## Improving Tax Collection in Vermont Getting Everyone to Pay the Right Tax

## Voluntarily Compliant:

Nearly All Taxpayers

**Follow the Law** 



Need to Comply with the Law



Refuse to Follow the Law

- ⇒ POLA: Policy, Outreach, and Legislative Affairs Division develops clear, consistent positions on tax issues and educates staff to give the right answer right on time. Connect with taxpayers through educational materials, stakeholder groups, the internet, and help from traditional and social media.
- ⇒ Modernized Processing: Integrated tax system (ITS) allows taxpayers to conduct business 24/7tthrough e-services. A safe and secure way to make paying taxes as simple as possible.
- ⇒ POLA and Audit: Develop programs targeted to known tax compliance issues. Department uses voluntary disclosure programs to educate first and audit later, asking taxpayers to come forward and pay unpaid tax liabilities in exchange for waiving penalties.
- → Modernized Processing & Audit: Integrated Tax System keeps taxpayers on-track. Data Warehouse leverages data to identify taxpayers that fall through the cracks. Efficiency allows auditors to consider more sophisticated audits.
- ⇒ Compliance Actions: Audit and collections staff work actively to ensure taxpayers pay their fair share.
- ⇒ Best Practice Collection Tools: The department seeks to use collection tools commonly used by other states to compel response from recalcitrant taxpayers: administrative judgments for wage garnishments and bank levies; collection fees; top delinquency lists; and Treasury Offset and Reciprocal Agreement.

