

TAX REFORM FOR AMERICANS ABROAD

VA-08

**March 2020 Congressional Outreach Campaign
Targeting Rep Don Beyer (D-V-08)**

Participation Guide



ABOUT THIS DA TAX ADVOCACY CAMPAIGN

Democrats Abroad is launching our 2020 tax advocacy work with a campaign targeting Rep. Don Beyer of the Virginia 8th:

- Democratic member of Congress,
- member of the all-important House Ways and Means Committee and,
- most importantly, declared supporter of our keynote tax reform recommendation, Residency Based Taxation (RBT).

Rep. Beyer has agreed to be our champion on Ways and Means (and in Congress generally), leading on a bill to enact a switch to Residency Based Taxation.

We need you, a voter in the Virginia 8th Congressional district, to remind Rep. Beyer, at the start of this hectic year, how important his leadership on RBT is to getting the bill introduced by the end of the year.

This week, the week of the Democrats Abroad Global Presidential Primary, we need you to contact Rep. Beyer and ask for him to push for progress on a Democratic Party bill to enact Residency Based Taxation.

This Campaign Guide will help you to do that.

ABOUT THIS DA TAX ADVOCACY CAMPAIGN, continued

You can also mention to Rep. Beyer that we are seeking his leadership to enact –

- ❑ H.R. 4362, the [Overseas Financial Access Act](#) – to eliminate the foreign financial accounts of Americans living abroad from reporting under FATCA; **Beyer is a co-sponsor.**
- ❑ relief from the “transition taxes” in the 2017 tax law to prevent the destruction of many thousand of companies owned by Americans living abroad;
- ❑ H.R. 141 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;
- ❑ H.R. 4363 the [“Commission on Americans Living Abroad Act”](#) – to establish a Commission charged with examining existing and proposed laws for adverse impacts on Americans abroad and recommending reforms; **Beyer is a co-sponsor;**
- ❑ a remedy for [“Accidental Americans”](#) who want only to shed unwanted U.S. citizenship without lengthy procedures and undo penalties.

CONTACT DETAILS FOR REP. DON BEYER

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Washington DC Office:

1119 Longworth House Office building
Washington DC 20515 USA

Tel: +1 202 225 4376

Fax: +1 202 225 0017

Web: beyer.house.gov

District Office:

1901 N. Moore Street, Ste 1108
Arlington, VA 22209 USA

Tel: +1 703 658 5403

Fax: +1 703 658 5408

We recommend you contact Rep Beyer's DC office but are including the district office address in case you have more familiarity with it.

Email Rep. Beyer using the Contact Sheet on his website by pasting this link into your browser: <https://beyer.house.gov/contact/>

CALL SCRIPT for calls to Rep Beyer's Washington or District office:

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, suffering serious personal and financial harm because we are subjected to taxation both in the US and the country where we live. I know that Rep Beyer understands from his years as Ambassador to Switzerland that filing from abroad is much more complex than filing from the US. It is also very costly, even for ordinary earners like me. Tax code provisions passed without consideration for their impact on overseas filers like me can be enormously punitive. One example is the "transition taxes" in the 2017 Tax Act that are forcing many American small business owners abroad to close their companies. But there are many more of them.

Americans abroad need relief. We want the US 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].

I understand that Rep Beyer is a very big supporter of Residency Based Taxation and that we Democrats abroad should look to him as a leader on the development of a Democratic bill to introduce this important reform. We were expecting some movement on the development of a bill in 2019. We really need Rep. Beyer to push for the House Ways and Means Committee to develop a bill to enact Residency Based Taxation in 2020.

Can you please take my name and voting address in the Virginia 8 so that Rep. Beyer knows that I called and asked him for his help to develop a bill to enact Residency Based Taxation?

[Give the operator your name, VA voting address, overseas residential address and overseas phone number].

Thank you very much for your time, your service to Rep. Beyer and for your help getting this message to him.

FIGHT FOR TAX REFORM – Write to Rep. Beyer

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Writer's Name
Address
Date

The Honorable Representative Don Beyer
Address

Dear Rep. Beyer,

Re: Seeking your leadership on a bill to enact Residency Based Taxation

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].

As you know from your years as Ambassador to Switzerland, 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 are forcing 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.

That is why Americans abroad support a switch from the current U.S. system of citizenship-based taxation to residency-based taxation. We know you support this reform as well. 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 U.S.-based income to the IRS, but not the income I make in and pay tax on to [name of country].

We Democrats abroad are waiting for you to lead on the development of a Democratic bill to introduce this important reform. We were expecting some movement on the development of a bill in 2019 but have seen no progress. In 2020 we really need you to push for the House Ways and Means Committee to develop a bill to enact Residency Based Taxation.

My personal story is as follows... .

