

Appropriations Committee because I understand that the time has come when we do have to make some rational budget cuts. But every now and then there is a budget cut which I would have to conclude in my own mind is not a rational cut because the cut will end up being counterproductive. I am of the opinion that this is one of those times when the cut itself is counterproductive. As I have said on several occasions, study after study has shown that a state department of revenue enhances state revenues, enhances collections with an aggressive collection and enforcement policy. Collections and enforcements are affected through auditors and field service personnel. Those are the folk who basically do the collection and enforcement. The \$365,000 that will be excised from the Department of Revenue's budget in part goes to eliminate some field service jobs and auditor jobs. In part that is what it goes for. It also goes to eliminate some travel money. I'll talk to you a moment about travel money. The State of Massachusetts took a trip to a corporate headquarters, New York City, came back with a check of \$1.5 million resulting from the audit of a home office of a corporation in New York City, one trip, \$1.5 million. The State of Massachusetts enhanced its collection and enforcement activities four years ago. Since that time it has increased its revenue 15 percent annually without any increase in rate or any change in base, simply enhanced collection and enforcement processes. North Dakota, California, Texas and Illinois, our sister states who are now going through a significant tax amnesty and tax collection program, taxpayer assistance program, and are discovering that when the tree is shaken there are a lot of apples up there that didn't fall the first time around and will now fall this time around. Those are apples of taxpayers who have either underreported, either deliberately or through mistake, who have never reported. We have a number of taxpayers these days who are now in sloppy taxpaying habits, who have never reported, some taxpayers who simply don't know to report, but through enhanced enforcement and collection one can dramatically change the revenues that a state will receive. Now a reduction, in my view, of the Revenue Department's budget simply reduces our collection and enforcement activities and I believe that the savings of \$365,000 will soon be lost over the next one year to 18 months as collections themselves fall off through the reduced level of activity. I ask you to take the time to restore this particular cut so the Department of Revenue can remain intact and continue to