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ACA has updated its side-by-side comparison of current law and a "vanilla" approach to enacting residency-based taxation (RBT). This document was first released in December 2016 and has been revised four times since then.

This most recent revision updates the description of "Current Law", to reflect changes made by the Tax Cuts and Jobs Act (TCJA, P.L. 115-97, 12/22/2017), and makes several changes in the "vanilla" approach posted by ACA, including provisions that would apply the new dividends received deduction pursuant to the new participation exemption system to non-resident Americans. (The TCJA changes inexplicably ignore Americans abroad). The latest version of ACA's approach exempts non-resident Americans who qualify for RBT from the new "transition tax". See: <https://www.americansabroad.org/media/files/page/60567bc4/residency-based-taxation-aca-side-by-side-comparison-current-law-and-vanilla-approach-180420-1600.pdf>

"It makes no sense to fail to give Americans abroad benefits under the new dividends received deduction, that is, fail to give them the benefits of so-called 'territoriality', and at the same time hit them with a penalty tied to a deemed distribution of certain previously untaxed earnings and profits. It's the equivalent of 'heads I win, tails you lose', said Marylouise Serrato, Executive Director, American Citizens Abroad."

We hope our "new and improved" side-by-side analysis helps everyone keep track of what's happening with proposals to move away from citizenship-based taxation (CBT) to residency-based taxation (RBT). "Think of it as a remarkably handy 'cheat sheet' to keep track of all the important details," said Charles Bruce, ACA's Legal Counsel.

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