



Senator George S. LeMieux
Chairman of the Board of Trustees

Dominic M. Calabro
President & Chief Executive Officer

**Comments to the Honorable Jennifer Bradley, Chair, and members of the
Senate Community Affairs 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 little as 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 and providing refunds and holidays when due is an important way to help taxpayers get what they deserve.**

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.

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

Other issues raise questions and we want to ensure that the balance remains fair to taxpayers. For example, we should find ways to strengthen DOR's ability to work with taxpayers to clarify issues during and after the audit but must be careful in creating presumptions that noncompliance is due to willful negligence, willful neglect, or fraud. The bill also provides taxpayers only 14 days after issuance of a proposed assessment to request a conference in writing, a period that may not be long enough to exercise their rights, hire counsel, or satisfy the assessment. These concerns are amplified for smaller business, 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. Finally, while emergency rulemaking is an important tool DOR uses to interpret laws between legislative sessions and Cabinet meetings, we should ensure that changes to the rulemaking process do not make emergency rules permanent without formal adoption.

We believe in the important and balanced work that the Florida Department of Revenue is doing and look forward to working with you and your colleagues as you continue strengthen DOR's toolbox to support taxpayers and protect against bad actors.