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MEMBERS OF AARO, France

Mr. Gerald Shields  
IRS, Room 6129  
1111 Constitution Avenue, NW,  
Washington DC 20224

**Subject:** Draft Form 8938

Paris, 20 décembre 2010

Sir,

In reply to the Internal Revenue Service's call for comments on the draft of the new tax form 8938 destined to be filed as part of the individual income tax return of certain US tax filers, you will find hereafter our observations.

- The threshold doesn't comply with the Foreign Earned Income Exclusion (form 2555-EZ) stated for the 2009 tax return, which is 91,400 USD.
- Moreover, this threshold seems low since the current exchange rate would set this threshold for US tax filers in Europe at approximately 38,000 Euros.
- The information requested will significantly increase the amount of data required to file a tax return for expatriates or persons holding assets abroad as well as impose additional record-keeping and reporting obligations on Americans filing tax returns from overseas.
- Furthermore, these processes will, in and of themselves, place yet another heavy burden on the American tax payer with no clear instructions to date, not to mention the fact that banks abroad will consider doing business with Americans living abroad as a liability.
- What about Financial Privacy? Is the collection of such data necessary for the proper performance of the functions of the IRS, including whether the information shall or shall not have practical utility?
- How can expatriates be sure that any data provided is protected from public exposure such as the WikiLeaks scandal?
- We Americans living abroad consider ourselves as "unpaid Ambassadors" representing our country in a variety of positions and capacities as well as positively characterizing and defending our country's political and social positions.
- The goodwill we thus create will be jeopardized.

We would like to add that I, Tatyana Schmidt, a senior US citizen and mother to Ellen D. Schmidt, do not qualify for Medicare due to the fact that I reside abroad and what is more, am subject to double taxation .

Yours truly

  
Tatyana A. Schmidt

  
Ellen D. Schmidt