

FBAR/FATCA Task Force January/February 2015 Update

The DA FBAR/FATCA Task Force has some interesting developments to report, starting with the addition to the Task Force of two new members: DeeDee Gierow of DA Sweden and Jim Black, formerly of DA Germany, now living in the Washington DC area. We also provide herein a briefing on the FATCA Congressional “door knock” happening the last week in February and on an Obama administration proposal to provide tax relief to “accidental Americans” seeking to renounce their US citizenship.

FBAR/FATCA Task Force grows

DeeDee Gierow has agreed to come on and manage our FATCA messaging on social media. As you may know, the debates about FATCA on Facebook and Twitter have been constant, at times quite caustic and often times filled with inaccuracies born of ignorance, misinformation and confusion. DeeDee is keeping close tabs on those platforms for Democrats Abroad and will ensure that our messaging is enhanced on those venues and not compromised.

Jim Black is a corporate attorney recently returned to the US, although he travels frequently to Germany. His presence in DC coupled with his thorough understanding of FATCA and its impact on Americans abroad will be valuable to our advocacy work this year, which will feature more frequent discussions on Capitol Hill and with regulators.

We warmly welcome both DeeDee and Jim to the Task Force and thank them in advance for their service.

FATCA Door Knock this month

As you may have heard, the Task Force will be on Capitol Hill the last week of February. We have arranged to meet with key members of the Senate Finance Committee and others to discuss the unintended adverse impact that FATCA is having on Americans abroad. We will also profile our recommendation that FATCA be reformed to include [the Safe Harbour Exemption](#) relieving law-abiding Americans living legally outside the USA of the FATCA burden.

We will be leading a delegation of representatives from Democrats Abroad plus representatives of the leading non-partisan organisations of Americans abroad: American Citizens Abroad, Association of Americans Residing Overseas and Federation of American Womens Clubs Overseas.

The meeting schedule will be densely packed and will include some of the individuals most important to our advocacy. Amongst others, we have organised meetings with senior staff members of the Senate Finance Committee, the Treasury official in charge of International Tax Policy and we have our first meeting about FATCA at the presidential advisory level. We look forward to sharing with you the outcome of these important discussions. As previously noted, we expect to be back in Washington DC in the middle of the year and will be letting you know how you can support us with our Congressional outreach.

Obama Administration Proposes historic tax relief for Accidental Americans

With no advance warning it seems the Obama administration has included in its 2015 Budget a proposal to address the very serious and long-standing problem of “accidental Americans” being subject to highly punitive fees – “exit taxes” – when renouncing their American citizenship. “Accidental Americans” are those individuals living outside the US but who are US citizens because

1) they were born in the US, usually of non-US parents who return to their country with their US-born child soon after the birth; or 2) they were born abroad to at least one parent with US citizenship. These individuals frequently do not realise they are US citizens and so are not compliant with the tax filing and reporting obligations attending US citizenship.

Should these individuals attempt to renounce their accidental US citizenship they are subjected to an “exit tax” on the value of their worldwide assets – a potentially sizeable impost. The attached document with text copied from the 2015 Budget published just after the 2015 State of the Union address explains the proposal to provide relief to “accidental Americans” from the potentially punitive tax imposed on US citizens as they renounce their US citizenship.

FBAR/FATCA Task Force

Jim Black – Washington DC, formerly Germany

DeeDee Geirow – Sweden

Joe Green (co-Chair) - Canada

Stanley Grossman – UK

Maureen Harwood – Canada

Carmelan Polce (co-Chair) – Singapore

Joe Smallhoover – France

Katie Solon (International Chair) - Germany