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SUMMARY OF TESTIMONY

BY

E. MARTIN DAVIDOFF

Before the Assembly Regulatory Oversight Committee

March 1, 2000

1. Eliminate inequities to small business by allowing deductions by self-employed individuals and members of partnerships for contributions to their qualified retirement plans and/or one-half of self-employment taxes paid to the Federal Government. [See Tax Equity Now pink sheet and Mercer Business News Letter article]
2. Index New Jersey's tax rates, exemptions and deduction limitations so as to eliminate any tax increases caused by bracket creep. [See October 21, 1999 Letter to Editor and comprehensive summary analyzing impact of bracket creep.]
3. Eliminate restrictions for claims for refund within two years of payment so as to simplify New Jersey's tax administrative rules by bringing them into conformity with Internal Revenue Service rules. [See detailed one-page summary.]
4. Change focus of New Jersey's Offer in Compromise/Closing Agreement program to look at an individual's collection potential and encourage coordination with the Internal Revenue Service. [See one-page summary of proposal.]
5. Express satisfaction with New Jersey's programs to enforce tax laws against tax cheats. Programs such as jeopardy assessments against out-of-state vendors and audits of those not reporting income provides strong encouragement for others to comply with our tax laws.
6. New Jersey should do more in enforcing the filing of partnership returns for out-of-state partnerships doing business in New Jersey and for ensuring that out-of-state partners are paying their fair share of taxes to New Jersey by cross-matching information on partnership returns to individual filings.

