



empowering women worldwide since 1931



February 2, 2015

The Honorable John Koskinen
Commissioner
Internal Revenue Service
1111 Constitution Avenue
Washington DC 20224-0002

Re: Pending closure of international offices of the Internal Revenue Service

Dear Commissioner Koskinen,

As the President of the Association of Americans Resident Overseas (AARO) and the U.S. Liaison for the Federation of American Women's Clubs Overseas (FAWCO), I am writing to express our distress and disappointment on learning of the decision to close the last remaining international offices of the Internal Revenue Service¹.

We fully understand that, after 5 years of budget cuts, the IRS must make painful choices. However, as representatives of the 7.6 million Americans living and working around the world (the 13th state in terms of population), we must question this one.

- America is the only non-communist industrialized country to tax its citizens on the basis of their nationality rather than their residence. We therefore represent a small but not negligible proportion of those you are charged with overseeing and assisting.
- In 2010, FATCA was enacted, adding to your burden by requiring your agents to receive and verify the Form 8938 statement submitted by tens of thousands of overseas Americans with financial assets over \$200,000.
- The IRS is responsible for the open-ended OVDP program launched for an indefinite period in 2012, further adding to your burden of oversight and enforcement but also multiplying the needs of thousands of Americans abroad for IRS guidance and assistance.

The situation was bad enough when taxpayers in Nairobi had to contact London, and taxpayers in Wellington NZ had to contact Beijing (farther from Wellington than it is from San Francisco). Today, they are going to have to queue up on expensive and often unreliable international telephone lines, waiting to reach agents who are already, according to your own reports, vastly overstretched.

../..

¹ Though unable to find any official IRS statement regarding these closures, we feel that, in addition to unofficial rumors, the recent reports in Bloomberg and Tax Notes Today are credible and justify our comments to you.



empowering women worldwide since 1931



Representatives of our two organizations will be in Washington during the first week in March. During our annual Overseas American Week, we attempt to present the perspective of the overseas voter/taxpayer to government agencies and legislators, fully aware that, because we are abroad, we appear to be “low-hanging fruit”, the object of easy cuts and oversights when legislation is being crafted. The latest State Department estimates put us as 7.6 million, however, and we believe that our numbers, our contribution to the American economy, and our ongoing advocacy for American values, products and services around the globe justify our appeal for continued – and even enhanced – services in the countries where we live and work abroad.

Thank you for taking our urgent request into consideration. We would be extremely pleased if two or three members of our delegation could meet with you when we are in Washington in March to discuss possible solutions for overseas Americans.

Very sincerely,

Lucy Stensland Laederich, AARO President and FAWCO U.S. Liaison

Cc: Nina Olson, National Taxpayer Advocate

The Honorable Jacob Lew, Secretary of the Treasury

The Honorable John Boehner, Speaker of the House

The Honorable Nancy Pelosi, House Minority Leader

The Honorable Orrin Hatch, Chairman, Senate Finance Committee

The Honorable Ron Wyden, Ranking Member, Senate Finance Committee

The Honorable Jeb Hensarling, Chairman, House Financial Services Committee

The Honorable Maxine Water, Ranking Member, House Financial Services Committee

The Honorable Paul Ryan, Chairman, House Ways and Means Committee

The Honorable Sander Levin, Ranking Member, House Ways and Means Committee

The Honorable Hal Rogers, Chairman, House Appropriations Committee

The Honorable Nita M. Lowey, Ranking Member House Appropriations Committee

48bis, rue Saint Rémi, F-33000 Bordeaux, France
Tel: +335 56 440 363 / US tel: 1-202-580-8186
USLiaison@fawco.org / President@aaro.org