

CHAMBER OF COMMERCE  
OF THE  
UNITED STATES OF AMERICA

R. BRUCE JOSTEN  
EXECUTIVE VICE PRESIDENT  
GOVERNMENT AFFAIRS

1615 H STREET, N.W.  
WASHINGTON, D.C. 20062-2000  
202/463-5310

September 28, 2011

The Honorable Marco Rubio  
United States Senate  
Washington, DC 20510

Dear Senator Rubio:

The U.S. Chamber of Commerce, the world's largest business federation, representing the interests of more than three million businesses and organizations of every size, sector and region, thanks you for sponsoring S. 1506, which would prevent the Secretary of the Treasury from requiring U.S. banks and credit unions to report annually on interest paid on deposits held by nonresident aliens. Promulgation of such a regulation could adversely impact U.S. capital markets.

In 2002, the Treasury Department proposed similar regulations that were opposed by the Chamber because of the increased costs upon the financial services sector, as well as potential capital outflows from American banks. Treasury withdrew those proposed regulations, yet the proposal has recently been revived.

Given the fragile state of America's economic recovery, it is disturbing to see actions by the Treasury that could jeopardize deposits at U.S. banks and credit unions held by nonresident aliens. These deposits, which are not subject to U.S. taxes, are at risk of being abruptly withdrawn and future deposits deterred, which could lead to a reallocation of deposits out of the U.S. banking system and, thus, reduce lending to businesses.

Furthermore, complying with the proposed regulation places additional reporting requirements and expenses upon financial firms. Without any real benefit stemming from the collection of this information, imposition of this reporting requirement seems to be a solution in search of a problem.

The Chamber supports S. 1506, and looks forward to working with you on these issues and to securing the passage of this important legislation that would help to ensure the vibrancy of American capital markets.

Sincerely,



R. Bruce Josten