THE FAIRTAX – THE TAX SOLUTION FOR AMERICANS ABROAD
By Jim Bennett

You recently read the story of Yani, an American Citizen living in the U.K. who, for U.S. tax reasons, put all her assets in her British husband's name. All went well until she found herself going through a divorce and had to fight for her share of the assets she contributed but did not legally own.

If legislation pending in Congress known as the "FAIRtax" had been U.S. law, Yani would not have needed to put assets in her soon-to-be ex-husband's name. There would have been neither U.S. income taxation nor FATCA. The U.S. income tax is abhorrent enough for Americans who live in the United States. For Americans abroad, it brings an extra set of unfair burdens.

The Fair Tax Act of 2025, HR25, fixes that problem for Americans abroad. It is a bill in Congress that *replaces* all manner of income, estate, and payroll taxes with a national sales tax on all new tangible goods – no exceptions – sold at retail *in the United States*. For Americans abroad, the income tax becomes a memory. They pay tax only on visits to the United States when they buy items or use services. Income is off limits for the American government, and purchases made outside the United States for use outside the United States are the business of no American authority. To learn more, go to www.fairtax.org.

The dreaded FATCA disappears with the repeal of Subtitle A of the U.S. Internal Revenue Code. For the first time, Americans living outside the United States enjoy the same rights and privileges as any other citizen and resident of their host countries. The United States joins the community of nations that tax only those who live within their borders.

How can Americans abroad make themselves heard in demanding the FAIRtax? Since 1986, overseas Americans have had the right to vote in federal elections. They usually vote in the Congressional District, where they have a nexus.

That right is powerful, forcing Congress members, Senators, and the President to listen. The first sponsor of the FAIRtax, John Linder, said that constituents are the most effective influence on Congress.

The communication process may be challenging because contact through the Congress member's or Senator's website (Senate.Gov or House.Gov) requires a valid address in the district or state. You may have to use snail mail, phone, or, if available, fax. Whatever method you choose, identify yourself as a constituent, ask the Congress member to cosponsor HR25, or ask the Senator to sponsor a companion bill. Then, say why you support the FAIRtax in your own words.

The FAIRtax has the best chance ever of passing because President Donald Trump has said he is no fan of the income tax. President Trump proposes to replace double taxation of overseas Americans, taxes on tips, taxes on overtime, and taxes on Social Security with tariffs. But only the FAIRtax can accomplish all these objectives, and it can coexist with Trump's preference for tariffs. Make President Trump think that the FAIRtax is his idea, and you will see FATCA and citizenship-based taxation go the way of the dinosaur.

Jim Bennett is a board member, secretary, and grassroots director of Americans for Fair Taxation, the organization that sponsors FAIRtax. Jim lived in Germany from 1974 to 1980.