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October 25, 2021

The Honorable Tim Scott  
United States Senate  
Washington, D.C. 20510

Dear Senator Scott:

On behalf of ICBA and the nearly 50,000 community bank locations we represent, I write to thank you for introducing the Prohibiting IRS Financial Surveillance Act of 2021 (S. 3056), which would prohibit the Secretary of the Treasury from requiring any financial institution to report the inflows and outflows of account funds.

The Biden Administration is pressing to include such a requirement in the Build Back Better Act, which is currently before Congress. Consumers, consumer advocates, small businesses, and financial institutions of all sizes and charter types strongly oppose this unworkable proposal. **Any adjustment to the reporting threshold or exemption of certain transactions would not address the fundamental problems with this proposal.** It would effectively lay down a data dragnet and transfer an unprecedented amount of data to the IRS, significantly more data than the agency can safely secure or use for any legitimate purpose.

This effort would come at the expense of the financial privacy of tens of millions of Americans. It would have no basis in reasonable suspicion of tax evasion and discard the due process concerns citizens rightly expect. Not surprisingly, recent polling by Morning Consult shows this proposal is opposed by a broad, bipartisan majority of Americans, 67 percent. It would only increase the challenge of bringing more Americans into the banking system and would drive out many of those currently in the system.

Thank you for introducing this important legislation. We look forward to working with you to advance it.

Sincerely,

/s/

Rebeca Romero Rainey  
President & CEO

*The Nation's Voice for Community Banks.®*

WASHINGTON, DC  
1615 L Street NW  
Suite 900  
Washington, DC 20036

SAUK CENTRE, MN  
518 Lincoln Road  
P.O. Box 267  
Sauk Centre, MN 56378

866-843-4222  
www.icba.org