

**TESTIMONY OF KEVIN B. SULLIVAN
COMMISSIONER-DESIGNATE
DEPARTMENT OF REVENUE SERVICES
EXECUTIVE & LEGISLATIVE NOMINATIONS COMMITTEE
February 1, 2011**

Senator Looney, Representative Janowski, Senator Fasano, Representative Piscopo and members of the Executive & Legislative Nominations Committee, I am Kevin Sullivan, Commissioner-Designate for our Department of Revenue Services. I am honored to be named to this position by Governor Malloy and appreciate the opportunity to appear before you today.

It's good to be back. I look forward to working with you and for the people of Connecticut as we take on the challenges of resolving our state budget crisis and rebuilding our economy.

President Franklin Roosevelt said, "Taxes...are dues that we pay for the privileges of membership in an organized society." Then again, Mark Twain said, "I shall never use profanity except in discussing...taxes." *Both* messages guide us in our work at the Department of Revenue Services.

In 1789, the first order of business for the new federal government was generating sufficient independent revenue to guarantee our nation's survival. Here in Connecticut, that fundamental purpose similarly remains at the core of our mission in the Department of Revenue Services.

I believe there's a reason why our department's name focuses on "services." Our job is not to collect taxes for the sake of collecting taxes. Rather, we are charged to provide the means necessary for the governance of our state and the services state government provides. In doing so, the agency must strive every day to be efficient, effective, honest, transparent, predictable, reliable, secure and, above all, *fair*.

We need to assure that the voice of taxpayers is heard. We need to understand and appreciate the impact of our actions on taxpayers as individuals, families and business as well as our impact on the economy as a whole. Above all, we have to be sure that all the revenue that's due is collected. We will always be reasoned and reasonable in our actions but will also have zero tolerance for those who deliberately or criminally evade responsibility. Otherwise, it's just not fair to the vast majority of taxpayers who voluntarily pay their fair share.

I have been on the job for less than a month now but can tell you that these commitments are shared from bottom to top in our agency. I am very impressed by the talented, dedicated and hard working men and women at DRS. We expect the best from our employees. I have already let it be known that we will find more ways to be sure their voices and recommendations are heard as we work continuously to improve how we do our business.

As a public agency, we also have a special responsibility to be open, accessible, and welcoming to those we serve. I intend to maintain open and regular discussion with our

Now, if I have not already over-stayed my welcome, let me just briefly share some of what we are doing at DRS. We are guided by a clear mission:

“To administer the tax laws of the State of Connecticut and collect the tax revenues in the most cost effective manner; strive to achieve the highest levels of taxpayer compliance through accurate, efficient and courteous customer services; and perform in a manner which instills confidence in the integrity and fairness of DRS programs.”

Therefore, our current Strategic Business Plan focuses us on five objectives:

- ***Collect what’s due.***
- ***Protect taxpayer information.***
- ***Increase voluntary compliance.***
- ***Treat taxpayers fairly and consistently.***
- ***Reduce the cost of performance.***

In order to achieve these objectives, education, communication, managing information and measuring performance will continue to be our business drivers.

In a world where favoritism and evasion are all too common when it comes to taxation, the genius of our system is the extraordinary degree of voluntary taxpayer compliance. At DRS, everything we do – providing information and education, assuring confidentiality and security, improving ease of filing, being timely in our interaction with taxpayers, and being clear and consistent in enforcement – maximizes voluntary compliance, increases collections and helps control our operating costs.

As an aside, you may have heard media coverage about our arrest last week of a car dealer collecting but pocketing, which is to say stealing, sales taxes paid by customers. Well, just from that bit of publicity, our field enforcement officers were reporting a lot more cooperation in some places than the day before.

Finally, let me share just a few key initiatives now underway:

- With an even greater focus on electronic filing this tax season, we expect it to be a record year.
- Our most recent review with IRS for security compliance complimented our high standards.
- With some of the cost savings from no longer mailing state tax packets, we will be making a special effort to provide information and outreach to elderly taxpayers.
- As a LEAN state agency that continuously examines how we do our business, DRS is focusing on early intervention with respect to tax delinquencies, reducing the cost of taxpayer mail returned postage due, and on overall paperwork reduction that includes increasing taxpayer payments through electronic funds transfer.