



AMERICAN CITIZENS ABROAD
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American Citizens Abroad, Inc. (ACA) announces changes to approach to Residency-based taxation for Americans overseas

Today ACA announced changes to its baseline approach to transitioning from citizenship-based taxation of Americans abroad to residency-based taxation, first published on December 5, 2016. At the same time, it released a description of its baseline approach and it posted a side-by-side comparison of its baseline approach with the recently published Republicans Overseas' Proposed Territorial Tax System.

[https://www.americansabroad.org/media/files/page/276db253/Residency-Based Taxation ACA Descr and Side-By-Side Comparison 170207.pdf](https://www.americansabroad.org/media/files/page/276db253/Residency-Based%20Taxation%20ACA%20Descr%20and%20Side-By-Side%20Comparison%20170207.pdf)

“The two important changes are we have added a ‘Same Country’ exemption to the FATCA rules to give relief to Americans abroad who are being locked-out from foreign banking services and we have proposed that individuals that report foreign bank and custodial accounts on their FBARs should not have to repeat this on their Forms 8938. There is no good reason to require people to report the same information twice,” said Marylouise Serrato, Executive Director, American Citizens Abroad, Inc. “These are recommendations supported by other overseas organizations and by the National Taxpayer Advocate.”

The baseline or “vanilla” approach to RBT is intended to lay out the essential elements of residency-based taxation, allowing everyone to examine and contribute their thoughts as to the optimal proposal. ACA is soliciting everyone’s questions and comments.

“We think legislation transitioning from citizenship-based taxation to residency-based taxation is eminently ‘doable’”, said Serrato. “We are going to get detailed revenue estimates. If this tax reform for Americans abroad can be made revenue neutral and can avoid opening loopholes, Congress and the Administration will embrace it.”

ACA, with the help of other groups, is preparing revenue estimates and working on useful amendments to the details of a baseline approach. It will then be up to Congress and Treasury Department to say “yea” or “nay”. Funds are being raised to pay for the best-quality estimates. <http://acaglobalfoundation.org/donate>.

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