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October 22, 2003

Mark W. Everson	Pamela F. Olson	Wayne A. Abernathy
Commissioner	Assistant Secretary	Assistant Secretary
Internal Revenue Service	for Tax Policy	for Financial Institutions
Department of the Treasury	Department of the Treasury	Department of the Treasury
1111 Constitution Ave., NW	1500 Pennsylvania Ave., NW	1500 Pennsylvania Ave., NW
Washington, DC 20224	Washington, DC 20220	Washington, DC 20220

Re: Potential IRS Actions on the Individual Taxpayer Identification Number (ITIN)

Dear Commissioner Everson, Assistant Secretary Olson and Assistant Secretary Abernathy:

The undersigned stakeholders comprised of community and civil rights organizations, tax and financial services agencies, labor unions, and consumer and immigrant rights advocates, collectively represent and serve thousands of low-income taxpaying immigrant families. We are writing to express our concerns that the Internal Revenue Service (IRS) is contemplating significant changes to the Individual Taxpayer Identification Number (ITIN) program.

We strongly support IRS efforts to protect the integrity of the ITIN. However, we oppose any measures by the Treasury Department or the IRS to limit the issuance of ITINs or to prohibit states, financial institutions, and other entities from using ITINs to provide hard working and taxpaying low-income immigrants with banking or other services. We also oppose any measure to make ITIN information available to the Department of Homeland Security (DHS), including the Bureau of Citizenship and Immigration Services (BCIS) and Bureau of Immigration and Customs Enforcement (ICE) beyond what is currently permitted in IRS Code § 6103. These measures would be both ineffective in responding to national security concerns while being harmful to individual immigrant workers, their families, and their communities.

In creating the ITIN in 1996, the IRS enabled millions of hard working immigrants to pay their taxes and file tax returns as required by law. If IRS limits the issuance of ITINs, as a recent Washington Times article suggests, immigrants ineligible for Social Security Numbers will be discouraged from obtaining ITINs and thus, from filing tax returns. Because the ITIN is accepted by many banks, limiting its use would force tens of thousands of immigrants back into the cash economy. The IRS and Treasury

will be harming its own institutional interests, and rather than strengthening national security, it will be making our communities less secure.

Ensuring Tax Compliance

ITINs are an essential tool for the IRS to encourage immigrant workers to file tax returns and assume the rights and responsibilities offered under the Internal Revenue Code to more than 120 million individual taxpayers. Without ITINs, hundreds of thousands of immigrant workers would never file income tax returns and not have an opportunity to build the documented economic track record that tax compliance facilitates. Prior year tax returns are often required of consumers seeking to secure credit or loans that serve as stepping stones to economic success such as purchasing a home or a business. Promoting the growth of an underclass of non-compliant taxpayers is not in the interests of the IRS or Treasury as it will place a greater burden on subsequent enforcement activities that require a redeployment of scarce IRS resources.

Sharing of Confidential ITIN Information

The August 29 edition of Tax Notes reported statements by IRS Commissioner Everson saying he has made loosening the nondisclosure rules a top priority. The suggestion in this and other articles that the IRS may seek legislation to authorize routine sharing of ITIN information with immigration authorities is of grave concern.

We are adamantly opposed to any proposal that allows the IRS to routinely send ITIN information to the Bureau of Immigration and Customs Enforcement (ICE). One of the hallmarks of the current tax code is confidentiality of taxpayer information. The IRS Code presumes that taxpayer information, which can be highly sensitive, is private and confidential unless subject to a specific exception. This confidentiality both protects taxpayers and encourages compliance with tax laws.

To remove the protective cloak of confidentiality for an entire class of taxpayers violates a fundamental principle of the tax code established in the wake of prior abuses. It sets a dangerous precedent, and will discourage immigrants from complying with tax laws. Undocumented immigrants already face significant disincentives and barriers to filing their tax returns. If they know that IRS information is routinely sent to ICE -- or even that there is a possibility that the information will be shared -- current filers will be less likely to file their taxes in subsequent years, and non-filers will be less likely to obtain ITINs and become filers.

