



AMERICAN CITIZENS ABROAD  
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## ACA Submits Comments to Senate Finance Committee on Reforming Tax for Overseas Americans.

Today, American Citizens Abroad, Inc. (ACA), a section 501(c)(4) non-profit advocacy organization based in Washington, DC, submitted to the Senate Finance Committee for consideration in anticipation of hearings held today, July 18, the rationale for taxing Americans residing overseas on residency or according to where individuals earn their income, not on the basis of their citizenship

(<https://www.americansabroad.org/news/ACA-submits-comments-to-Senate-Finance-Committee-on-reforming-tax-for-overseas-Americans/>)

Tax reform is moving forward with the Congress and ACA, Inc. and its sister-organization, ACA Global Foundation (ACAGF), a section 501(c)(3) charitable organization, are at the forefront of the discussion with their outline for Residency-Based Taxation (RBT) for Americans living and working overseas. ACA is currently working on revenue estimates to support this change in the tax law.

“The concept of taxing corporations on their income based on where it is earned is being actively discussed and considered. This concept, called territoriality, should be applied to Americans overseas, and residency-based treatment is the answer,” stated Charles Bruce, ACAGF Chairman and ACA Legal Counsel.

There are an estimated 9 million Americans living overseas. Many have lived there all their lives. Based on 2014 census figures, if grouped as a state, they would represent the 11<sup>th</sup> largest. Taxing them based on citizenship dates from the Civil War and was put in place for reasons no longer in keeping with the international world economy of today.

“The current tax rules are tortured and have been amended at least 17 times since 1962,” added Marylouise Serrato, ACA Executive Director. “It’s unfair to Americans overseas. RBT would translate into more jobs for Americans and more exports, given that it would allow small businesses to deploy employees overseas to sell US goods and services. Current tax policy makes this too costly for both small and large businesses. This problem was confirmed in testimony at hearings held by House Ways & Means in May.”

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