

United States Senate

WASHINGTON, DC 20510-2104

Chairman Christopher Dodd
Senate Committee on Banking, Housing, and Urban Affairs

Chairman Barney Frank
House Committee on Financial Services

Dear Chairman Dodd and Chairman Frank,

I am writing you to express my strong opposition to the \$19 billion bank tax that was included in the financial reform bill during the conference committee. This tax was not in the Senate version of the bill, which I supported. If the final version of this bill contains these higher taxes, I will not support it.

It is especially troubling that this provision was inserted in the conference report in the dead of night without hearings or economic analysis. While some will try to argue this isn't a tax, this new provision takes real money away from the economy, making it unavailable for lending on Main Street, and gives it to Washington. That sounds like a tax to me.

I have always strongly opposed a bank tax because, as the non-partisan CBO has said, costs would be passed onto the millions of American consumers and small businesses who rely on major U.S. financial institutions for their checking, ATM, loans or other services. This tax will be paid by consumers who will have to pay higher fees and the small businesses that won't get the funding they need to invest and create jobs.

Imposing this new tax is the wrong option. Our economy is still struggling. It is wrong to impose higher taxes and ignore the impact it will have on our economy without considering other ways we might offset the costs of the measure. I am asking that the conference committee find a way to offset the cost of the bill by cutting unnecessary federal spending. There are hundreds of billions in unspent federal funds sitting around, some authorized years ago for long-dead initiatives. Congress needs to start looking there first, and I stand ready to help.

Sincerely,



Senator Scott P. Brown