

HM 1047

2011

## 1 House Memorial

2 A memorial urging the United States Department of the  
3 Treasury to withdraw a proposed rule on nonresident alien  
4 accounts and Congress to hold certain hearings on the  
5 proposed rule.

6  
7 WHEREAS, Florida is the gateway to the Americas and, as  
8 such, has promoted international trade and finance, and

9 WHEREAS, the United States has had a long policy to  
10 encourage nonresident aliens to deposit their funds into  
11 financial institutions in the United States so that these funds  
12 can be used to foster growth, encourage economic development,  
13 and create jobs in Florida and the United States, and,

14 WHEREAS, the federal law does not permit the taxation of  
15 the deposit account of a nonresident alien, and

16 WHEREAS, the United States Commerce Department has stated  
17 that foreigners have deposited nearly \$3 trillion in United  
18 States banks and with securities brokers, and

19 WHEREAS, this policy has led to the influx of tens of  
20 billions of nonresident alien dollars being deposited in Florida  
21 banks, and

22 WHEREAS, the Treasury Department has issued proposed  
23 Internal Revenue Service regulation REG-146097-09 that will  
24 require United States and Florida financial institutions to  
25 report interest earned on the nonresident alien deposits so that  
26 this information can be reported to the nonresident alien's home  
27 country, and

HM 1047

2011

28 WHEREAS, many nonresident alien accounts were established  
29 in Florida by individuals from Latin America because many  
30 nonresident aliens do not trust the privacy of the financial  
31 institutions in their home countries, fear kidnappings and  
32 extortion when such financial information is revealed, and are  
33 concerned about the viability of their home country's economy  
34 and thus have transferred their money to the safety and  
35 soundness of the United States' financial system, and

36 WHEREAS, the adoption of the rule will place United States'  
37 and Florida's financial institutions at a competitive  
38 disadvantage relative to the banks of foreign countries and will  
39 result in significant withdrawals of foreign deposits from our  
40 financial institutions, and

41 WHEREAS, the withdrawal of these nonresident alien deposits  
42 from Florida's financial institutions will drive job-creating  
43 capital out of Florida and cause a further, deepening banking  
44 and economic crisis in Florida and the United States, NOW,  
45 THEREFORE,

46  
47 Be It Resolved by the Legislature of the State of Florida:

48  
49 That the Legislature requests that the United States  
50 Treasury Department withdraw proposed Internal Revenue Service  
51 regulation REG-146097-09.

52 BE IT FURTHER RESOLVED that the United States Congress hold  
53 hearings to examine the negative effects of the proposed rule on  
54 the economies of the United States and Florida and the expense  
55 to financial institutions.

HM 1047

2011

56           BE IT FURTHER RESOLVED that copies of this memorial be  
57    dispatched to the President of the United States, to the  
58    President of the Senate, to the Speaker of the United States  
59    House of Representatives, to each member of the Florida  
60    delegation to the United States Congress, and to the United  
61    States Secretary of the Treasury.