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National Association of Federally-Insured Credit Unions

Greg Mesack
Senior Vice President, Government Affairs

February 22, 2023

The Honorable Drew Ferguson
U.S. House of Representatives
Washington, DC 20515

Re: Re-Introduction of the Prohibiting IRS Financial Surveillance Act

Dear Representative Ferguson:

I am writing on behalf of the National Association of Federally-Insured Credit Unions (NAFCU) to express our support for H.R. 1010, the Prohibiting IRS Financial Surveillance Act. NAFCU advocates for all federally-insured not-for-profit credit unions that, in turn, serve over 135 million consumers with personal and small business financial service products.

NAFCU supports the intent of the Prohibiting IRS Financial Surveillance Act to prohibit the Internal Revenue Service (IRS) from enacting this invasion of privacy into countless Americans' daily lives. Financial institutions already face a robust reporting regime for financial transactions, such as 1099s, Currency Transaction Reports (CTRs), and Suspicious Activity Reports (SARs). At any threshold, requiring credit unions to report on gross inflows and outflows of accounts poses regulatory costs and challenges while threatening to reduce participation in financial services and invade the privacy of hundreds of millions.

While we support efforts to increase taxpayer compliance, we do not believe adding untested reporting requirements to an already heavily regulated industry is the answer. Instead, we would encourage Congress and the Administration to seek better solutions for taxpayer compliance, such as increased funding and support for IRS improvements. We remain committed to working with you in that effort.

We thank you for introducing this critical legislation to protect both the banking system and consumers from a burdensome reporting regime. Should you have any questions or require any additional information, please contact me or Lewis Plush, NAFCU's Senior Associate Director of Legislative Affairs, at 703-842-2261.

Sincerely,

Greg Mesack

cc: Members of the House Ways and Means Committee