

**Author Full Name :** Anonymous**Received Date :** 04/11/2024 03:48 AM**Comments Received :**

As an American living abroad, I know that the current system must be updated and fixed. FBAR information collection from U.S. citizens who reside outside the United States is an undue burden due to lack of awareness, confusion of filing requirements, and definitions, which unfairly puts taxpayers at risk of disproportionately high penalties.

It is my understanding that the FBAR exists to catch overseas money laundering, but it often ends up ensnaring US citizens abroad who need a basic bank account in order to receive salary, pay their bills, and live a normal life. These aren't money launderers, they're innocent Americans who happen to live abroad. The FBAR should exclude Americans abroad. The Treasury should devote its resources to the actual overseas money launders.

Additionally, the extremely low \$10,000 filing threshold has been in place since 1970. It is overdue for a major update. Innocent people who go over the threshold, e.g. due to a one-off buying their first home or paying school tuition fees, unfairly face risk of penalties -- without any benefit to the state (except collection of penalties from innocent expats). People who have heard of the FBAR are scared and are over-reporting "just in case", which is a waste for all involved.

This unfair treatment is a symptom of the overall problem - Americans abroad are treated as collateral damage in the war against overseas tax evasion and money laundering. The IRS recognizes Americans abroad as an underserved community. Surely that would mean that the FBAR is long overdue for review given that it is a massively complicated filing requirement that hasn't changed for over 50 years.

Instead of threatening innocent Americans abroad with life-altering penalties and burdensome filing requirements, the Department of Treasury should work with Congress to bring the US into line with the entire rest of the world in the way it taxes its expats.