



2022 Tax & Financial Access Report - One Pager

- The U.S. State Department estimates there are 9 million Americans living abroad. If this number is indeed accurate, the problems described in the report impact a constituency greater than the population of all but 11 states.
- Americans move abroad primarily for family, work, or school, and then remain. Many have also elected to retire overseas due to lifestyle and/or lower costs of living.
- The vast majority of Americans Abroad are not high net worth, but individuals with modest incomes. Many are small business owners incorporated under local regulations.
- Most Americans abroad file and pay tax in the country in which they live first and then are required to file U.S. tax returns. Most live in countries with higher income tax.
- Americans abroad report that U.S. tax policy intended to prevent tax evasion and overseas financial crimes have caused tremendous hardships in their day-to-day affairs.

Nearly 7,000 Americans living outside the U.S. responded to an anonymous survey in April 2022. Consistent with previous nonpartisan studies, Top concerns were:

1. 78% reported that tax-filing is substantially more complex and more expensive from abroad. 98% expressed that, since many have had to pay large accounting fees only to show that they owe no U.S. tax, tax-simplification bills like H.R. 6057 are warranted.
2. Although most Americans abroad earn modest incomes and are not double-taxed, double taxation does occur on non-U.S. retirement accounts, non-U.S. benefits, student scholarships, mortgage refinancing, and small-business income, as well as on “income” due solely to fluctuations in exchange rates.
3. Due to FATCA, 20% struggle to open bank accounts in the country where they live, a major hindrance since some countries require that salary be paid into, or bills paid from, a local account.

The survey results confirm the tax discrimination and financial-access issues experienced by Americans abroad have gotten worse, not better compared to previous surveys. The compounding effect of tax discrimination, unintended consequences, and banking rules and regulations imposes a substantial burden on Americans abroad.

The government response to these issues has been woefully inadequate. Legislative action is required to remedy most of these issues which includes but is not limited to taxing based on residency and source, exempting Americans abroad from FATCA reporting and FBARs, simplifying filing for Americans abroad, eliminating double taxation for vulnerable individuals, and reviewing past and ongoing legislation to ensure no further unintended consequences.

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