IRS. For example, one match program compares taxpayers who filed a federal tax return using a Maryland address to the state's records to ensure that all taxpayers who are required to file a Maryland return do so.

Matching state and federal data has always been an extremely productive and cost effective way to ensure compliance with revenue laws. But matching on a main frame computer can be difficult because of the programming resources needed. The STAX software greatly speeds the process by housing at least three years of complete federal and state data side by side in a PC. This allows programs to be developed and run in minutes rather than in weeks. The delinquent taxes the Comptroller's Office collected from just one matching program run on STAX was more than enough to cover the cost of the software.

STREAMLINED SALES TAX PROJECT

Comptroller William Donald Schaefer strongly believes in creating a level playing field for Maryland businesses and in finding a fair and workable solution to the issue of taxation of Internet sales. He supported legislation that allows his office to work with other states in developing a voluntary, multi-state, streamlined sales tax collection and administration system.

By 2003, under the current system, Maryland will lose an estimated $148.5 million – enough money to build 21 new elementary schools – to untaxed Internet sales.

"Untaxed Internet sales put Maryland businesses and the thousands of people they employ at a competitive disadvantage," the comptroller said. "And people who can't afford computers and Internet access pay the tax that those who are better off can avoid. That's just not fair. A simplified sales tax system would be the first step in dealing with the growing impact of e-commerce and ensuring a level playing field for Maryland business and equity for Maryland taxpayers."