

Biden's \$600 Debacle

by
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So you think that Biden's move to track every \$600+ withdrawal from your bank or investment accounts is okay? That it's no big deal? Well think again, because you are very much misinformed.

Currently any transaction of \$10,000 or more through your bank or financial institutions is to be reported to the IRS. Biden believes that this amount is too high and wants to adjust it down to \$600 so as to "catch those who are not paying taxes." Such a belief on Biden's part is absolutely and absurdly false. Consider the following:

- **2016 Median Bank Account Balances in the US**

Percentile of Population	Yearly Income (USD)	Median Bank Account Balance
Bottom 20%	\$14,400	\$600
Next 20%	\$31,800	\$1,700
Next 20%	\$53,400	\$3,800
Next 20%	\$87,400	\$8,200
Next 10%	\$138,700	\$18,700
Top 10%	\$514,700	\$62,000

Source: The Federal Reserve System

- In 2021, the average monthly rent affordable to a family with a household income at the poverty line was \$663. However, the average [Fair Market Rent](#) for a one-bedroom rental home was \$1,061 per month.
- For a household of 4 persons, the poverty for 2021 is \$26,500. [CIB: 2021 Federal Poverty Level Standards - Medicaid](#)
- The average monthly mortgage payment in the US is \$1,275 for a 30-year fixed mortgage.

Based on the above, it is not likely that the bottom 40% of Americans will have any \$600+ transactions except, perhaps, for buying a car or major appliance, or for initial school costs. Thus the Biden plan is to essentially track the middle and upper class citizens. What does this mean?

The Biden plan will track every rent or mortgage payment, property and other tax payments, most loan payments on a \$30,000+ loan, credit card payments, and tuition and school costs.

While you may not be concerned about many of these payments because they show a payee in the transaction, imagine making a \$600+ cash withdraw. Under Biden's law,

the IRS will want to know where that money went to. Was it for basic needs or perhaps something a bit more nefarious? If you are not able to provide adequate documentation, you could end up paying “taxes,” a tax penalty, or even spend time behind bars.

So you might use the “trick” of only withdrawing \$599. This won’t work because the IRS will have software in place to look at all of your transactions and comparing them against your other transactions and with what are the norms.

As the government reaches deeper into your personal life and with artificial intelligence being incorporated more and more into software, the less you will be able to hide your purchases from the government. This will become especially true when all money transactions go digital and paper money disappears, which then gives complete government control over your finances.

But there is another aspect to this proposed law – your taxes will go up and your financial institutions will charge more. The two reasons for this are the need to hire additional employees, and to develop, install and operate new software.

The IRS will need to hire additional agents at a median salary of \$51,430 each, and develop software to collect and analyze the data. The software development will probably be awarded to a non-USA company for at least \$5 million (more likely several billion dollars). Guess who will be footing that bill? You of course!

Banks and financial institutions will also hire extra employees to deal with these new regulations and similarly contract for the software development. This additional cost will be passed onto you, the consumer as fees.

If you still believe that it doesn’t matter, you’re either poor or are in need of a reality check.