

Author Full Name : Robbin Knapp**Received Date :** 04/24/2024 12:49 PM**Comments Received :**

FBAR information collection from US citizens who live outside the US is an undue burden because of 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. They are not money launderers, they are innocent Americans who happen to live abroad. The FBAR should exclude Americans abroad to reduce the signal-to-noise ratio so the Treasury Dept. can devote its resources to the actual overseas money launderers.

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, do not 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".

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 since it is a massively complicated filing requirement that has not changed for over 50 years.

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