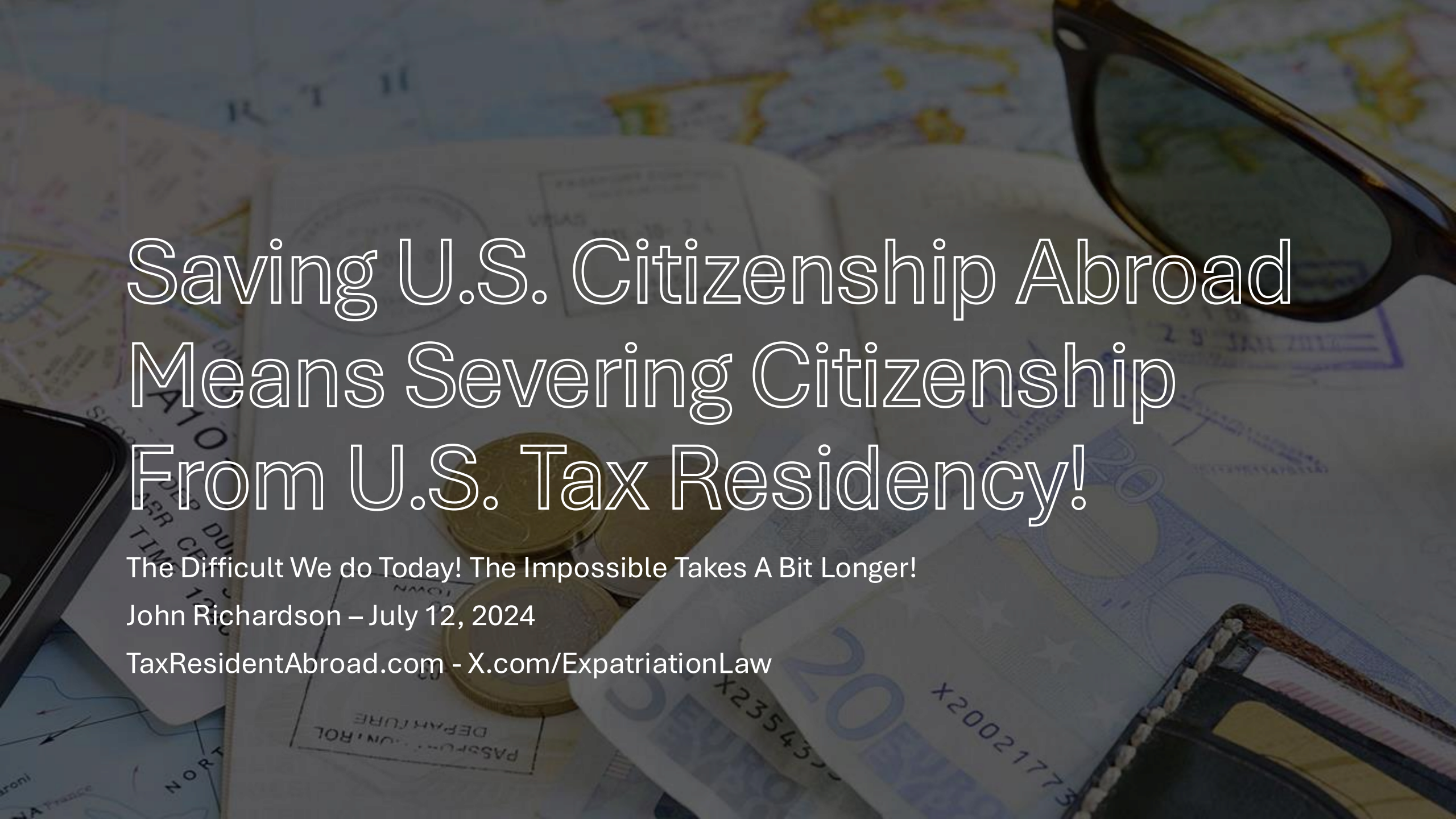

Saving U.S. Citizenship Abroad Means Severing Citizenship From U.S. Tax Residency!

The Difficult We do Today! The Impossible Takes A Bit Longer!

John Richardson – July 12, 2024

TaxResidentAbroad.com - X.com/ExpatriationLaw

Ending citizenship taxation means completely severing "citizenship" from "tax residency"

Q. Does a tax system that is based on the residency of the taxpayer and the source of the income mean that "citizenship" has been "severed from tax residency"?

A. **Not necessarily.** The "Foreign Earned Income Exclusion" is a tax provision that is based on "residency" and the "source" of the income. Yet it is completely consistent with the current U.S. system of citizenship taxation. The FEIE is NOT about WHO is taxed. It's about HOW a U.S. citizen is taxed.

