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Senator George S. LeMieux
Chairman of the Board of Trustees

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Comments to the Honorable Kelli Stargel, Chair, and members of the Senate Appropriations Committee regarding SB 1382 --- Tax Administration

My name is Dominic M. Calabro and I am President and CEO of Florida TaxWatch, an independent, nonpartisan, nonprofit, taxpayer research institute & government watchdog which, for over 42 years, has worked hard to improve the effectiveness, efficiency, and accountability of Florida government and promote a fair and equitable system of taxation.

Florida TaxWatch is an advocate and watchdog FOR taxpayers. We work to assure that taxes are fair and as low as reasonably possible and strive to ensure that state expenditures are smart, transparent, and accountable. We are also longtime supporters of providing the Florida Department of Revenue the tools needed to effectively administer the tax laws of our state. **Ensuring that reasonable revenue owed under the law is collected lessens the pressures to raise taxes.**

Voluntary compliance is the backbone of Florida's tax collection system. Systems for tax collection must be fair and equitable, for individuals, "moms and pops," and sophisticated corporate taxpayers alike. Anything less is unfair to those taxpayers satisfying their tax obligations. We acknowledge, though, that sometimes DOR must take additional steps to ensure that bad actors are not gaming the system. It is a difficult task to **balance enforcement without infringing on the rights of taxpayers.** The Legislature must ensure that the provisions of SB 1382 do not cross that line.

The original bill included many good provisions, such as the automatic payment of refunds due when discovered during an audit, allowing the department to answer taxpayer questions during the 60-day period before an audit commences, and creating provisions for the department to consider a request to settle or compromise a final assessment under more circumstances.

However, we felt that other provisions may have posed an unreasonable risk to taxpayers, **a risk that is amplified for smaller businesses** who may not be as sophisticated in tax compliance or recordkeeping and may not have the resources to hire accounting, tax advisement, or legal support.

It is a difficult task to balance enforcement without infringing on the rights of taxpayers. **The amendments you are considering today greatly improves the bill, and largely strikes that balance.** Further, adding a work group to review, monitor, and advise on the implementation can make sure these changes do not have negative unintended consequences and continue to make improvements.

Florida TaxWatch commends the department for their willingness to update the bill and their receptiveness to the input of Florida TaxWatch and others. We especially want to commend Executive Director Zingale and Deputy Executive Director Vickers for their years of service and commitment to fair administration of Florida's tax laws.

We look forward to working with you and your colleagues on this and other tax issues this session. Thank you for your thoughtful consideration and, most of all, thank you and your family for your selfless public service to our state's taxpayers.