

By: Springer

S.C.R. No. 5

CONCURRENT RESOLUTION

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

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

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

24 WHEREAS, By holding financial institutions responsible for

1 data collection and reporting, the proposal would force banks to
2 increase spending on additional staffing, technology, and other
3 resources; these costs could then be passed on to the depositors,
4 thereby burdening tax-compliant citizens and businesses; and

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

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

21 RESOLVED, That the 87th Legislature of the State of Texas,
22 3rd Called Session, hereby respectfully urge the Congress of the
23 United States to oppose the burdensome reporting requirements
24 included in the Biden administration's revenue proposals for fiscal
25 year 2022; and, be it further

26 RESOLVED, That the Texas secretary of state forward official
27 copies of this resolution to the president of the United States, to

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1 the president of the Senate and the speaker of the House of
2 Representatives of the United States Congress, and to all the
3 members of the Texas delegation to Congress with the request that
4 this resolution be entered in the Congressional Record as a
5 memorial to the Congress of the United States of America.