# Outrage Builds as More Realize FATCA's Negative Impact on Foreign Investment In USA Economy: How Much Will FATCA Hurt South Florida's Attempt to Recover?

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[*This post is the fifth in a series discussing the Foreign Account Tax Compliance Act (FATCA) and its impact upon foreign investment and development in South Florida and the United States as well as efforts both locally and in other countries to stop FATCA.*]

It would appear that the outcry of American expatriates may have opened the eyes of the national media to the detrimental impact of the **Foreign Account Tax Compliance Act** ("FATCA") upon the U.S. economy. (For details on FATCA and what it means to South Florida, please review the earlier posts in our series.)

**Expat Outcry May Have Spurred Media Coverage of FATCA**

Consider the *Atlantic's* growing coverage of the FATCA mess by correspondent James Fallows. Fallows has a grip on FATCA's power to harm the American economy - and Americans - but he's spent much of his time considering how the Act impacts expatriates. Taxpayers. For more on this, read two of his latest articles:

- The FATCA Chronicles: Tales From China, Canada, and Estonia
- The FATCA Menace!

It's important to understand how this new federal legislation is impacting expatriates and other American taxpayers; however, another extremely important concern here is what FATCA is already doing to the American (and South Florida) economy by discouraging foreign investment so critical to our recovery.

**The *Wall Street Journal*, *Forbes*, the *Washington Times*, and the *New York Times* Begin to Cover FATCA's Impact on Foreign Financing in the U.S.A.**

It's imperative that the American public - especially the South Florida business community - understand FATCA's potential impact on international investment interests who might be considering South Florida as investment targets.

Here in Miami, for example, foreign investment has been critical to our economy and will continue to be for the next few years. We are in a tight economy and foreign dollars are clearly bolstering our initial economic growth.

*Forbes* has contributor Daniel J. Mitchell reporting that "Obama Has United the World In Opposition to Bad U.S. Tax Policy." Mitchell calls FATCA a "self-inflicted economic wound."

The *Wall Street Journal* reports that foreign banks are already closing accounts held by Americans while American banks are joining forces to fight FATCA stateside. (As if they aren't already busy enough with all that ForeclosureFraud.)

The *New York Times* is covering FATCA now, too. In a recent article, NYT posited that FATCA impact is to have foreign monies pay the expense of tracking down assumed tax evaders.

Richard Rahn (also of the CATO Institute, as is Forbes' Mitchell), currently the Chairman of the Institute for Global Economic Growth writes in the *Washington Times* that FATCA is predicted to take away "hundreds of billions of dollars" in foreign investment, much less the economic impact in new jobs, etc., that the investment would create.

*And foreign investment does create big jobs. Think Genting.*

Rahn also does a good job of explaining how foreign banks are just going to nix investing in the United States because of the "massive" fines for noncompliance with FATCA. He's opining that for an expected round up of $8 billion in tax revenue, FATCA is killing off over $1 TRILLION in foreign investment in this country.

**Get $ 8 billion to lose $ 1 trillion. That's the math.**

*Foreigners aware of FATCA are moving their money out of U.S. Banks here in the States and they are reevaluating whether or not to invest in this country. That is the bottom line. This is true even though the Act technically isn't effective until 2013.*