



AMERICAN CITIZENS ABROAD
EDUCATE, ADVOCATE AND INFORM

March 8, 2017
Washington, DC

Surtax on Americans living and working overseas will end with reforms to the Affordable Care Act.

In the House Republican's announcement of March 6, 2017 regarding changes to the Affordable Care Act, the new legislation calls for the repeal of the 3.8% surtax on net investment income (NIIT) beginning in 2018.

ACA has long argued that the imposition of this surtax on Americans living and working overseas, who are unable to apply for, or take advantage of, the Health Care Exchanges, represented unfair double taxation since foreign tax credits were not allowed to offset this tax.

ACA advocated to the Treasury Department, the Americans Abroad Caucus and Members of Congress, requesting that a change to the regulations be introduced that would exclude the imposition of this tax, or allow foreign tax credits against this tax, for Americans legally resident overseas.

The reform of the Affordable Care Act would correct this problem for Americans living and working overseas and, therefore, ACA strongly supports this change to the law.

ACA continues its advocacy efforts for the adoption of Residency-based taxation (RBT) as the ultimate resolution to many of the tax compliancy issues facing Americans overseas. "Taxing Americans overseas based on their residency is the right approach for Congress to take and with tax reform a priority with this Administration, now is the time for the legislature to act on ACA's proposal," said ACA Executive Director Marylouise Serrato.

<https://www.americansabroad.org/media/files/page/0aaca5d/Residency-Based Taxation ACA Descr and Side-By-Side Comparison 170207.1.pdf>

For more information please contact: Marylouise Serrato, +1 202 322 8441, info@americansabroad.org.