

October 25, 2021

President Joseph R. Biden  
The White House  
1600 Pennsylvania Ave. NW  
Washington D.C. 20500

Dear President Biden:

The undersigned organizations representing a cross-section of business and financial interests write to reiterate our strong opposition to the new tax information reporting regime proposed by the Department of Treasury and under consideration by Congress as part of the proposed reconciliation spending package. We respectfully request that this proposal be withdrawn from further consideration, and the administration consider more targeted measures to reduce the tax gap.

Our member companies understand that this proposal is a good-faith attempt by your administration to ensure all taxpayers meet their tax obligations, and we strongly support that goal. However, our members, and the American people, believe that they have a reasonable right to privacy and this overly broad proposal to report gross annual inflows and outflows from nearly every account is disconnected from its purported narrow purpose of focusing government scrutiny on Americans with actual income above \$400,000.

This week the Department of Treasury and congressional supporters finally acknowledged the program was far too expansive but, according to media reports, made only cosmetic changes by increasing the de minimis threshold to \$10,000 and excluding wages and government benefits from that calculation. As we have stated in several previous letters, these changes fail to address the reality that any program based on gross annual inflows and outflows will impact Americans from all income levels. Even with the proposed exclusions of certain types of income, a large number of common and totally innocent transactions by individuals and small businesses will be captured by this new regime.

The privacy concerns for Americans who pay their taxes and would be swept into this account reporting program are real and should not be taken lightly. Financial institutions are already facing difficult customer questions about this proposal. According to the Department of Treasury, it only plans to use the data to increase audits for those who make over \$400,000 a year. The likely question of any American taxpayer making less than that is: Why does the IRS need my account information if they aren't going to use it?

At its core, this program that has not had a significant study or detailed examination to show consumer impact, will collect financial "metadata" on nearly every American in the hope that the IRS will be able to discern patterns in aggregate numbers that do not correspond to tax liabilities and target audits only to those who are breaking the law. This is a substantial expansion of the IRS's authority that, once established, is sure to expand rather than roll back.

We strongly urge the Administration to withdraw this reporting regime and consider how the IRS can use its existing authorities to directly focus on those taxpayers suspected of evading their taxes instead of casting such a wide net.

Thank you for considering our perspective, and we stand ready to provide more details on our specific concerns at any time.

Sincerely,

ACA International  
Agricultural Retailers Association  
AICC, The Independent Packaging Association  
Air Conditioning Contractors of America  
American Farm Bureau Federation  
American Bankers Association  
American Council of Engineering Companies  
American Financial Services Association  
American Hotel & Lodging Association  
American Land Title Association  
American Lighting Association  
American Mold Builders Association  
American Rental Association  
America's SBDC  
Angel Capital Association  
Asian American Hotel Owners Association  
Associated Builders and Contractors  
Associated Equipment Distributors  
Auto Care Association  
Commercial Food Equipment Service Association  
Community Development Bankers Association  
Construction Industry Round Table  
Consumer Bankers Association  
Convenience Distribution Association  
Credit Union National Association  
Decorative Hardwoods Association  
Energy Marketers of America  
Family Business Coalition  
Financial Executives International  
Gases and Welding Distributors Association  
Global Cold Chain Alliance  
Hardwood Federation  
Heating, Air-conditioning, & Refrigeration Distributors International  
ICSC  
Independent Bakers Association  
Independent Community Bankers of America  
Independent Electrical Contractors  
Independent Insurance Agents & Brokers of America

Independent Lubricant Manufacturers Association  
Industrial Fasteners Institute  
Innovative Lending Platform Association  
Innovative Payments Association  
Institute of Scrap Recycling Industries  
International Foodservice Distributors Association  
International Franchise Association  
International Warehouse Logistics Association  
Main Street Employers  
Manufactured Housing Institute  
Metals Service Center Institute  
Mid-Sized Bank Coalition of America  
Mortgage Bankers Association  
Motor & Equipment Manufacturers Association  
National Association for the Self-Employed  
National Association of Chemical Distributors  
National Association of Electrical Distributors  
National Association of Federally-Insured Credit Unions  
National Association of Independent Life Brokerage Agencies  
National Association of Industrial Bankers  
National Association of Insurance and Financial Advisors  
National Association of Professional Insurance Agents  
National Association of REALTORS  
National Association of Sporting Goods Wholesalers  
National Association of Wholesaler-Distributors  
National Bankers Association  
National Beer Wholesalers Association  
National Community Pharmacists Association  
National Cotton Council  
National Electrical Manufacturers Representatives Association  
National Federation of Independent Business  
National Grocers Association  
National Independent Auto Dealers Association  
National Marine Distributors Association  
National Ready Mixed Concrete Association  
National Roofing Contractors Association  
National RV Dealers Association  
National Small Business Association  
National Stone, Sand & Gravel Association  
National Tooling and Machining Association  
North American Association of Food Equipment Manufacturers  
North American Die Casting Association  
Outdoor Power Equipment and Engine Service Association

Pet Industry Distributors Association  
Petroleum Equipment Institute  
Plumbing-Heating-Cooling Contractors—National Association  
Policy and Taxation Group  
Precision Machined Products Association  
Precision Metalforming Association  
Private Investor Coalition  
Promotional Products Association International  
S Corporation Association  
Small Business & Entrepreneurship Council  
Specialty Equipment Market Association  
Subchapter S Bank Association  
The Payroll Group  
The Society of American Florists  
Tile Roofing Industry Alliance  
Tire Industry Association  
Truck Renting and Leasing Association  
U.S. Chamber of Commerce