TAKE ACTION

Call, or write a letter, postcard or email to your senators and representative asking them to support RBT.

Here’s a sample script:

I am calling to ask Senator/Representative __________ to support Residence-Based Taxation. As you may know, the U.S. is the only advanced country that taxes its citizens on their world-wide income even when those citizens live abroad and no matter how long they’ve lived abroad. That means that I not only pay taxes in [name of country] where I live but I also file a tax return to the IRS every year. IRS tax forms for declaring foreign income are more complicated, so besides being a very stressful nuisance, filing from abroad can be very costly even if no tax is owed.

I’m an ordinary American. I moved to [country] to [be with my partner/family/get an education/take an exciting job/ other]. I am/my family are not wealthy, I/we don’t have extra money to spend on tax return preparers, and I/we certainly cannot afford to be double-taxed.

I value my American citizenship. I pay attention to U.S. politics as much if not more than the average citizen and I vote in every election for which I’m eligible. But I don’t think it’s fair that I must pay taxes to the IRS as well as in [country of residence].

The current law is costly, punishing, and unfair, and it is causing many of us Americans abroad to consider renouncing our U.S. citizenship. I hope that shocks you because it shocks me.

That’s why I’m asking Senator/Representative __________ to change the U.S. system from Citizenship Based to Residency Based Taxation.

VOTE FROM ABROAD!

Last but not least, make sure you vote in elections for which you are eligible. For more information go to www.VoteFromAbroad.org

It’s Time for Residency Based Taxation!

Residency Based taxation (RBT) is a system in which you pay taxes according to the country where you live rather than the one of which you are a citizen. The alternative system – which we have now – is known as Citizenship-Based Taxation.

Every advanced nation follows an RBT system, with one notable exception: The United States of America! The main rationale for our system is that the benefits of U.S. citizenship follow Americans no matter where they live, but other countries also provide services to their citizens abroad.

For the first time since the 1980s, Congress stands a chance of passing a comprehensive package of tax reforms. Organizations of Americans abroad are responding aggressively to present Residency Based Taxation as a reform to be included in that package. You can help!

Go to www/democratsabroad.org/taxation
HOW IS CITIZENSHIP-BASED TAXATION (CBT) A PROBLEM FOR AMERICANS ABROAD?

An estimated nine million U.S. citizens (more than the population of New Jersey) live outside the U.S. Most are ordinary, hard working Americans—living abroad for totally ordinary reasons such as work, spouse, school, etc.—not “fat cats” using foreign residency to “game the system”.

Globalization means that the number of Americans living overseas will only grow with time.

CBT means that Americans abroad face the administrative and financial burden of tax-filing in two nations, and sometimes double-taxation.

Many Americans abroad pay expensive professional tax preparers to comply with complex and ever-changing U.S. tax laws and reporting requirements, even if they owe no U.S. tax.

Ordinary Americans abroad are also being denied bank accounts because of related FATCA reporting requirements designed to catch “fat cats”.

Increasing numbers of us are giving up our U.S. citizenship because its costs have become too high compared to its benefits.

Besides Medicare and, in some instances, voting in state/local elections, other benefits of U.S. citizenship which may not follow Americans abroad include these major areas:

- Many sections of the tax code discriminate against Americans abroad. For example, double or punitive taxation can occur in the treatment of foreign-retirement savings plans; capital gains; non-qualified, non-U.S. pension plans; and bequests to surviving foreign

- IRS outreach to Americans abroad was woefully inadequate to start with, and budget cuts have resulted in IRS offices abroad being closed, making misinformation and confusion about U.S. tax-filing even worse.

- State Department budget cuts also mean fewer services for Americans abroad and longer wait-times for appointments to renew passports or conduct other important business.

HOW IS DEMOCRATS ABROAD WORKING FOR RBT?

Since its creation in 1964, Democrats Abroad has supported a change to RBT. Using its thousands of volunteer activists, DA is campaigning with other organizations of Americans abroad in support of RBT.

Now that Congress is again turning its attention to comprehensive tax reform, we have an opportunity to influence the process.

Our support for any package of tax reforms will, of course, depend on how it aligns with our Democratic Party values. The advantages of changing to RBT must primarily benefit ordinary Americans living and working abroad and not open up a tax avoidance loophole.

HOW CAN YOU HELP BUILD CONGRESSIONAL SUPPORT FOR RBT?

You have a voice. Contact your state’s senators as well as the representative for your congressional district (where you are registered to vote, or where you last voted in the States). Ask for their support for RBT (see sample script under TAKE ACTION).

More info: www.democratsabroad.org/taxation

FIND YOUR SENATORS AND REPRESENTATIVE

If you don’t know the names of your senators and/or representative, you can look them up using the online tools below. All you need is the zipcode of the last place you voted in the States.

Calls are best (because they require the most involvement at the other end), then letters or postcards, but if you only want to send an email, please use this link to the Democracy.io platform so we can track your participation in the Democrats Abroad RBT campaign.

http://bit.ly/WeNeedRBT

If you get a a response and learn that your senator or representative supports RBT, please let us know!

To call or send a letter or postcard, you can find telephone numbers and postal addresses here:

Senate:
https://www.senate.gov/senators/contact/

House of Representatives:
http://www.house.gov/representatives/find/

Clicking on the representative’s name will take you to their website. To find their phone number and address, look for Contact, usually at the bottom, sometimes on the right-hand side. Let us know if you need help.