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Republican Party to Vote for Repeal of US Anti-Tax Dodging Law

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By Patrick Temple-West

The Republican Party is expected to approve a resolution this week, calling for repeal of an Obama administration law that is designed to crack down on offshore tax dodging.

In what would be the party's first appeal to scrap the law — the Foreign Account Tax Compliance Act (FATCA) — a panel was slated to vote at the Republican National Committee's (RNC) winter meetings in Washington, likely approving the resolution on Friday, according to party members driving the repeal effort.

If adopted, the anti-FATCA resolution would reflect the party's political priorities for the time being but would not change its presidential campaign platform, according to the RNC.

Approved in 2010 after a tax-avoidance scandal involving a Swiss bank, FATCA requires most foreign banks and investment funds to report to the U.S. Internal Revenue Service information about U.S. customers' accounts worth \$50,000 or more.

Criticized by banks, libertarians and some Americans living abroad as a costly and unneeded government overreach, FATCA is on the books, but its effective date has been delayed repeatedly, with enforcement now set to start on July 1.

Repeal seems unlikely, but more political heat from Republicans could further complicate and delay implementation, said financial industry lobbyists.

Moreover, Republicans are eager to use FATCA as a campaign and fundraising issue against Democrats ahead of the congressional mid-term elections in November, RNC members said.

"I see FATCA just like Obamacare," said Solomon Yue, an RNC official from Oregon who is leading the party's FATCA repeal effort. "It will attract American overseas donors."

Defending the law, Treasury Department spokeswoman Erin Donar said in a statement: "FATCA continues to gain momentum and international support as we work with partners around the world to fight offshore tax evasion."

Republican Senator Rand Paul last year introduced legislation to repeal parts of FATCA, citing privacy concerns.

Daniel Mitchell, a senior fellow at the Cato Institute, a libertarian think tank, said: "It's hard to imagine an issue this obscure playing a visible role in elections ... It is making overseas Americans far more sympathetic to (Republicans) and could have an impact on fundraising."