

Statement by Secretary of the Treasury Janet L. Yellen on Congressional Tax Compliance Proposals



October 19, 2021

I deeply appreciate Chairman Wyden and Chairman Neal's leadership on reconciliation and in particular, on the need to close the tax gap. Under the current system, American workers pay virtually all their tax bills while many top earners avoid paying billions in the taxes they owe by exploiting the system. At the core of the problem is a discrepancy in the ways types of income are reported to the IRS: opaque income sources frequently avoid scrutiny while wages and federal benefits are typically subject to nearly full compliance. This two-tiered tax system is unfair and deprives the country of resources to fund core priorities.

Today's new proposal reflects the Administration's strong belief that we should zero in on those at the top of the income scale who don't pay the taxes they owe, while protecting American workers by setting the bank account threshold at \$10,000 and providing an exemption for wage earners like teachers and firefighters. We will continue to work with leaders in Congress to enact this important measure to level the playing field for workers and small businesses, and raise revenue to build our economy back better.

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