

burden upon a large number of relatively small merchants throughout the country without the advantage of computerized accounting equipment would, as the Secretary indicates, probably represent something of a rather horrendous nature.

Secretary TROWBRIDGE. It would probably involve that—perhaps you can check me if I am right—but I think it would involve also the establishment of some identification number like the social security number which is used in the tax forms on the part of the small businessman.

Mr. WYLIE. We had testimony here this morning in which the word “approximate” is used—you used the word “approximate” in your statement—would you require an “approximate” annual interest rate? Even though the revolving charge is $1\frac{1}{2}$ percent a month, the interest may come out on annualized rate, to anyplace between 10, 15, or even 24 percent.

Secretary TROWBRIDGE. Are we not talking about two different things, Mr. Wylie—of disclosure by the seller to the customer and of the annual rate that is involved in the given transaction? I understand your proposal to be one in which the seller would then, in addition to disclosure, have to provide some sort of formal notice at the end of the year or at some tax period of the amount of interest for tax purposes. One is a good deal more complicated than the other.

Mr. WYLIE. Would it not be better to show the actual cash amount paid out rather than requiring an annual interest rate? Because that amount could be used in the buyer's tax return and also it is more meaningful to him to show what the interest rate was.

Mrs. SULLIVAN. Would the gentleman yield?

Mr. WYLIE. Glad to yield, Madam Chairman.

Mrs. SULLIVAN. Is it not to the taxpayer's advantage to keep all these interest charges that he pays so he can deduct the amounts at the end of the year? It is a little different from showing the income on his income tax. He may be reluctant to show all the income but he is very anxious to show what he has paid out which is deductible.

Mr. WYLIE. It is to the taxpayer's advantage. But how many of them do it? With the multitude of forms and receipts you have to keep during the year I find it very hard myself to figure any deductions. This form 1099 which I like makes it very easy for me to include interest and dividends.

Mrs. SULLIVAN. People who itemize are always seeking things to deduct. They are not always as conscientious in seeking things to show as income. So this idea of putting the burden on the poor store, the department store, or the person who gives the credit—

Mr. WYLIE. I think it would be less burdensome on the stores to show at the end of the year how much has been paid out in dollars and cents than it would to show an annual interest rate.

Mrs. SULLIVAN. The store shows each month what it charges. It is shown each month.

Mr. WYLIE. That is what I am saying. At the end of the year why do they not add up the monthly amounts and say, “This amount has been paid out” and send it in this form to the buyer rather than requiring a computation of the interest rate?

Mrs. SULLIVAN. As I said this morning, we could argue it 7 years; $1\frac{1}{2}$ percent is 18 percent a year and if they are going to charge $1\frac{1}{2}$