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August 1, 2023

***Submission on behalf of
The Association of Americans Resident Overseas (AARO)***

House Committee on Ways & Means
Email to: WMSubmission@mail.house.gov

Re: “Biden’s Global Tax Surrender Harms American Workers and Our Economy,” hearing dated July 19, 2023

Dear Chairman Jason Smith,
Ranking Member Richard Neal,
Tax Subcommittee Chairman Mike Kelly,
Tax Subcommittee Ranking Member Mike Thompson and
Members of the Committee:

Please accept this as our submission with respect to the July 19, 2023, House Committee on Ways & Means Tax Subcommittee Hearing: “Biden’s Global Tax Surrender Harms American Workers and Our Economy.”

We are aware that many members of the House Ways & Means Committee and other members of Congress object to multiple aspects of the worldwide framework for corporate taxation being negotiated under the leadership of the Organization for Economic Co-operation and Development (the Framework).

They object, in part, because the Framework includes taxation that: (1) taxes income sourced outside the country imposing the tax; (2) treats similarly situated persons differently; (3) taxes income as something other than an income tax or treats the income as outside the scope of a tax treaty; and (4) discriminates against Americans.

At the same time, Congress subjects U.S. nationals living in other countries to taxation policies that do each of these very four things.

AARO, an international, non-partisan association, finds these positions to be paradoxical. Since its founding 50 years ago, AARO has advocated for change to the nationality-based U.S. extraterritorial tax system. This system discriminates against U.S. citizens living outside the United States, subjecting them to a tax regime that is more burdensome and punitive as compared both to persons residing in the United States of any nationality and to persons residing outside the United States who are not U.S. nationals. AARO has urged hearings on the topic.

AARO has noted with interest that the international organization Stop Extraterritorial American Taxation (SEAT) submitted a statement to the Committee on July 21, 2023 (the Submission), with respect to the July 19 hearing. AARO endorses the concerns expressed by SEAT regarding the extra-territorial application of U.S. tax laws, as well as SEAT's keen observation that the objections to the Framework of many members of the Committee and other members of Congress also apply to the U.S.' own tax policies, as discussed at length in its Submission. AARO also supports the request for congressional hearings expressed by SEAT in their Submission.

Accordingly, AARO reiterates its own request that the Committee hold hearings focused on the taxation and administrative burdens of U.S. citizens residing outside the United States.

Thank you for your attention.

Respectfully submitted by:



The Association of Americans Resident Overseas:
Doris L. Speer
President

About AARO:

The Association of Americans Resident Overseas (AARO) is an international, non-partisan association formed under the laws of France (Law of 1901) with members from over 40 States living in over 36 countries. AARO seeks fair treatment for Americans abroad by advocating the issues that negatively affect their lives. AARO also informs its members of their rights and responsibilities as Americans. See [AARO](#).