Finally I want to thank you for your support and sponsorship of H.R. 4362 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. And thank you for your sponsorship of H.R. 4363 Commission on Americans Living Abroad Act, which would create a commission to examine the issues we face with laws and regulations that discriminate against us as non-resident citizens. We are all very grateful for your support for our community!

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 U.S. on income I make abroad. I hope a Residency Based Taxation bill bringing some relief comes soon.

Thank you

Kind regards,

Name

Voting Address

Voting city, state, zip code

FIGHT FOR TAX REFORM – Send Rep Beyer a Postcard

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Sample postcard language

Dear Representative Beyer,

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 know you support a switch to residency-based taxation and we are waiting eagerly for you to lead on the development of a bill.

Please make the introduction of a Dem bill enacting residency based taxation a priority for 2020.

THE DEMOCRATS ABROAD TAX ADVOCACY STATEMENT

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Democrats Abroad reaffirms its commitment to tax policy that –

- helps reduce inequality and boost opportunity,
- makes the tax code fairer for all Americans,
- protects programs essential to national, community or individual well-being, and
- raises revenue from those with the greatest ability to pay.

Democrats Abroad supports tax reforms that –

- clarify and simplify filing,
- do not add significantly to the federal deficit, 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

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, relief for Americans abroad from the transition taxes in the Tax Cuts and Jobs Act and a citizenship remedy for Accidental Americans.

We join our colleague organisations advocating for Americans abroad in their call for Ways and Means Committee hearings on the taxation of Americans abroad.

DETAILED BACKGROUND ON EXPAT TAX REFORM ADVOCACY

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Americans Abroad Treated Unfairly: The U.S. is the only industrialized nation that imposes double-taxation on its citizens who live abroad through a Citizen-Based Taxation system. All others use Residency-Based Taxation, ie you only pay tax on money earned abroad in the country where it is earned. Americans abroad end up paying income tax to the country in which they reside, and then to the U.S.

Tax Filing From Abroad – Complicated, Costly, Confounding: The number of extra tax forms Americans overseas have to file is only outweighed by their complexity. Expecting ordinary citizens to fill out these forms accurately is ludicrous. 2019 research found that 97% face serious problems filing their returns; most need to hire a tax professional with specialist knowledge, which can cost 2-10 times the average spend for U.S.-based Americans.

U.S. System Incompatible With Foreign Jurisdictions: Many countries also have social, value-added or wealth taxes that are not creditable against U.S. taxes.

IRS Support Is Weak: IRS outreach to Americans overseas has been woefully inadequate over time. Officials in US embassies or consulates usually cannot help and can make things worse. As a result, many Americans abroad are misinformed, confused or totally ignorant of U.S. tax filing obligations.

Who We Are: An estimated 9 million U.S. citizens live overseas, 6.5 million of voting age. We're ordinary, working-class citizens.
61% have household income of less than \$100K
63% own their own home
64% don't plan to return

Harms Livelihood of Americans Abroad: U.S. tax laws place onerous burdens on those who can least afford it – the retired, the disabled, small business owners, students, NGO workers and families with children. This is compounded by foreign financial account disclosure laws that make servicing U.S. citizens onerous for foreign financial institutions who have, in turn, made it tougher for U.S. citizens to open a bank account, obtain a mortgage, pay bills or save for the future.

U.S. At Competitive Disadvantage: It's critical that American citizens are able to live and work where opportunity exists. But tax laws make hiring Americans for offshore roles expensive, discouraging U.S. and foreign businesses from hiring Americans.

We're Ambassadors of American Culture, Values: But we are “rewarded” with increased tax burdens and financial account disclosure laws that treat us like suspected tax dodgers or money launderers. **Democrats Abroad supports a switch to Residency Based Taxation which can be implemented without creating tax avoidance loopholes. Further, we support an exemption for the accounts in our countries of residence from all foreign financial account disclosure.**

Accidental Americans: Citizens who were either born in the U.S. or to a U.S. citizen abroad must file tax returns and report foreign financial accounts though they may have no personal, financial or cultural connection to the U.S. and may not even speak English. **Democrats Abroad supports a remedy for Accidental Americans that is less onerous than the existing renunciation process.**

Retired Americans Face Cuts: Americans who spent part of their life working outside of the U.S. could find their Social Security benefits cut by up to 40% thanks to the Windfall Elimination Provision (WEP). More than half of those surveyed say this has a modest to harsh impact on their household budget. **Democrats Abroad supports WEP repeal.**

THANK YOU!!

Questions? Get in touch with the Democrats Abroad Taxation Task Force at TaxationTF@democratsabroad.org

And visit our webpage for regular updates - democratsabroad.org/taxation

“Discourse and critical thinking are essential tools when it comes to securing progress in a democratic society. But in the end, unity and engaged participation are what make it happen.”

— Aberjhani, *Splendid Literarium: A Treasury of Stories, Aphorisms, Poems, and Essays*

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