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By:  Springer S.C.R. No. 5

CONCURRENT RESOLUTION

WHEREAS, The Biden administration's revenue proposal for fiscal year 2022 includes a number of provisions that would place undue burdens on banks, small businesses, and law-abiding American citizens; and

WHEREAS, The proposal seeks to improve tax enforcement measures by requiring peer-to-peer payment transaction apps as well as banks and other financial institutions to annually report aggregated data on all account inflows and outflows of $600 or more to the Internal Revenue Service; the reports would also disclose whether transactions involved physical cash, foreign accounts, or transfers between accounts with the same owner; critics of the proposal have highlighted key issues regarding privacy, compliance costs, and negative impacts on low-income communities; and

WHEREAS, The proposal's low $600 threshold for reporting would ensnare most active bank accounts, including those owned by individuals and small businesses; as a result, the financial data of the majority of bank accounts would be sent to the IRS, which experiences more than one billion cyberattacks each year; in addition, a June 2021 ProPublica article revealed a massive leak of tax return data from the IRS, demonstrating that the agency is unable or unwilling to protect taxpayer information; considering its many vulnerabilities in cybersecurity, the IRS should not be trusted with more private information; and

WHEREAS, By holding financial institutions responsible for data collection and reporting, the proposal would force banks to increase spending on additional staffing, technology, and other resources; these costs could then be passed on to the depositors, thereby burdening tax-compliant citizens and businesses; and

WHEREAS, People from both political parties have expressed concern about the Biden administration's revenue proposal; a group of 141 House Republicans explained their position in a letter to their Democratic colleagues, and House Democrats omitted the bank reporting requirements in their September 2021 list of tax policy changes due to the potential harm it may cause to low-income communities; moreover, an Independent Community Bankers of America poll conducted by Morning Consult found bipartisan opposition to the IRS reporting requirements included in the proposal, with 67 percent of voters opposed and more than half of voters strongly opposed; and

WHEREAS, The Biden administration's revenue proposal fails to consider cybersecurity risks and unjust burdens on lawful individuals, and the United States Congress should oppose this unprecedented intrusion into the privacy of Americans; now, therefore, be it

RESOLVED, That the 87th Legislature of the State of Texas, 3rd Called Session, hereby respectfully urge the Congress of the United States to oppose the burdensome reporting requirements included in the Biden administration's revenue proposals for fiscal year 2022; and, be it further

RESOLVED, That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the president of the Senate and the speaker of the House of Representatives of the United States Congress, and to all the members of the Texas delegation to Congress with the request that this resolution be entered in the Congressional Record as a memorial to the Congress of the United States of America.