

REFERENCE TITLE: financial institutions; burdensome reporting requirements

State of Arizona
Senate
Fifty-fifth Legislature
Second Regular Session
2022

SM 1001

Introduced by
Senator Leach

A MEMORIAL

URGING THE UNITED STATES CONGRESS TO PROTECT CONSUMERS AND FINANCIAL
INSTITUTIONS FROM BURDENSOME INTERNAL REVENUE SERVICE RULES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 To the Congress of the United States of America:

2 Your memorialist respectfully represents:

3 Whereas, the Biden administration and certain members of Congress
4 have proposed changes to tax information reporting that would require
5 banking and financial institutions to report to the Internal Revenue
6 Service on the incoming and outgoing transactions from every customer's
7 financial account with gross inflows and outflows that range from \$600 to
8 \$10,000 during the taxable year; and

9 Whereas, these proposals would require financial institutions to
10 report, for both personal and business accounts, the account's physical
11 cash amount, transactions with foreign accounts and transfers to and from
12 the owner and the owner's other accounts; and

13 Whereas, savings, transactional, loan and investment accounts in
14 these financial institutions would be subject to these proposed
15 requirements; and

16 Whereas, there are serious concerns over data privacy and security
17 if these new requirements are put in place. Keeping member and customer
18 account information private and secure is among the primary goals of all
19 financial institutions in this state, and these new requirements, at any
20 threshold dollar amount, could jeopardize the security of accounts and
21 personal information; and

22 Whereas, privacy is cited as one of the primary reasons individuals
23 choose not to open bank accounts, and this proposal lays a foundation for
24 new and future barriers for the unbanked and underbanked; and

25 Whereas, financial institutions in this state and nation are already
26 subject to many burdensome regulations. Including these new and extensive
27 reporting requirements would deepen that burden in an untenable and
28 destructive fashion for many community-based financial institutions.

29 Wherefore your memorialist, the Senate of the State of Arizona, prays:

30 1. That the United States Congress act to protect consumers from
31 harmful and intrusive Internal Revenue Service rules and financial
32 institutions from burdensome reporting requirements.

33 2. That the Secretary of State of the State of Arizona transmit
34 copies of this Memorial to the President of the United States Senate, the
35 Speaker of the United States House of Representatives and each Member of
36 Congress from the State of Arizona.