

Subject: FYI I sent this email to DLGS, League and the professional organizations

DLGS Staff, League of Municipalities staff, Professional organization Presidents and Exec Directors

Over the past two days I have held a webinar that was attended by 285 collectors, cfo's and rma's. In addition i spoke to 20 collectors at a cape may association function.

The topic was the implementation of S 1893, which becomes effective July 3rd..

Over the course of the past month I have several conversations with DLGS and the League about this piece of legislation. We all know the why's etc of its passage, so I will not debate that here.

What is apparent is that this law has been deemed by the IRS to be illegal. They have said repeatedly that any effort on behalf of a taxpayer will be met negatively

What is also apparent is that the management of this legislation from the local level will be a disaster.

- The tax billings entities (Edmunds etc) will need to make changes to their software and I do not think they have even been brought into the discussion.
- The Finance / Tax operations will need to develop new internal controls.
- The establishment of new bank accounts and the manner laid out in the draft rules of the depositing of money is almost a money laundering operation.
- The reporting to the taxpayers . mortgage companies is onerous.
- Those towns with part time employees do not have the separation of duties to fulfill the issues involved here
- having the counties and schools involved in tax collection is a whole other

I could go on but I won't. All of this turmoil to what end?

The adoption of this law at the local level does the taxpayer a disservice. Ultimately, what they believe will be a charitable contribution will be denied by the IRS. You can have all the disclaimers you want but the taxpayer will look to the local officials as the reason for this.

I encourage any local appointed official (Managers, CTC, CFO, RMA) to do their best to discourage any of their towns from enacting this law.

It is my hope that the professional organizations on this email will provide their members with sufficient information so that they can be fully informed on this issue.

FYI The law takes effect in 12 days, July 3rd

Sincerely Yours

Joseph P Monzo
CFO

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