**RESOLUTION IN SUPPORT OF URGENT FEDERAL TAX FILING RELIEF FOR AMERICANS ABROAD IN THE AMERICAN JOBS PLAN (INFRASTRUCTURE LEGISLATION) AND AMERICAN FAMILIES PLAN**

Sponsored by:  Carmelan Polce (DA Australia; Chair, DA Taxation Task Force)

Co-sponsored by: Ada Shen, (DA France, Chair), Joe Smalloover (DA France, International Counsel, Taxation Task Force), Bipin Manuel (DA Australia, Taxation Task Force)

Also supported by: Michael Ramos (DA Australia, Taxation Task Force), DeeDee Gierow (DA Sweden, Taxation Task Force)

Whereas Democrats Abroad celebrates the policy successes and forthcoming legislative opportunities the Biden White House and Democrat-controlled Congress have to improve the lives of all Americans, we also recognize the pressure federal government spending programs are going to place on current and future taxpayers; and

Whereas DA supports the Biden Administration aim of raising additional federal government revenue from those wealthy Americans and U.S. corporations not paying their fair share, and pledge not to raise taxes on those making under $400,000 per annum; and

Whereas DA recognises the actions of the Congress in likewise pursuing policies that treat low income Americans differently from high income Americans as evidenced by income-based eligibility criteria for pandemic aid and negotiations to create an exemption for low-income Americans from the SALT cap; and

Whereas DA reaffirms its belief that misperceptions about the Americans abroad community have resulted in tax policies that cause personal and financial harm to Americans abroad because they result in double taxation of many forms of income and of low-income, elderly and disabled Americans abroad; they create material barriers to banking, saving and investing; and, due to inordinate complexity, they force ordinary, middle class Americans abroad to engage expensive tax return preparers able to contend with the convergence of two (and sometimes more) tax jurisdictions; and

Whereas DA supports a switch from the current system of Citizenship Based Taxation to Residency Based Taxation because it would sweep away most of the tax code injustices that place an unfair burden on Americans abroad;

Whereas DA continues to collaborate with or work in parallel to the other Americans abroad organisations advocating for Residency Based Taxation;

Whereas DA research and analysis indicates most Americans abroad live in countries with an overall tax burden that is higher than the U.S., and they go to a great deal of trouble and expense to file tax returns with the end result showing they owe no U.S. tax; and

Whereas the Biden White House and Democrats in Congress have promised sweeping reforms to international taxation as a part of the American Jobs Plan, which enables DA to present urgent reforms to address the GOP taxes (GILTI) which have devastated many Americans abroad who own small to medium size businesses registered abroad; and

Whereas the focus of the Congress on raising tax revenue from those with the greatest ability to pay, especially those that are currently not paying their fair share, provides DA with an opportunity to present to Congress tax reforms for Americans abroad which benefit working class Americans and have no negative revenue impact; and

Whereas the Biden White House and Democrats in Congress have promised new social programs with targeted support for families as a part of the American Families Plan, expected to pass by the end of the 117th Congress, which enables DA to present reforms that provide filing relief for American families abroad; and

Therefore, be it resolved that in 2021 DA will continue to advocate for a switch to Residency Based Taxation as the most comprehensive reform for resolving grave tax policy injustices; and

Be it further resolved that the DPCA supports the work of the Taxation Task Force to advance tax filing relief for Americans Abroad as part of the American Jobs Plan legislation going through Congress now and the American Families Plan legislation which will succeed it; and

Be it further resolved that DA will present to Congress a proposal to exempt from GILTI taxes Sec 911 bona fide Americans abroad whose income is less than $400,000 per annum; and

Be it further resolved that DA will present to Congress a proposal to exempt from U.S. tax filing Sec 911 bona fide Americans abroad who are compliant with their financial account reporting obligations who owe no U.S. tax; and

Be it further resolved that DA will present to Congress proposals to reform FBAR which: index the reporting threshold for inflation; create a filing threshold for Sec 911 bona fide Americans abroad that is 5 times higher than the indexed threshold; eliminate FBAR and FATCA filing duplication; redress the enormous, out of proportion penalties for non-willfully neglecting to file FBAR reports; and reinstate the option to paper file the FBAR.