

1980: Taxes

Senator Daniel K. Inouye Papers
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March 6, 1980

LTC (Rt) Raymond E. Burke
Drawer 425
Hilo, Hawaii 96720

Dear Colonel Burke:

I appreciated the opportunity to be of assistance and am glad to learn that you will be able to make use of the information on itemized deductions.

It is always nice to receive a letter of thanks.

Aloha,

DANIEL K. INOUE
United States Senator

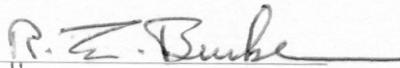
DKI:vqbf

Dear Senator:

02-27-80

I received vol. 126, no. 17, checklist of itemized tax deductions yesterday. The information is both interesting and useful. Thank you.

Sincerely,



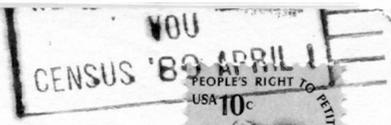
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Rm. 105, Senate Office Bldg.,
Washington, D.C. 20510

EL:pt-----
TAXES
1 Federal

May 14, 1980

Mr. Earl Fuller, Director
Fuller & Kinnaird Associates Ltd.
P.O. Box 1272, Bangkok G.P.O.
Bangkok, Thailand

Dear Mr. Fuller:

I am acknowledging receipt of your recent letter expressing your support for the reform of the taxation of Americans working overseas.

I am in full agreement with you that all evidence supports a change in the current law. Studies by the GAO and the President's Export Council have confirmed that the United States is unique among industrial countries in its tax policies and that it is important to have American citizens stationed abroad.

As you may know, the Senate Export Caucus, of which I am a member, will shortly be submitting a national export policy act which will include an amendment to sections 911 and 913 of the Internal Revenue Code. I am hopeful that this Congressional initiative will stimulate the Administration to support legislation to amend these sections to encourage the further use of American businessmen abroad.

Thank you for writing and giving me the benefit of your views.

Sincerely,

DANIEL K. INOUE
United States Senator

DKI:elp



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17th April 1980

The Honorable Daniel K. Inouye
United States Senate
Washington, D.C. 20510

Dear Senator Inouye:

I am an American citizen working overseas and have been abroad for many years, I must tell you I am very deeply concerned about the adverse affect that the U.S. legislation has on U.S. Trade abroad.

For over 20 years I have been in business for myself representing American Firms as listed on the above letterhead, until I was forced to take a Third Country National.

One of the greatest problems we American Businessmen face today overseas; what is happening to U.S. business abroad due to the tax laws applicable to Americans forcing my company and most American companies to employ third country nationals abroad and forcing me and other small businessmen in Asia to return to the States, leaving the business to the third country nationals.

Most U.S. Engineering Firms and Major Oil Companies are replacing their American Engineers and Major Oil Company Managers with third country nationals. The amount of third country nationals running U.S. companies has increased dramatically in the past three years, our awareness of the strong part the third countries have on our U.S. business abroad is alarming, we appeal to you for help as the engagement of third country nationals is resulting in loss of the U.S. share of overseas business because third country nationals would naturally specify equipment manufactured in their home country giving the business to the third country, therefore, our country is non-competitive to the third country as we are in no position to compete.

5-11-80
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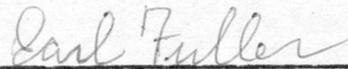
The United States is very definitely the only major trading country in the world that taxes its citizens on their earned income residing and working abroad and this law is forcing many companies as I have pointed out to employ third country nationals which I have also done.

Practically all American companies in Thailand today are managed by Third Country Nationals, this is also the case in many of the countries we operate in which is all of South East Asia and the trend is still going on.

We ask your support for legislation to reduce the trade imbalance and give American Business and equal position with its competitors overseas similar to that offered by Senators Bentsen and Chafee and Representative Frenzel which would totally exclude all foreign earned income from taxation in the United States in order to achieve at least a partial equalization with our competitors.

Hope you will go along with us on this issue, I am

Respectfully yours,



Earl Fuller, Director
FULLER & KINNAIRD ASSOCIATES LTD.

EF:ch

P.S. As a matter of interest I wonder how much income tax is collected from Americans abroad versus how much it cost to maintain IRS offices abroad, and the IRS collecting the tax from us in the U.S.A.

BUSINESS

Tax break for US workers abroad urged

WASHINGTON — A tax break for Americans working outside the United States was urged on Tuesday by Reubin Askew, President Jimmy Carter's top man on international trade.

It would be one way, he said, to help reverse the decline of the United States in its position as a world trader. He put the present system of taxation at the top of his list of "export disincentives."

Emphasizing that he spoke for himself and not for everyone in the administration, he said:

"The current provisions discourage Americans from competing in foreign markets and encourage those Americans who do compete to hire non-Americans to work for them. Neither of these results is in our national interest."

Askew was speaking to the Chemical Manufacturers' Association. Queried after his speech, he said the US Government is being "penny-wise and pound-foolish" on this tax issue. Firms operating outside the United States, he said, have to send out enough managers to support their growth and he made it clear that he feels the tax provisions discourage them from doing so.

But he said he sees no chance for a change in the present system unless there is a general tax bill before the US Congress. Carter has opposed a general tax cut. Several bills have been introduced in Congress to help

Americans living abroad, but no hearings have been scheduled on any of them.

Under the present system, Americans resident in other countries pay taxes on the income they get from the United States, subject to special deductions for increased living costs in other countries. But many other governments collect no taxes at all on their citizens working away from their native land.

Many American companies have found that they have to compensate their employees for the extra tax burden if they want them to take jobs outside the United States. They have lobbied heavily to get the law changed.

The reference to taxes was one of two points that drew applause during Askew's speech. The other came when he promised to use all US rights under international agreements to get trade concessions from Western Europe, in return for the decision to let Britain limit its imports of American synthetic yarn.

"We hope we can reach agreement with the Europeans on compensatory concession," he said, "primarily in the same product sector, and thus offset the trade damage to the United States. If not, we will pursue our rights under the GATT, which allow us to suspend the application of substantially equivalent concessions or other obligations to the trade of either the United Kingdom or the European Community." — AP