

# TAX REFORM FOR AMERICANS ABROAD

## Congressional CallStorm and Grassroots Campaign Guide March 2018

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## UPDATE ON TAX REFORM FOR AMERICANS ABROAD

On 22 December 2017, despite the efforts of every single organization advocating on behalf of Americans abroad, the Tax Cuts and Jobs Act became law without including any provisions aimed at easing the tax filing and foreign financial account reporting burdens borne by we who live outside the U.S.

Our campaigns did not fail. We know we moved the ball down the field. We fight on.

**In the words of President Barack Obama, “*Change is hard and it takes time.*”**

So we are returning to Capitol Hill to carry on our campaign to educate lawmakers about the personal and financial hardships caused by FATCA and by inordinately complex and manifestly unjust tax code provisions uniquely harming Americans abroad. We will continue to push hard for tax reform for Americans abroad – but we cannot do it without your help.

**Democrats Abroad will be in Washington DC March 6-8, 2018 for meetings with members of both houses of Congress from both parties. **We need you to back up our efforts by calling your elected representatives demanding tax reform for Americans abroad.**** All you need to do that is in this Guide.

## DEMOCRATS ABROAD TAX ADVOCACY

Democrats Abroad reaffirms its commitment to tax policy that –

- ❑ helps reduce inequality and boost opportunity
- ❑ raises revenue from those with the greatest ability to pay

Democrats Abroad supports tax reforms that –

- ❑ clarify and simplify filing
- ❑ make the tax code fairer for all Americans
- ❑ do not add significantly to the federal deficit
- ❑ protect programs essential to national, community or individual well-being
- ❑ avoid creating loopholes to be exploited for tax avoidance.

Democrats Abroad has published a “laundry list” of tax code provisions that discriminate against Americans abroad. The list is here: [smarturl.it/HowToFix23](https://smarturl.it/HowToFix23)

We fear Congress is too divided to find remedies for each of the many and myriad tax problems we have identified – or even address the flaws in the newly enacted Tax Cuts and Jobs Act of 2017.

But we need to keep trying.

We will continue to promote Residency-Based Taxation as a remedy that address the vast majority of the tax problems of Americans abroad with little effort by Congress. And we will continue to promote the elimination of FATCA filing for the accounts of Americans abroad, the elimination of the Windfall Elimination Provision and urgent fixes for the flaws in the Tax Cuts and Jobs Act.

## DEMOCRATS ABROAD MARCH 2018 DOOR KNOCK

### We are asking Congress to -

- Hold hearings on the ways the U.S. Tax Code discriminates against Americans abroad.
- Enact a switch from Citizenship Based Taxation to Residency Based Taxation.
- Fix the flaws in the Tax Cuts and Jobs Act; it imposes a new 15.5% Repatriation Tax and GILTI regime on small to medium sized businesses owned by Americans abroad.
- Co-sponsor HR 2136, the “Overseas Financial Access Act” – to eliminate the foreign financial accounts of Americans living abroad from reporting under FATCA.
- Co-sponsor HR 1205, the “Social Security Fairness Act” - to repeal the Windfall Elimination Provision that prevents Americans abroad with pensions in their countries of residence from claiming the full amount of Social Security payments owed to them.
- Co-sponsor HR 2710 - to establish a Commission to study the impact of Federal laws and regulations on Americans living abroad.
- Join the Americans Abroad Caucus.
- Contact Democrats Abroad when they travel to our countries of residence.

**Our message has a better chance of generating a positive response if Congress is, at the same time, hearing from many, many Americans abroad about the urgent need for tax reform. Please participate in this Congressional CallStorm.**

## WE NEED YOU TO TAKE ACTION

### **PRIORITY #1 CALL YOUR SENATORS AND CALL YOUR MEMBER OF THE HOUSE OF REPRESENTATIVES**

Call as soon as you can and certainly **NO LATER THAN WEDNESDAY MARCH 7<sup>TH</sup>**. We want to walk into meetings and hear, **“Yes, we’ve been getting a lot of calls from Americans abroad!”**

Advice for *finding your members of Congress* and scripts for making the calls are in this Guide.

**#2 You can also use the web messaging system on the website of your elected representatives to deliver your concerns, but it won’t be as effective as a phone call. NOTHING IS AS EFFECTIVE AS A PHONE CALL. (Except a CallStorm of many, many thousands of phone calls!)**

You can use the language for writing letters or postcards in this Guide to draft your message.

**#3 Write a letter or Send a postcard.**

Your written correspondence will not arrive on Capitol Hill by the time we sit down for meetings but they will help to reinforce the discussions we have next week. If you cannot call – or even if you can call - then please write!

