

Survey Finds Expats Indicate They Want Tax Change, but are Unaware of Potential Changes Ahead

 finance.yahoo.com/news/survey-finds-expats-indicate-want-tax-change-unaware-110000813.html

Leading expat tax preparation service's survey results conclude that US expats want change, but are unsure what changes are currently looming and how it will affect them. The majority of respondents state that they do not feel fairly represented by the US government and find the effort and money that it takes to file each year to be a burden.

, /PRNewswire-PRWeb/ -- Nine million US expats live and work abroad, but since they retain US citizenship, they also retain their federal tax reporting requirements. Each year, Greenback Expat Tax Services conducts a survey to better understand the attitudes of this remote population. From late March to May 2019, Greenback Expat Tax Services received input from over 3,100+ US expats.

Overall, expats expressed that the taxation requirements should be simplified or lifted altogether, that they are subject to unfair treatment, and that their interests are ignored by the government their taxes continue to support.

49% of respondents stated that the number one issue that the US government can do to help Americans living abroad is to repeal citizenship-based taxation, however 74% of those surveyed are not aware of the potential changes ahead with the Tax Fairness for Americans Abroad Act of 2018, which is a bill that would exempt foreign income earned by US expats from taxation.

Citizenship renunciation remains a major consideration for expats. Of the 3,100+ expats surveyed, 5% are planning to renounce their citizenship — for comparison nearly equivalent to 3/4 of the state of Wyoming. A further 21% are seriously considering renouncing their US citizenship (up from 17% last year) — roughly the population of New Mexico. 41% are not currently considering renunciation but would not rule it out.

Of those who are contemplating giving up their citizenship, 39% are doing it because of the tax burden imposed on US citizens. 17% said it was because they are disappointed in the direction of the US government.

6% of expats were not familiar with FBAR (Foreign Bank Account Reporting). If our survey data is representative, that could mean over half a million expats are at risk of prosecution for failing to comply with requirements of which they were not aware. This includes facing

civil monetary penalties, up to \$12,921 per violation judged to be non-willful. And for willful violations, the penalty may be \$129,210 or 50% of the balance in the account – whichever is higher.

A massive 89% of expats believe that they are not fairly represented by the US government, up 3% from last year. This is important to note because although it is not a major election year, expat votes will play an important role in 2020.

41% of expats are in some way impacted by FATCA (Foreign Account Tax Compliance Act), and 20% did not know what it was. Though the thresholds for FATCA requirements are much higher for Americans living abroad, over a third of expats continue to be affected. The range of ways FATCA can affect expats can be anything from having trouble finding a local bank to work with to losing access to business bank accounts because the company does not want its balances reported to the IRS.

For the fourth year in a row, our data suggests that the vast majority of US expats do not feel that their interests are fairly represented by the US government. The fact that they still have to file Federal Tax Returns each year feels like an unsolvable problem to some. Many voiced their desire to have a political leader represent them as a collective group, similar to other countries with representatives for those who live outside the country.

Greenback Expat Tax Services makes life better for Americans living abroad by aiming to take away the anxiety and hassle surrounding US expat taxes. Greenback understands that filing US taxes while overseas can be daunting, but Greenback was founded on the belief that it doesn't have to be that way. Greenback's expat-expert CPAs and IRS Enrolled Agents help expats navigate a complex system in a way that makes sense for their individual situation. Contact us at [info\(at\)greenbacktaxservices\(dot\)com](mailto:info@greenbacktaxservices.com). You can also visit us at <http://www.greenbacktaxservices.com>

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