



Indiana Heartland

FEDERAL CREDIT UNION

Take Action: Tell Congress to oppose new IRS reporting provisions

Credit unions are closely monitoring an onerous tax provision being considered in a proposed \$3.5 trillion “Build Back Better Act” reconciliation package. One measure for this legislation that has been discussed is a proposal by the Treasury Department to require financial institutions to report additional account holder information in an enhanced annual I.R.S. Form 1099-INT. The House Ways and Means Committee completed its markup of draft infrastructure legislation **without the troublesome IRS reporting provision**. However, it could still be added by the Rules Committee before it hits the floor, and there are several steps left before this bill becomes law.

If considered, this proposal would **require credit unions and banks to report the inflows and outflows of funds to accounts that hold more than \$600**. Whereas the Form 1099-INT currently reports taxable activity, this new reporting requirement would not reflect any taxable activity. Instead, what the administration hopes the **IRS would be able to do is to use this enormous data grab to identify unreported taxable income**. But it’s not clear how the IRS will use this data to accomplish its goal. Further, the federal government’s history of keeping this type of data secure is dubious at best.

What is certain is that if it is enacted, this proposal will increase the already high compliance burden on all financial institutions. It will also fundamentally change the nature of the information depository institutions are required to report on their account holders, creating new concerns regarding data security and privacy.

[Credit union associations have issued an action alert](#) calling on credit union leaders and members to oppose new reporting provisions that would require financial institutions to report additional detailed account holder information. **All consumers are encouraged to [take action](#) and contact your members of Congress today, in opposition of this potential IRS reporting provision.**

We encourage you to use this [ready-to-send form](#) to send your message!