



Republican National Committee

Counsel's Office

RESOLUTION SUPPORTING TERRITORIAL TAXATION FOR INDIVIDUALS (TTFI) REPLACING CITIZENSHIP-BASED TAXATION (CBT)

WHEREAS, Territorial Taxation for Individuals (TTFI) is the implementation of Residence-Based Taxation (RBT), a fair, equitable, and efficient taxation of nine million American citizens living overseas because it taxes each American's worldwide income only once in the country where she actually resides and receives government services; and

WHEREAS, the United States is the only industrialized country in the world that taxes foreign-source income of its citizens living overseas by Citizenship-Based Taxation (CBT), resulting in double taxation; and

WHEREAS, the Foreign Account Tax Compliance Act (FATCA), implemented as a result of CBT, has serious negative consequences:

- The cost of this double-taxation along with tax preparation and compliance costs puts American job seekers at a significant disadvantage to other non-American workers;
- The higher cost to hire overseas American workers causes multinational corporations, even those headquartered in America, to hire fewer Americans and to have less of a connection to America, thus decreasing American exports;
- Banks, both U.S. and foreign, deny access to banking and other financial services to overseas Americans, thus denying employment and investment opportunities and forcing them to choose between U.S. citizenship and their livelihood; and

WHEREAS, the U.S. should tax on the basis of information within the control of the US and its territories and not require or depend on unconstitutional information sharing with other countries around the world; and

WHEREAS, the attached proposal on TTFI was submitted to the House Ways and Means Committee to be included in President Trump's tax reform package, consistent with President Trump's Executive Order 13772 to "enable American companies to be competitive with foreign firms in domestic and foreign markets"; and

WHEREAS, the attached proposal on TTFI is endorsed by Grover Norquist, President, Americans for Tax Reform, stating that "it is vital that any tax reform legislation includes territorially for individuals"; and

WHEREAS, TTFI will enhance the competitiveness of American firms in foreign markets by reducing the cost of expatriate American employees, thus allowing companies to hire more American professionals and managers to work overseas; overseas Americans are the most effective advocates for and exporters of American-made goods and services, and increases in American exports will create more jobs within the U.S.; and

WHEREAS, nine million Americans living overseas are no longer fighting FATCA and CBT alone – 23 national conservative organizations jointly support the repeal FATCA effort.

THEREFORE BE IT:

RESOLVED, the Republican National Committee reaffirms its resolution of August 8, 2014 supporting Residence Based Taxation; and

RESOLVED, the Republican National Committee supports the proposal to the House Ways and Means Committee on January 6th, 2017 regarding “Tax Reform (Territorial Taxation) for Individuals”; and

RESOLVED, the Republican National Committee supports Presidential Executive Order 13772 of February 3rd, 2017, articulating “Core Principles for Regulating the United States Financial System”; and

RESOLVED, the Republican National Committee urges TTFI to be a part of President Trump’s tax reform package.