



Rebekha Sharkie MP

Federal Member for Mayo



Our Ref: RS16333

11 December 2017

Mr Carl Greenstreet

Dear Mr Greenstreet

EXTRA-TERRITORIAL REACH OF US TAXATION

Thank you for your email and supplying me with the letter sent to the Prime Minister that raises concerns about the increasing reach of extra-territorial taxation from the United States.

I share your concerns that Australians who also happen to be citizens of the United States are increasingly being unfairly penalised compared to other Australian citizens.

As a result, I have written to the Treasurer to directly raise these concerns. Please find a copy of that letter enclosed*. I look forward to sharing the Treasurer's response with you.

Yours sincerely

REBEKHA SHARKIE MP
Federal Member for Mayo

*Encl.

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The Hon Scott Morrison MP
Treasurer
House of Representatives
PO Box 6022
Parliament House
CANBERRA ACT 2600

Dear Treasurer

EXTRA-TERRITORIAL REACH OF US TAXATION

I am writing on behalf of citizens and residents from my electorate who are also citizens of the United States and are concerned about the increasing burden they are facing due to extra-territorial taxation from the United States.

As I understand it, current drafts of *The Tax Cuts and Jobs Act* in the United States could potentially allow the Internal Revenue Service of the US Government to collect a significant proportion of retained earnings of small Australian corporations controlled by Australian-US dual citizens. This would be in addition to the existing double-taxation challenges already faced by US citizens who are Australian residents or citizens.

For further context, I have enclosed a copy of a letter to the Prime Minister supplied to me by advocates from 'Let's Fix the Tax Treaty!'*

Can you please kindly advise how the Australian Government intends to address and minimise this potential concern created by *The Tax Cuts and Jobs Act*?

Can you also please advise what arrangements the Federal Government has in place to reduce the burden of double-taxation faced by US citizens who are Australian citizens or residents?

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Further, what benefits does the Australian Government and taxpayer receive as a result of these arrangements?

Thank you for your assistance in this matter.

Yours sincerely



REBEKHA SHARKIE MP
Federal Member for Mayo

Cc: Secretary, 'Let's Fix the Tax Treaty!'

*Encl.