



34, avenue de New York  
75116 PARIS  
FRANCE  
Tel: 01 47 20 24 15  
Tel: International: [331] 47 20 24 15  
FAX: 01 47 24 16  
FAX: International: [331] 47 20 24 16  
email: aaromail@aaro-intl.org  
Website: <http://aaro-intl.org>

December 20, 2010

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

Reference: Draft Form 8938, "Statement of Foreign Financial Assets"

Dear Mr. Shields;

In response to your request for comments on the proposed form to be used to report American citizens foreign financial assets, I submit the following:

- a. the quote, "as part of its continuing effort to reduce paperwork and respondents burden", I find it difficult to rationalize when we are asked to fill out another form that may take an hour of the taxpayer's time. Add to that the number of people the IRS will likely hire to implement this program and you have another monster.
- b. You should have a cost vs. benefit analysis performed outside the IRS or the U.S. Treasury Department. I read recently for every tax dollar collected there is a \$1.60 of government debt. It would seem a far better thing to start from zero on the thousands of pages you have in your tax codes, closing those loop holes instead of picking on American citizens living abroad to possibly gain more IRS revenue. That would seem a lot more beneficial to all tax payers concerned.. If this form is implemented it can only add new costs in our government operations that are not covered by significantly increased revenues. It seems the information collected will have no practical utility.
- c. In looking at the form, I can guarantee you have not left enough room to write in all the information requested.
- d. Since the form delivered did not include instructions, I cannot fully interpret the form. For example, in Part A, what is the definition of a "financial institution"? In Part B., what is the definition of stock or security by class, issue and type? Why does it matter what the maximum value is of the stock or security during the year? Last I heard, capital gains are not taxable if you don't sell them. Why do you need that information? Ditto for Part C. What is a "counter party". In Part D, Foreign is misspelled in the last column.
- e. You have estimated the Time for the Respondent to fill out the form. One hour is not enough for what you are asking. Also, what is the time required for an IRS employee to review the information provided? Key to the cost of this program.

I would hope that Form 8398 and its Instructions are reviewed by the OMB or any other auditor to perform a cost vs, benefits analysis as well as clearly defined questions asked for in this document.

In November of 2010, the US Federal Register estimates that 350,000 persons will respond to this form. It would be interesting to know what methodology was used for that number.

There are more than five million Americans living abroad. Did they use 5 million in determining the net number of people? What was the source of their information?

Thank God I don't have \$50,000 in a foreign bank account!

Sincerely

A handwritten signature in black ink, appearing to read "Don Johnson", with a long horizontal flourish extending to the right.

Don Johnson

Vice President

Association of Americans Living Overseas

Cc: Jack Lewis, Director, (OMB)