Citizenship taxation ends ONLY when citizenship is severed from tax residency. Citizenship is irrelevant to taxation!

(Only Eritrea and the United States make "citizenship" a sufficient condition for tax residency.)

U.S. citizenship taxation is a cancerous tumor. The question is:

- Do we work to remove the tumor forever?

- Do we work to treat the tumor and make the symptoms less destructive?

Most everybody agrees that the tumor is a serious problem.

The disagreement is over whether to remove the tumor for good or treat the symptoms!

Hint – Let's consider the following statement from the U.S. Ambassador to Switzerland in July 2024

To understand why the only thing that will save Americans abroad is to demand a COMPLETE severance of U.S. citizenship from U.S. tax residency see this announcement from Ambassador Miller:

https://x.com/USEmbassyBern/status/1811415516797403559

Justice For "U.S. Persons Abroad" - A Trip Down Memory Lane

Prologue
2009 –
Change you
can believe
in!

Circa 2011 – The Obama Administration Launches The FBAR Fundraiser (and OVDI)

The IRS, the media, the tax compliance industry and U.S. based lawyers participated in a "reign of terror" targeting ALL "U.S. citizens living outside the United States.

There were almost no professionals (lawyers, accountants or academics to go to bat for Americans abroad (there still aren't).

In December 2011 the Isaac Brock Society was formed as a place for learning, understanding, advice and emotional comfort.

http://isaacbrocksociety.ca/2011/12/12/we-cant-trust-the-irs-but-can-we-trust-the-accountants-and-lawyers/

In 2011 there was no discussion of change, only of survival! But anti-FATCA lawsuits were forming!

But, the Isaac Brock Society spawned other groups and individuals who individually and collectively have aided in understanding the problems and providing the background research to justify change:

- **Alliance For The Defense Of Canadian Sovereignty (FATCA Canada lawsuit)** https://adcsovereignty.wordpress.com/the-summary-trial-book-of-posts/
- **Republicans Overseas – FATCA Legal Action** Lawsuit https://adcsovereignty.wordpress.com/2015/09/30/judge-rose-denies-plaintiffs-application-for-injunction-in-the-bopp-fatcalegalaction-com-lawsuit/
- **John Richardson – Citizenship Solutions –** https://www.CitizenshipSolutions.ca

FATCA IGAs implement July 1, 2014 – Video of excerpts of testimony before CDN Parliament

Organized opposition and research from groups

- 2017 Republicans Overseas - FATCA Hearings in Congress http://isaacbrocksociety.ca/2017/04/30/impressions-of-the-repmarkmeadows-april-2617-fatca-hearing-in-washington-dc-opportunity-to-make-case-to-end-taxation-based-citizenship/
- 2018 Republicans Overseas - Holding Bill - http://citizenshipsolutions.ca/2018/12/20/as-2018-draws-to-a-close-congressman-holding-introduces-fair-taxation-for-americans-abroad-act/
- 2020 SEAT Formed https://www.SEATNow.org (large number of research papers, submissions, etc.)
- Laura Snyder – many papers - https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=206379
- Rebecca Lamers – Democrats Abroad Tax - https://www.democratsabroad.org/taxation

Surveys From SEAT and Democrats Abroad

SEAT - http://seatnow.org/survey_report_intro_page/

Democrats Abroad Taxation Task Force - https://www.democratsabroad.org/2022_report

American Citizens Abroad

American Citizens Abroad "RBT" proposal - https://www.americansabroad.org/aca-publishes-detailed-descr-of-its-rbt-proposal-and-announces-coalition-to-score-rbt-proposal

"Some" - Facebook groups, Blogs, Twitter profiles, Podcasts, Individuals, etc

- Isaac Brock Society – https://www.isaacbrocksociety.ca
- Keith Redmond – American Expatriates – https://www.facebook.com/groups/AmericanExpatriates
- Alliance For Defense Of Canadian Sovereignty – https://adcsovereignty.wordpress.com
- Karen Alpert – Fix The Tax Treaty - https://www.facebook.com/groups/fixthetaxtreaty
- Karen Alpert – Fix The Tax Treaty – https://www.fixthetaxtreaty.org
- Patricia Moon – Citizenship Taxation – https://www.citizenshiptaxation.ca
- The Late Lynn Swanson - Maple Sandbox – https://www.MapleSandbox.ca
- John Richardson – Citizenship Solutions – https://www.citizenshipsolutions.ca
- Greg Swanson – Purple Expat – https://www.purpleexpat.org
- Advocacy for "Accidental Americans" (reduction in renunciation fee lawsuit) - Fabien Lehagre
- U.K. FATCA (GDPR based) lawsuit – Jenny Webster - https://www.forbes.com/sites/taxnotes/2022/02/02/the-fatca-wars-jenny-goes-to-court/
- IRS Medic – Anthony Parent - https://www.youtube.com/@IRSMedic
- Prep Podcaster John Richardson – https://prep.podbean.com

Remembering "The Unsung Heroes Of Life!"

