



AMERICAN CITIZENS ABROAD

EDUCATE, ADVOCATE AND INFORM

July 7, 2020

Erin M. Collins
National Taxpayer Advocate
Internal Revenue Service
1111 Constitution Ave. NW
Washington, DC 20224

Dear Ms. Collins,

I am writing on behalf of American Citizens Abroad, Inc. ([ACA](#)). We are a 501(c)(4) non-profit, non-partisan organization headquartered in Washington, DC, that represents the interests of Americans living and working overseas to the U.S. Congress and Administration. Alongside of ACA is our 501(c)(3) educational and research organization, Americans Citizens Abroad Global Foundation ([ACAGF](#)).

I am writing in response to your recently released [2021 Objectives Report](#) to Congress wherein you have provided to Congress systematic advocacy efforts for improving taxpayers experience and your assessment of the IRS's management of the CARES Act economic stimulus efforts.

ACA was pleased to see the National Taxpayer Advocate's highlighting of the work TAS is doing alongside the IRS to better serve the community of taxpayers, including those living and working overseas. As noted in your report to Congress, **IRS Servicewide Multilingual Improvement Strategy**, improving access to tax products and services for taxpayers with limited English proficiency (LEP) will greatly benefit the community, as there are many Americans born overseas or who have lived the majority of their lives overseas, and have limited knowledge of their tax filing obligations and lack proficient English language skills. These Americans often report that they are unable to obtain the necessary filing information from IRS offices and websites in their native language.

Another area of improvement that will be beneficial to the overseas community is the **IRS Notice Improvement Strategy** outlined in your report to Congress. For overseas filers, who rely on receiving mailed communications and notifications – many times arriving months late and after IRS deadlines for action - the expansion of communication channels to better facilitate more effective and timely communications between the IRS and overseas taxpayers is much needed to protect their right as taxpayers to be informed.

ACA is also pleased to see the National Taxpayer Advocate call for **Expanding IRS Service and Outreach to Taxpayers**. Overseas taxpayers should be included in the communities highlighted for better servicing. Options of alternate channels for taxpayer assistance and expansion of outreach efforts are needed. Most overseas taxpayers



want to comply with their U.S. tax obligations but often are hampered by long wait times on non-toll free numbers, lack of clear information via IRS websites and, as mentioned before, reliance on physical mailings of communications to the IRS which leads to delay times and missed deadlines that, in and of themselves, may lead to the application of unwarranted penalties. ACA cannot stress enough the need to the IRS to provide better outreach to the overseas community in light of the closure of the last four IRS attaché offices in the U.S. Embassies (London, Paris, Beijing, Frankfurt) - there is no on-site, walk-in assistance outside of the United States for these taxpayers.

ACA agrees with the National Taxpayer's recommendation that the IRS must continue to protect the rights of taxpayers impacted by the COVID-19 emergency and work to restore the much needed taxpayer services. Improving and updating the arcane computer systems and infrastructure that could not handle tax administration remotely, and establishing across-the-board electronic communication procedures between the taxpayer and the IRS must be implemented, in particular when it comes to dealing with overseas taxpayers who are much more reliant on the use of electronic exchange of documentation and correspondence, and who desperately need better servicing from the IRS.

In your report to Congress, you outline many of the processes that the IRS put in place to manage the provisions of the CARES Act and noted areas where problems occurred and where improvements can be made. Included in the documentation should be the experience of overseas taxpayers who were not specifically called out in your report to Congress. The problems noted in the report, such as: limited phone service, inability to provide address change information, limited communications channels, suspension of the processing of paper returns, suspensions of mailed notifications, also affected overseas taxpayers however differently than taxpayers in the United States.

ACA in its [letter to Congress](#) of March 23, 2020, stressed that Americans overseas needed to be included in the CARES Act legislation and, in our [subsequent memorandum](#) to the IRS, Treasury and Congress, we discuss how lawmakers would have to consider the provisions of the CARES Act as it affected overseas filers.

ACA strongly advocated for using Direct Bank Deposit for distribution of the Economic Impact Payments (EIP)/Recovery Rebates. In our memorandum, we suggested the use of an all-zero return, something the Congress used during the 2008 stimulus efforts and which was alluded to in the preliminary thinking for the CARES Act, so that overseas filers could quickly provide the IRS with their U.S. bank account information. We noted that a stumbling block for many overseas Americans would be procurement of a U.S.-based bank account as due to increased "Know Your Client Regulations", many U.S. based banks have closed bank accounts of Americans who no longer have a U.S. residential address. Fortunately, ACA has provided a solution for this with the [ACA-Member/SDFCU account](#), an account that can be applied for online and without the



need for a U.S. residential address. Unfortunately, the IRS and Treasury did not accept the use of the all zero return for providing bank account information.