Furthermore, the IRS does not need such a wholesale exception to taxpayer privacy in order to protect national security. Subsection (i)(7) of IRS Code section 6103 permits the IRS to disclose tax information (other than taxpayer return information) to federal law enforcement or intelligence agencies investigating a terrorist incident, threat, or activity. Subsection (i)(3)(A) permits IRS to disclose tax information (other than taxpayer return information) to alert other federal agencies of non-tax violations of federal criminal law. Thus, section 6103 already contains a number of specific exceptions that permit information-sharing in well-defined circumstances. Wholesale and undefined disclosure, on the other hand, will not assist in investigating terrorism or criminal activity, but will discourage millions of taxpayers from filing returns.

Again, encouraging immigrants to obtain ITINs can only help, not hurt, national security. When immigrants obtain ITINs and file tax returns, federal law enforcement and intelligence authorities can access that information IF there is evidence of criminal or terrorist activity. However, if immigrants as a group are discouraged from seeking ITINs, there will be no documents and no paper trail to share.

Bank Accounts

ITINs are essential to bringing the unbanked into the financial mainstream. Until the advent of ITIN, banks could not open interest-bearing bank accounts for those without a Social Security Number, because of the requirement to report interest income to the IRS. With the ITIN, banks can open accounts for hardworking immigrants and still comply with tax laws. Thus, ITINs serve a tax purpose with respect to bank accounts.

If the IRS restricts the issuance or use of ITINs, it may create confusion among banks or might cause banks to refuse to accept ITINs. This will set back successful efforts by banks, credit unions, and the Treasury Department to bring more immigrants into the financial mainstream. It will have an impact on the economic future of their children. Today's non-citizen is likely to be eligible for a Social Security Number tomorrow, and is likely to be the parent of citizen children. If that immigrant is not banked now, it is less likely she will be banked in the future and that her children will participate in the banking mainstream.

In addition to allowing immigrants to build assets and avoid high cost financial services, such as check cashers, payday lenders, couriers, money transmitters, and the like, bank accounts are important for immigrants because of the need to remit money back to their countries of origin. Federal bank regulators prefer that international money transmissions be accomplished through banks and thrifts, because in comparison to other financial providers, these institutions are subject to federal regulation and oversight. Bank accounts also help deter robberies and assaults against law-abiding immigrants, who often become the target of criminals because they are known to carry large amounts of cash on payday.

Conclusion

It is for these reasons that the undersigned stakeholders urge the Treasury Department and the IRS to desist from efforts to restrict the issuance and use of the ITIN or to share ITIN information with immigration agencies, and allow immigrant taxpayers to file their taxes and continue contributing to this country's economy and general safety.

We will be contacting you shortly to request a meeting with the appropriate representatives from Treasury and the IRS and a small group representing the undersigned to follow up on these concerns.

Respectfully submitted,

David Marzahl, Executive Director
Salvador Gonzalez
Center for Economic Progress

Jean Ann Fox
Consumer Federation of America

Janell Duncan
Consumers Union

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National Consumer Law Center
(on behalf of its low-income consumers)

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National Council of La Raza

Rebecca Smith
National Employment Law Project

Marielena Hincapie, Josh Bernstein, Joan Friedland
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CC: (by fax)
Nina Olson, National Taxpayer Advocate
Henry O'Lamar, Commissioner, Wage and Investments Div., Internal Revenue Service
John D. Hawke, Comptroller of the Currency
James E. Gilleran, Director, Office of Thrift Supervision
Donald E. Powell, Chairman, Federal Deposit Insurance Corporation
Dennis Dollar, National Credit Union Administration

Organizations signing in support:

