
Pennsylvania Department of Revenue



Act 46 of 2003 Report

Evaluation of Tax Clearance Program
for Commonwealth Licenses

March 31, 2004

Table of Contents

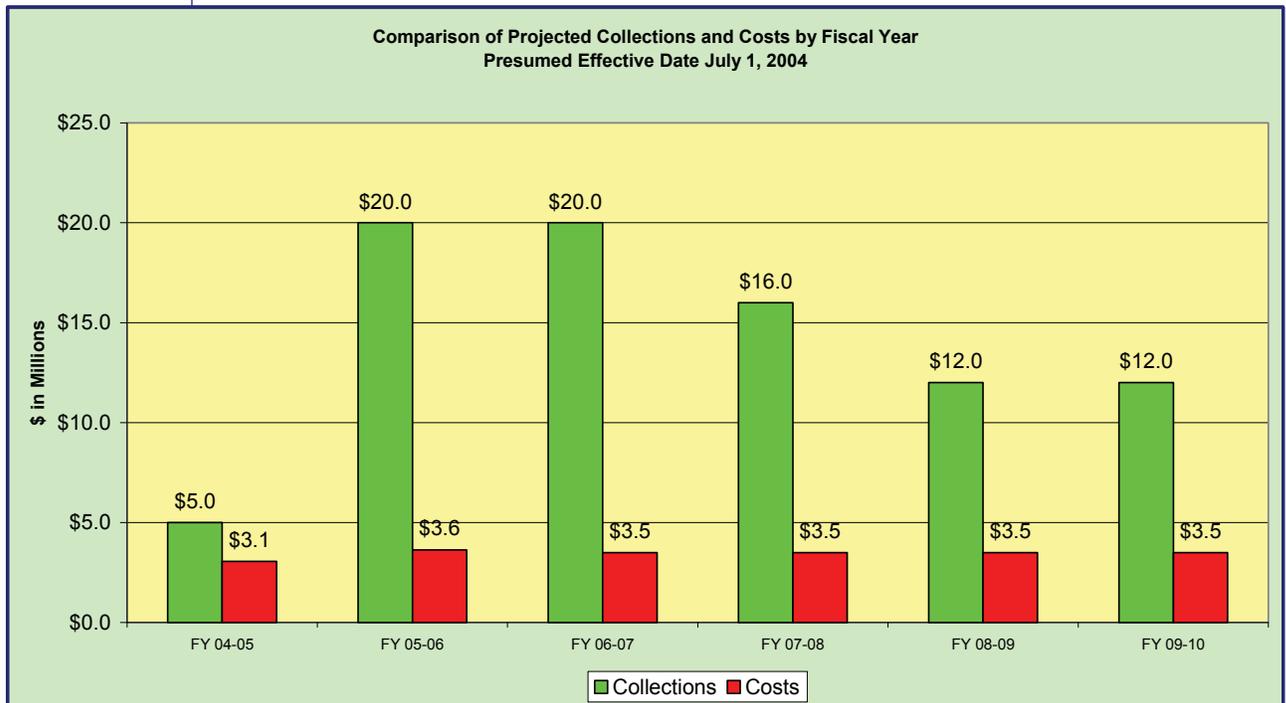
Executive Summary	1
Introduction	8
Commonwealth Background	9
Recent Enforcement Activity in Other States.....	15
Authorizing Legislation	16
Work Product 1 – State Agency Survey	17
Agency Overview.....	19
License Exclusion	31
Work Product 2 – Clearance Program Cost Analysis	32
Cost Analysis.....	32
Assumptions	37
Funding Sources.....	43
Work Product 3 – Policy and Legal Analysis	44
Commentary	44
Assumptions	44
Legal Issues	45
Business Issues	45
Work Product 4 – Comparative State Study	48
Overview	48
Specific States.....	49
Work Product 5 – Final Recommendations and Implementation Plan....	52
Policy Considerations	52
Proposed System	56
Implementation Plan	61
Glossary	65
Appendix A: Survey Instrument	A1
Appendix B: License Detail by Agency.....	B1
Appendix C: Cost Detail by Agency.....	C1
Appendix D: Legislation Draft	D1
Appendix E: State Detail.....	E1
Appendix F: Kick-Off Meeting Presentation	F1
Appendix G: Legal Issues.....	G1

Executive Summary

At the request of the General Assembly, the Department of Revenue has prepared this report to present the business case for a license tax clearance system specifically focused on integrating checks and balances across the licensing and taxing agencies shown in the accompanying table. The net result will be increased revenue to the Commonwealth through the collection of delinquent taxes. The report was mandated by Act 46 of 2003 (H.B. 200, P.N. 3160).

