



Committee on Economic Statistics and Committee on Government Relations

## Proposal to Amend the U.S. Tax Code to Give BEA and BLS Access to Certain Business Tax-Return Data

A proposed amendment to [Section 6103\(j\) of the U.S. Tax Code](#) would give the Bureau of Economic Analysis (BEA) and Bureau of Labor Statistics (BLS) new access to business tax-return data. The American Economic Association’s Committee on Economic Statistics (AEASat) and Committee on Government Relations (CGR) **strongly support** the proposed amendment. This brief explains why.

The quality of U.S. economic statistics can be substantially improved by increasing BEA and BLS’s access to business tax returns. Tax-return information valuable for statistical purposes includes the business’s name, address, industry, type (corporation, sole proprietorship, partnership), employment, sales, and total wages and salaries. Currently, the **Census Bureau** can access tax data for corporate and noncorporate businesses, which it uses to help maintain its “business register” – a comprehensive list of businesses needed to conduct business censuses and representative sample surveys. **BEA** can access tax data for corporate (but not noncorporate) businesses, which it uses to produce the national income and product accounts. **BLS** has no access to tax data – even though, like the Census Bureau, it maintains a business register and could use tax data to help keep it accurate and up to date.

The proposed amendment makes two modifications to Section 6103(j):

1. **BEA’s access would be extended to partnerships and sole proprietorships with gross receipts above \$250,000.** Extending BEA’s access to cover noncorporate as well as corporate returns would improve its ability to measure output and income for the economy overall – both large and small businesses, both nationally and at the regional level. U.S. trade statistics would also improve, as BEA would be better able to ensure that its estimates are representative of the business sector as a whole.
2. **BLS would gain access to certain return information for businesses and nonprofit organizations,** including the entity’s name, address, industry, type, employment, total sales or revenues, total wages and salaries, and forms filed. With these new inputs for checking and updating its business register, BLS would be better able to ensure that its sample surveys accurately represent the business population. BLS statistics on labor productivity would also improve, as it would gain new tools for matching its data on labor inputs to BEA data on industry output.

As with all access to tax data, new BEA and BLS access would fall under the **rigorous privacy-protection provisions** of the [Confidential Information Protection and Statistical Efficiency Act \(CIPSEA\) of 2002](#) and the [U.S. Tax Code \(Title 26\)](#). BEA and BLS have **decades of experience** safeguarding the confidentiality of data they collect and use.<sup>1</sup>

AEASat and CGR strongly support the proposed amendment due to the substantial improvements in economic statistics it can be expected to yield. Better economic statistics benefit everyone who consults them – from policy makers, financial-market participants, and business decision-makers, to local governments, community organizations, and the general public. No increase in government spending is required to achieve these quality gains; instead, they come from **more efficiently using data** the government already has. The amendment would also reduce constraints on data sharing across statistical agencies, facilitating increases in efficiency within the statistical system and improving the consistency of industry-level statistics.<sup>2</sup>

<sup>1</sup> BEA has successfully passed U.S. Treasury safeguard reviews for decades.

<sup>2</sup> For further discussion, see AEASat/CGR’s [White Paper on Data Synchronization](#) (June 2023).