- Too many to list and some have died along the way
- They are the commentors on the blogs, the people behind the twitter accounts and the contributors to Facebook groups
- Too many to list by name, but you know who you are!

Some are recognized here:

https://isaacbrocksociety.ca/2021/12/21/december-2021-brock-turns-10-special-thanks-to-pacifica777-for-her-moderation/

Dramatic increase in tax preparers and financial planners to capitalized on the FATCA and citizenship taxation market

Tax preparers

Financial planners

Renunciation specialists

Etc.

Journalists deserving special credit!

Helen Burggraf – American Expat Finance News Journal

Andreas Kluth – Bloomberg

Kat Jennings – Tax Connections – https://www.taxconnections.com/blog

Organizations that claim to represent the interests of Americans abroad

- American Citizens Abroad ("ACA") - https://www.AmericansAbroad.org - @ACAVoice
- Association of Americans Resident Overseas ("AARO") - @AARO
- Democrats Abroad Taxation Task Force - @DemsAbroadTax
- Republicans Overseas Tax - @RepOverseasTax
- SEAT – Stop Extraterritorial American Taxation - @SEATNow_org

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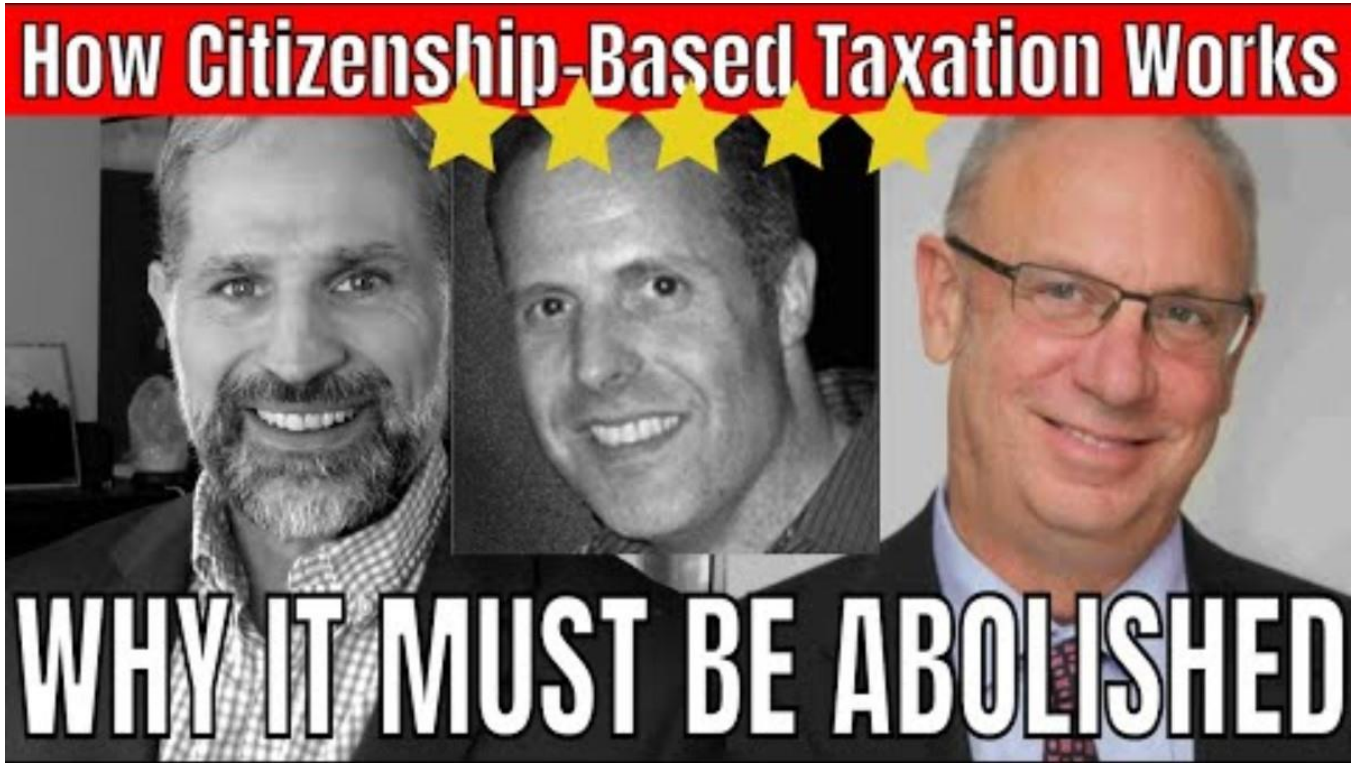
The question is: What is their messaging? What are they trying to achieve? Whose interests do they serve?

