

Author Full Name : Patricia panneton**Received Date :** 04/26/2024 03:30 AM**Comments Received :**

I am a U.S. citizen who has lived outside the USA for more than 40 years. I went abroad for adventure and employment and found love and started a family.

The FBAR filing and all other matters relating to taxes an overseas American has to deal with are burdensome, a full-time job, a year-long stress. My non-US spouse who had never worked nor lived in the USA greatly resented having to open his finances to the US government, just so that his wife could withdraw money from the bank to pay for daily expenses. We even discussed whether divorce could solve the matter. Imagine, a paper divorce due to the USA government's outdated and unfair tax policy!

We didn't divorce. But my husband died and now I spend huge amounts of time, stressing, gathering and checking paperwork not only for taxes for the country I live in, but also for the USA. Americans overseas are limited in what they can invest in, even which banks will accept them as customers. Some overseas investments that are seemingly normal are hyper-taxed in the USA because of countries' different interest, capital gains reporting. How can an average person know all that? And then that average person ends up paying not only high taxes, but also has to file certain IRS documents that only a tax professional can understand and that cost 50\$ to file. The USA firm I am forced to use cost 4 times that of my local tax accountant.

There is no way to save money to retire in peace. I regret this tax weight on my children.

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".

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.