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FBAR information collection from U.S. citizens residing outside the United States imposes an unjustifiable burden due to widespread lack of awareness, confusing filing requirements, and ambiguous definitions. Even tax professionals remain unaware of these obligations, exposing taxpayers to disproportionately severe penalties.

While the FBAR aims to combat overseas money laundering, it frequently entangles innocent U.S. citizens living abroad who simply require basic banking services for everyday life necessities such as receiving salaries and paying bills. These individuals are not money launderers; they are law-abiding Americans striving to lead normal lives abroad. To enhance efficiency, the FBAR should exclude Americans residing overseas, allowing the Treasury to allocate resources more effectively toward combating genuine cases of overseas money laundering.

Furthermore, the archaic \$10,000 filing threshold, unchanged since 1970, requires immediate revision. Adjusting it to at least account for inflation, pegging it at \$79,000 for 2024, is imperative. Many individuals inadvertently exceed this threshold while engaging in significant life events such as purchasing their first home or paying educational fees, unaware of the FBAR's requirements. The current confusing instructions exacerbate the issue, leading tax professionals to advise over-reporting to mitigate potential risks, adding to the burden on taxpayers.

This inequitable treatment underscores a larger systemic issue: Americans abroad are unjustly discriminated against in the fight against overseas tax evasion and money laundering. Despite the IRS recognizing Americans abroad as an underserved community, the FBAR remains a complex and outdated filing requirement, unchanged for over five decades, warranting urgent review.

Instead of threatening innocent Americans abroad with punitive measures and cumbersome obligations, the Department of Treasury should collaborate with Congress to align U.S. tax policies with global standards for expatriates, ensuring fair treatment and relieving undue burdens on law-abiding citizens residing overseas. Stop treating American citizens abroad as criminals!