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**From:** Matthew Leder [mailto:matthew.leder@eztaxreturn.com]

**Sent:** Monday, March 04, 2002 4:56 PM

**To:** Romo.Claudette; Faramarzi.Diana; Stamper.Marlene

**Cc:** Ron Leder

**Subject:** 2EZ Click & Send Initiative

**To Whom It May Concern:**

**ezTaxReturn.com respectfully submits the attached Statement in Reponse to CAFTB's "2EZ Click & Send" Initiative.**

**Please direct any comments or questions regarding this statement to:**

**Matthew Leder  
ezTaxReturn.com, LLC  
393 Jericho Tpke  
Mineola, NY 11501  
516-742-6767 x34.**

STATEMENT IN RESPONSE TO:  
CAFTB “2EZ CLICK & SEND” INITIATIVE

ezTaxReturn.com, LLC strongly opposes the California Franchise Tax Board’s “2EZ Click and Send” initiative. The company believes this initiative will adversely affect CA FTB’s long-term goal of converting California taxpayers to e-filers.

A free, e-file program offered by CA FTB will hamper competition in the marketplace for e-file products by decreasing the profit incentive for firms to enter and/or remain in the market. Competition in the marketplace for e-file services is healthy. It guarantees that firms innovate, decrease their prices, and offer California taxpayers a variety of high-quality, low cost options for e-filing their tax returns.

If CA FTB offers taxpayers a free e-file service, the incentive for firms to enter or remain in the e-file industry will be reduced. Simple economics tells us that firms will leave the industry as the profit incentive decreases. The long-run effect of this strategy will be a lessening of consumer choice and a lessening of the pace of innovation in the industry.

If the long-term goal of CA FTB is to increase consumer choice, decrease e-file costs, and increase the number of tax returns that are e-filed each year, CA FTB will be doing its taxpayers a strong disservice by discouraging competition in the market for e-file services.