

Statement for Ways and Means Committee Members' Day Hearing from Rep. Dina Titus

Chairman Neal and Ranking Member Brady,

Thank you for the opportunity to submit comments for the Ways and Means Committee Members' Day. I would like to bring to your attention two key issues.

The first is the burden that the overseas community of U.S. citizens faces in compliance with U.S. tax law. I often hear from American expats I meet around the world about the burdens they face with the American citizenship-based taxation system. Like my constituents in Las Vegas, many of our citizens residing overseas are teachers, small business owners, and middle class and working families. Most must hire costly tax return preparers who understand both the local and U.S. tax systems, and they incur expenses to produce a U.S. tax return that often shows they do not owe any money to the IRS. If these Americans do face a U.S. tax liability, they are dually taxed under the current system: first by the local tax authority where they currently reside and again by the United States. Americans abroad are also often denied financial products and services because foreign financial institutions in their countries of residence are reluctant to submit to U.S. foreign financial account reporting requirements. Congress has neglected to help this minority constituency for far too long, so I hope we can now work together to help ease some of the financial burdens faced by Americans living abroad.

I would also like to address an issue I previously raised with you that is having a negative impact on a range of businesses critical to the hospitality and tourism industry. These businesses drive crucial economic activity in my district in Las Vegas and support millions of jobs nationwide. A drafting error from the 2017 tax law has unintentionally lengthened the depreciation schedule for qualified improvement property (QIP), which makes renovations and rehabilitations significantly costlier and less likely to occur; causes businesses to refrain from purchasing or leasing vacant stores or other leasehold spaces that require improvements; and thereby results in fewer construction jobs that renovation projects would produce. I am proud to be an original cosponsor of the Restoring Investment in Improvements Act, and I hope the Committee will expeditiously consider this legislation so that our constituents can make the needed investments in franchises, hotels, restaurants, and retail establishments to sustain our local economies.

Thank you for your attention to these matters. I look forward to working with you to ensure that our tax code does not unduly harm hardworking and middle-class families.