

**Author Full Name :** Irene Kapl**Received Date :** 04/12/2024 03:00 AM**Comments Received :**

Congress and the Treasury Department need to reform FBAR regulations. This law collects bank account information from U.S. citizens like me who live abroad and puts an unnecessary and unfair burden on us as a result of confusing filing requirements and definitions. Even tax professionals aren't aware of the filing requirements, and this puts taxpayers at risk of disproportionately high penalties.

US citizens abroad are caught up in the FBAR system simply by having a bank account in their country of residence. I know the law was created to prevent financial crimes like overseas money laundering, but Americans abroad like me are unintentional victims of this indiscriminate and punitive law. I am an innocent American who happens to be married to an Austrian and have lived in Austria for many years. I need a basic bank account in order to receive my salary and pension, pay my bills, and live a normal life. Many banks in Europe are denying regular Americans expats like me the opportunity to open a bank account because of the oppressive restrictions placed on them by the US government. So far I've been lucky that my bank is willing to go through the trouble to comply, but I worry that my bank may change its mind in the future and force me to close my savings and checking account because of all the hassle. It would be pretty much impossible for me to live here if that were to happen. It would be best for all concerned if the FBAR excluded Americans abroad to reduce the signal-to-noise ratio so Treasury can devote its resources to the actual overseas money launders.

Another drawback to the FBAR for Americans expats is the extremely low \$10,000 filing threshold has been in place since 1970 (!) and is way overdue for an update to at the very least be indexed to inflation, which would be \$79,000 for 2024. If innocent people who go over the threshold as a one-off buying their first home are unaware of the FBAR, they don't file and then face the risk of penalties. I'm not exaggerating when I say that people who've heard of the FBAR are scared to death of doing it incorrectly since instructions are so confusing, and the penalties for innocent mistakes are terrifying.

This unfair treatment is a symptom of the overall problem, in other words that 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.