



June 4, 2024

The Honorable David Joyce
Chair
House Appropriations Subcommittee on
Financial Services and General Government
2000 RHOB
Washington, DC 20515

The Honorable Steny Hoyer
Ranking Member
House Appropriations Subcommittee on
Financial Services and General Government
1036 LHOB
Washington, DC 20515

Dear Chair Joyce, Ranking Member Hoyer, and Members of the House Appropriations Subcommittee on Financial Services and General Government:

On behalf of the National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, we write to express our support for the Fiscal Year 2025 appropriations bill in front of the House Committee on Appropriations Subcommittee on Financial Services and General Government. We applaud the Committee for adhering to the Fiscal Responsibility Act caps and putting forth an almost 10 percent cut to FY 2024 levels. NTU supports this legislation due to these timely cuts to excessive federal spending, pushback on administrative state overreach, and the inclusion of numerous targeted policy provisions.

In particular, we strongly commend the inclusion of the following policies:

Sec. 113. Blocking further implementation of Direct File

Instead of merely conducting a study on its ability to offer a government-run tax filing service, as authorized by statute, the IRS used millions in taxpayer funds to create Direct File. As NTUF has [noted](#), the Government Accountability Office found numerous issues with this pilot, including a lack of transparency on costs to the government. More troubling should be the willingness of the IRS to invent a duplicative, unnecessary program out of thin air.

Sec. 532. Prevents FTC officials from colluding with foreign regulators

[Congressional](#) scrutiny of [FTC officials'](#) use of taxpayer resources to travel to Europe is heightening - and for good reason. American companies and consumers are footing the bill for expensive forays into Brussels and other locations as our own government officials help the European Union (EU) launch regulatory salvos against American companies with the Digital Markets Act and the Digital Services Act. These regulations effectively wall off European markets by subjecting certain American companies to taxes and requirements that do not affect most European companies.

If FTC regulatory actions are unable to withstand the courts and body of law within the United States, then they should not collaborate with competitor nations to hamstring businesses. This provision would prevent this from happening in the future.

Sec. 533./537. Preventing unfair methods of competition rulemakings

This provision would prevent the egregious non-compete rule from being enforced and would prevent further rulemakings using this expansive and unprecedented authority. The blanket non-compete rule will interfere with the well-established right to contract and put intellectual property rights and training investments at risk for employees. Furthermore, this rule should serve as a bellwether of future standalone uses of Section 5 rulemaking authority - which could lead to even more broad usurpation of congressional authority. This could mark a return to unilateral FTC action as NTU has [noted in the past](#).

Sec. 132. Ensuring the “Beneficial Ownership” rule doesn’t harm small businesses

This provision would prohibit funds from being used to implement the “Beneficial Ownership” rule, which would place onerous reporting requirements on small businesses. While it is important to crack down on financial crimes and money laundering, it is also imperative to make reasonable accommodations for law-abiding small businesses that cannot afford enormous regulatory costs.

Sec. 500-504. Curtailing Consumer Financial Protection Bureau overreach and reforming its structure

As [NTU](#) has recently written, the Consumer Financial Protection Bureau’s (CFPB) unprecedented structure and overly aggressive enforcement agenda pose risks to taxpayers. Their overreaches, especially under Director Rohit Chopra, are reducing access to credit for Americans and generating enormous compliance costs. Recent expansive enforcement actions on credit card fees, Buy Now, Pay Later programs, and online lead generation all reflect an emboldened agency that issues subregulatory guidance to negative impacts on taxpayers. Restructuring the agency, placing it under congressional appropriations, and reining in some of its worst regulatory efforts could boost Americans’ ability to access credit in a tough economic time.

Sec. 523-524. Preserving Internet innovation by preventing “net neutrality” and “digital discrimination” rules

[NTU commented](#) in the past on the FCC’s “digital discrimination” rulemaking, which would be counterproductive to the stated goals of connecting more Americans to the Internet. Heavy handed regulations like this and the disproven “[net neutrality](#)” rule will only serve to curb investment in better networks and faster speeds for more Americans.

While not an exhaustive list, we also applaud the inclusion of the following policies:

- Reining in abuse of the Coronavirus State and Local Fiscal Recovery Funds,
- Preventing implementation of climate change executive orders,
- Preventing the Securities and Exchange Commission from implementing Staff Accounting Bulletin No. 121, which inhibits the ability of financial institutions to safeguard digital currency, and
- Limiting the Federal Trade Commission’s overreaches under Hart-Scott-Rodino and enforcing the Prior Approval changes from 2021.

Potential amendments could help improve this legislation, such as blocking implementation of the lower reporting thresholds for 1099-K income, and restricting IRS use of artificial intelligence. Last year, Rep. [Higgins](#) (R-LA) offered an amendment to H.R. 4664, FY 2024 FSGG appropriations, that would restrict AI use for enforcement purposes. Similarly, [Rep. McCormick](#) (R-GA) offered an amendment to restore the 1099-K threshold to \$20,000 since the current IRS is delaying implementation and enforcement of the provisions in the American Rescue Plan Act of 2021 - without any congressional authorization to do so.

Overall, we commend this draft legislation for firmly advancing the interests of taxpayers in a fiscally responsible manner, while curtailing Biden administration overreach from various agencies. We urge full support from the members of the subcommittee and swift passage from the full committee, and the House.

Thank you,

Nick Johns

Senior Government Affairs and Policy Manager
National Taxpayers Union