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President and CEO

June 11, 2015

U.S. House of Representatives
Washington, D.C. 20515

Dear Representative:

On behalf of the more than 6,000 community banks represented by ICBA and our affiliated state associations, I write to express our support for the removal of new financial institution account and interest reporting mandates from the Trade Preferences Extension Act of 2015 (H.R. 1295).

The version of H.R. 1295 that passed the Senate contained two new reporting mandates. First, it would have required banks and other institutions to provide form 1099-INTs to the Internal Revenue Service and to account holders for accounts earning even minimal amounts of interest. Current law contains a \$10 threshold for interest reporting on form 1099-INT. Millions of taxpayers would have received form 1099s showing literally pennies of interest, adding paperwork and complexity to tax filing which is long overdue for simplification. Second, H.R. 1295 would have required banks to report to the IRS and to consumers on non-interest bearing accounts. Such reporting would have served no purpose with regard to tax compliance and would be an unwarranted intrusion into the lives of millions of private citizens.

Together, these two reporting mandates would have created an unwarranted new paperwork burden for nearly all U.S. taxpayers, increasing the complexity of tax filing and contradicting the long-held goal of tax simplification.

We are pleased that the version of H.R. 1295 scheduled for House floor consideration does not contain these onerous reporting mandates. ICBA thanks the Members of the House who were responsive to community bankers' concerns. We urge that the reporting mandates be wholly and definitively removed from consideration as H.R. 1295 advances through the legislative process.

We further request that these reporting mandates not be considered in any future legislation requiring a revenue offset. Any tax revenue raised by the reporting of *de minimus* amounts of interest, estimated at approximately \$9 million a year, would come at the cost of added complexity for millions of taxpayers. What's more, this new revenue would be dwarfed by the expense banks would incur in complying with the new requirements.

Thank you again for your prompt response to our concerns.

Sincerely,

/s/

Camden R. Fine
President & CEO

The Nation's Voice for Community Banks.®

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