Function	Agencies Impacted by Act 46
Licensing	Department of Banking
	Department of Environmental Protection (DEP)
	Department of Insurance
	Department of State (DOS)
	Pennsylvania Securities Commission
Licensing and Taxing	Department of Revenue (DOR)
	Department of Labor & Industry (L&I)

The work products and appendices included in this report provide both the summary and the details of our research. Our high-level analysis predicts the collection of \$5 million in delinquent taxes in the first year and \$20 million in the program's second year, far exceeding the \$6.7 million cost during these two years. Please refer to the accompanying chart, *Comparison of Projected Collections and Costs by Fiscal Year*.



We also project that delinquency rates will decrease in subsequent years as licensees are encouraged into voluntary compliance. The anticipated impact of

this substantial indirect benefit of the tax clearance program is in addition to the direct collections reflected in the chart above.

Further, this study does not project the savings to the Commonwealth of not having to borrow funds, the additional related income from earned interest, or the benefit the Commonwealth will derive from the judicious use of these funds. Clearly, however, the tax clearance program will quickly recoup the investment required for its initial implementation and support ongoing operating and maintenance expenses thereafter.

Our collections estimate is based on a total pool of uncollected taxes of \$672 million, some portion of which is owed by taxpayers who have or will apply for a license. The accompanying

Agency	Taxes Included in Act 46
L&I	Federal Unemployment Compensation Trust Fund
DOR	Individual Taxes
	Corporation Taxes
	Motor Fuels Taxes
	Sales and Use Tax

table lists the tax programs included in scope for this report. We considered four demographic groups of delinquent taxpayers for our estimate of funds collected. The first group consists of those who will quickly come into compliance once they receive initial notice from this system that their licenses are in jeopardy. The majority of this group will remain compliant going forward. The second group is those who will come into compliance as they receive the notice that their licenses will be held, denied, revoked, or suspended. When members of this group realize that their livelihood is in jeopardy, they will either pay or enter a deferred payment plan.

The third and smallest group is those who will continue to be non-compliant, coming into and out of compliance on a regular basis. This group comprises those that represent the true “uncollectible” debt owed to the Commonwealth by license holders. This group includes those who are or border on the criminal element of the population. The fourth group is the new license applicants who owe taxes. These new applicants affect the estimate of ongoing collections through the constant addition to the pool of uncollected taxes owed by licensees.

This report represents our response to the following seven questions posed by Act 46 of 2003:

1. Implementation cost

The amount of state revenue necessary to perform tax clearances for all licenses, permits and registrations for the Department, the Department of Labor and Industry, the Department of Environmental Protection, the Department of Banking, the Department of State, the Insurance Department and the Pennsylvania Securities Commission. The amount needed shall be itemized and all costs, including personnel, office expenses, and other related costs, shall be included.

The accompanying table summarizes implementation costs by agency for a total of almost \$5.2 million. Details appear in the report under the heading, **Work Product 2 – Clearance Program Cost Analysis**. The budget impact within a specific fiscal year is dependent on the implementation plan; this report recommends an 18-month implementation, discussed below.

