

Targeting Fraud Protects Taxpayers

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As Revenue Secretary, I am aware of the growing sophistication of tax fraud schemes. According to the Internal Revenue Service (IRS), attempts by identity thieves to steal personal information to claim tax refunds grew 78% from 2011 to 2012. Likewise, the IRS estimates that 23% to 28% of all tax refunds for the Earned Income Tax Credit are issued improperly.

If tax refunds are issued to fraudsters, honest taxpayers foot the bill. It's why the Department of Revenue (DOR) will continue to target tax fraud of all types.

I share Governor Scott Walker's goals of stopping tax fraud and protecting Wisconsin taxpayers. As a continuation of the Governor's efforts to combat waste, fraud, and abuse, his budget strengthens our department's efforts to detect fraud, in an effort to save taxpayers millions of dollars.

Specifically, Wisconsin will lead the way by leveraging technology used by the private sector to detect stolen identities and map fraud rings. New technology tools combined with additional staff will help DOR block refunds filed by fraudsters. They will no longer be able to take the money and run.

Altogether, Governor Walker's budget seeks to add 61 staff to specifically target fraud, build upon proven collection strategies that target out-of-state debtors, and reduce backlogs using automation. The additional resources will net an estimated \$76 million that can be used for tax relief and other funding priorities.

While we are proposing to add targeted resources to combat fraud, we know that overall government must do more with less to help taxpayers. Our agency has successfully reduced staffing levels by nearly 20% over a twelve-year period, and we are continuing to reduce overall staffing in this budget by an additional 3%.

We will continue to reform government by targeting resources effectively and efficiently. Governor Walker's budget proposal cracks down on tax cheats by providing the Department of Revenue with the tools necessary to protect Wisconsin's hardworking taxpayers.

We know that combating fraud will provide an excellent return on investment and protect honest Wisconsin taxpayers.