

Senate Engrossed

financial institutions; burdensome reporting requirements

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

# SENATE MEMORIAL 1001

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.