Agency	Costs		
	One Time	Annual Ongoing	
Banking	\$0	\$0	
DEP	\$242,000	\$0	
Revenue	\$281,130	\$1,717,734	
L&I	\$562,983	\$1,235,788	
DOS	\$220,500	\$294,712	
Insurance	\$237,750	\$254,095	
Securities	\$102,996	\$2,880	
Total	\$1,647,359	\$3,505,208	\$5,152,567

2. Current license administration cost

The number of licenses, permits and registrations for each agency and the costs associated with the program by agency

The accompanying table, summarized from **Work Product 1 – State Agency Survey** and **Work Product 2 – Clearance Program Cost Analysis**, shows the annual operating costs associated with administering the licensing programs at present, along with incremental costs from overseeing the new legislation. The incremental annual cost (administration costs) of the tax clearance program is \$3.5 million, of which \$2.9 million or 84 % is borne by the taxing agencies (DOR and L&I).

Agency	Licenses		Administration Costs		
	Variety	Annual Volume	Current	Additional	Total
Banking	21	14,611	\$892,148	\$0	\$892,148
DEP	410	142,803	\$1,091,503	\$0	\$1,091,503
Revenue	7	517,602	\$2,066,687	\$1,717,734	\$3,784,451
L&I	58	14,998	\$742,460	\$1,235,788	\$1,978,267
DOS	164	829,888	\$2,266,900	\$294,712	\$2,561,616
Insurance	27	203,723	\$2,336,782	\$254,095	\$2,590,881
Securities	6	139,049	\$705,876	\$2,880	\$708,756
Totals	693	1,862,674	\$10,102,356	\$3,505,208	\$13,607,622

3. Source of funds for new program

The source of funds, which will be utilized to pay for the tax clearance program

We have identified several possible sources of funds to cover the costs of this program:

- 1) An appropriation to cover the costs with the General Fund which would be reimbursed from the additional collections
- 2) Establish a restricted revenue account where collections are recorded and implementation/program expenses are disbursed
- 3) Institution of fees on licenses issued by the participating agencies to cover their costs. For example a fee of \$50 per Sales, Use, Hotel and Occupancy Tax license issued by the Department of Revenue would generate approximately \$3.2 million per year.

A complete discussion of the sources appears in **Work Product 2 – Clearance Program Cost Analysis**.

4. Legal issues on the propriety of integrating tax clearance

The legal issues concerning the propriety of restricting or revoking a license permit or registration due to the delinquency of a tax owed

The agencies impacted by the legislation concur with the intent of the tax clearance program and support the intent. Under the **Work Product 3 – Policy and Legal Analysis** heading, we present a discussion of suggested modifications to the existing tax clearance legislative proposal.

5. Evaluation of similar programs in other states

The number of other states which have a similar law in effect and the success or deficiencies of the law

We have identified five states with similar legislation, all of which are significantly smaller than Pennsylvania. With the exception of Minnesota (1984), these states have implemented tax clearance legislation as part of licenses only within the past four years; several focus exclusively on license renewals. Discussion appears in **Work Product 4 – Comparative State Study**, with excerpts from Minnesota and Wisconsin legislation in **Appendix E: State Detail**.

6. Draft legislation

Proposed draft legislation concerning tax clearance

Appendix D: Legislation Draft contains the previous draft of H.B. 200, P.N. 2820 of October 20, 2003 and a revised version as a result of this report.

7. Implementation Plan

A detailed timetable on when separate tasks must be completed for full implementation on an estimated start date

The report recommends a six-month development effort, followed by a staggered 12-month implementation across the agencies, as summarized in the accompanying Gantt chart. A discussion of logistics and recommended

business rules appears in **Work Product 5 – Final Recommendations and Implementation Plan.**

