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*President and CEO*

June 8, 2015

The Honorable Barack Obama  
President of the United States  
The White House  
Washington, D.C.

Dear President Obama:

On behalf of the more than 6,000 community banks represented by ICBA, I 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. This provision, added to H.R. 1295 without notice or debate, amounts to a new, unwarranted paperwork burden affecting millions of consumers. It will increase the complexity of tax filing, contradicting the long-held goal of tax simplification.

Section 603 of the legislation would change current law to require banks and credit unions to report to the Internal Revenue Service and to our customers on all interest bearing as well as non-interest bearing accounts. Currently, information reports are not required on non-interest accounts for the simple reason that no taxes are due where interest is not paid and the reporting is of no benefit to income tax compliance. Such information reporting would be an unwarranted intrusion into the lives of private citizens. With respect to interest bearing accounts, current law contains a \$10 threshold for reporting. As this change would be effective for the current tax year of 2015, banks and credit unions simply would not have sufficient time to adapt their systems for compliance.

Should this provision be enacted, our nation's taxpayers will be awash in new 1099s reporting *de minimus* amounts of interest – in many cases less than \$1 – which will now be reportable and taxable. Many taxpayers will not be aware of their new reporting liability. Other new information reports will contain no interest at all and simply be a source of confusion for taxpayers. This will create an environment ripe for taxpayer and IRS error and trigger unnecessary audits. Again, this new requirement is the opposite of tax reform and simplification.

Any tax revenue raised by the reporting of *de minimus* amounts of interest will come at the cost of added complexity for millions of taxpayers. New revenue will be dwarfed by the expense banks will incur in complying with the new requirement. We strongly oppose Section 603 because of its harmful consumer impact and urge your support in removing this section from H.R. 1295 as soon as practicable.

Thank you for your consideration.

Sincerely,

Camden R. Fine  
President & CEO

***The Nation's Voice for Community Banks.®***

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