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### Expats Object to Paying U.S. Taxes

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By **Michael Cohn**    MAY 31, 2016



A new survey of U.S. taxpayers living abroad finds widespread opposition to the Foreign Account Tax Compliance Act, or FATCA, and similar tax compliance requirements.

The survey, by Greenback Expat Tax Services, a firm that specializes in helping U.S. expatriates with their taxes, found that nearly 70 percent of the survey respondents indicated they don't believe Americans living abroad should have to file U.S. taxes, down 6 percentage points from 2015. Another 11 percent were undecided. Almost 62 percent of expats surveyed said they didn't owe the U.S. any taxes last year (or received a refund).

In addition, nearly 45 percent of the expats surveyed said they would like the U.S. government to repeal FATCA, a law included in the HIRE Act of 2010 that requires foreign financial institutions to report on the accounts of all U.S. taxpayers or else face up to a 30 percent penalty on their income from U.S. sources. That figure was up significantly from a similar survey that Greenback conducted last year, in which only 9 percent of the expats polled said they wanted FATCA repealed. Sen. Rand Paul, R-Ken., has twice introduced legislation to repeal some provisions in FATCA (see **Rand Paul Re-introduces Bill to Repeal FATCA Provisions**).

Almost 54 percent of the expats who responded to Greenback's survey said they would support an initiative in the U.S. to repeal FATCA, while 32 percent of those surveyed said they are affected by FATCA and must file Form 8938. Over 12 percent of the survey respondents said they needed to switch banks because their foreign financial institution doesn't want to deal with U.S. citizens.

Nearly 37 percent of those considering renouncing their citizenship cite the burden of the U.S. tax-filing requirements as the reason. This number is up 6 percentage points over 2015. In addition, 41 percent of the U.S. expats surveyed are not currently affected by FATCA, while 32 percent of respondents will need to file additional tax forms due to FATCA, down from 36 percent last year.

The survey found 24 percent of U.S. expats are not sure if they will be affected by the Affordable Care Act this year, down 6 percentage points from last year. Only 7.6 percent of survey respondents said they feel they are well represented in the U.S. government. This percentage increased slightly this year, by 1 percentage point.

Over 73 percent of the survey respondents said they plan to vote in the upcoming U.S. Presidential Election. Assuming this is representative of the entire expatriate population, this represents nearly 6.4 million voters—a significant number of potential votes that politicians have largely ignored, the report noted.



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