Alianza del Pueblo (Knoxville, TN)
American Federation of Labor - Congress of Industrial Organizations (Washington, DC)
American Friends Service Committee (Washington, DC)
American Immigration Lawyers Association (Washington, DC)
Amigos Center (Fort Myers, FL)
Asian American Legal Defense & Education Fund (New York, NY)
Asian Law Caucus (San Francisco, CA)
Asian Pacific American Legal Center (Los Angeles, CA)
Asociacion Tepeyac de New York New York, NY
Association of Community Organizations for Reform Now - ACORN (Washington, DC)
Baltimore CASH Campaign (Baltimore, MD)
Bilingual Services (China Grove, NC)
Boston EITC Campaign (Boston, MA)
Boulder County Safehouse (Boulder, CO)
Brighton Park Neighborhood Council (Chicago, IL)
Broward Immigration Coalition (Coral Springs, FL)
Cabrillo Economic Development Corporation (Saticoy, CA)
Campaign for Working Families (Philadelphia, PA)
Caribbean Immigrant Services, Inc. (Jamaica, NY)
Carlos Rosario International Career Center and Public Charter School (Washington, DC)
CASA of Maryland, Inc. (Silver Spring, MD)
Catholic Center (Huntingburg, IN)
Catholic Diocese of Richmond (Richmond, VA)
Center for Community Self-Help (Durham, NC)
Center for Hispanic Policy & Advocacy (Providence, RI)
Center For New Community, Iowa Project (Des Moines, IA)
Center for Training and Careers, Worknet (San Jose, CA)
Central American Resource Center (Los Angeles, CA)
Centro de Acción Latino (Greensboro, NC)
Centro Legal de la Raza (Oakland, CA)
Children's Defense Fund (Washington, DC)
Children's Defense Fund Minnesota (St. Paul, MN)
Children's Services Council of Broward County (Plantation, FL)
Community Comprehensive Social Services (Hallandale, FL)
Community Tax Aid, Inc. (Washington, DC)
Conexión Américas (Nashville, TN)
Corazón, Inc. (Cary, NC)
Council Migration Services (Philadelphia, PA)
Day Spring (Georgetown, IN)
DC Employment Justice Center (Washington, DC)
El Centro, Inc. (Kansas City, KS)

El Pueblo (Raleigh, NC)
Equal Justice Center (Austin, TX)
FaithAction International House (Greensboro, NC)
Family Economic Success Services (a project of the Piton Foundation) (Denver, CO)
Farmworker Association of Florida (Apopka, FL)
Farmworker Legal Services of New York (New Paltz, NY)
Fellsmere Community Enrichment Program (Fellsmere, FL)
First Christian Church (Shelbyville, KY)
Florida Immigrant Advocacy Center (Miami, FL)
Garibay Tax Services (Santa Ana, CA)
Grassroots Collaborative (Chicago, IL)
Greater Boston Legal Services (on behalf of its low-income clients) (Boston, MA)
Greater Upstate Law Project, Inc. (Albany, NY)
Grupo de Apoyo e Integración Hispanoamericana (Allentown, PA)
Guadalupe Center (Huntingburg, IN)
Harry H. Dow Memorial Legal Assistance Fund (Boston, MA)
Hebrew Immigrant AID Society (Philadelphia, PA)
Hispanic Committee of Virginia (Falls Church, VA)
Hispanic Community Development Center (Dudley, NC)
Hispanic Ministry - Diocese of Joliet (Kankakee, IL)
Hispanic Organizations Leadership Alliance (Takoma Park, MD)
Housing Development Corp. of Northwest Oregon (Hillsboro, OR)
Housing Resource Center of Jane Addams Hull House (Chicago, IL)
Hotel Employees & Restaurant Employees International Union (Los Angeles, CA)
Illinois Coalition for Immigrant and Refugee Rights (Chicago, IL)
Immigrant Legal Advocacy Project (Portland, ME)
Immigrant Legal Resource Center (San Francisco, CA)
Immigrant Rights Network of Iowa and Nebraska (Des Moines, IA)
Immigration Advocacy Services (Astoria, NY)
Instituto del Progreso Latino (Chicago, IL)
Interfaith Leadership Project (Cicero, IL)
Iowa Coalition Against Domestic Violence (Des Moines, IA)
Irish Immigration Center (Boston, MA)
Jewish Community Action (St. Paul, MN)
Jobs and Affordable Housing Coalition (Minneapolis, MN)
JUNTOS (Philadelphia, PA)
Just Harvest (Pittsburgh, PA)
Korean American Resource and Cultural Center (Chicago, IL)
Korean Resource Center (Los Angeles, CA)
La Raza Community Resource Center (San Francisco, CA)
Labor Council for Latin American Advancement
Latino Community Credit Union (Durham, NC)
Latino Community Development Center (Durham, NC)
Latinos United for Change and Advancement (Madison, WI)
Lawyers' Committee for Civil Rights (San Francisco, CA)
Legal Aid Society (National) (New York, NY)
Legal Aid Society of Minneapolis (Minneapolis, MN)
Lehigh Valley Immigrant Workers' Rights Coalition (Allentown, PA)
LexLinc Community Development Federal Credit Union (Lexington, KY)
Little Village Community Development Corporation (Chicago, IL)
Los Compañeros (Durango, CO)

