

Congress of the United States
Washington, DC 20515

October 21, 2021

Secretary Janet Yellen
The Treasury Department
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Yellen:

On September 13th, 142 Members of Congress wrote to you expressing concern with the Administration's proposal to significantly expand the amount of financial data collected on virtually every American. Since then, hundreds of thousands of our constituents have reached out to our offices – in addition to every state bank and credit union association, and many state financial officers – voicing their opposition to this initiative. Your Department's response to these concerns was not only insincere, but it also demonstrated just how out-of-touch the proponents of this effort are with the grave and sincere concerns that millions of Americans have with this idea.

The Treasury Department's initial plan sought to require financial institutions and other financial services providers to report a range of new data points on accounts with annual gross inflows and outflows totaling more than \$600 to the Internal Revenue Service (IRS). After receiving pushback from Americans in every state, there have been reports that the Administration and the majorities in Congress are considering increasing the threshold from \$600 to \$10,000 (or an even higher amount).

The impact that these new reporting requirements will have on tens if not hundreds of millions of unsuspecting Americans cannot be emphasized enough. Arbitrarily increasing the threshold to \$10,000, as most recently proposed, will still apply to individuals at every rung of the income ladder.¹

Further, your September 29th response cited enhanced transparency, improved tax compliance, and increased federal income as the main reasons for this proposal, while failing to substantively address one of our primary concerns: privacy protections. The IRS's history when it comes to protecting Americans' personal information is suspect at best.² Not to mention, one of the foremost reasons so many Americans are unbanked is due to privacy concerns, according to a 2019 survey published by the FDIC.³

Your proposal, if enacted and regardless of the compliance threshold, will likely sow further distrust in our financial system due to the ongoing and valid concerns about the IRS's ability to protect the privacy and financial data of the American people and potentially enlarge the

¹ American Bankers Association, ABA and State Banker Associations: Opposition to the Tax Information Reporting Proposal, Letter (September 24, 2021), <https://www.aba.com/advocacy/policy-analysis/joint-aba-sba-letter-to-house-opposition-to-tax-information-reporting-proposal>

² ProPublica, The Secret IRS Files: Trove of Never-Before-Seen Records Reveal How the Wealthiest Avoid Income Tax, Article (June 8, 2021), <https://www.propublica.org/article/the-secret-irs-files-trove-of-never-before-seen-records-reveal-how-the-wealthiest-avoid-income-tax>

³ Federal Deposit Insurance Corporation, How America Banks: Household Use of Banking and Financial Services, Report (October 2020), <https://www.fdic.gov/analysis/household-survey/2019report.pdf>.

unbanked population.

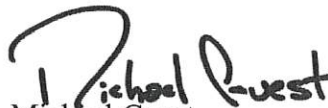
Lastly, after a historic year when banks and credit unions were front and center, providing financial lifelines to families, businesses, and communities during the COVID-19 pandemic, we cannot emphasize strongly enough the negative impact that new and additional reporting requirements will have on these same financial institutions by your proposal. Financial institutions *already* report a tremendous amount of data to the IRS, and there is ample evidence to show that the IRS needs to do a better job using the information it already has to close the “tax gap.” The last thing our financial institutions need is another layer of administrative reporting requirements to take away from their daily efforts to provide the capital that is the lifeblood of Main Street America.

In light of our continuing concerns, and your inability to adequately address them, we ask you to abandon this proposal and encourage congressional Democrats to do the same. We must protect Americans and our financial system, not make them the victim of government overreach in the name of raising revenue.

Sincerely,



Tom Emmer
Member of Congress



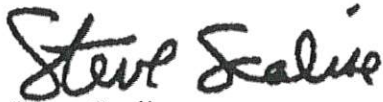
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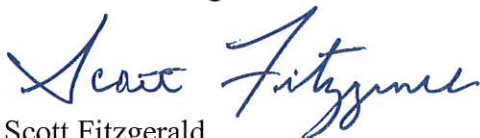
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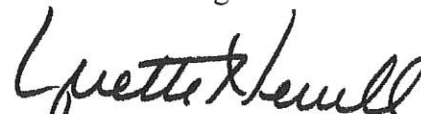
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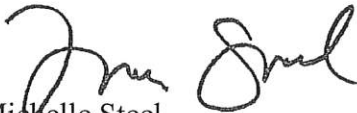
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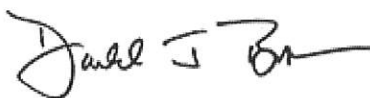
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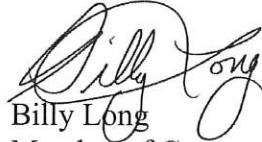
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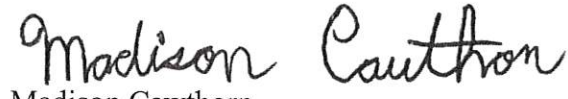
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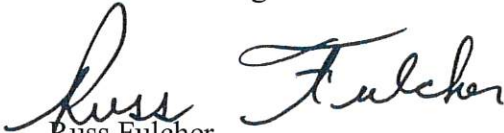
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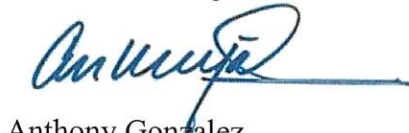
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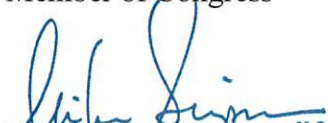

