



US TARGETING TAX-EVADING CITIZENS

CTV NATIONAL NEWS (CTV-TV)
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LLOYD ROBERTSON (CTV-TV): A push by the U.S. to root out tax evaders is causing a lot of concern in this country, especially for Canadians who hold dual citizenship. Americans are supposed to file a tax return every year regardless of where they live, and many haven't been. The U.S. action has prompted Canada's Finance Minister to act. Jim Flaherty sending a letter to U.S. newspapers saying the situation is causing unnecessary stress for law-abiding citizens. CTV's Roger Smith reports.

ROGER SMITH (Reporter): American born Maury Williams moved to Canada 40 years ago, he's always paid taxes here and owes none in the States. But he still can't escape the U.S. tax man.

MAURY WILLIAMS (Dual Citizen): The long arm of the United States government is reaching into Canada.

ROGER SMITH: The U.S. is targeting Americans abroad who fail to report their holdings like bank accounts, RRSPs and mutual funds. They face fines of up to \$100,000 or half the value of each asset, whichever is bigger. Even those who voluntarily report now maybe penalised \$10,000 for each account.

MAURY WILLIAMS: So I'm estimating in the end that this is going to cost somewhere in the order of \$30,000.

ROGER SMITH: Well, Williams is paying up for fear of arrest if he goes to the States. Many of the estimated one million dual citizens who paid taxes in Canada had no idea they also had to file in the U.S. Some are now hiding from fines that could run into the millions.

UNIDENTIFIED: What is your potential liability?

UNIDENTIFIED: Everything I have, everything I have they can take.

ROGER SMITH: Like most, this man is afraid to reveal his identity, but not his anger at the costly paper work and penalties.

UNIDENTIFIED: We're being made into criminals because we didn't thought it's a myriad of complex forms.

ROGER SMITH: Canadian banks are also being targeted. In three years, they'll face added tax on U.S. profits if they don't turn over the names of American customers.

TERRY CAMPBELL (Canadian Bankers Association): They're trying to conscript Canadian banks to act as arms of the U.S. tax authorities and we don't think that's the right way to do it.

ROGER SMITH: Well, the U.S. maybe after the kind of big money that gets hidden in Swiss banks, there are concerns that too many small fish are getting caught in the net. Ottawa is protesting the bank law and refusing to help collect any penalties. Roger Smith, CTV News, Ottawa.