

Friday, May 21, 2021
To: New York Community Banks

FROM ICBA

Treasury proposes crypto tax reporting requirements

The Treasury Department proposed tax reporting requirements on cryptocurrencies in a [new report](#) on the administration's American Families Plan.

Reporting: Treasury said the proposed financial account reporting regime would cover cryptocurrencies and cryptoasset exchange accounts and payment service accounts that accept cryptocurrencies.

Transactions: As with cash transactions, businesses that receive cryptoassets with a fair market value of more than \$10,000 would also be reported on, Treasury said.

More: A new [Main Street Matters post](#) from ICBA's Brian Laverdure provides community bankers with a primer on Bitcoin and what it means for the financial services industry. [Read the post.](#)

Fed releasing CBDC paper this summer: Powell

Federal Reserve Board Chair Jerome Powell said the Fed is planning a discussion paper for this summer on the possibility of issuing a U.S. central bank digital currency.

Focus: In a [video message](#), Powell said the Fed will focus on whether and how a CBDC could improve on an already safe, effective, dynamic, and efficient U.S. domestic payments system.

Impact: "We think it is important that any potential CBDC could serve as a complement to, and not a replacement of, cash and current private-sector digital forms of the dollar, such as deposits at commercial banks," Powell said.

Background: A new series on ICBA's [Main Street Matters](#) blog explains what CBDC is, how it compares to other digital assets, and why central banks are pursuing it. [Read the latest post.](#)

ICBA board meets with Treasury's Adeyemo

The ICBA board of directors met with Deputy Treasury Secretary Wally Adeyemo to discuss community banking advocacy priorities.

Topics: During the meeting, ICBA community bankers and staff discussed issues such as cannabis banking, the administration's tax reporting proposal, beneficial ownership reporting, fintechs and novel charters, climate change policy, and more.

More: Community bankers can learn more about ICBA's policy priorities on the [Advocacy section](#) of its website and contact policymakers via its [Be Heard grassroots action center](#).

Reserve balances higher than expected: Fed

Bank reserve balances have increased more than expected due to large deposit inflows, according to a Federal Reserve [study](#). The December 2020 survey of senior financial officers found 40 percent of respondents said their balances grew higher than expected in August. One-third said their banks are working to limit the size of their balance sheet.

FROM OTHER SOURCES

- "As the Paycheck Protection Program Runs Dry, Desperation Grows." The government's \$788 billion relief effort for small businesses ravaged by the coronavirus pandemic, the Paycheck Protection Program, is ending as it began, with the initiative's final days mired in chaos and confusion. Millions of applicants are seeking money from the scant handful of lenders still making the government-backed loans. https://www.nytimes.com/2021/05/20/business/paycheck-protection-program.html?mkt_tok=ODUwLVRBQS01MTEAAAF9Lc40Vt1OZ8G2eae-8gkQRtfd3NPjI70rCXSoKPOZWx-Acert65R9Fh0MvhN2wu2ZhuRGTNjpd3Ij0QyT2pNGxD_HF0W6d1S-ESV2KzaJ3Lj
- The number of workers seeking and receiving unemployment benefits through state and federal programs has reached pandemic lows ahead of this summer, when 22 states plan to end a \$300 federal benefit early. Initial unemployment claims through regular state programs dropped to 444,000 last week, marking a new low level since the pandemic hit in mid-March 2020. <https://www.wsj.com/articles/weekly-jobless-claims-coronavirus-05-20-2021->