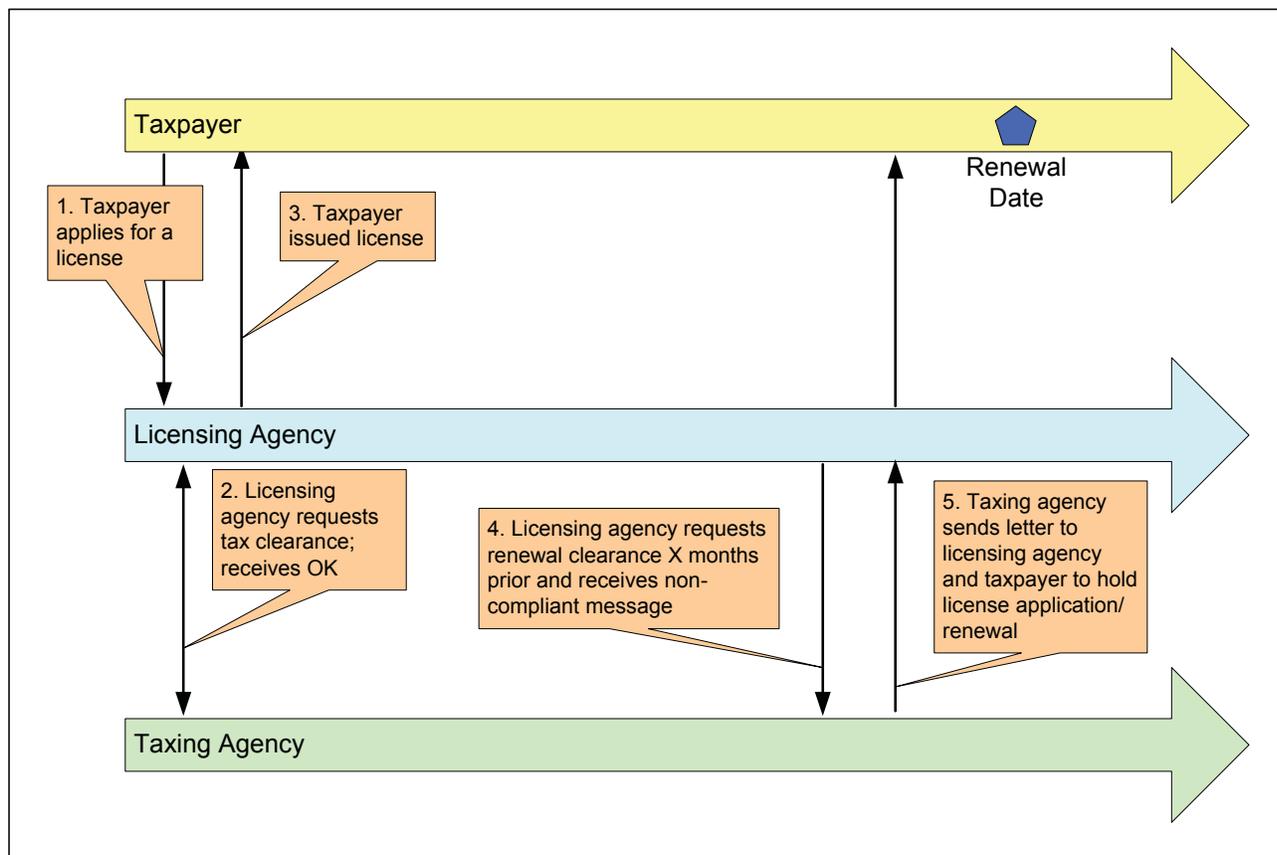
ID	Task Name	Duration	Start	Finish	2nd Half		1st Half		2nd Half		1st
					Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1
1	PA Tax Compliance Project	405 days	Thu 7/1/04	Wed 1/18/06							
2	Develop System	135 days	Thu 7/1/04	Wed 1/5/05							
3	Define and Code	90 days	Thu 7/1/04	Wed 11/3/04							
4	Test & Train	45 days	Thu 11/4/04	Wed 1/5/05							
5	Implement System	270 days	Thu 1/6/05	Wed 1/18/06							
6	Phase I DOR & PID	60 days	Thu 1/6/05	Wed 3/30/05							
7	Phase II DOS	60 days	Thu 3/31/05	Wed 6/22/05							
8	Phase III Securities, Ban	30 days	Thu 6/23/05	Wed 8/3/05							
9	Phase IV L&I	60 days	Thu 8/4/05	Wed 10/26/05							
10	Phase V DEP	60 days	Thu 10/27/05	Wed 1/18/06							
11	Staffing Plan	282 days	Thu 7/1/04	Fri 7/29/05							
12	Staff DOR (FTE 30)	110 days	Thu 7/1/04	Wed 12/1/04							
13	Staff PID (4 FTE)	65 days	Mon 8/9/04	Fri 11/5/04							
14	Staff DOS (4 FTE)	30 days	Tue 2/1/05	Mon 3/14/05							
15	Staff L&I (19 FTE)	65 days	Mon 5/2/05	Fri 7/29/05							

Marketing and Advertising

In order to increase and maintain voluntary compliance, we recommend the use of media to educate taxpayers about the new program. We recommend the use of the both broadcast and print media to notify the public.

