**Report Your Bank Account Data to IRS? No Thank You!**

**By**

***[Bank CEO Name]***

***[Bank CEO Title]***

***[Bank Name]***

*The Biden Administration is proposing a sweeping expansion of tax information reporting aimed at raising revenue to help offset the cost of additional spending programs in the American Families Plan. The proposal, if enacted, would require banks to report to the IRS information on the inflows and outflows of every account above a de minimis threshold of $600 during the year — or any account that has an average of $50 worth of activity each month.*

***[Bank Name with locations in x cities around Virginia/add any additional bank information]*** strongly opposes this proposed tax information reporting requirement. While policymakers insist this provision is aimed at high income earners, it sweeps in almost every American with a bank account – including our local customers. This is bad public policy and should be rejected for a number of reasons you should care about – privacy, impact and cost. We are hearing from our customers about this proposal and they do not like it.

On the privacy side, the IRS is a constant target for hackers and has had multiple data breaches. Adding this enormous amount of data for every account that meets the $600 de minimis threshold will expose even more taxpayer financial data to cyber risk.

The Biden Administration has also failed to explain how this new information would be utilized to close the tax gap, and why virtually every American should sacrifice their financial privacy to enable closer inspection of the top 1% of taxpayers. There is already an extremely high level of information provided to the IRS, especially over the past several years, and our bank and all banks are already subjected to a tremendous amount of compliance regulations.

There is also concern about the impact that this proposal would have on the unbanked and underbanked. Asking these groups to trust the IRS with more of their personal information would only add to the apprehension these groups already feel, and, as a result, cause them to be even more reluctant to have bank accounts.

The impact on average Americans and the safety and privacy of their financial information would not be mitigated by raising the reporting threshold to $10,000 or even higher. The proposal contemplates reporting on gross annual inflows and outflows of customer accounts. ***[Bank could consider replacing this example with one from their own bank – or bank could leave this paragraph as is: Consider a taxpayer who earns $18 an hour, has no other income, and pays rent and other living expenses – the sum of gross inflows and outflows after taxes would be around $60,000. Self-employed contractors who buy materials and install them for customers, will commonly have gross inflows and outflows that far exceed the income they earn. That is just an example - in the end, whether it is average workers or self-employed citizens virtually all Americans will be subject to this new reporting.***]

For the IRS to design system capabilities to capture and report account inflows and outflows and other information is complex, expensive to maintain, and will take years to fully implement.

On the banking side, regardless of the threshold chosen, financial institutions like ours would be required to develop the necessary technology and processes to identify the accounts, report to the IRS and customers, and educate customers and our bank staff on what the information does (and does not) mean. All of which would be expensive endeavors.

While this proposal claims to go after the wealthiest Americans the IRS believes are dodging taxes, in actuality this proposal is neither targeted on the wealthy nor focused on those who dodge their tax bill.

***[Bank Name]*** strongly supports ensuring that everyone pay their fair share of taxes, but we believe that only a more targeted approach aimed at those truly suspected of tax avoidance merits consideration. Creating a huge dragnet targeted at all taxpayer accounts is like building a haystack to then look for the needle and simply goes too far.

Virginia banks like ***[Bank Name]*** continue to oppose this proposal, and we hope you will express your concerns to our elected officials as well. *To express your opposition to this misguided proposal, we encourage you to contact your lawmakers here:* [*aba.social/ContactCongress*](https://secureamericanopportunity.com/take-action/oppose-new-irs-reporting-requirements-take-action/)*.*

***[Insert CEO bio and/or Bank boilerplate information here.]***