

1 A CONCURRENT RESOLUTION urging the Congress of the United States to
2 protect consumers and their financial institutions from harmful and intrusive Internal
3 Revenue Service bank account reporting requirements.

4 WHEREAS, the Biden Administration and some in Congress proposed changes to
5 tax information reporting that would require financial institutions to provide the Internal
6 Revenue Service (IRS) with reports of incoming and outgoing transactions from every
7 customer's financial account for all transactions exceeding \$600; and

8 WHEREAS, after public backlash, the proposal was amended to require reporting
9 for accounts with annual non-wage deposits of over \$10,000; and

10 WHEREAS, these proposals would require financial institutions to report cash
11 transactions, transactions with foreign accounts, and transfers to and from another
12 account with the same owner; and

13 WHEREAS, savings, transactional, loan, and investment accounts for both
14 individuals and businesses would be subject to the proposed requirements; and

15 WHEREAS, for customers of financial institutions, privacy and trust are vital to
16 their relationship with the institution; and

17 WHEREAS, just this year, an IRS leak exposed confidential taxpayer information
18 and in 2019, the IRS reported that it faces 1.4 billion cyberattacks each year; and

19 WHEREAS, these proposed requirements would subject customers to greater data
20 privacy and security risks, thereby jeopardizing this long-protected relationship between
21 financial institutions and their customers; and

22 WHEREAS, privacy is cited as one of the primary reasons individuals choose not to
23 open bank accounts, but despite numerous federal regulations aimed at attracting people
24 who do not use, or underuse, banks, these proposals would erect new and future barriers
25 for such individuals to become customers; and

26 WHEREAS, financial institutions throughout our state and nation are already
27 subject to many burdensome regulations, and the inclusion of a new, hyper-extensive

1 reporting requirement would increase that burden in an untenable and destructive fashion
2 for many community-based financial institutions; and

3 WHEREAS, while the proposed requirements were not included in the recently
4 enacted federal budget reconciliation bill, the bill did include \$80 billion dollars for
5 additional IRS operations support and enforcement, including audits, investigations, asset
6 monitoring, and legal actions; and

7 WHEREAS, such a massive investment in IRS enforcement activities increases the
8 likelihood that the proposed requirements could reemerge in subsequent legislation or in
9 future IRS regulations;

10 NOW, THEREFORE,

11 *Be it resolved by the Senate of the General Assembly of the Commonwealth of*
12 *Kentucky, the House of Representatives concurring therein:*

13 ➔Section 1. The Kentucky General Assembly urges the United States Congress,
14 and the Kentucky delegation to Congress, to protect consumers and their financial
15 institutions by rejecting any proposal that would impose burdensome and intrusive IRS
16 bank account reporting requirements on financial institutions.

17 ➔Section 2. The Clerk of the Senate shall send a copy of this Resolution to the
18 Speaker of the United States House of Representatives, the Minority Leader of the United
19 States House of Representatives, the Majority Leader of the United States Senate, the
20 Minority Leader of the United States Senate, and each member of the Kentucky
21 delegation to the Congress of the United States.