System Component Overview

The recommended license tax clearance system design is simple and straightforward, with considerable reuse of existing systems and processes. The existing components of the proposed system include the agencies' licensing and taxing applications, the existing data exchange program between DOR and the Pennsylvania Department of Transportation (PENNDOT), the Commonwealth network and data center infrastructure, and printing hardware. The new component is the application software that contains the business rule logic, and a new database that collects license data and maintains audit information. Please refer to the accompanying diagram for a graphic of system components.



There are other possible scenarios than depicted above, such as

- Taxpayer may be non-compliant upon initial application.
- Taxpayer becomes compliant before step 5, therefore notice to hold is not sent

It is unclear as to how many licenses going to “held” status will then become formally denied or revoked. Other state analysis indicates this will be a very small percentage.

Conclusion

In submitting this report, DOR has completed the charge given it by the General Assembly through Act 46 of 2003. The report notes significant additional delinquent tax collections in excess of costs for a fully implemented system. The proposed system will maximize the use of existing technical components and business processes, ensure the state tax compliance of those who derive economic benefit from a Commonwealth license, and limit the administrative burden on the program participants.

Introduction

Anticipating the possible passage of the license clearance bill, DOR held several internal meetings in the fall of 2003 to discuss relevant issues, including extensive discussion of parameters for identifying and resolving delinquent tax accounts.

The consensus of the group was a need to manage the number of licenses processed in the clearance process. This group of DOR officials was very sensitive to the careful balancing act required between the tax clearance function and the normal business of government that needs to be conducted between licensing agencies and their customers; it is imperative that the implementation of a tax clearance program be handled with extreme care. The group mentioned concerns such as potential impacts on business via the business development, human health, and safety and protection of the environment. There was reasonable concern with the escalation effect on employees of closing a business due to loss of license by the employer such as real estate broker or medical doctor. For this reason, there was also significant support for starting the program with agencies with lower numbers of licenses.

There was also agreement on including all tax liabilities in the clearance process despite age or size. The group discussed focusing on only recent liabilities, but the consensus was to recommend including all delinquencies in the clearance process. The rationale was that, despite increased potential numbers of “flagged” accounts, the group wanted the final result to be a complete tax clearance rather than a light tax check.

Concern was expressed regarding delinquent accounts in bankruptcy, on deferred payment plans, or with liabilities under appeal. Such accounts must and will receive exception processing in the tax clearance process.

This current project included interaction with the other agencies that have brought forth additional information, issues, and concepts. First, the concept of a phased implementation has been discussed with input from the other participating agencies. The results are provided in a subsequent section, **Implementation Plan**.

The other agencies were cooperative in responding to the data requested by Act 46 and provided this report with information on the number of licenses, costs associated with their licensing programs, and the cost to implement the proposed solution. The agencies also provided new requirements for the system which resulted in a refinement of the design that is reflected in this document. Agencies also suggested that the system have the ability to set parameters for the denial or revocation of non-compliant accounts. Agencies

emphasized that all parameters must be equally applied across all licenses and tax accounts.

Other agencies brought forward issues they have with collecting, maintaining, and sharing Social Security Numbers (SSNs) as well as the possible license revocation/suspension legal challenge citing property rights. While the use of SSN in the tax clearance process is an important consideration, the proposed program is not impaired or limited by these issues. These issues were reviewed by DOR’s Office of Chief Counsel who has provided opinions in **Appendix G: Legal Issues**. The *Disclosure of Social Security Numbers to Other State Agencies – Official Purposes Exception* opinion was submitted for review and approved by the Governor’s Office of General Counsel. *The Due Process Challenges to the License Clearance Program* was submitted to the Governor’s Office of General Counsel and is still under review as of the date of this report.

