



## Republican National Committee

Counsel's Office

### **RESOLUTION TO REPEAL THE FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)**

WHEREAS, In March of 2010, the United States Congress passed the Foreign Account Tax Compliance Act (FATCA) proposed as an effort to catch tax evaders; however, this Act has ensnared every one of the 7.6 million United States Citizens, and all Green Card holders living overseas in its overzealous provisions;

WHEREAS, FATCA was never debated in Congress, but was discretely added to the HIRE Act (Hiring Incentives to Restore Employment Act) of 2010; and, it was never subjected to a cost/benefit analysis by Congress; it requires substantial Internal Revenue Service (IRS) legal, software development and administrative costs; adds one more layer of excessive bureaucracy; imposes significant compliance costs on U.S. financial institutions; and yet it was scored by the Joint Committee on Taxation to bring in only \$800 million a year in additional revenue;

WHEREAS, The United States is effectively the only country in the world that taxes foreign income of its citizens who are living abroad and who already pay taxes where they reside, creating enormous reporting burdens for American taxpayers living overseas, and putting them at great risk for penalties for even the slightest innocent mistake;

WHEREAS, FATCA requires foreign financial institutions to enter into an agreement with the IRS to identify their U.S. account holders and to disclose the account holders' names, taxpayer identifications, addresses, and the accounts' balances, receipts, and withdrawals (sometimes in violation of foreign privacy laws), opening up wide doors to identity theft and other crimes against Americans residing overseas;

WHEREAS, FATCA's primary mechanism for enforcing compliance of foreign financial institutions is a punitive withholding levy on U.S. assets, which creates a strong incentive for foreign financial institutions to divest (or not invest) in U.S. assets, resulting in capital flight; hurting the United States economy;

WHEREAS, FATCA has resulted in Americans who are living and working overseas finding themselves, and their companies, shut out from access to banks, insurance, loans, and investment opportunities, as many foreign financial services providers have concluded that doing business

with Americans is simply too much trouble; thus, opportunities are lost and America's competitiveness overseas is diminished;

WHEREAS, *Time* magazine reported a sevenfold increase in Americans renouncing U.S. citizenship between 2008 and 2011, and has attributed this at least in part to FATCA; and another surge in renunciations in 2013 to record levels has been reported in the news media, with FATCA cited as a factor in the decision of many of the renunciants; and

WHEREAS, FATCA forces Americans living abroad to make a horribly unfair choice between renouncing their citizenship and abandoning their businesses abroad because foreign financial institutions won't handle their transactions or accounts; therefore be it

RESOLVED, The Republican National Committee hereby presents this Resolution to each Member of Congress and urges the U.S. Congress to repeal FATCA, to defend the livelihood and increase the competitiveness of Americans overseas, to remove inappropriate invasions of Americans citizens' privacy, and to allow those U.S. citizens who renounced their citizenship due to FATCA to regain their U.S. citizenship; and

RESOLVED, The Republican National Committee urges the IRS to cease causing the negative impact on United States and its Citizens overseas, and on the global financial system, in an attempt to vindicate FATCA's misguided approach to tax enforcement.

*\*As adopted by the Republican National Committee on January 24, 2014.*