



June 5, 2015

Senator Mitch McConnell
Majority Leader
U.S. Senate
Washington, D.C. 20510

Representative John Boehner
Speaker
U.S. House of Representatives
Washington, D.C. 20515

Dear Majority Leader McConnell and Speaker Boehner:

SIFMA believes Trade Promotion Authority (TPA) is essential to the Nation's trade agenda and will boost economic growth and create jobs. We strongly support your efforts to move this legislation forward. Nevertheless, we are concerned about the impact of Section 603 of the Trade Preferences Extension Act (H.R. 1295). We hope that it can be removed in its entirety before H.R. 1295 is enacted into law, and we look forward to working with your staff to achieve that outcome.

Section 603 does two things: first, it repeals the \$10 de minimis threshold for reporting interest paid to the IRS and taxpayers. Our members have told us that they maintain over 70 million accounts that pay less than \$10 in interest per year. If we assume it costs financial intermediaries \$1 per return to process and mail each form (it may be higher), then the cost to our members to process more than 70 million additional tax forms would be more than \$700 million over 10 years. Second, this measure would require annual reports by a wide variety of financial institutions with respect to any amount on deposit in an account where no interest is paid and reported. This will require tens of millions of additional notices. The costs of these provisions are sharply disproportionate to the revenue projected.

Finally, the effective date for both provisions gives our members an unusually short time frame in which to build necessary compliance systems. We strongly oppose Section 603 and look forward to working with you to remove this provision as soon as possible.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Payson R. Peabody".

Payson R. Peabody
Managing Director & Tax Counsel

cc: Minority Leader Pelosi
Senate Democratic Leader Reid

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