

begin with, and secondly, if they are taxpayers they are taking the standard deduction and are not itemizing their deductible items and therefore I think frankly it would be more apparent than real in the effect on our clientele, which, as you know, are people generally under the \$3,000-a-year limit.

Mr. WYLIE. Would you favor an amendment or disclosure provision which would require an indication of the actual cash amount paid out in interest and service charges during the year?

Mr. HARDING. Disclosure by whom?

Mr. WYLIE. By the merchant or by the seller?

Mr. HARDING. You mean in some form he would supply the purchaser with a statement as to the amount that had been paid?

Mr. WYLIE. Like a form 1099 which requires disclosure of interest or dividends received, a form which would show the amount which has been paid out during the year in interest or service charges.

Mr. HARDING. I think that could be very valuable for many taxpayers, Mr. Wylie. Again, I say probably it will not be of any great value to the taxpayers in the poverty population.

Mr. WYLIE. What do you think about that, Mr. Secretary?

Secretary TROWBRIDGE. That last proposal sounds like it might place quite an administrative burden, Mr. Wylie, on a given merchant. I don't know what kind of load this might put on him as far as individual advice. I gather you are describing an advice at the end of the year as to the total amount of the interest charges which a given account or purchase involved as far as the individual customers are concerned. The customer would use that information for credit on his income tax.

Mr. WYLIE. In other words, what I am suggesting is, that we consider a change in the regulations and at the same time consider a change in this bill so that a full disclosure of the amount, the exact amount, of money paid out by buyer in interest charges and that a deduction could be made on the income tax return in that amount.

Secretary TROWBRIDGE. If there were revolving credit on installment plan accounts with these disclosure provisions, though, I would think that a customer could take a series of monthly statements or quarterly, or whatever the statements are and isolate out the interest charges from it. I am not sure whether it would be necessary to reconcile at the end of the year to the total amount collected. I don't know.

Mr. WYLIE. If a monthly statement lists charges it would be a simple proposition to add them up at the end of the year.

Secretary TROWBRIDGE. To annualize.

Mr. WYLIE. Disclosure of a 1½-percent interest rate as you pointed out, still does not relieve the difficulty of the average person to convert to cash as to how much he has actually paid out.

Mr. HARDING. The annual rate is contemplated in the bill as I understand it.

Mr. WYLIE. That is right.

Mr. HARDING. I would like to add to what Secretary Trowbridge said. I happened to be involved in the problems incident to the expansion of the 1099 regulations in connection with Revenue's computer system. Even for banks and large financial institutions this did represent a tremendous problem for them to accommodate to the law. To place this