



AMERICAN CITIZENS ABROAD

EDUCATE, ADVOCATE AND INFORM

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Today American Citizens Abroad (ACA) provided Congress, IRS, Treasury, and the principal tax-writing committees and their staffs on Capitol Hill with a [memorandum](#) discussing the tax provisions of the Coronavirus Aid, Relief, and Economic Security Act (CARES; P. L. 116-136). The memorandum is intended to assist these offices and staffs as they dig into the detailed workings of the new provisions and turn their efforts to implementation. The memorandum will also help to inform Americans residing abroad and their professional advisors.

ACA's memorandum notes that ACA is very well acquainted with the population of Americans abroad, which it has represented for 40 years. It is also intimately familiar with the expat tax preparer community, having published for over six years the highly-regarding ACA Expat Tax Preparer Directory. <https://acareturnpreparerdirectory.com/>.

The memorandum gives an overview of the 2020 Recovery Rebate provisions in the Act and outlines particular issues for Americans overseas. "One of the biggest issues for Americans overseas will be to provide the IRS with banking information for direct deposit. Many online registration tools aren't set up to accommodate Americans overseas; things like verification of identity through the use of US-based indicia. If you have lived overseas a long time or never lived in the US, you may not have any. Another issue will be their ability to open a US-based bank account to accept the rebates. Fortunately ACA has some answers," said Marylouise Serrato, ACA Executive Director.

If a US citizen has no US-based bank account, ACA recommends that these individuals open an ACA-enabled State Department Federal Credit Union (SDFCU) account. Individuals join ACA and once they are an ACA member, they gain access to SDFCU and can open an account online. There is no need to have a US residential address to open an account. There is no account-opening fee or minimum deposit for the SDFCU account. The process is straightforward and easily and quickly managed through SDFCU.

The memorandum notes that a major problem Congress has with Americans overseas is that it does not have an accurate count of the size of the community, nor the number of taxpayers. "There is no official count of the community and this is a detriment for Congress, Treasury and IRS when it comes to writing legislation and regulations, and for others working on behalf of the community. ACA, with its independent contractor, District Economics Group, likely has the best data on the size and make-up of the community through its research work done in support of adoption of residency-based taxation (RBT). The ideal solution for the community is a switch from citizenship-based taxation to RBT, and ACA continues to advocate for this. However, in the interim, ACA is helping Americans overseas navigate the current system and working to ensure they are treated fairly," said Jonathan Lachowitz, Chairman of ACA.

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