LULAC Council 4609 (Richmond, VA)
Massachusetts Immigrant & Refugee Advocacy Coalition (Boston, MA)
Metropolitan Alliance of Congregations (Chicago, IL)
Migrant Legal Action Program (Washington, DC)
Milwaukee Council for the Spanish Speaking (Milwaukee, WI)
Minnesota Coalition for Undocumented Students (West St. Paul, MN)
Mitchell Bank (Milwaukee, WI)
Mountainlands Community Housing (Park City, Utah)
National Asian Pacific American Legal Consortium (Washington, DC)
National Association of Korean Americans, New York Chapter (New York, NY)
National Center on Poverty Law (Chicago, IL)
National Immigration Forum (Washington, DC)
National Interfaith Committee for Worker Justice (Chicago, IL)
National Korean American Service & Education Consortium (Los Angeles, CA)
National People's Action (Chicago, IL)
Nationalities Service Center (Philadelphia, PA)
Nebraska Appleseed Center for Law in the Public Interest (Lincoln, NE)
Network for Immigrant Justice (Eugene, OR)
New Jersey Immigration Policy Network (Newark, NJ)
New York Immigration Coalition (New York, NY)
North Carolina Justice and Community Development Center (Raleigh, NC)
North Carolina Justice Center (Raleigh, NC)
Northern California Coalition for Immigrant Rights (San Francisco, CA)
Office of Hispanic Ministry (Waterloo, IA)
Pennsylvania Family Economic Self-Sufficiency Project (Swarthmore, PA)
Pennsylvania Immigration and Citizenship Coalition (Philadelphia, PA)
Pennsylvania Immigration Resource Center (York, PA)
Pennsylvania Institutional Law Project (Philadelphia, PA)
Philadelphia Citizens for Children and Youth (Philadelphia, PA)
Philadelphia Council American Federation of Labor-Council of Industrial Organizations (Philadelphia, PA)
Philadelphia Unemployment Project (Philadelphia, PA)
Philadelphia Volunteers for the Indigent Program (Philadelphia, PA)
Pinnacle Resources, LLC (Bakersfield, CA)
Public Justice Center (Baltimore, MD)
Refugee and Immigration Services, Catholic Diocese of Richmond (Richmond, VA)
Rhode Island Coalition for Immigrants and Refugees (Providence, RI)
Rural Opportunities Inc. (Rochester, NY)
Service Employees International Union, Health Care Workers Local 250 (Oakland, CA)
Services, Immigrant Rights & Education Network (San Jose, CA)
Somos Un Pueblo Unido (Santa Fe, NM)
Southeast Asian Mutual Assistance Associations Coalition (Philadelphia, PA)
Tennessee Immigrant and Refugee Rights Coalition (Memphis, TN)
UCLA Labor Center (Pasadena, CA)
UNITE (Washington, DC)
United Network for Immigrants and Refugee Rights (Chicago, IL)
United Way of King County (Seattle, WA)
United Way of Southeastern Pennsylvania (Philadelphia, PA)
USAction (Washington, DC)
Virginia Justice Center (Falls Church, VA)
Volunteer Accounting Service Team of Michigan (Detroit, MI)

Washington Lawyers' Committee for Civil Rights and Urban Affairs (Washington, DC)
Watts/Century Latino Organization (Los Angeles, CA)
West Virginia School of Osteopathic Medicine (Lewisburg, WV)
Westside Community Action Network Center Inc. (Kansas City, MO)
Workers' Rights Law Center of New York (New Paltz, NY)
Young Korean American Service and Education Center (Flushing, NY)
Youth Empowerment Activists (Woodside, NY)