

Statement of The Electronic Transactions Association

United States House of Representatives
Committee on Ways & Means
Subcommittee on Oversight
Member Day Hearing on Legislation to Improve Tax Administration
January 30, 2018

Chairman Jenkins, Ranking Member Lewis and members of the Committee, The Electronic Transactions Association (“ETA”) appreciates the opportunity to submit this statement for the record for the Committee’s Member day hearing on legislation to improve tax administration.

ETA is an international trade association representing over 500 companies that offer electronic transaction processing products and services. The purpose of ETA is to help the payments industry by providing leadership through education, advocacy, and the exchange of information. ETA’s membership spans the breadth of the payments industry to include payment networks, financial institutions, transaction processors, mobile payments products and services, voice-service providers, payments technologies, software providers, and hardware suppliers. ETA member companies touch, enrich and improve the lives of every consumer by making the global flow of commerce possible.

ETA encourages Congress to work with the IRS to implement electronic payments for federal income tax refunds. As you may know, Federal income tax refunds are - the only significant government payment that is not required to be made electronically (as a result of an exemption included in the Debt Collection and Improvement Act of 1996 “DCIA”). In our electronically focused economy, ETA asks that Congress take important steps to modernize and make more efficient and secure federal income tax refunds.

ETA also feels it is important that Congress take action to encourage and support consumer choice when it comes to receiving their federal income tax refunds. With an increasing number of Americans conducting their financial lives through financial products & services that were not yet available when the DCIA was written, it is important that American taxpayers be given the choice to receive payments in the manner that best fits their financial lives.

Innovative financial products, such as prepaid cards and digital wallets, are particularly important to the approximately 68 million Americans with limited or no access to traditional financial services and products. These products provide them with

a secure, affordable, and convenient option to make payments and receive deposits. Encouraging electronic payment for federal tax refunds would allow more Americans to be brought into main stream financial services and, thus, benefit from the security and convenience it provides. Action on this issue has also become more important than ever given that Congress recently passed a law that will increase income tax refund payments for millions of Americans.

ETA's members are dedicated to providing their customers with convenient, secure, and timely financial services and products that make their lives easier. We believe that it is time that Congress requires the IRS do the same with their customers, the American taxpayer.

ETA would like to thank the Committee for the opportunity to provide a statement for the record on this important topic. If you have any questions about this statement or the issues discussed, please contact Scott Talbott, ETA Senior Vice President of Government Affairs at or stalbott@electran.org.