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Republican Overseas Decries Democrat Plan to Spy on American Bank Accounts

Republicans Overseas decries Democrat plans to spy on domestic Americans' bank accounts and calls on Republican members of the House and Senate to stop this governmental overreach.

Overseas Americans know all too well the horrors of having the US government pry into our personal financial affairs. In 2010, Democrats passed the HIRE ACT. To pay for this legislation, Democrats implemented the Foreign Accounts Tax Compliance Act or 'FATCA'. They estimated that conniving Americans were hiding assets overseas and that assessing overdue taxes and imposing hefty fees on these assets would generate nearly \$100 billion in income. As usual, Democrat math lacked precision: the Joint Committee on Taxation ended up scoring the bill at \$870 million per year.

However, no one knows how much the Treasury's Financial Crimes Enforcement Network has actually taken in through FATCA enforcement, and academics estimate that less than \$100 million USD net may have been recovered. Meanwhile, the 250,000 worldwide foreign financial institutions impacted by FATCA spend an estimated \$60 billion to \$100 billion USD annually in compliance costs.

What makes these institutions comply? Quite simply: penalties. Under FATCA, the IRS can impose a 30% withholding tax on all USD transfers of funds to foreign banks that do not cooperate with the IRS by identifying which of their customers are US citizens. This penalty could cripple a bank, and so banks comply – but they also minimize their risk by reducing their exposure to American citizens.

Overseas Americans often cannot open personal or business bank accounts, arrange or keep their mortgages, or save for retirement. A 2014 study conducted by Democrats Abroad indicated that overseas Americans were forced to close nearly 1 million bank accounts due to FATCA. The survey also showed that more than two-thirds (68%) of checking accounts and nearly half (40.4%) of savings accounts closed had balances of less than \$10,000.

Foreign banks and tax entities are compelled to collect data on overseas Americans down to the transaction level and to share this with the IRS on an annual basis. In the US, unless the Democrats get their way, the government requires warrants to extract this level of information.

But Democrats have long desired to spy on domestic Americans' bank accounts.

In April 2017, Congressman Mark Meadows chaired a hearing in the House Oversight Committee on the [Unintended Consequences of FATCA](#). The Democrat minority witness, Elise Bean, was asked whether the administrative burden imposed on overseas Americans might be eliminated by simply asking foreign banks to provide 1099 forms for overseas Americans. [No, she replied](#): Democrats wanted to extend domestic Americans' 1099 forms to include what FATCA requires. The Biden administration seeks to turn Ms. Bean's tyrannical desire into reality.

The Republican Party, however, has always opposed FATCA and its violation of Americans' rights:

- The RNC passed a [resolution in 2014](#) supporting the repeal of FATCA.
- [Senator Rand Paul](#) introduced legislation in 2015 in the Senate to repeal FATCA.
- The GOP 2016 Platform included the repeal of FATCA (pg. 13, bottom of first column).
- Senator Paul and Congressman Meadows introduced legislation in 2017 in both chambers of Congress to repeal FATCA <https://republicansoverseas.com/rep-mark-meadows-introduces-fatca-repeal-bill/>.
- Republicans Overseas sought [to repeal FATCA through a lawsuit](#) begun in 2014 that eventually reached the Supreme Court in 2018, where it was declined to be heard.
- Congressman Meadows held a Congressional House Oversight Committee [Hearing on the Unintended Consequences of FATCA in 2017](#).

The Republican members of the House Ways & Means Committee will be holding a hearing on September 29, 2021 on the 'Weaponization of the IRS: A Sordid History and the Need for Taxpayer Protections'. Overseas Americans understand this history very well as we have been on the sharp end of the IRS spear for the past decade.

We urge Republicans to resist this latest Democrat assault on our right to privacy and to protect both domestic and overseas Americans from governmental intrusion into our private financial affairs.

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