

June 3, 2015

Senator Mitch McConnell  
Majority Leader  
U.S. Senate  
Washington, D.C. 20510

Representative John Boehner  
Speaker  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Majority Leader McConnell and Speaker Boehner:

The undersigned trade associations, representing 14,000 financial institutions of all charter types, write to express our grave concern about an onerous revenue provision included in the Trade Preferences Extension Act (H.R. 1295), which passed the Senate on May 14, 2015.

Section 603 of the legislation would change current law to require banks, credit unions and broker/dealers to report to the Internal Revenue Service and our customers on all interest bearing as well as non-interest bearing accounts. Currently, information reports are not required on non-interest accounts, while there is a \$10 threshold for reporting on interest bearing accounts. This change would be effective for the current tax year of 2015, giving banks and credit unions little time to adapt their systems for compliance.

Should this provision be enacted, taxpayers will be awash in new 1099s reporting *de minimis* amounts of interest. In many cases, they will report less than a one dollar in earned interest per year. Additionally, this new reporting requirement will impose substantial costs on the financial services industry that far exceed the revenue that will be gained by the proposal.

Many information reports will contain no interest at all, resulting in confusion for taxpayers who may not be aware of our new reporting requirements. This will create an environment ripe for taxpayer and IRS error and may trigger unnecessary audits.

The nominal tax revenue raised by this provision will come at the costs of added complexity to industry and will be an unnecessary nuisance for nearly every American. We strongly oppose Section 603 because of its harmful consumer impact and urge you to remove this section from H.R. 1295 as soon as possible.

Thank you for your consideration.

Sincerely,

American Bankers Association  
Consumer Bankers Association  
Credit Union National Association  
Financial Services Roundtable  
Independent Community Bankers of America  
National Association of Federal Credit Unions

cc: Chairman Orrin Hatch  
Chairman Paul Ryan