

# TAX REFORM FOR AMERICANS ABROAD

Congressional Outreach  
Grassroots Campaign Guide  
September/October 2018

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 **DEMOCRATS ABROAD**

# UPDATE ON DEMOCRATS ABROAD TAX REFORM FOR AMERICANS ABROAD



Summer 2018 is ending with House Republicans announcing Tax Cuts 2.0. It makes permanent the 2017 Tax Act's temporary cuts to individual tax rates, expands tax-free savings options and adds incentives for investing in start up businesses. It does not, **at this point**, include a provision to enact Residency Based Taxation (RBT).

Those working on the RBT bill that was meant to be a component of Tax Cuts 2.0 told us last week that it was incomplete\* and so we are disappointed but not surprised by the announcement.

Democrats Abroad will be on Capitol Hill next week to keep up the pressure on lawmakers. We will be making the case for these reforms critical to the Americans abroad community:

- Residency Based Taxation;
- an exemption from the “transition taxes” in the 2017 tax law to prevent the destruction of many thousand of companies owned by Americans living abroad;
- HR 2136, the “Overseas Financial Access Act” – to eliminate the foreign financial accounts of Americans living abroad from reporting under FATCA;
- 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;
- a remedy for Accidental Americans who want only to shed unwanted U.S. citizenship without lengthy procedures and undo penalties.

**You can support our work by calling your elected representatives this week and asking for their support. ALL YOU NEED IS IN THIS CAMPAIGN GUIDE.**

\* New Passive Foreign Investment Company (PFIC) definitions are coming from Ways & Means Committee staffers and new Transition Tax regulations are coming from Treasury. These will dovetail with provisions in the RBT bill.

# WE NEED YOU TO HELP US FIGHT



## 1.) CALL YOUR SENATORS AND CALL YOUR MEMBER OF THE HOUSE OF REPRESENTATIVES

TAX CUTS 2.0 PUTS TAX REFORM ON THE AGENDA NOW AND ONLY UNTIL THE HOUSE VOTES LATER THIS MONTH. CALLS ARE CRITICAL NOW!

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 many, many thousands of phone calls!)

You can use the language for writing letters or postcards in this Guide to draft your message. Send it on 15 June.

3.) Write a letter or Send a postcard.

Your written correspondence will help to reinforce the calls. 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 about the way the U.S. Tax system hurts Americans abroad were sent to Congress. Please help us fix this.")

You can cut and paste this link into your web browser: <http://bit.ly/CongressOutreach>

*The tax reforms we are asking for have not changed since the GOP passed their horrific tax law. If you have used our call scripts or messaging language to reach out to your members before it is OK to use the same language/messages again. Or feel free to change them and **remember to emphasize that you vote from abroad.***

# FIGHT FOR TAX REFORM –

## 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.

### U.S. House of Representatives

<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.

### U.S. 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.

# FIGHT FOR TAX REFORM – Add your voice to the fight



## 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 Americans like me, living outside the United States, struggling with the U.S. tax code because it discriminates against us in so many ways. Our problems with the U.S. tax system exist because Americans abroad were – and continue to be - forgotten during the tax writing process. As an example, the “transition taxes” in the 2017 Tax Act will force many American business owners abroad to close their companies. Despite the 12 month reprieve from filing, these new taxes will destroy many businesses.

It would take Congress years to address ALL of the tax code provisions that harm Americans abroad. That is why Americans abroad want the U.S. to 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].

Rep George Holding is working on a Residency Based Taxation proposal. It could be made a part of Tax Cuts 2.0! I ask [name of Representative] to work with Congressman Holding’s office on the development of a bill to enact Residency Based Taxation.

I am also asking for [his/her] 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 – accounts they need to pay bills and save for the future.

Can I send you a briefing note which summarizes the concerns and demands of 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 10].

Thank you very much for your time, your service to the nation and for your support!

# FIGHT FOR TAX REFORM – Add your voice to the fight



## 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 Americans like me, living outside the United States, struggling with the U.S. tax code because it discriminates against us in so many ways. Our problems with the U.S. tax system exist because Americans abroad were – and continue to be - forgotten during the tax writing process. As an example, the “transition taxes” in the 2017 Tax Act will force many American business owners abroad to close their companies. Despite the 12 month reprieve from filing, these new taxes will destroy many businesses.

