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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 - even tax professionals aren't aware of the filing requirements, which puts taxpayers at risk of disproportionately high penalties.

The FBAR exists to catch overseas money laundering, but 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 to reduce the signal-to-noise ratio so Treasury can 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 an update to at the very least be indexed to inflation, which would be \$79,000 for 2024. Innocent people who go over the threshold as a one-off buying their first home or paying school tuition fees are unaware of the FBAR, don't file, then face risk of penalties. People who have heard of the FBAR are scared to death of doing it incorrectly since instructions are confusing - even tax professionals recommend over-reporting "just in case".

The information required for the FBAR is difficult to collect since none of the foreign institutions provide information about the maximum value of an account during the year. They usually show starting and ending balance for the year. The fact that the US wants to see the maximum value means for each account, one must manually review all transactions to find the highest amount. One can wonder if the information is even of use to the US treasury department since moving an amount from a savings account to a checking account so that it can be paid out means that a value is potentially reported twice.

The technology to report financial accounts is very out of date. The PDF template is about 10 years old now and is still on V1. For the past two years, I have been unable to use the template because some of the drop down fields to select a country do not work. This means I need to use the online form and fill in every field manually from amount to account number to address and joint owner information. It took me about 4 hours to fill in the form for 2023. This is when I had all of the information readily available. It was meaningless copy and paste work.

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.