

## **Congressional Challenge to FATCA Brewing Out of Louisiana Congressman's Letter to Treasury Secretary Geithner**

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*[This post is the third in a series discussing the Foreign Account Tax Compliance Act (FATCA) and its impact upon foreign investment and development in South Florida and the United States as well as efforts both locally and in other countries to stop FATCA.]*

To recap, **FATCA** was passed as part of President Obama's jobs bill, the HIRE Act of 2010. What FATCA does is attempt to curtail perceived tax evasion through new regulatory requirements on *foreign* banks and financial institutions. In sum, the federal government has instituted requirements through FATCA that require foreign financial institutions to assist them in identifying U.S. taxable assets in other countries through such things as providing details regarding accounts at their institutions that are held by Americans.

For details about what FATCA is requiring of foreign banks and financial institutions, read the second post in our series.

### **Congress House Ways and Means Committee Begins Investigating Impact of FATCA**

On September 27, 2011, Congressman Charles Boustany (R-La) wrote a letter to the Secretary of the Treasury Department (i.e., the boss of the Internal Revenue Service) in his official capacity as the Chairman of the Oversight Committee of the Ways and Means Committee of the House of Representatives. The letter officially challenges the wisdom of FATCA and seeks to place a hold on things at the minimum.

Boustany gives Secretary Timothy Geithner a month to respond to the letter. Surfing the web this morning, we could not find any response by the Treasury Department - or the Executive Branch - to Congressman Boustany's correspondence.

### **Congress Oversight Subcommittee Demands IRS Revisit Impact of FATCA**

Boustany, in his role as a Committee Chairman, has officially asked the Internal Revenue Service to stop implementation of FATCA in the form of IRS regulations and instead, to provide Congress with facts and figures to support not only its policy goals but its authority under the law to take these actions.

*His October 11, 2011, deadline is getting close to 60 days old. What will happen next? We don't know.*

### **Read Boustany's letter here.**

[Thanks to New Zealand reader Marvin Van Horn for letting us know about Congressman's Boustany's letter and giving us the expat's perspective on this issue. More on expats later in this series.]