



July 24, 2023

The Honorable Ron Wyden
Chairman - Senate Finance Committee
United States Senate
221 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Jason Smith
Chairman - Committee on Ways and Means
U.S. House of Representatives
1139 Longworth House Office Building
Washington, DC 20515

The Honorable Mike Crapo
Ranking Member - Senate Finance
Committee
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Richard E. Neal
Ranking Member - Committee on Ways and
Means
U.S. House of Representatives
1129 Longworth House Office Building
Washington, DC 20515

Re: Discussion Draft of Bill Providing Relief for U.S. and Taiwanese Workers and Businesses from Double Taxation

Dear Chairman Wyden, Ranking Member Crapo, Chairman Smith, and Ranking Member Neal:

We applaud your efforts to strengthen economic ties with Taiwan by passing a bill (the “Discussion Draft”) to relieve double taxation.¹ On July 12 a discussion draft was published on the Ways & Means Committee’s website welcoming comments until July 24, we appreciate the opportunity to submit comments for the record.

¹ [Smith, Crapo, Neal, and Wyden Release Discussion Draft of Bill Providing Relief for U.S. and Taiwanese Workers and Businesses from Double Taxation - House Committee on Ways and Means](#)

We would like to bring to your attention the provisions in the bill that explicitly exclude U.S. citizens from relief including:

- Under the residency tiebreaker provisions, Taiwanese citizens are relieved from double taxation while U.S. citizens resident in Taiwan are not provided the same protections.
- Relief as provided under Article 17 Paragraph 2 of the Model Income Tax Convention of 2016² largely fails to provide relief from double taxation and onerous reporting requirements for pension plans.

More broadly, we would like to remind you that there are an estimated nine million Americans living outside the U.S.³ who suffer from many outdated stereotypes, including:

- “Only rich Americans live overseas”: Research shows that the overwhelming majority are working- or middle class.⁴
- “Citizens move to evade taxes or launder money”: Most moved for family or work.⁵

Thank you for the opportunity to provide our suggestions and to point out, once again, the unfair, unnecessary, and unproductive obstacles that Americans living abroad face.

Sincerely,

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Democrats Abroad
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Rebecca Lammers
Chair, Taxation Task Force
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² [United States Model Income Tax Convention 2016 \(treasury.gov\)](https://www.treasury.gov/publications/2016/01/United%20States%20Model%20Income%20Tax%20Convention%202016)

³ The U.S. Department of State's Bureau of Consular Affairs. (2020, January). Consular Affairs By The Numbers. Retrieved April 5, 2022, from <https://travel.state.gov/content/dam/travel/CA-By-the-Number-2020.pdf>

⁴ Democrats Abroad. *Tax filing from abroad - 2019 Research on Non-Residents and U.S. Taxation*. Page 4. Retrieved April 5, 2022, from <https://democratsabroad.atlassian.net/wiki/download/attachments/4257416635/Tax%20filing%20from%20abroad%20-%202019%20Research%20on%20Non-Residents%20and%20US%20Taxation.pdf?api=v2>

⁵ Democrats Abroad 2022 Tax Report titled *Once Uncomfortable, Now Suffocating: A 2022 Update on Tax and Financial Access Issues of Americans Abroad* https://www.democratsabroad.org/2022_report

CC:

The Honorable Charles Schumer
Majority Leader
United States Senate
S-224, United States Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Republican Leader
United States Senate
S-230, United States Capitol
Washington, DC 20515

The Honorable Patrick Leahy
President Pro Tempore
437 Russell Senate Bldg
United States Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Speaker of the House
U.S. House of Representatives
Office of the Speaker, United States Capitol
Washington, DC 20515

The Honorable Hakeem Jeffries
Minority Leader
US House of Representatives
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The Honorable Dina Titus
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