



September 12, 2011

The Right Honourable Stephen Harper, P.C., M.P.  
Prime Minister of Canada  
House of Commons  
Ottawa ON K1A 0A2

Dear Prime Minister,

I am writing to express my concern about current U.S. tax and foreign bank account laws and the recent 'tax crackdown' by the Internal Revenue Service as it applies to Canadian citizens born in the U.S.

It is my understanding that the United States government wishes to ignore the fact of Canadian citizenship in pursuing naturalized Canadian citizens who were born in the U.S. Recently, the U.S. has required Canadians born in the U.S. to file annual federal income tax returns on their financial accounts in Canada, which are considered offshore accounts under the Bank Secrecy Act. I also understand that they face exorbitant penalties for failing to report the balances of these accounts even if they have no income tax owing to the IRS.

The Canadian oath of citizenship does not require renunciation of previous citizenships. If it did, many, if not most, naturalized Canadians would have renounced U.S. citizenship. In my own case, for example, I have lived my entire adult life in Canada. I would have taken any citizenship oath to be fully engaged in the life of my country of choice.

Clearly, any Canadian born in the U.S. with earnings in the U.S. or living part time in the US should file tax returns and pay U.S. taxes. However, as our Prime Minister, I hope you will stand up for Canadian citizens who are neither working nor representing any burden to the US governmental system.

Many of my constituents have written to me to express their concerns about the penalties levied by the IRS for non-compliance in this matter. They also express their outrage about the changes contained in the Foreign Account Tax Compliance Act (FATCA), set to come into effect in 2013, which would see Canadian financial institutions required to divulge the confidential account information of dual Canadian-U.S. citizens to the IRS. The majority of these people have spent their lives working and paying taxes in Canada, and were unaware that these laws

applied to them. Many are faced with the loss of substantial life savings due to the fines being levied against them and claim that they cannot avoid the penalties by retroactively filing tax returns. If this were not enough, they are now faced with the prospect of further intrusion into their lives as represented by FATCA.

This is not acceptable. Given that these U.S. laws were intended to combat tax evasion by those sheltering wealth abroad, it is imperative that we make distinctions for hardworking Canadians. If we are interested in the equality rights of all Canadian citizens, we ought to inform U.S. authorities of the wrongheadedness of these policies. FATCA takes everything that is wrong with the current laws and deepens the hardships they impose on those Canadian citizens who are adversely affected. The impact of the draconian moves by the U.S. government could significantly impact the Canadian economy by driving thousands of Canadians, who happened to have been born in the U.S., into bankruptcy. These moves are in no one's interest.

On behalf of my constituents, I respectfully request that the federal government advise their U.S. counterparts that these policies are an unacceptable intrusion into Canadian sovereignty, and work to develop an arrangement that would mitigate the effects of current U.S. tax laws that unjustly target honest Canadian citizens.

I look forward to hearing from you on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Elizabeth May".

Elizabeth May, O.C., M.P.  
Member of Parliament for Saanich - Gulf Islands

cc: Hon. Jim Flaherty and Hon. John Baird