

As a dual US/American citizen I would like to strongly advise that the treaty be looked at for revision. The treaty does not cover Superannuation and Australia has not attempted to stand up for the interests of their citizens. It severely and adversely impacts retirees who enjoy tax free income in Australia from their super accounts once in pension mode and yet owe US tax on this income because the US does not see Super accounts as retirement accounts. Some investments in Super accounts are not only taxed by the US but are taxed prohibitively as PFIC investments. Why Australia stands by and allows income which was meant to be spent for Australians in retirement (to keep them off of Australian government pensions) to be sent overseas into the coffers of another government seems incomprehensible to me.

As an individual the reporting requirement for Super accounts for US tax purposes has consumed countless hours of my time and many thousands of dollars in accounting fees and tax owed. The treaty should be revised to adequately account for Super as a retirement vehicle and to be treated as similar US based retirement schemes which are taxed concessionally. I understand that Australia cannot change the fact that the US insists on citizen based taxation. However, surely Australia can stand up and make sure that their systems are respected and recognised by the US. There are submissions by Fix the Treaty organisation chaired by Karen Alpert which explains the finer details of what we would like you to look at which have been sent to you. I just wanted to add my individual voice to this and hope that progress can be made.

Kind regards,
Heidi Sturm