The language for writing letters or postcards is in this Guide.

**#4 If you can message us to let us know what action you took then that would be great.**

Here’s a Google Form to make it super easy for you to respond and for us to use your outreach in this campaign in our next campaign (ie “Committee Chairman X, we know that YY,000 calls and messages were sent to Congress in March about the way the U.S. Tax system hurts Americans abroad. Please help us fix this.”)

You can cut and paste this link into your web browser:

[https://docs.google.com/forms/d/e/1FAIpQLScd-DnQoi1EJokPEDIsWSZZDF-nWrA8Z8J7heDOcuj41MZU\\_g/viewform](https://docs.google.com/forms/d/e/1FAIpQLScd-DnQoi1EJokPEDIsWSZZDF-nWrA8Z8J7heDOcuj41MZU_g/viewform)

## TAKING ACTION – Find your Senators and Member of the House of Representatives

**Your elected representatives** are the member of the House of Representatives and the two Senators of the district/state in which you last voted in the U.S.

If you don't know your member of Congress and/or your senators, you can look them up using these online tools. All you need is the zip code of the last place you lived in the U.S.

### House

<http://www.house.gov/representatives/find/>

There are also some Frequently Asked Questions on this page about how to contact your member of Congress.

To find the address and phone number of your representative, look on the home page of their website, usually at the bottom. Sometimes this information is at the right hand side of the page.

### Senate

If you know your voting state you can find your 2 U.S. senators in the table at this link:

<https://www.senate.gov/senators/contact/>

Clicking on the Senator's name will take you to their website. To find the address and phone number of your Senator, look on the home page of the website, usually at the bottom. Sometimes this information is on the right hand side of the page. You also may find a "Contacts" tab at the top of the home page.

## TAKING ACTION – Join our Congressional CallStorm

**Call Your Member of the House of Representatives** and tell them:

*My name is \_\_\_\_\_ and I vote in your district. I live in [name of country] and like other Americans living abroad I am required to file taxes both in the US and in [name of country].*

*There are 6.5 million tax liable Americans like me living outside the United States. The proverbial “laundry list” of U.S tax code provisions that **uniquely** discriminate against us were completely disregarded in the 2017 Tax Cuts and Jobs Act. In fact, the 15.5% Repatriation Tax badly hurts small to medium size business owners abroad. That flaw needs to be fixed urgently!*

*It would take Congress years to address each and every one of the tax code provisions that harm Americans abroad – or even the ones causing the most harm.*

*Instead, I am asking for your support for a switch from our current system of citizenship-based taxation to residency-based taxation. If the US had a system of residency-based taxation, like nearly every other nation, then I’d still be required to report my US-based income to the IRS, but not the income I make in and pay tax on to [name of country].*

*I am also asking for your support for HR 2136 the Overseas Americans Financial Access Act, which would exempt Americans living abroad from disclosures on the financial accounts in their countries of residence which they need to pay bills and save for the future.*

*Can I send you the list of tax code provisions that are causing personal and financial harm to Americans abroad?*

*(Write down the name, title and email address of the person you’ll send the list. The link to the list is on page 3).*

*Thank you very much for your time and for your support!*

## TAKING ACTION – Join our Congressional CallStorm

**Call Your Senators** and tell them:

*My name is \_\_\_\_\_ and I vote in your state. I live in [name of country] and like other Americans living abroad I am required to file taxes both in the US and in [name of country].*

*There are 6.5 million tax liable Americans like me living outside the United States. The proverbial “laundry list” of U.S tax code provisions that **uniquely** discriminate against us were completely disregarded in the 2017 Tax Cuts and Jobs Act. In fact, the 15.5% Repatriation Tax badly hurts small to medium size business owners abroad. That flaw needs to be fixed urgently!*

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*I am also asking for your support an exemption for Americans living abroad from disclosures on the financial accounts in their countries of residence which we need to pay bills and save for the future.*

*Can I send you the list of tax code provisions that are causing personal and financial harm to Americans abroad?*

*(Write down the name, title and email address of the person you’ll send the link to).*

*Thank you very much for your time and for your support!*



# TAKING ACTION – Write your Senators

Writer's Name

Address

Date

Senator's name

Address

Dear Senator \_\_\_\_\_

Re: Seeking your support for Residency Based Taxation and FATCA reform

I vote in [state] and I live in [name of country]. Like other Americans living abroad, I am required to file taxes both in the US and [name of country]. There are 6.5 million tax liable Americans like me living outside the United States and the problems with the U.S tax system that **uniquely** harm us were completely disregarded in the 2017 Tax Cuts and Jobs Act. In fact, the 15.5% Repatriation Tax badly hurts small to medium size business owners abroad. That flaw needs to be fixed urgently!

