

The characteristic mark of a tyrannical regime is that it eventually finds it necessary to erect walls to keep people from leaving. This is why we should be troubled by the “Ex-PATRIOT Act,” an egregiously offensive bill recently introduced in the Senate. Following a long line of recent legislation and regulations attempting to expropriate more and more wealth from hard-working Americans, this new bill spits in the face of overburdened taxpayers and tramples on the Constitution.

Current law already dictates that Americans with a net worth of over \$2 million who expatriate must be assumed to have sold all their assets and must pay a corresponding punitive exit tax on those assumed sales. The Ex-PATRIOT Act goes even further than current law by assessing a 30% capital gains tax on all **future** earnings of expatriates. Not content just with this additional tax, the bill also grants the IRS the sole authority to determine whether individuals have expatriated for tax purposes and allows the IRS to bar those individuals from **ever** re-entering the United States. Finally, the bill blatantly violates the ex post facto provisions of the U.S. Constitution by extending all of these provisions to anyone who has given up their U.S. citizenship within the past decade.

This bill, and other similar legislation, casts a chilling effect on saving, investment, and entrepreneurial activity. The bill was introduced in response to news reports about one of the founders of Facebook who might save millions of dollars of taxes by renouncing his U.S. citizenship. But in their blind envy towards successful entrepreneurs, the bill's sponsors ignore the fact that they will ensnare many ordinary middle-class Americans who work hard, save and invest wisely, and benefit from rising home values. These Americans may easily find themselves pushing past the \$2 million mark by the time they retire, especially as inflation continues to seriously accelerate. If they wish to escape the Federal Reserve's inflation by emigrating to lower-cost countries so their dollars will go farther, as many Baby Boomers are starting to do, the federal government will penalize them, and continue to penalize them for the rest of their lives as long as they hold any money in the United States.

Unfortunately, the mere consideration of such legislation, even before it has passed, has made American banking customers a potential future headache for banks around the world. They don't want to deal with the IRS any more than Americans do, and if American account holders become a Trojan horse for the IRS to insinuate themselves into their affairs, there may be more cost than benefit to extending banking services to Americans.

We live under a federal government that has eviscerated our Fourth Amendment rights, that can detain U.S. citizens indefinitely based solely on the President's word, that assaults toddlers and grandmothers at airports in the name of security, and regulates virtually every aspect of our economic lives. No wonder increasing numbers of Americans feel this government is engaged in outright warfare against its own citizens. Every day the noose grows tighter, yet anyone who sees the writing on the wall and seeks to leave must pay exorbitant taxes just for the privilege of leaving, and increasingly the possibility looms of never fully breaking away from the government's tentacles no matter where they go. Ultimately, the Ex-PATRIOT Act proposes to control people by controlling their capital, and it has no place in a free society.