Finally, agencies provided input to the draft legislation language which is reflected in the **Work Product 3** section.

Commonwealth Background

Currently, there are a number of successful tax clearance and related offset programs in operation in the Commonwealth, including the following:

Program	What It Clears
Commonwealth Contractor Responsibility Program (CCRP)	Tax clearance of vendors doing business with the Commonwealth
Liquor Control Board (LCB)	Clearance of initial application and renewals
DOR Lottery Retailer	Clearance of businesses applying to sell lottery products
Department of Community and Economic Development (DCED)	Tax clearance for Keystone Opportunity Zones (KOZ) program applicants
DOR Sales Tax License	Retailers license for new application and renewals
PIT Family Support Act (23 P.S. § 7101, DPW)	Child/spouse support debt
Lottery Prize Intercept Family Support Act (DPW)	Child/spouse support debt
IRS Treasury Offset Program (TOP)	Personal income tax debt (state or Federal)

Clearance programs are an established part of the Commonwealth’s existing tax compliance and enforcement program. Commonwealth contractors either remain in tax compliance, or payments for services and products they provide are suspended. Those with the privilege of possessing a liquor license or conducting business as a Lottery Retailer must remain in good standing for Pennsylvania tax purposes or those privileges may be suspended.

The tax-offset programs conducted by DOR provide for personal income tax refunds to be intercepted from those who have outstanding delinquent child/spouse support or federal income tax obligations. In these circumstances, Pennsylvania government acts consistently to ensure that important obligations are met across agencies and levels of government.

The remaining narrative of this section discusses specific issues associated with tax clearance.

Second Level Check

Some of these programs include a second level pass-through check. A second level pass-through check refers to clearing individuals and/or companies associated with the entity applying for clearance. In terms of licenses, for example, this impacts (1) corporate officers where the company is the applicant and its employer identification number (EIN) is on the application and also (2) an employer when the individual is applying for clearance and his/her SSN is on the application.

Currently, second level pass-through checks are performed for specific licenses. For example, DOR performs this check for the DCED KOZ program, clearing the entity. In the case of a partnership, LLC, LLP, and S-Corp (shareholders) entity types, DOR also checks that the individual has paid taxes.

The DEP Mining programs perform violation checks on corporate officers for any permits made by the entity (company). This is a federal program mandate whose purpose is to bar individuals who have been convicted of environmental violations from holding corporate officer positions.

In addition to the tax clearance, some licensing programs check criminal history and Federal Bureau of Investigation (FBI) fingerprint records. Examples include criminal and fingerprint checks for insurance brokers and criminal background checks for bank applicants. There are existing business and/or technical processes for these programs that can be adapted to or provide a model for such features if desired for proposed legislation.

Appeals Processes

All of the agencies in both taxation and licensing afford due process, including appeals. This proposed program will rely on each agency's appeal processes already in place without modification. This report assumes a limited number of protests during the rollout period for the program, and even these will taper off quickly. There is (and should be) nothing in the proposed statute, management directives, or agency pronouncements that interferes with due process.

Although the delinquent taxpayer identified in the clearance process will be informed, they are to contact the taxing agency. There is the probability they will appeal to the licensing agency. That licensing agency will follow its respective appeals process and the procedures of the license clearance statute.

The position on joint obligations for tax liability, e.g. the spousal dispute, is that joint liability remains a liability. There are remedies within the tax system for an aggrieved party. This new program will make no distinguishing treatment in joint obligations.

In regard to the need for administrative appeals in other licensing agencies, the incidents should be minimal. LCB stated that it rarely holds hearings and, if it does, they last about five minutes: the identity of the taxpayer is confirmed, the existence of the liability is acknowledged, and it is over.

In terms of the appeal process at the two taxing agencies, both DOR and L&I have long-established processes that apply fair and equitable due diligence for applicants and for the Commonwealth. The chart on the next page shows the DOR process.