It's 2024 – Americans abroad have NEVER been better positioned to demand a change to residence-based taxation! What does that mean?

Ending citizenship taxation requires severing citizenship from tax residency!



July 2024 - Here is the U.S. Ambassador to Switzerland proudly announcing a new FATCA IGA

To understand why the only thing that will save Americans abroad is to demand a COMPLETE severance of U.S. citizenship from U.S. tax residency see this announcement from Ambassador Miller:

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The time has come to

- STOP trying to improve citizenship taxation (something that will help some people, some times, under some circumstances; and
- START encouraging individuals and organization to adopt and focus on the goal of "Severing citizenship from tax residency" which is the ONLY thing that will help ALL people, ALL the time, under ALL circumstances.

ALL U.S. citizens should be freed from the prison of citizenship taxation and they should be leave together!

All groups and individuals should join SEAT and Republicans Overseas in demanding that citizenship be severed from tax residency!

There has NEVER been a better time!

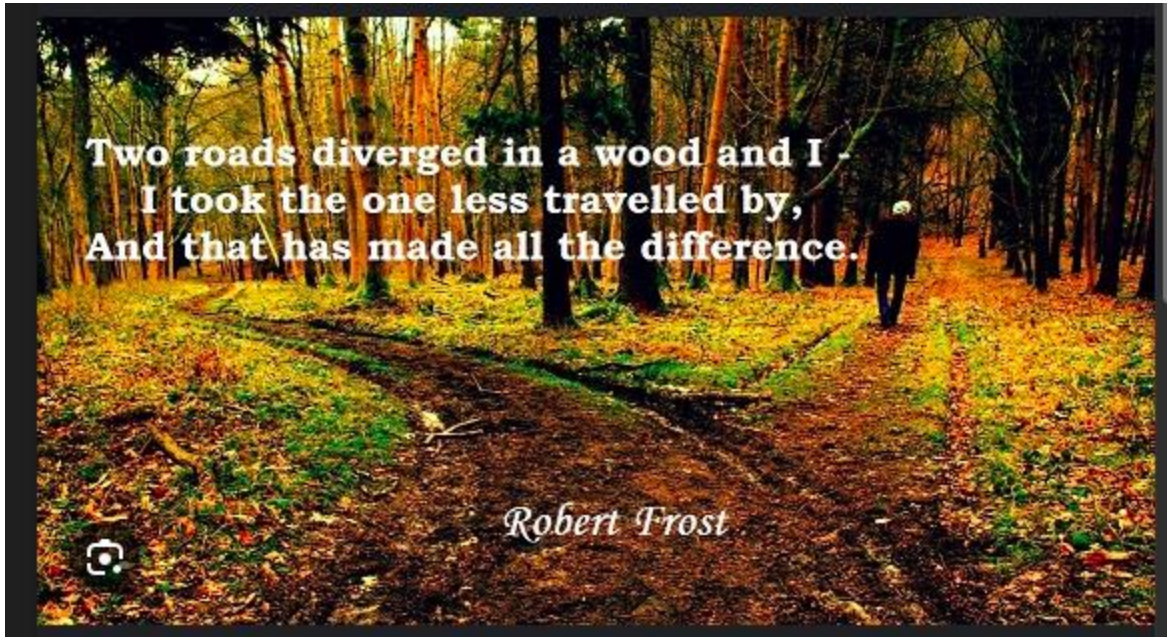
Americans abroad have:

- the resources!
- the groups (if they can be persuaded to adopt the goal of severing citizenship from tax residency!
- A tremendous wealth of individual talent

The real question is whether Americans abroad have the will!

Time to "Join Together" to harness the talent!

Which road should Americans abroad take? Which will be the road not taken?



United we stand! Divided we fall!

It's time to @RemoveTheTumor of citizenship taxation!

It's time for ALL Americans abroad and their groups to:

@RemoveTheTumor of U.S. citizenship taxation.

There is no point in trying to improve the prison of citizenship taxation!

Join @SEATNow_org and @RepOverseasTax in this mission!

John Richardson – July 12, 2024

TaxResidentAbroad.com

SEATNow.org

X.com/ExpatriationLaw