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August 10, 2021

Members of the United States Senate

Re: Crapo amendment to budget resolution regarding reporting of bank account information to the IRS

Dear Senators:

On behalf of community banks across the country, with more than 50,000 locations, I write to express our strong support for an amendment to be offered by Senator Crapo to the Budget Resolution which would prohibit the Internal Revenue Service from using funds to monitor inflows and outflows of deposits or withdrawals in financial accounts of American taxpayers, as well as other protections to ensure the privacy of taxpayer information.

The Administration's Greenbook proposal to require bank account reporting on all accounts with a gross flow threshold or fair market value of more than \$600 is opposed by consumer groups, small business groups, and financial institutions of all charter types and sizes as intrusive and overreaching. (See attached letters from small business and financial trade associations, state community bank associations, and minority banks.)

Collection of financial data to determine tax liability must be targeted and justified. The Administration proposal would amount to an intrusive and indiscriminate fishing expedition unsupported by any reasonable suspicion of tax evasion. It would require financial institutions to perform a police function on behalf of the IRS, an inherently governmental role that is inappropriate for private sector institutions.

Community banks collect financial data for the purpose of serving their customers: to safeguard their funds, provide checking, card, and other payments services, and extend credit. The IRS has no justifiable right to this data. It is not and must not be a public good. This overreaching proposal would fundamentally redefine the relationship among financial institutions, their customers, and the IRS.

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Moreover, we are concerned about the IRS's poor record of data security which exposes taxpayers' data, compromises their privacy, and makes them vulnerable to identity theft. In today's environment, privacy and enhanced security of taxpayer data should take precedence over the mass collection of new data.

For these reasons, ICBA and community banks urge all senators to support Senator Crapo's amendment.

Thank you for your consideration.

Sincerely,

/s/

Rebeca Romero Rainey
President & CEO

Attachments: [Joint letter from small business and financial trade associations](#)
[Joint letter from state community bank trade associations](#)
[Letter from ICBA Minority Bank Council](#)