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- Jobless claims set new pandemic low as some GOP-led states move to slash unemployment benefits. Some 444,000 Americans filed first-time unemployment claims last week, the U.S. Labor Department reported Thursday, chalking up another pandemic low as the labor market continues to recover and a cluster of state lawmakers threaten to slash benefits. https://www.washingtonpost.com/business/2021/05/20/weekly-jobless-claims-labor-market/?mkt_tok=ODUwLVRBQS01MTEAAAF9LeEjilPFgEgKtxpdMcjrtbidp1IpmOmYyveddw5x1Ix12twqHmWCOBYIJmZNXjywy84IkV-47o0E_KrOQtuP1oXLi8_hsRPcWGOORF32NXR8
- President Biden signed into law bipartisan legislation to combat anti-Asian hate crimes, which increased by 149 percent in 2020 amid the COVID-19 pandemic. <https://www.govexec.com/management/2021/05/biden-signs-law-directing-justice-department-combat-covid-19-hate-crimes/174195/>
- Morning Consult's "Trust in Financial Services" report explores how much U.S. consumers trust the financial services industry overall, how this trust is built, and how it can be broken. Read the [full report](#)
- The prospect of downtown business districts turning into modern ghost towns is looking much less likely than in the early days of lockdown, Axios [writes](#). A [KPMG survey](#) last August found 69% of CEOs said they planned to downsize office space. This March, just 17% said they'll be downsizing. Tech companies led the remote-work revolution at the start of the pandemic. Now, many are making investments in physical offices. While demand for office space is shrinking, that's likely to be partly offset by a higher average amount of space allocated to each person. The industry calls it "office de-densification." Employees saw their personal space shrink dramatically for decades: Offices had an average of 325 square feet per employee in 1990 — and 196 feet in 2020, according to commercial real estate company JLL. That's now expected to reverse. [Share this story](#).

FROM NEW YORK

- Governor Cuomo reported that COVID hospitalizations in the state dropped to 1,490, the lowest since November 8. Of the 186,078 tests reported yesterday, 1,583, or 0.85%, were positive—the lowest since September 11. The 7-day average percent positivity was 1.02%. There were 339 patients in ICU yesterday, down 23 from the previous day. Of them, 208 are intubated. 18 New Yorkers lost their lives to the virus. <https://www.governor.ny.gov>. 62.7% of adult New Yorkers have completed at least one vaccine dose. To date, New York has administered 18,025,115 total doses. 53.5% of adult New Yorkers have completed their vaccine series. See additional data on the State's [Vaccine Tracker](#).
- The gradual reopening of New York City helped the state add 35,000 jobs, potentially setting the stage for an acceleration of the economy with the dropping of most restrictions on businesses this week, [The City reports](#).
- New York's unemployment rate fell in April from 8.4% to 8.2% as the economy added 28,100 jobs in the private sector, the Department of Labor on Thursday announced. [Read more](#).
- Governor Cuomo on Thursday unveiled "Vax & Scratch" — a major incentive aimed at increasing flagging vaccination rates across the state. New Yorkers could win up to \$5 million if they roll up their sleeves next week for a coronavirus vaccine shot. The pilot program will run from May 24 to 28 and apply to unvaccinated New Yorkers who get shots at state-run mass vaccination sites. Those who get a vaccination will get "a free \$20 scratch off ticket for the multiplier game 100 percent free," the Governor said. <https://patch.com/new-york/new-york-city/cuomo-unveils-5m-coronavirus-vaccination-lottery-incentive>
- Senate Majority Leader Schumer is making a push with federal officials to reopen the Canadian border, which has been closed to non-essential travel for more than a year to prevent the spread of the COVID-19 pandemic, [State of Politics reports](#).

- The rollout of the Excelsior Pass, a digital app designed to enable people to confirm they have been vaccinated or tested negative for COVID-19, has been plagued with glitches and left many unable to download their digital proof of vaccination. The hiccups are apparently being caused by a mix of clerical errors, inconsistent data gathering and the occasional cases in which people with identical names — but different birthdates — are being rejected because the system has merged their identities. https://www.timesunion.com/news/article/Excelsior-Pass-rejecting-many-who-have-been-16189270.php?utm_campaign=socialflow&cmpid=twittersocialflow&utm_source=t.co&utm_medium=referral
- [After a year off due to the COVID-19 pandemic](#), the Erie County Fair is back for its 181st season.
- [After avoiding questions for months](#) about his publishing contract, the governor released his tax returns on Monday, showing that he made a \$5.1 million deal for his book about the state's battle with the coronavirus.
- [CNN anchor Chris Cuomo](#) took part in strategy calls with his brother Andrew Cuomo amid allegations of sexual harassment leveled against the governor.
- Kids over the age of 2 will now be required to wear face masks while at day care and day camps, according to new guidance put out by New York state. This announcement came the same day that fully vaccinated New Yorkers were allowed to ditch their masks while indoors, causing confusion across the board. [Read More](#)

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IBANYS will continue to provide updates as additional information becomes available. Thank you all for your continued participation and support.

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