



HOUSE OF REPRESENTATIVES  
**REPRESENTATIVE BOB YOUNG**  
**HOUSE DISTRICT 36**

Chairman Jordan, Vice Chair Ferguson, Ranking Member Crossman, and Members of the House Financial Institutions Committee:

First, let me say thank you for the opportunity to testify on behalf of HCR 36---a concurrent resolution to urge non-passage of a proposal, originally inserted into the House version budget reconciliation bill, allowing for the Internal Revenue Service (IRS) to monitor the net inflows and outflows of bank accounts of average American citizens. While I agree tax cheating is not right, fair, or legal, I believe this proposal goes beyond the scope of the vision of the Biden administration and creates a virtual dragnet in which millions of innocent Americans will find themselves caught.

Janet Yellen, the Secretary of the Treasury, claims this is to prevent the future tax gap—approximately \$7 trillion dollars—that will not be collected over the next 10 years. Much of Congressional leadership is saying that this program will pay for their future spending and thus making their trillions of dollars in spending a “zero dollar budget”. What this truly is, it is a surveillance program for the IRS to be able to have access to accounts with net inflows or outflows over \$10,000 per year. This surveillance program in and of itself will take approximately \$79 billion dollars to implement, and most likely will incur additional costs to maintain year over year.

The reason I call this a surveillance program is according to the latest research, this program would amount to one of the largest data mining program in U.S. history. That’s an insane fact to think about considering the data mining the federal government has already undergone through the authority of the Patriot Act and other laws. These types of programs run afoul of two fundamental concepts of the American legal system that are Constitutionally protected---the concept of due process and innocence until proven guilty.

In conversations with interested parties, such as the Ohio Banker’s League and Ohio Credit Union League, this would also amount to an unfunded mandate. Every financial institution from big banks to small community banks and credit unions (who would be hardest hit) will now have an enormous workload added to them to now flag every customer inflow or outflow if its cumulative value is above \$10,000. While banks have had people fill out forms for large cash deposits and flagged them, they’re normally flagged for things such as money laundering, racketeering, or trafficking crimes. There is normally some probable cause for the bank or credit union to flag said account to be open to investigation by a financial crimes unit.

**Committees:**

Transportation & Public Safety  
Technology & Innovation  
Economic & Workforce Development  
Public Utilities

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In speaking to the Treasurer's office, they let me know another huge issue with this program is that it may deter individuals from saving, investing, and planning for their long-term financial future. As Treasurer Sprague said in a recent Cleveland.com op-ed, "It's important to remember that a positive relationship with their bank or credit union is a critical component for an individual's overall financial health. Requiring financial institutions to regularly police and report on their account activity will erode that relationship and drive Americans away from the banking system." The IRS has already been known in previous years for lax IT security and data breaches, allowing for the spread of identity theft. Those that may have been leery of opening a bank account under this program will now run in the opposite direction.

Currently, this provision has been pulled from the House version of the budget reconciliation package, so I am grateful for that. However, the bill still has a long way to go through the legislative process before it becomes law. Thus, the surveillance program could be re-inserted into it at any point. For the reasons mentioned above, it would be devastating to the Buckeye state.

Thus, I am asking this General Assembly to stand up for the privacy and security rights of our citizens. I'm asking this General Assembly to stand up for the Constitutional principles of due process, probable cause, not allowing unreasonable searches and seizures, and innocence until proven guilty. Additionally, I stand firmly with our state's Treasurer and Attorney General— both of whom have loudly spoken out against the White House's proposal – to oppose the provision and fight on behalf of hard-working Ohioans. I ask you, my fellow members, to stand and support HCR 36.

Thank you again for your time today, and I'd be willing to take any questions you may have.

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