



Help Us Fight the Proposed IRS Reporting Mandate

Included in the current administration's multi-trillion-dollar reconciliation bill is a new mandate that would allow the Internal Revenue Service (IRS) to see information on all Americans' private bank accounts of \$600 or more. Let me repeat: this would allow the IRS to see detailed information on the deposits and withdrawals of every customer account above the amount of \$600. As a community banker, this raises all kinds of alarms, and I am deeply concerned. As you might imagine, banks across the country are hearing concerns from their customers about this proposed new mandate. The required release of bank account information includes all financial institutions, banks, and credit unions. Now, those of you who know me, know I do not mix politics with business, but the implications of this particular proposal are so important, I must address it.

- **There is mixed messaging on the purpose of this proposal.**

Purportedly the mandate is designed to catch the wealthy breaking tax laws and to stop those who are not complying with the tax code. However, I feel quite the opposite effect will occur—this proposal is not even remotely targeted to the wealthy segment of our population but directly aimed at regular Americans, low- and mid-income earners. Wealthy individuals and companies are already tracked as their transactions roll into their tax returns. Plus, if this was really about tracking wealthy billionaires, the transaction limit would be \$100,000 not \$600. The low \$600 threshold for reporting will let the IRS know when you buy a TV or take out cash for Christmas gifts or even transfer funds between accounts. Any and all banking transactions of \$600 and above are to be reported to the IRS.

- **There are obvious privacy concerns.**

This mandate would create tremendous liability for financial institutions and the IRS by requiring the collection of financial information of nearly every American without any explanation of how the IRS will store, protect, and use this enormous amount of personal information. Unfortunately, we have repeatedly seen that the IRS is a constant target for hackers and has had multiple data breaches in the recent past.

- **This is a vast overreach of the IRS.**

Thousands of new IRS agents will be armed with the authority to investigate your bank account, to monitor every single account and all account transactions above the \$600 minimum. Indiscriminate, blanket data collection would amount to a troubling effort to profile American taxpayers based on account characteristics without grounds to do so. The IRS will not need a warrant to look at your private financial transactions and they will not need your permission, as they currently do.

- **Join us in telling Congress to reject this proposal.**

While this proposed mandate is under consideration, I urge you to act now and contact your state and federal lawmakers to oppose this new IRS reporting provision. Together we can make our voices heard.

All of us here at Anahuac National Bank work for our customers and our community—not the IRS. We feel this proposal is arbitrary and intrusive to our customers. We have worked hard to earn your trust and do not support any initiative that puts your privacy in jeopardy. We value your business and your privacy.

