



September 20, 2021

President Joe Biden
The White House
1600 Pennsylvania Ave
Washington, DC 20500

Secretary Janet Yellen
U.S. Dept. of Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Mr. President & Secretary Yellen:

As State Treasurers, Auditors and financial officers, we are joining together with our local citizens' community banks and credit unions to express our opposition to any proposal that would require financial institutions to turn over private citizens' personal bank account information to the Internal Revenue Service (IRS) if they exceed \$600 of inflows or outflows in an account.

We do not believe the federal government should give the IRS the unprecedented and unconstitutional power to peer into law abiding citizens' private financial accounts. This would be one of the largest infringements of data privacy in our nation's history and is a direct assault on the financial disclosures of all Americans.

This would impact well over 100 million Americans who currently have a financial account. In the last year alone, over 127 million Americans qualified for the CARES (Coronavirus Aid, Relief, and Economic Security) Act which deposited funds in excess of \$600 into their financial accounts. Funds deposited included \$600 weekly boost in unemployment benefits from the Federal Pandemic Unemployment Compensation Program (FPUC) for the 25 million Americans who lost their job during the pandemic, roughly \$3,200 in Economic Impact Payments (EIP) and most recently Advanced Child Tax Credit Payments to millions of Americans.

Simply put, this is a direct assault on all Americans of all economic demographics and includes all business and personal accounts.

There is zero quantitative or qualitative evidence that this proposed measure will aid in collecting taxes from tax evaders.

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The IRS is a constant target of cyber criminals and in recent years has suffered significant breaches. This reporting requirement will consistently put a large amount of sensitive financial data in transit to the IRS and will be at constant risk of cyber-attack. The IRS does not currently have the capability to effectively utilize or protect this data.

If passed this will be one of the largest and most continuous data mining exercises against Americans in our history and will put a constant strain on customer privacy, data security and overall safety of the banking system.

Designing a system to track and report all account inflows and outflows of \$600 or more for every customer will have a devastating cost impact on small community banks and credit unions.

A goal of the banking industry is to reduce the number of unbanked Americans. A financial account is an important step in creating a positive relationship with financial institutions and is a steppingstone to financial health. Requiring financial institutions to police accounts and constantly report to the government may create a lack of trust, causing many to close financial accounts increasing the number of unbanked Americans.

There are no guardrails in place to prevent any abuse of this information by the IRS or other government actors.

This proposal may cause massive increases in tax preparation costs for America's small businesses which are the heartbeat of our economy.

As Treasurers and Auditors we want to join the many state bank and credit union associations who oppose this type of intrusive action. We urge you to consider the negative impacts this initiative would have on individuals and small businesses in all of our communities, along with the negative impact on local financial institutions.

Sincerely,



Dennis Milligan
Arkansas Treasurer of State
2021 SFOF National Chair

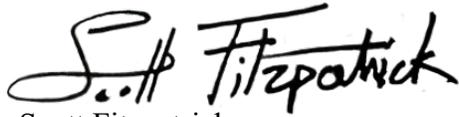


John Murante
Nebraska State Treasurer
2022 SFOF National Chair

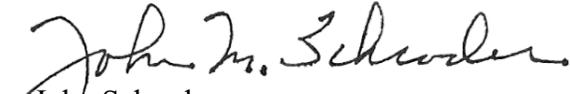
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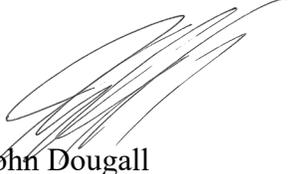
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Missouri State Treasurer
2022 SFOF National Vice Chair



John Schroder
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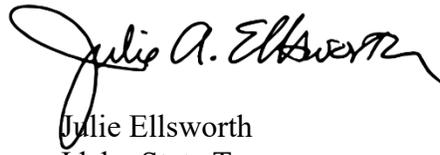
John Dougall
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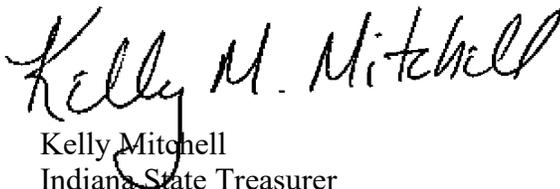
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South Carolina State Treasurer



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South Dakota State Treasurer



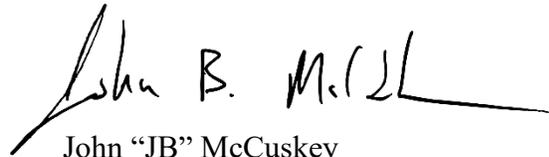
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