



October 15, 2021

President Joe Biden
The White House
1600 Pennsylvania Ave
Washington, DC 20500

Secretary Janet Yellen
U.S. Dept. of Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Mr. President & Secretary Yellen:

We, the undersigned Attorneys General, write on behalf of our respective states regarding the current Internal Revenue Service (IRS) proposal that your administration is advocating, which would provide the federal government with access to nearly every American's bank account and financial transaction information.¹ As the chief legal officers of our states, we find this proposal wholly unacceptable and oppose any requirement of its kind. It is at best overly burdensome and at worst it is illegal. As such, we ask you to rescind this proposal immediately.

Though details of the proposal have not been finalized, news reports indicate this invasive policy will require all banks, credit unions, and financial institutions to report information to the IRS on every bank account that has a balance of at least \$600 and exceeds \$600 per year in transactions. As Treasury Secretary, you have claimed that some Americans are hiding their money in order to avoid paying taxes. We understand that you also believe Americans are gaming the system and, without citing evidence to support this belief, your response is to institute a burdensome, "Big Brother-mandate" requiring financial institutions to report "a few pieces of information about individuals' bank accounts" to the IRS.

¹ General Explanations of the Administration's Fiscal Year 2022 Revenue Proposals pg. 88(2021). Washington, DC. <https://home.treasury.gov/system/files/131/General-Explanations-FY2022.pdf>

This proposal stands in direct opposition to privacy that Americans are entitled to and deserve. The Federal Government combing through almost every American's bank account without cause, or even suspicion, is unacceptable, illegal and contrary to the well-founded constitutional principles against illegal searches and seizures. Your proposal seeks to leverage private transaction information by effectively transforming banks into large-scale data processors for the IRS, forcing the banks to provide private information regarding common transactions such as rent payments, paying for groceries, and other transactions that are part of everyday life of Americans who have done nothing wrong, are not under suspicion of having done anything illegal and for which the government has no evidence or reason to believe are guilty of civil or criminal violations.

Unfortunately, it has become all too common for this administration to disregard the Constitution and laws of the United States when issuing policies such as this one. In addition, from a policy perspective, we have heard from financial institutions across the country that are adamant that this policy will not achieve the desired result but instead, in addition to violating the law, will lay an enormous burden on local and community banks in our states. If implemented, banks across the country will have to transform the way in which they conduct business in order to comply with your proposed reporting requirements, including investing significant amounts of money in data collection and other systems if banks are forced to now serve as a watchdog for federal agencies.

This heavy regulatory burden will punish the consumer in more ways than one. If this illegal scheme were allowed to be implemented, banks would likely be forced to pass costs in the form of fees or higher interest rates onto customers who are already struggling. Such additional costs would only serve to increase the numbers of persons that do not have access to banking services.

Additionally, this ill-conceived plan would likely require the federal government to raise tax revenues even higher than it has recently proposed in legislation pending before Congress to both process and safely secure the massive inflow of financial data it would receive. Not to mention that centralized storage of this type of sensitive information would provide cyber criminals with another target to exploit information about almost every American, further underscoring the dangers of this proposed policy.

The primary role of the government is to protect person and property, and it is our duty to protect the people of our states, which is why we oppose this reckless abuse of federal power. Americans are justifiably outraged by this policy and see it as illegal, intrusive, wholly unnecessary and costly. If stopping financial criminals or punishing those who evade taxes is the goal of the administration, we will gladly join you to find the right solutions based on the rule of law, but we are certain that violating the privacy of virtually every American with a bank account is not the answer. For those reasons, we oppose this policy and urge you to cease all efforts to advance this proposal immediately.

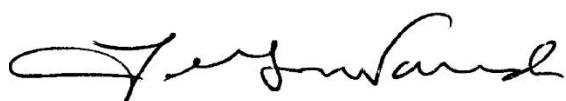
Sincerely,



Christopher M. Carr
Georgia Attorney General



Sean D. Reyes
Utah Attorney General



Lawrence Wasden
Idaho Attorney General



Jeff Landry
Louisiana Attorney General



Derek Schmidt
Kansas Attorney General



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Missouri Attorney General



Douglas J. Peterson
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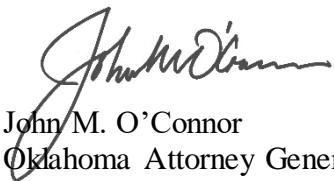
Lynn Fitch
Mississippi Attorney General



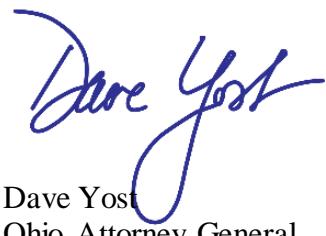
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