There is a proverbial “laundry list” of tax code provisions that – perhaps unintentionally - discriminate against Americans abroad. It would take Congress years to address each and every one – or even the ones causing the most harm. Instead, I am asking for your support for a switch from our current system of citizenship-based taxation to residency-based taxation. If the US had a system of residency-based taxation, like nearly every other nation, then I'd still be required to report my US-based income to the IRS, but not the income I make in and pay tax on to [name of country].

My personal story is as follows... .

This is a link to the long list of tax code provisions that discriminate against Americans abroad which I hope underscores the gravity of our situation. [smarturl.it/HowToFix23](http://smarturl.it/HowToFix23) The list includes Foreign Account Tax Compliance Act (FATCA) disclosures which cause enormous financial and personal hardship. Please support an exemption for Americans living abroad from FATCA reporting of the financial accounts in their countries of bona fide residence. We use these accounts to pay our bills and save for the future – not to commit financial crimes.

I value my US citizenship. I vote every year I can. I pay attention to US politics as much if not more than the average citizen. But I don't believe it's fair that I am taxed in [country of residence] as well as in the US on income I make abroad.

Thank you

Kind regards,

Name

Voting Address

Voting city, state, zip code

# TAKING ACTION – Write your Representative

Writer's Name

Address

Date

Representative's name

Address

Dear Representative \_\_\_\_\_

Re: Seeking your support for Residency Based Taxation and FATCA Reform

I vote in your district and I live in [name of country]. Like other Americans living abroad, I am required to file taxes both in the US and [name of country]. There are 6.5 million tax liable Americans like me living outside the United States and the problems with the U.S tax system that **uniquely** harm us were completely disregarded in the 2017 Tax Cuts and Jobs Act. In fact, the 15.5% Repatriation Tax badly hurts small to medium size business owners abroad. That flaw needs to be fixed urgently!

There is a proverbial “laundry list” of tax code provisions that – perhaps unintentionally - discriminate against Americans abroad. It would take Congress years to address each and every one – or even the ones causing the most harm. Instead, I am asking for your support for a switch from our current system of citizenship-based taxation to residency-based taxation. If the US had a system of residency-based taxation, like nearly every other nation, then I'd still be required to report my US-based income to the IRS, but not the income I make in and pay tax on to [name of country].

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I value my US citizenship. I vote every year I can. I pay attention to US politics as much if not more than the average citizen. But I don't believe it's fair that I am taxed in [country of residence] as well as in the US on income I make abroad.

Thank you

Kind regards,

Name

Voting Address

Voting city, state, zip code

## TAKING ACTION – Send a Postcard

### ***Sample postcard language – House of Representatives***

Dear Representative \_\_\_\_\_

I vote in your district and I live in [name of country]. There are 6.5 million tax liable Americans like me living outside the United States and the problems with the U.S tax system that uniquely harm us were completely disregarded in the 2017 Tax Cuts and Jobs Act. We are very unhappy.

If the US had a system of residency-based taxation, like nearly every other nation, then I'd still be required to report my US-based income to the IRS, but not the income I make in and pay tax on to [name of country]. I also ask for your support for HR2136 to exempt our financial accounts in our country of residence from FATCA reporting.

Thank You

### ***Sample postcard language – Senate***

Dear Senator \_\_\_\_\_

I vote in [name of state] and I live in [name of country]. There are 6.5 million tax liable Americans like me living outside the United States and the problems with the U.S tax system that uniquely harm us were completely disregarded in the 2017 Tax Cuts and Jobs Act. We are very unhappy.

If the US had a system of residency-based taxation, like nearly every other nation, then I'd still be required to report my US-based income to the IRS, but not the income I make in and pay tax on to [name of country]. I also ask for your support for an exemption for Americans living abroad from FATCA reporting of the financial accounts in their countries of bona fide residence. We use these accounts to pay our bills and save for the future – not to commit financial crimes.

Thank You

# THANK YOU FOR YOUR HELP!!

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**Questions? Get in touch at [TaxationTF@democratsabroad.org](mailto:TaxationTF@democratsabroad.org)  
OR visit our webpage - [democratsabroad.org/taxation](http://democratsabroad.org/taxation)**

*You're not going to win every time but you're better – ALL THE TIME – for fighting the fight.  
And you can't give up.*

- Jon Lovett, Pod Save America