



HP 1242
LATE TESTIMONY

STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE
W A HARRINAN CAMPUS
ALBANY NY 12227

Max Birdsall
Director

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February 18, 2009

Angus McKelvey
Hawaii State Capitol
415 South Beretania Street, Room 427
Honolulu, HI 96813
FAX -- (808) 586-6161

Dear Mr. McKelvey:

It is my understanding that the State of Hawaii is considering working with IBM and the IBM Tax Audit & Compliance Solution (TACS). The purpose of this letter is to let you know that the New York State Department of Taxation and Finance has been working with IBM over the past seven years in the use of TACS to address our tax gap. We have focused on audit selection, refund analysis, and most recently debt collection. Our work with IBM and TACS have resulted in significant returns to the State of New York.

In an article published in mid-2008 in the Weekly State Tax Report, we estimated our tax revenue savings at \$600 million from the implementation of our CISS solution and the inclusion of TACS. We expect to see continued savings as our debt collection solution contributes to the savings.

We are supportive of the results IBM has helped us achieve on this project and would be willing to answer questions you might have about our innovative tax compliance work.

Sincerely,

A handwritten signature in cursive script that reads "Max Birdsall".

Max Birdsall
Director of Information Technology Services