

Some “Myths” Are Renouncing US Citizenship

These “myths” were the best international goodwill ambassadors United States could possibly have. Instead, IRS, Treasury and Congress alienated them and turned them into bad-will ambassadors with an increasing number renouncing once-cherished American citizenship.

Some consulates have a year long waiting list. Some are no longer accepting appointments to confirm a long-ago relinquishment or for renunciations.

Why are so many renouncing or trying to renounce? Because banks are closing legal accounts and treating U.S. Persons as pariahs due to FATCA simply because these “myths” were born in United States. Because these “myths” seek to protect the personal financial privacy of their spouses, partners and children. Because these “myths” need normal financial lives where they live, work and earn an income.

To be very clear Americans abroad are not turning in their passports to evade taxes. They pay taxes in the countries where they live, and where many are citizens.

This is not a decision made lightly. Many are deeply distressed at the only choice they feel is left to them. As one American abroad put it, “If I had to renounce my American citizenship, I would flood the consulate with my tears.”

Myth vs. Reality:

This is not a “myth.” This is reality.

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FATCA: We Are Not Myths

With the recent release of Myths vs FATCA, U.S. Treasury arrogantly dismissed as myths the nightmare millions of Americans around the world have lived for two years.

One person spoke for many in saying: “That makes us all mythical creatures then. If anyone related to any US government agency ever tries to contact me, I’ll tell them to have their head examined because people like me don’t exist.

“I’m a myth.”

FATCA problems are not a myth. The people they affect are not a myth. FATCA challenges are not a myth.

What Does FATCA Do To People Treasury Calls Myths?

Foreign Account Tax Compliance Act (FATCA) is a law passed by Congress in 2010. It was announced by President Barack Obama in 2009 as a “simple premise” to combat offshore tax evasion of people living in United States hiding taxes offshore.

Instead, it is an attack on financial lives and personal integrity of millions of honest “U.S. persons” living around the globe.

FATCA demands that foreign financial institutions (FFIs) worldwide report on all the financial assets held by “US persons” in their local bank where they deposit legal earnings, pay mortgages, rent and bills, and save to buy a home, for children’s education and for retirement. Just like people living in United States.

Yet, Treasury suggests these accounts are used for “illicit activities” simply because they are located outside United States. Do many people living in United States have checking accounts in Germany, Argentina or New Zealand? Of course not. The “myths” living in those countries don’t have bank accounts in United States for the same reasons.

Because these “myths” choose to live their lives outside of United States, Congress, IRS and Treasury have determined they have the legal right to invade their financial privacy by scooping up data on their total assets, account balances, transactions, account numbers and other personal identifying information. This includes accounts held jointly with non-US spouses and family and even accounts of employers, NGO’s and charitable organizations if the “myth” has signing authority.

Not content to merely attack finances of these “myths,” there are demands this data be made available to U.S. law enforcement and national security “upon request” with no suspicion of crime or other “misconduct.”

How can Treasury say Americans abroad are being treated the same as Americans in United States? How many Americans in U.S. would agree to such outrageous demands from IRS?

Who Are These Myths?

These are the folks Treasury considers “myths”:

- An entrepreneur in Brazil.
- An English teacher in Korea.
- A junior college professor in Israel.
- A carpenter in Madagascar.
- A nurse in Tanzania.
- A taxi driver in Canada.
- A journalist in Lebanon.
- A U.S. military veteran in Switzerland.
- A retired gay couple in Australia.
- A bar owner in Thailand.
- A stay at home mother in Belgium.
- Seniors around the world who have lived for decades or even their entire lives as citizens of other countries.
- Millions of others leading honest, productive lives in other countries.