

House Engrossed

urging Congress; reporting requirements; taxes

State of Arizona
House of Representatives
Fifty-fifth Legislature
Second Regular Session
2022

HOUSE CONCURRENT MEMORIAL 2004

A CONCURRENT MEMORIAL

URGING THE UNITED STATES CONGRESS TO OPPOSE THE REPORTING REQUIREMENTS IN
THE BIDEN ADMINISTRATION'S TAX INCREASE PROPOSAL FOR FISCAL YEAR 2022.

(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's tax increase proposal for fiscal
4 year 2022 includes a number of provisions that would place undue burdens
5 on banks, small businesses and law-abiding American citizens; and

6 Whereas, the proposal seeks to increase tax enforcement measures by
7 requiring peer-to-peer payment transaction apps as well as banks and other
8 financial institutions to annually report aggregated data on all account
9 inflows and outflows of \$600 or more to the Internal Revenue Service
10 (IRS), and the reports would also disclose whether transactions involved
11 physical cash, foreign accounts or transfers between accounts with the
12 same owner. These requirements would result in serious issues regarding
13 privacy, compliance costs and negative impacts on low-income communities;
14 and

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

24 Whereas, by holding financial institutions responsible for data
25 collection and reporting, the proposal would force banks to increase
26 spending on additional staffing, technology and other resources. These
27 costs could then be passed on to the depositors, thereby burdening
28 tax-compliant citizens and businesses; and

29 Whereas, people from both political parties have expressed concern
30 about the Biden administration's tax increase proposal. A group of
31 141 House Republicans explained their position in a letter to their
32 Democratic colleagues, and House Democrats omitted the bank reporting
33 requirements in their September 2021 list of tax policy changes due to the
34 potential harm it may cause to low-income communities; and

35 Whereas, the Biden administration's tax increase proposal fails to
36 consider cybersecurity risks and unjust burdens on lawful individuals, and
37 the United States Congress should oppose this unprecedented intrusion into
38 the privacy of Americans.

39 Wherefore your memorialist, the House of Representatives of the State of
40 Arizona, the Senate concurring, prays:

41 1. That the United States Congress oppose the burdensome reporting
42 requirements included in the Biden administration's tax increase proposal
43 for fiscal year 2022.

1 2. That the Secretary of State of the State of Arizona transmit
2 copies of this Memorial to the President of the United States, the
3 President of the United States Senate, the Speaker of the United States
4 House of Representatives and each Member of Congress from the State of
5 Arizona.

PASSED BY THE HOUSE FEBRUARY 17, 2022.

PASSED BY THE SENATE MAY 17, 2022.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 17, 2022.