

Rehoboth Beach-Dewey Beach Chamber of Commerce

"The Nation's Summer Capital"

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The below letter was sent to Representative Blunt Rochester and Senators Coons and Carper.

September 29, 2021

Dear Representative Blunt Rochester,

Please officially record that the Rehoboth Beach – Dewey Beach Chamber of Commerce opposes the IRS Reporting Proposal that would require financial institutions to report information on customer bank account flows to the IRS. The United States Congress is currently considering enacting this new bank IRS reporting plan and we strongly oppose this proposal because it would be intrusive and harmful to the individual and small business in our community.

The Chamber Board of Directors, a majority of our 1,300 members, as well as our local financial institutions believe this proposal would infringe on the privacy of all bank customers and increase the risk of a data breach. The IRS information has a poor track record of protecting people's privacy and their systems have previously been compromised. The addition of this massive new data only increases the likelihood of a future compromise of personal information.

Requiring banks and other financial institutions to report to the IRS on the deposits and withdraws of businesses and personal accounts will result in an unnecessary strain on financial institutions, which are already reporting through existing regulations. Our financial institutions are currently required to report sufficient amounts of data to the IRS, including suspicious activity reports, currency transactions reports and foreign bank account information. While all banks would be impacted, small community banks with limited internal resources will be especially burdened by this new requirement, which would require a massive and expensive compliance effort to track and report inflows and outflows on all bank products. Requiring banks to police the accounts of customers, especially when the benefits are unproven, is not an efficient or effective approach to addressing the tax gap.

Our opposition concerns include: government overreach in monitoring businesses' financial account transaction histories; the potential to hurt small businesses; risk of misdirected IRS audits and invasion of privacy as the IRS already collects substantial information to identify tax liabilities.

We urge you to reject any proposal that would impose new requirements on banks to track and report customer account activity and financial transactions to the IRS.

Sincerely,



Carol Everhart
President/CEO

Cc: Rehoboth Beach – Dewey Beach Chamber of Commerce Board of Directors