



**FINANCE
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THE CITY OF NEW YORK
DEPARTMENT OF FINANCE

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**FINANCE COMMISSIONER MARTHA E. STARK,
STATE TAX AND FINANCE COMMISSIONER ANDREW S.
ERISOTFF AND IRS AREA DIRECTOR ELLEN MURPHY
ANNOUNCE AGREEMENT TO CRACK DOWN ON TAX
AVOIDANCE SCHEMES**

**Agencies to Share Info on Offshore Accounts, Other Schemes That Deprive
City, State and Federal Governments of Millions Annually**

New York City Finance Commissioner Martha E. Stark and IRS Area Director Ellen Murphy will sign a Memorandum of Understanding tomorrow that will allow the New York City, New York State and Federal taxing authorities to share information about individuals and business that set up tax avoidance schemes, which cost millions each year in lost tax revenue. The IRS and New York State signed an identical agreement in September.

The signing will take place at the New York City Department of Finance, 1 Centre St, Room 500 North, at 11 am on Wednesday, December 17.

"With this agreement, the City, State and IRS are taking an aggressive step against individuals and businesses who deprive New Yorkers of the tax revenue that supports our police, our schools and other vital services," Commissioner Stark said. "I want to thank Commissioner Eristoff and Ellen Murphy for helping us make sure everyone pays their fair share of taxes in New York City."

"This joint effort strengthens our commitment to ensure the integrity of the New York State tax system," State Tax and Finance Commissioner Eristoff said. "In cooperation with New York City and the federal government, we will

vigorously pursue those who attempt to defraud the state. These tax criminals will pay a high price for their actions."

"This agreement marks a milestone in City, State, and Federal cooperation," said IRS Area Director Ellen Murphy. "From today forward, we will work together combating abusive tax schemes. We will share information and coordinate case management. This agreement effectively extends the resources of the IRS and our partners in City and State revenue departments."

The ATAT memorandum was negotiated over the past year in a joint effort between individual states and the IRS' Small Business/Self-Employed Division, which focuses solely on abusive tax avoidance transactions. The agreement leaves procedures governing communication on more routine taxpayer compliance efforts unchanged, and maintains the important separation of federal and state tax authority and protection of taxpayer privacy. Currently 45 states and the District of Columbia have signed the memorandum.

The disclosure of returns and return information between the City, State and IRS employees who deal with ATAT leads, cases, and audits will be used to identify, examine, and bring ATAT participants into compliance with federal tax laws and regulations.

The sharing of ATAT-related information will present a united compliance front to taxpayers and their representatives, increase audit coverage, and leverage federal and state resources in the ATAT area.

In addition to greater cooperation in sharing leads in the area of abusive tax transactions, the City's partnership with the State and the IRS includes joint public outreach activities to effectively counter the claims of those marketing tax schemes and scams.

"This agreement is a great example of government pooling its resources to make sure everyone plays by the rules," Commissioner Stark said.