

# Congress of the United States

Washington, DC 20515

October 23, 2024

The Honorable Daniel Werfel  
Commissioner  
Internal Revenue Service  
1111 Constitution Avenue, NW  
Washington, D.C. 20224

Dear Commissioner Werfel:

We write on behalf of the estimated 9 million U.S. citizens who live outside of the United States. U.S. citizens are required to file a tax return with the Internal Revenue Service (IRS) annually regardless of how long they have lived outside of the country, even when they have no U.S. sourced income. While the IRS provides support for domestic taxpayers through resources like the Taxpayer Assistance Centers, the Volunteer Income Tax Assistance program, the Tax Counseling for the Elderly program, and Low Income Tax Clinics, no equivalent support is provided for any of these services for taxpayers abroad.

The only support provided by the IRS is a single, international phone line that is not toll free and is only able to answer basic questions.<sup>1</sup> While this is better than nothing, long wait times often mean that overseas taxpayers are charged high rates for international calls that do not yield much help. Since 2019, the IRS has recognized taxpayers abroad as an underserved community, yet has not taken any steps to expand services or address the insufficient support for our unofficial ambassadors representing our country around the world.<sup>2</sup>

Given the IRS' extremely limited assistance for taxpayers abroad, many have to pay for professional tax preparation services to maintain compliance. Research indicates tax preparation fees are up to ten times more expensive for Americans abroad compared to domestic taxpayers.<sup>3</sup> While in many cases taxpayers abroad owe nothing to the IRS, as they pay a higher tax rate in their country of residence, taxpayers often say that expensive tax preparation fees feel like a tax in and of themselves. The high cost of basic tax preparation for compliance is not sustainable for the vast majority of Americans who reside overseas. In 2021, IRS data confirmed that 80% of tax returns filed from abroad had an adjusted gross income of \$100,000 or less.<sup>4</sup>

Existing options like the IRS Free File program remain insufficient for low-income taxpayers abroad. Most Free File providers do not accept non-U.S. phone numbers or addresses so taxpayers abroad are unable to set up an account on their website from the start. Most also do not accept a Non-Resident Alien spouse when married filing separately, one of the most common

---

<sup>1</sup> IRS, *Help with tax questions- International taxpayers*, <https://www.irs.gov/help/help-with-tax-questions-international-taxpayers#:~:text=You%20can%20use%20the%20following,international%20callers%20or%20overseas%20taxpayers>.

<sup>2</sup> US Treasury Department, *Services to Underserved Communities Have Been Ongoing; However, an Agencywide Strategy Has Not Been Developed*,

<https://www.taxnotes.com/research/federal/other-documents/treasury-reports/irs-lacks-strategy-to-reach-underserved-communities-tigta-says/7gv66>.

<sup>3</sup> Taxpayer Advocate Service, *1011 Annual Report to Congress- Overseas Taxpayers*, [https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2023/01/ARC22\\_MSP\\_10\\_Overseas.pdf](https://www.taxpayeradvocate.irs.gov/wp-content/uploads/2023/01/ARC22_MSP_10_Overseas.pdf).

<sup>4</sup> IRS, *Tax Year 2021 Historic Table 2, Other Areas*, <https://www.irs.gov/statistics/soi-tax-stats-historic-table-2>.

filing statuses for Americans abroad. The software options available through Free File do not meet the most basic filing needs for a non-U.S. resident.

Last tax cycle, more than 140,000 taxpayers in 12 states took advantage of the inaugural Direct File Pilot program. Taxpayers claimed more than \$90 million in refunds and saved an estimated \$5.6 million in tax preparation fees on their federal returns. Users of Direct File reported high satisfaction with the program and an average wait time of less than one minute to be connected to a live chat for assistance.

We appreciate IRS efforts to expand Direct File to as many taxpayers as possible by integrating with state tax authorities and expanding access to more states and more complex filing situations. Most taxpayers abroad do not have a state filing and only have to file a federal return. Expanding Direct File to allow access for taxpayers abroad would demonstrate the IRS' commitment to providing free, fast tax preparation options to as many taxpayers as possible, using technology to scale customer service, and assisting historically underserved populations like Americans abroad.

For these reasons, we urge the IRS to expand the Direct File program to include the following features as soon as technically feasible:

- Accept non-U.S. addresses and non-U.S. phone numbers; and,
- Accept Form 2555, the Foreign Earned Income Exclusion form, which is the most basic and commonly used form by taxpayers abroad.

We look forward to working with you to ensure that Americans abroad are taken into account as the IRS expands its services. Thank you for your ongoing work to build on the Direct File program for American taxpayers, and your consideration of this important issue.