It would take Congress years to address ALL of the tax code provisions that harm Americans abroad. That is why Americans abroad want the U.S. to 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 am also asking for [his/her] support for 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 a briefing note which summarizes the concerns and demands of 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 10].

Thank you very much for your time, your service to the nation and for your support!

# FIGHT FOR TAX REFORM – Write your Representative

Writer's Name  
Address  
Date



Representative's name  
Address

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

Re: Seeking your support for tax reform for Americans abroad

*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 Americans like me, living outside the United States, struggling with the U.S. tax code because it discriminates against us in so many ways. Our problems with the U.S. tax system exist because Americans abroad were – and continue to be - forgotten during the tax writing process. As an example, the “transition taxes” enacted in the 2017 Tax Act will force many American business owners abroad to close their companies. It’s a grave error in policy making and a genuine tragedy for American business owners abroad whose businesses support their families and their futures.*

*It would take Congress years to address ALL of the tax code provisions that harm Americans abroad. That is why Americans abroad support a switch from the current U.S. system of citizenship-based taxation to residency-based taxation. If the U.S. 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].*

*Rep George Holding is working on a Residency Based Taxation proposal. It could be made a part of Tax Cuts 2.0! Please contact Congressman Holding’s office and ask for a briefing on the development of the bill to enact Residency Based Taxation.*

*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. Further, American business owners abroad need relief from the “Transition taxes” in the 2017 Tax Act that will surely force many of them/us to close their/our businesses.*

*My personal story is as follows... .*

*I value my US citizenship. I vote every year I can. I pay attention to U.S. 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

# FIGHT FOR TAX REFORM – Write your Senators

Writer's Name  
Address  
Date



Senator's name  
Address

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

Re: Seeking your support for tax reform for Americans abroad

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 Americans like me, living outside the United States, struggling with the U.S. tax code because it discriminates against us in so many ways. Our problems with the U.S. tax system exist because Americans abroad were – and continue to be - forgotten during the tax writing process. As an example, the “transition taxes” enacted in the 2017 Tax Act will force many American business owners abroad to close their companies. It's a grave error in policy making and a genuine tragedy for American business owners abroad whose businesses support their families and their futures.

It would take Congress years to address ALL of the tax code provisions that harm Americans abroad. That is why Americans abroad support a switch from the current U.S. system of citizenship-based taxation to residency-based taxation. If the U.S. 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].

Rep George Holding is working on a Residency Based Taxation proposal. It could be made a part of Tax Cuts 2.0! Please contact Congressman Holding's office and ask for a briefing on the development of the bill to enact Residency Based Taxation.

I am also asking for your support for 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. Further, American business owners abroad need relief from the “Transition taxes” in the 2017 Tax Act that will surely force many of them/us to close their/our businesses.

My personal story is as follows... .

I value my US citizenship. I vote every year I can. I pay attention to U.S. 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



# FIGHT FOR TAX REFORM – Send a Postcard



Better yet, get a group together and **write a whole batch of postcards!!**

## ***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

# THE DEMOCRATS ABROAD TAX ADVOCACY STATEMENT



Democrats Abroad reaffirms its commitment to tax policy that –

- ❑ helps reduce inequality and boost opportunity, and
- ❑ 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, and
- ❑ do not create 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. But we are determined to keep demanding it of them!

**We are committed to Residency-Based Taxation as a remedy, requiring little effort by Congress, that addresses the vast majority of the tax problems faced by Americans abroad.** Further, we will continue to promote the elimination of FATCA filing for the accounts of Americans abroad, the repeal of the Windfall Elimination Provision, an exemption for Americans abroad from the transition taxes in the Tax Cuts and Jobs Act and a citizenship remedy for Accidental Americans.



# THANK YOU!!

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Questions? Get in touch with the Democrats Abroad Taxation Task Force at [TaxationTF@democratsabroad.org](mailto:TaxationTF@democratsabroad.org)  
And visit our webpage for regular updates - [democratsabroad.org/taxation](http://democratsabroad.org/taxation)

*“It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better.*

***The credit belongs to the man who is actually in the arena,** whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat.”*

***Theodore Roosevelt***

*Paris, France*

*23 April 1910*

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