Majority of US expats feel neglected by American government, survey finds

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by RAY CLANCY on SEPTEMBER 5, 2017

The majority of American expats do not believe that their interest are fairly represented by the United States Government, a new poll has found, a rise of 5% compared with the same survey in 2016.

Overall 88% say they are not represented and the research from expat tax firm Greenback, also found that many are not happy with the US tax filing requirements and would welcome a change.



Some 66% of US expats surveyed do not feel that they should be required to file a US tax return while living abroad.



Just over half, 57%, of US expats would support an initiative to repeal FATCA, the 2010 law that requires all American taxpayers to report foreign financial accounts and offshore assets.

The research also found that a minority, 10%, said they're seeking a new bank because their foreign financial institution doesn't want to deal with US citizens, down 2% from 2016.

Giving up their US citizenship has been considered by expats who are fed up with the rigorous tax rules and the survey found that 43% are not currently considering it but wouldn't rule it out while 19% are seriously considering it but haven't made a decision yet.

However, 5% are already planning to renounce their US citizenship and 50% of those considering or planning renunciation cite the burden of US tax filing requirements as the reason, up 13% from 2016.

The 2017 survey also asked expats about last year's presidential election and voting when abroad. It found that while 73% had intended to vote but only 64% actually did so. Of those who didn't vote, 36% said it was because they didn't feel any candidate represented their interests, up from 26% in 2016 and 8% in 2015.



Some 28% said that they didn't know how to vote while living abroad or thought it was too complex to do so, 20% felt their vote would not make a difference and 13% believed that voting as an expat was not important

According to David McKeegan, co-founder of Greenback Expat Tax Services, the poll results indicate that expats are not huge fans of President Donald Trump. 'Reports have shown that in the last quarter of 2016, the time period coinciding with the election of Donald Trump to the US Presidency, nearly double the amount of people renounced their citizenship as compared to the same period in 2015,' he said.

He explained that when asked how the result of the 2016 presidential election affected their thoughts on renouncing their US citizenship, some 48% said it had made them somewhat more likely to renounce and 18% cited it as a major factor contributing to their decision.

The top three actions that American expats would like addressed by the US government are the repeal of citizenship based taxation, a simplification of the tax filing process and an increase in the Foreign Earned Income Exclusion and other deductions/credits to lower the tax burden.

'Many interesting insights surfaced in this year's survey, but perhaps the most alarming data points to the drop in expat voter turnout and the potential effect that it may have had on the 2016 US presidential election,' said McKeegan.

'The data shows an ongoing trend toward citizenship renunciation with the new presidential administration seemingly contributing to expats' decision to renounce. The vast majority of expats don't feel their interests are fairly represented by the US government and continue to be frustrated by the obligations of citizenship based taxation and the burdensome tax filing process,' he pointed out.

'This year's survey once again reinforces the fact that only a small percentage of Americans abroad feel their needs are acknowledged and advocated for. Government leaders should be equally taking into account the interests of all Americans, regardless of where they're currently living and working, not just because it's the right thing to do as the expat voice is strong enough to sway an election,' he concluded.