



Amy A. Pitter  
Commissioner

James Reynolds  
Senior Deputy Commissioner

*The Commonwealth of Massachusetts*  
*Department of Revenue*  
*P.O. Box 9550*  
*Boston, MA 02114-9550*

April 24, 2013

The Honorable Stephen Brewer, Chairman  
Senate Committee on Ways and Means  
State House, Room 212  
Boston, MA 02133

Dear Chairman Brewer:

The Department of Revenue (DOR) respectfully requests that the Senate Ways and Means Committee maintain the FY2014 House 1 Budget Recommendation number for the Tax Administration (1201-0100); Child Support Enforcement (1201-0160); and Underground Storage Tank Claims Reimbursement (1232-0100) accounts.

**Tax Administration – Request to restore \$3,581,807**  
(1201-0100 -\$2,583,111 and 1201-0130- \$998,736)

Tax Administration's HWM recommended budgetary cut of \$3,581,807 will have a significant negative impact on FY14 tax revenues. It is estimated that the \$3.58M cut proposed by HWM would result in a staff reduction of 60 FTES based on a last in scenario to reduce bumping rights with an estimated associated revenue loss of \$48.4M to the Commonwealth's general fund as reflected by unrealized collections and assessments for collectors, auditors and Counsels who would be impacted under this scenario.

Additionally, DOR would be limited in its ability to accomplish the revenue initiatives such as the Audit Model Office, Interagency Data Services, and Operations Research which were approved and funded in FY2013. This cut will negatively impact DOR operations.

**Child Support Enforcement (1201-0160) – Request to restore \$880,645**

DOR is requesting the House 1 Recommendation number for the Child Support Enforcement Division (CSE) 1201-0160. The \$881K cut proposed by HWM would have to be absorbed as a cut to payroll in the state account. Because of generous federal reimbursement for the child support enforcement program, this cut will result in approximately \$823K in lost revenues to the commonwealth's general fund. This would result from federal financial participation (FFP) not being realized.

**UST Claims Account (1232-0100) - Request to restore \$9,738,538.**

DOR is requesting the House 1 Recommendation number for the UST Claims Reimbursement Account. This 9.7M cut proposed by HWM would reduce the number of environment actions that can be addressed. Based on an average UST Claims value of \$19,000 per claim, it is estimated that this cut would result in approximately 512 claims not being processed.

Thank you in advance for your consideration.

Sincerely,



Amy A. Pitter  
Commissioner  
Department of Revenue

cc: Emme Schultz, Budget Director, ANF  
Douglas Howgate, Budget Director, Senate Ways and Means Committee  
Jimmy Cowdell, Budget Analyst, Senate Ways and Means Committee  
James Reynolds, Senior Deputy Commissioner, Department of Revenue  
Paul Naves, Chief Financial Officer, Department of Revenue