



COMPTROLLER OF THE CITY OF NEW YORK
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WILLIAM C. THOMPSON, JR.
COMPTROLLER

February 26, 2009

The Honorable Michael R. Bloomberg
Mayor
The City of New York
City Hall
New York, New York 10007

Dear Mayor Bloomberg:

I write to urge the City to enhance tax collections through a tax amnesty program. Tax amnesty programs have been used to good effect in the past to bring in additional revenues during times of fiscal stress.

In Fiscal Years 2003 and 2004, the City collected \$106 million in tax revenues through tax amnesty programs. This included \$22 million stemming from a State tax amnesty program in FY 2003, and \$84.4 million from a City tax amnesty program in FY 2004, according to OMB's tax program estimates. The latter program provided an amnesty over three months for a range of City-administered taxes including business taxes, the real property transfer tax, and others.

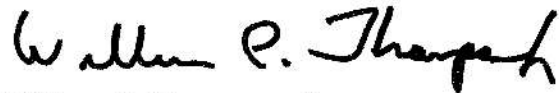
Last summer, the State implemented its "Voluntary Disclosure and Compliance Program," essentially a tax amnesty program, which allows eligible taxpayers to avoid monetary and criminal penalties for unpaid taxes owed by paying taxes owed and agreeing to pay all future taxes. While the City will benefit from this program when delinquent taxpayers pay taxes that also have a City component, such as personal income or sales taxes, the City is not taking advantage of this program to enhance collections of the taxes it administers – specifically the business taxes.

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While some revenues generated from a tax amnesty program might eventually be paid anyway, there are likely many for whom stepping forward and resolving outstanding tax matters will encourage better compliance in the future.

The State has created the mechanism for enhancing our tax revenue collections. It is now up to the City to participate fully.

Very truly yours,

A handwritten signature in black ink that reads "William C. Thompson, Jr." in a cursive style.

William C. Thompson, Jr.