All of the licensing agencies have similar appeals processes that are usually governed by the statute for the specific license. An example is the Banking Appeals Process. The Department of Banking can revoke a bank's license at any time. The appeals process begins at the bureau level, moves to the agency level, and on to the Secretary. Final appeals are to the courts (Commonwealth and Superior). Timeframes guiding the process are contained in the statutes; applicants have a 30-90 day window to appeal, depending on the General Rules of Practice and Procedures.

The proposed clearance statute will append to the existing license statute to extend reasons for denial, suspension, and revocation. Please refer to the following text from the draft legislation:

(F) NOTICE TO LICENSEE OR APPLICANT FOR LICENSE OR TRANSFER OF LICENSE SHALL BE AS FOLLOWS:

(1) PRIOR TO THE ISSUANCE OF AN ORDER TO SUSPEND, TO NOT RENEW OR TO DENY A LICENSE, THE APPLICABLE TAXING AGENCY SHALL PROVIDE NOTICE TO THE APPLICANT OR LICENSEE AS SET FORTH IN SUBSECTION (E). THE NOTICE MUST SPECIFY:

(I) ANY REPORTS WHICH MUST BE FILED AND ANY AMOUNTS OWED.

(II) HOW, WHEN AND WHERE THE NOTICE CAN BE CONTESTED.

(III) WHERE PAYMENT MAY BE MADE IN ORDER TO CURE THE STATE TAX DELINQUENCY OR WHOM THE INDIVIDUAL MAY CONTACT TO ATTEMPT TO ESTABLISH A PAYMENT PLAN.

(IV) THAT THE GROUNDS FOR CONTESTING THE NOTICE ARE LIMITED TO MISTAKEN IDENTITY OF THE LICENSEE.

(V) THAT AN ORDER TO DENY AN APPLICATION FOR LICENSE OR TRANSFER OR AUTOMATICALLY SUSPEND THE LICENSE WILL BE ISSUED FORTY-FIVE DAYS AFTER ISSUANCE OF THE NOTICE UNLESS THE DELINQUENT REPORT IS FILED, THE STATE TAX IS PAID OR A PAYMENT PLAN IS APPROVED BY THE APPLICABLE TAXING AGENCY.

(2) AN AGREEMENT PROVIDING FOR A PERIODIC PAYMENT PLAN SHALL SPECIFY THAT FAILURE TO COMPLY WITH THE SCHEDULE OF PAYMENTS SHALL RESULT IN THE IMMEDIATE SUSPENSION, NONRENEWAL OR DENIAL OF THE LICENSE WITHOUT FURTHER RIGHT TO A HEARING.

(3) TO CONTEST THE NOTICE OR OBTAIN A PAYMENT PLAN, THE LICENSEE OR APPLICANT MUST CONTACT THE APPLICABLE TAXING AGENCY NOT LATER THAN TWENTY DAYS AFTER ISSUANCE OF THE NOTICE. THE GROUNDS FOR CONTESTING SHALL BE LIMITED TO MISTAKEN IDENTITY. IF, AS DETERMINED BY THE TAXING AGENCY, A MISTAKE HAS OCCURRED, THE NOTICE PROVIDED TO THE LICENSING AGENCY UNDER SUBSECTION (E) SHALL BE MODIFIED ACCORDINGLY WITHIN TWENTY DAYS OF THE APPROPRIATE TAXING AGENCY BEING CONTACTED.