On April 15, the IRS announced the launch of the “Get My Payment” online tracking tool for individuals checking on the status of their EIP. Subsequently, the tool provided for a field where taxpayers could input their U.S. bank account information for Direct Bank Deposit of their EIP. ACA was in close communication with the IRS throughout the launch and reported to the IRS that overseas filers were having problems inputting their foreign address into the tool – the addresses were not accepted. The problem with the foreign address field took approximately three weeks to resolve, at which point, the IRS announced a deadline for the input of U.S. banking information of May 13, giving overseas taxpayers a mere three days to provide the information. ACA, with its wide reach to the overseas American community, did its best to regularly update the community and provide information on the deadline through its website, newsletter, member mailings and on social media, however, many individuals were still unable to meet the deadline.

As a result, many overseas filers have been left waiting for the arrival of a physical check. In some instances, these individuals have had an address change from their last tax filing. With limited phone services into the IRS, these taxpayers are left with only one option, that of filing an address change Form 8822 which, under normal circumstances, takes one month to process. With the shutdown of IRS offices due to COVID-19 and the suspension and delay of international mail services, these forms may take months to arrive and be treated. The suspension of mail services and mail delays are also affecting the general receipt of EIP checks to overseas filers, even for those whose address information is correctly filed with the IRS.

Problems with the “Get My Payment” online tool continue to this day with many individuals reporting that although they have inputted their information exactly as it appears on their last tax filing, there is no updated information on their EIP and in some cases, individuals are receiving error messages indicating that they cannot be recognized by the system.

The addition of more operators to the IRS 800 line has provided some individuals with the ability to get information on their EIP, however, generally speaking an 800 number is not accessible from overseas. Many overseas filers are left with having to contact the IRS on the 267-941-1000 number. This is not a toll-free call and wait times have been very long.

Another issue for overseas filers, however not unique to them, was the disqualifying of EIP for joint filers where one spouse is in possession of a Social Security Number and the other an International Taxpayer Identification Number (ITIN). We suspect that the IRS drafted the provision to read in this way as a concern over fraud and identity theft



however, we believe it is unfair to taxpayers to allow couples to file jointly in this manner but then disqualify them for relief on the same basis.

ACA believes that there is much that can be learned from the experience with the CARES Act and its implementation in a world with reduced IRS office and mail support, that can be beneficial to the IRS when dealing with overseas filers. Electronic communications and the ability of taxpayers to file taxes and provide the IRS with information, such as bank account numbers and addresses, electronically would greatly improve compliance by overseas filers and ease the general processes between overseas taxpayers and the IRS.

As a result, ACA recommends that that IRS and the National Taxpayer Advocate consider the following improvements:

Allow overseas taxpayers to create an online portal for their tax management. Much the way the Social Security Administration allows beneficiaries to create an account, input information on how they would like to receive their benefits, provide updated address information, etc., the IRS should create a portal for taxpayers to provide and update tax information. Robust systems are needed that can work with foreign addresses and other non-U.S. formatted data. ACA believes that there is a way to accomplish this while also addressing fraud prevention and privacy concerns.

Create a system of secured electronic communications between the IRS and overseas taxpayers. Relying on physical mailings of notifications can cause headaches for both the IRS and taxpayers. ACA is concerned over the delays/lost mail that result with the current system, in particular with provisions in place such as the Passport Revocation. Without timely communications, taxpayers can find themselves assessed undue penalties because of a missed deadline or worse, revocation or denial of a passport. ACA was pleased to see that during the period of the People First Initiative, the IRS suspended new passport certifications to the State Department for taxpayers who have seriously delinquent tax debts. ACA remains concerned, however, that there is no “safe harbor” or special consideration when making the decision to revoke or deny a passport for overseas Americans under the provision. A passport for an overseas American is the one official U.S. document proving their U.S. citizenship. In some cases, lack of a U.S. passport could result in a life altering consequences for some living overseas.

Provide more outreach to overseas taxpayers. Even prior to the COVID-19 pandemic, individuals reported that calls to the 267-941-1000 international number experienced long delay times and often the operator was unable to provide the information necessary to the caller. Better programs for outreach including working with organizations like ACA and ACAGF, where the IRS and the National Taxpayer Advocate can provide community update, links to websites and contact phone numbers/emails. Additionally, the creation of a simplified, one-stop website where



July 7, 2020
Page 5

taxpayers can find all the information for overseas filers and the production of webinars directly targeted to overseas filers.

ACA would be pleased to work with the National Taxpayer Advocate on these issues. We have not had occasion to meet personally given the closure of your offices during the pandemic, however, I would welcome the opportunity to meet with you to introduce you to our organization and our advocacy work. ACA worked closely with your predecessor, Nina Olson, and we greatly respect the work of the National Taxpayer Advocate. In the past, your offices have been instrumental in raising the serious issues affecting overseas taxpayers and highlighting them in your reports to Congress. We hope to continue our relationship with your offices and look forward to being in touch soon.

Sincerely,

Marylouise Serrato
Executive Director
American Citizens Abroad, Inc.

CC: Rostyslav Shiller
Michael E. Baillif
Amanda K. Bartmann