



## AMERICAN CITIZENS ABROAD

EDUCATE, ADVOCATE AND INFORM

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American Citizens Abroad (ACA) Responds to GOP Tax Reform Bill.

House Republicans today introduced their major tax reform bill (H.R. 1 – “Tax Cuts and Jobs Act”). The most serious phase of the reform process is now underway. It includes as a major part *the biggest push in decades to enact “territorial” tax rules for corporations* – meaning corporations would not be taxed on foreign source income. And previously untaxed earnings of foreign subsidiaries, amounting to some \$2.6 trillion, would be allowed to be repatriated, subject to a one-time 12% tax on cash assets, 5% on non-cash assets.

Not surprisingly at this stage, nothing is said one way or other about international taxation of individuals. The good news is that *the game is on*. In all likelihood, there will be tax reform, and “territorial” treatment for corporations is in the mix and moving ahead. It’s also good that *nothing being done with regard to corporations muddies the water for international tax reform for individuals*.

“When Congress looks up from its work on corporations, it will see that territorial treatment for individuals, in other words, residency-based taxation which does not tax individuals on foreign income, *sits on the table right alongside the corporate provisions and can—and should—be added,*” said Charles Bruce ACA Board Member and Legal Counsel.

RBT is *revenue neutral, tight against abuse, and makes no one worse off than they are now*. It only helps, and it *corrects a terrible anomaly* whereby Americans living outside the US are treated in a way that no other country in the world, other than Eritrea, treats its citizens.

“The process is under way and Americans abroad definitely have a seat at the table. ACA has been working to insure that Congress must address the tax concerns of this community, and Congress knows that is wrong and nonsensical to continue with citizenship-based taxation,” added Marylouise Serrato, ACA Executive Director.

ACA’s revenue estimates of the effects of RBT will give Congress the essential data it needs to include RBT in tax reform. This will help convert our good policy position and hard work on the details into legislative action, and this is precisely what ACA is focused on, meeting by meeting, conference call by conference call, alone and in alliance with other interest groups across the political spectrum.

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