



For immediate release

Survey results on consequences of FATCA for Americans living overseas

University of Nevada, Reno and American Citizens Global Foundation offer report on impacts of tax legislation

Americans Abroad Global Foundation (ACAGF), in conjunction with the University of Nevada, Reno released results today on a new study finding that most Americans overseas feel the Foreign Account Tax Compliance Act (FATCA) negatively impacts their professional pursuits and that compliance is over burdensome. The majority of respondents' perception was consistent with the sentiment that the U.S. government is not concerned about the impact of FATCA on its citizens living abroad.

Since the United States taxes U.S. taxpayers on worldwide income (citizenship-based taxation, CBT), Americans living overseas have always had to comply with various special provisions, such as the foreign earned income exclusion (FEIE), foreign tax credit, housing provisions, and disclosure requirements. FATCA is a part of the Hiring Incentives to Restore Employment (HIRE) act, signed into law in March 2010. FATCA is a means to increase compliance by U.S. taxpayers with foreign accounts.

The survey was conducted between June 16 and Aug. 15, 2015, with 684 useable responses collected. The survey was deployed using a web-based approach among a cross section of adults ages 18 and older, living in more than 60 countries. Some key findings:

- Of the respondent, 64 percent voted in the 2012 Presidential Elections significantly higher than the turn out rate of the average American voting stateside
- Seventy-eight percent (78) of respondents felt having to comply with U.S. tax law puts them at a professional disadvantage compared to others working in their country of residence
- Eighty-six percent (86) of respondents said that FATCA needs to be reworked to allow Americans overseas access to banking services and include a "Same Country exemption" provision (i.e., no reporting requirement for accounts held in the same country of residence)
- Overseas Americans generally felt the IRS was not keeping them informed about how to comply with evolving tax laws

"The consensus from this sample of Americans abroad feels that the U.S. government does not recognize how the FATCA legislation is negatively impacting them, limiting their ability to maintain legitimate banking and financial relationships and, that in many respects, simply does not care how the legislation is affecting a community of law-abiding citizens who have chosen to live overseas for work or personal reasons," Sonja Pippin, associate professor in accounting at the University, said.

“These survey results are important,” Charles Bruce, ACAGF chairman, said. “They will be used as a baseline for informing the public, creating educational programs and advocating for legislative changes to address the issues of Americans abroad. Survey results indicate that Americans want to comply with tax laws but want sensible simplification of the rules, including a “Same Country” provision, outreach from the IRS on how to comply, and want to vote for representatives who understand their issues.”

For full report see: <http://www.unr.edu/business/research-and-outreach/accounting-research>

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