

**Open Letter to  
President Trump, Treasury Secretary Mnuchin, House Speaker Paul Ryan, House  
Ways and Means Committee Chairman Kevin Brady, and Senate Finance  
Committee Chairman Orrin Hatch**

The United States taxes individuals on the basis of citizenship. In other words, it taxes American citizens on their worldwide income regardless where they reside, the source of their income, whether they are or ever have been present in the US – in short, regardless of anything.

Almost every other country in the world, with the possible exception of the African country of Eritrea, doesn't tax their citizens like this. They tax when a citizen actually resides in that country.

**THE TIME HAS COME FOR THE US TO SWITCH FROM CITIZENSHIP-BASED TAXATION (CBT), WHAT WE HAVE NOW, TO RESIDENCY-BASED TAXATION (RBT), WHICH THE REST OF THE WORLD FOLLOWS.**

Why do this? Because it's the fair thing to do, given that Americans abroad do not use or enjoy the things they would if they lived in the US. Their tax treatment should be put in sync with that of citizens of other countries. Americans abroad are the salesman and promoters for US businesses, especially US exporters, and they should be helped, not senselessly burdened. US exporters, especially smaller exporters, want to hire Americans to sell their products in foreign markets, but if they hire Americans, their costs are inflated because it's common for them to absorb the individual's US tax costs.

Americans abroad will still be subject to income taxes, often high consumption taxes, import duties, and other tax-like charges in the foreign country.

This conversion can be made revenue-neutral. Federal tax revenues need not be diminished.

The disturbing upward trend in numbers of renunciations of US citizenship will be reversed.

Equally important, administration of an RBT system will be simpler for the US government as well as taxpayers.

**NOW'S THE TIME TO MAKE THIS HISTORIC CHANGE.**

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Jonathan Lachowitz, Chairman



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Charles Bruce, Chairman



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Jackson Cox, Chairman



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COUNCIL OF AMERICAN  
CHAMBERS OF COMMERCE

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Martin Naville, CEO



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Grover Norquist, President



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