

EXEMPT AMERICANS ABROAD FROM THE REPATRIATION & GILTI TAXES

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Dear Mr. Kautter, Mr. Harter, Mr. Paul, Ms Preston, Ms. Perkins, Ms. Angus, Mr. Junge, Ms. Getz, Mr. Prater, and Ms Smith,

My name is TYPE YOUR NAME. I am an American living in TYPE YOUR COUNTRY and I vote in TYPE YOUR STATE.

As you may be aware, the Repatriation Tax and GILTI Tax regime have truly created chaos in the lives of people like me – American professionals and business owners living abroad. Unlike corporate giants such as Google and Apple who are hoarding billions of profits in overseas subsidiaries, I am probably just like you: an ordinary, law-abiding person seeking to live my life and raise a family in the community I call home.

For years I have quietly suffered, being collateral damage in tax battles between the U.S. Government on the one hand and wealthy U.S. based companies and persons that may have been abusing the tax system on the other. But the Repatriation Tax and GILTI regimes have forced me to speak out, explain my situation and demand relief. Not only am I being viewed in the same way as a large, aggressively tax-structured multinational corporation, but I am being treated much worse. First, I cannot access the tax credits and deductions that these companies are entitled to, thus I am unable to minimize or avoid these taxes like they do. Second, I am now obligated to deal with exceedingly complex tax and filing requirements which neither I nor my tax adviser can understand because of incomplete IRS guidance. These new rules have come completely out of the blue and I am terrified to think of what they might cost me.

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A common sense solution is at hand. Americans overseas with interests in foreign corporations should be exempt from the Repatriation Tax and from the GILTI regime for any given year so long as: (1) we meet the conditions required for exemption under IRC Section 911, and (2) we are individual U.S. Shareholders. This solution both achieves the U.S. government's goal of capturing corporate tax it has been long-denied, and recognizes that the profits our businesses generate were always meant to remain in the place where we have made our lives.

We understand that Congress will struggle to enact a remedy as soon as we require. Therefore, we urge the Treasury and IRS to take the following actions:

1. Issue an immediate notice stating that for Americans abroad, the first payment under IRC Section 965 is due the earlier of October 15, 2018, or the issuance of further guidance.
2. Issue a further notice in line with our proposal.

There is precedence to the Treasury/IRS taking both such actions:

- In issuing regulation 1.6038D-2, the Treasury added both the IRC Section 911 and dollar conditions that did not appear in the law in order to clarify the implementation of FATCA.
- Congress passed IRC Section 2801 (dealing with the taxation of Americans giving up citizenship) in 2008. However, realizing that problems existed with the law, in October 2009 the Treasury/IRS froze its implementation pending further evaluation. To date the Treasury/IRS have yet to implement the law.

The Repatriation Tax and GILTI Tax regime are far more damaging to me than either of the above examples. They drastically (and unintentionally) hurt me and millions of law abiding Americans overseas just like me. And unlike the Section 2801 provision, I am not someone who is giving up my citizenship to avoid estate and gift tax. I am just an ordinary person who is being seriously harmed by an accidental policy flaw.

Thank you for your attention and I sincerely hope that the Treasury/IRS can address this matter until such time as Congress acts.

Respectfully,

Type your name in here

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