



AMERICAN CITIZENS ABROAD

THE VOICE OF AMERICANS OVERSEAS

FOR IMMEDIATE RELEASE

CONTACT: Charles M. Bruce, Legal Counsel, ACA, at cmb@ilf.ch

Marylouise T. Serrato, ACA Executive Director, at info@americansabroad.org

American Citizens Abroad Urges Congress To Reject Tax Collection Provisions In Highway Bill Tied To Americans' Passports

The Conference Committee on the Drive Act (H.R. 22) is due to act on this legislation in the coming days. There are provisions in the bill that can be extremely harmful to Americans residing abroad.

Section 32101 of the bill would permit the IRS to cause an individual's US passport to be revoked, or an application for issuance or renewal to be denied, if the individual is "seriously delinquent" with his or her tax payments. "Seriously delinquent" is not defined. The threshold is \$50,000 or more and, while not clear, is probably comprised of tax, penalties and interest.

"This provision is way too harsh and dangerous a remedy, especially for American taxpayers residing abroad who absolutely must have their US passport at hand," commented Jonathan Lachowitz, Chairman, American Citizens Abroad, Inc. "In many situations, they cannot do things like open a bank account, arrange for direct debit of utility bills, travel, or do many other everyday things, without their passport."

This new rule has never been the subject of a hearing, where taxpayers affected and groups advocating for them could give testimony. Apparently, neither IRS, including IRS Collections, nor Treasury Department is pushing for this. The State Department, including the Bureau of Consular Services, apparently was not consulted.

Enactment of this legislation would come at a time when the IRS's, including Collections', ability to render services to taxpayers overseas and, in effect, help them "work out" their collection problems, are severely reduced. IRS offices overseas have been closed. The ability of revenue officers in Collections to meet with taxpayers outside the US, as a practical matter, is non-existent. There are well-known problems with IRS communications sent to taxpayers overseas.

There are 6 to 8 million Americans residing outside the US. They pay close attention to Congress's actions affecting them. A larger percentage of them vote when compared to Americans living inside the US. Members of Congress and political parties should be mindful of this block of voters and should avoid embracing ill-conceived, hurtful legislation like this.

"Tax bills like this one that pop up and are attached to a large bill – like the Surface Transportation Act – drive Americans living abroad crazy", said Marylouise Serrato, Executive Director, American Citizens Abroad, Inc. "In their minds, this sort of thing demonstrates that Congress doesn't really understand the realities of their situation and, to the extent it does, doesn't care."

On behalf of Americans abroad, ACA asks that the Republican and Democratic Conferees join in striking these provisions.

American Citizens Abroad, Inc. is a non-profit, non-partisan, volunteer organization advocating for nearly 40 years for Americans living and working outside the US. To learn more, go to <https://www.americansabroad.org/>.