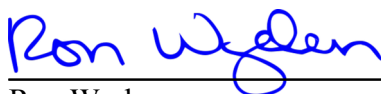
Sincerely,



Dina Titus  
Member of Congress



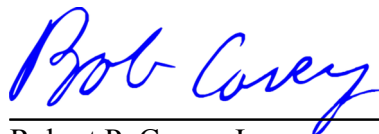
Michael F. Bennet  
United States Senator



Ron Wyden  
United States Senator  
Chairman, Committee on  
Finance



Tim Kaine  
United States Senator



Robert P. Casey, Jr.  
United States Senator



Christopher A. Coons  
United States Senator



Mark R. Warner  
United States Senator



Sheldon Whitehouse  
United States Senator



Kirsten Gillibrand  
United States Senator



Jack Reed  
United States Senator



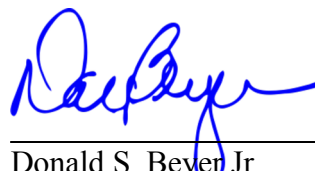
Chris Van Hollen  
United States Senator



John Fetterman  
United States Senator



John Hickenlooper  
United States Senator



Donald S. Beyer Jr.  
Member of Congress



Seth Moulton  
Member of Congress



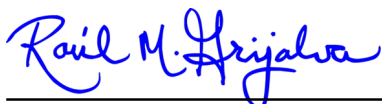
Brad Sherman  
Member of Congress



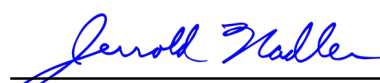
Barbara Lee  
Member of Congress



Eric Swalwell  
Member of Congress



Raúl M. Grijalva  
Member of Congress



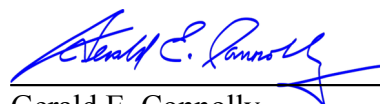
Jerrold Nadler  
Member of Congress



Jamie Raskin  
Member of Congress



Adam B. Schiff  
Member of Congress



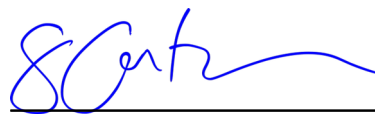
Gerald E. Connolly  
Member of Congress



Eleanor Holmes Norton  
Member of Congress



Adriano Espaillat  
Member of Congress



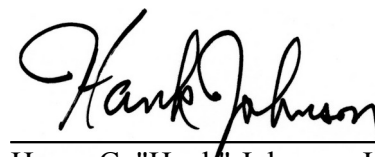
Sean Casten  
Member of Congress



Alma S. Adams, Ph.D.  
Member of Congress



Joyce Beatty  
Member of Congress



Henry C. "Hank" Johnson, Jr.  
Member of Congress



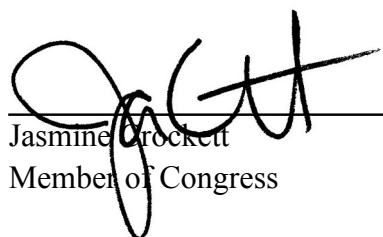
Julia Brownley  
Member of Congress



Jim Costa  
Member of Congress



Suzan K. DelBene  
Member of Congress



Jasmine Crockett  
Member of Congress



Juan Vargas  
Member of Congress



Jennifer Wexton  
Member of Congress



Bennie G. Thompson  
Member of Congress



Judy Chu  
Member of Congress



James P. McGovern  
Member of Congress



Danny K. Davis  
Member of Congress



Greg Landsman  
Member of Congress



Darren Soto  
Member of Congress



Debbie Wasserman Schultz  
Member of Congress



Dan Goldman  
Member of Congress



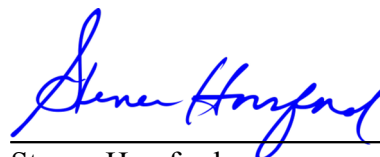
Chrissy Houlahan  
Member of Congress



Chellie Pingree  
Member of Congress



Bill Foster  
Member of Congress



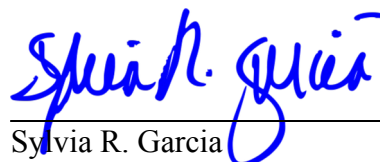
Steven Horsford  
Member of Congress



Mary Gay Scanlon  
Member of Congress



Mark DeSaulnier  
Member of Congress



Sylvia R. Garcia  
Member of Congress



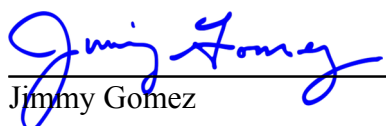
Dwight Evans  
Member of Congress



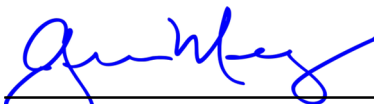
Gabe Amo  
Member of Congress



Madeleine Dean  
Member of Congress



Jimmy Gomez  
Member of Congress



Grace Meng  
Member of Congress



Lizzie Fletcher  
Member of Congress



Andy Kim  
Member of Congress