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HM 1047

2011 Legislature

House Memorial

1
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.

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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

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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:

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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.

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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.