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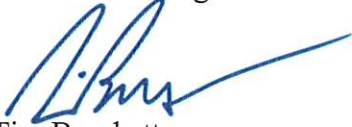

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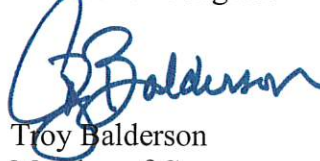
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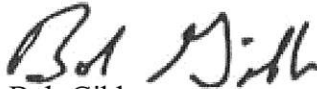
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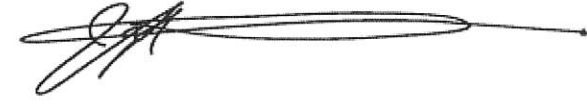



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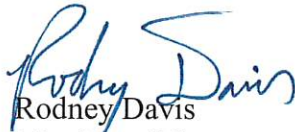

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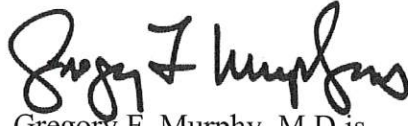

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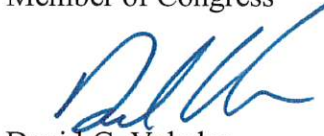

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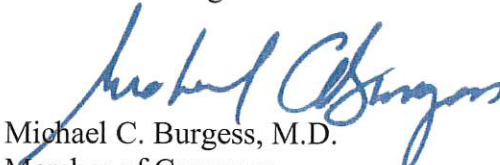

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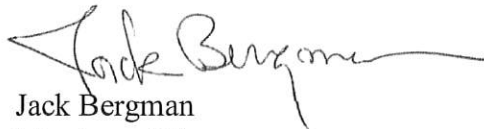

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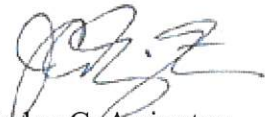
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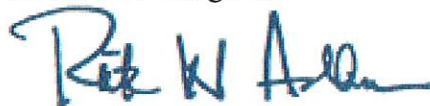
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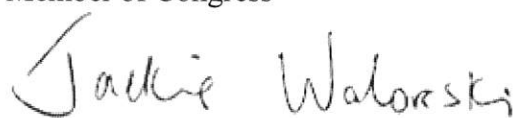
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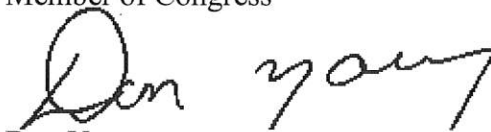
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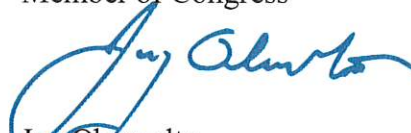
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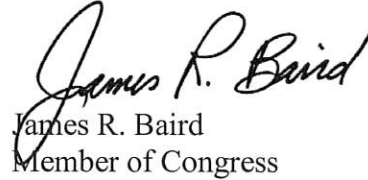
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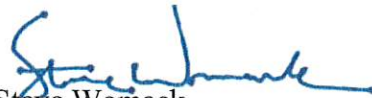
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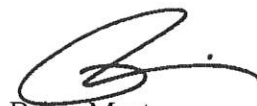
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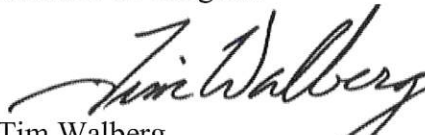

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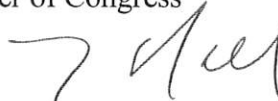

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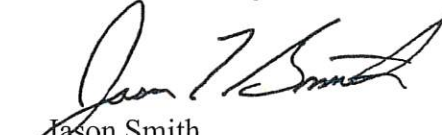

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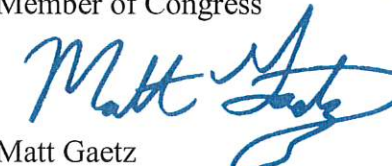

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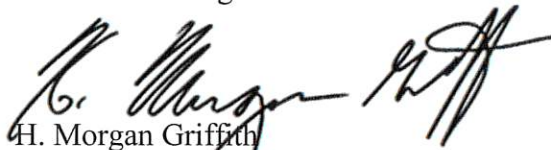
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