about the redundancy of FATCA reporting requirements. In order to address this, the TAS issued a recommendation on April 13, 2015 that FATCA reporting exclude

financial accounts maintained by a financial institution in the country in which the U.S. citizen is a bona fide resident. We support this recommendation and urge its implementation.

While we recognize that Treasury is tasked with the difficult job of making sure American money around the world remains compliant with the U.S. tax code, the current FATCA reporting procedures subject ordinary Americans to the same scrutiny as criminal tax evaders and money launderers. Revision of these reporting policies is necessary to ensure that Americans remain competitive in international business and continue to contribute to economies here in the U.S. and around the world. Adopting the TAS's recommendation is an efficient way to avert a banking lockout while maintaining the integrity and intention of FATCA.

Thank you again for your attention to this request.

Sincerely,



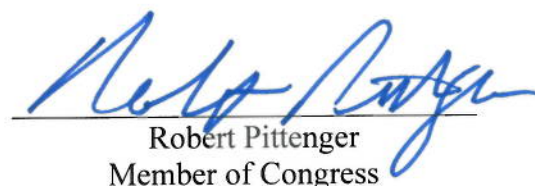
Carolyn B. Maloney
Member of Congress



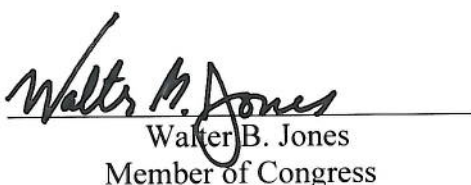
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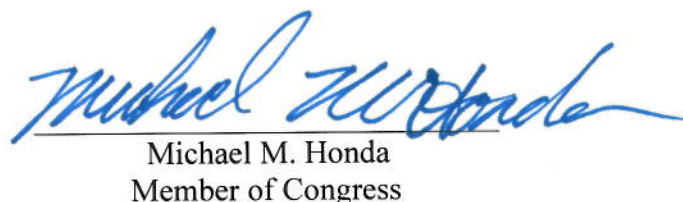
Don Beyer
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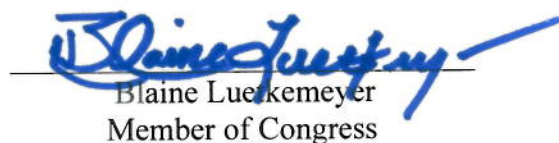
Walter B. Jones
Member of Congress



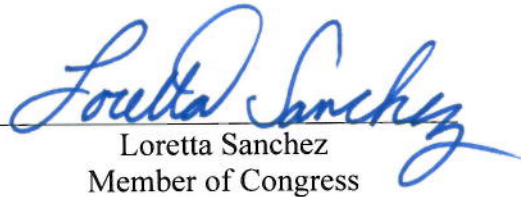
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Member of Congress

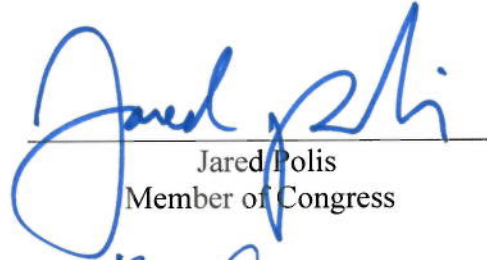


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Member of Congress

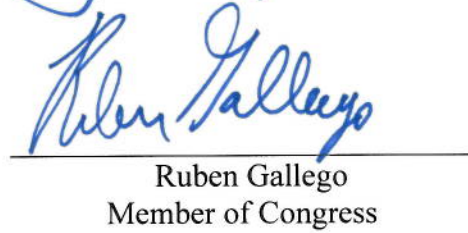


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Member of Congress

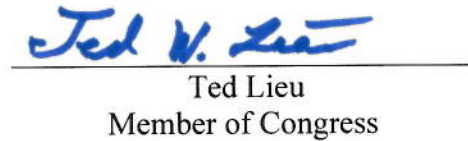

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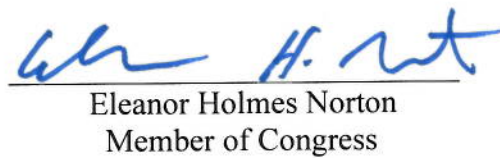

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CC: Nina E. Olson, National Taxpayer Advocate