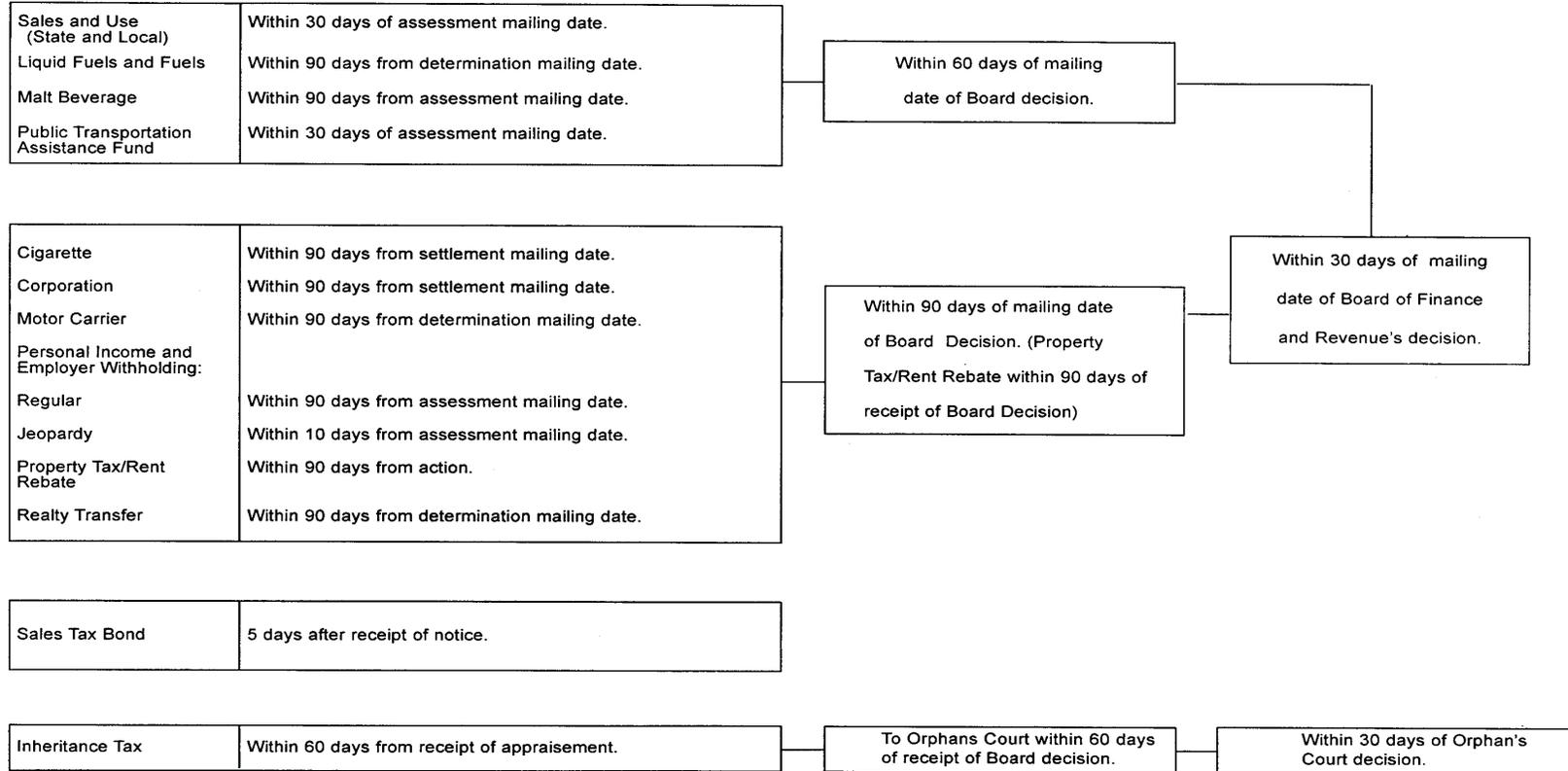
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COMMONWEALTH OF PENNSYLVANIA
 DEPARTMENT OF REVENUE

TIME LIMITATIONS ON THE FILING OF PETITIONS FOR APPEAL

TYPE OF TAX	APPEAL TO BOARD OF APPEALS	APPEAL TO BOARD OF FINANCE & REVENUE	APPEAL TO COMMONWEALTH COURT
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ADDRESSES

Online Petition Center
www.boardofappeals.state.pa.us
 or
 Visit the Department's Web site
www.revenue.state.pa.us

PA Department of Revenue
 Board of Appeals
 Dept. 281021
 Harrisburg, PA 17128-1021
 Telephone (717) 783-3664

Commonwealth of Pennsylvania
 Board of Finance and Revenue
 1101 South Front Street, Suite 400
 Harrisburg, PA 17104-2539
 Telephone (717) 787-2974

Commonwealth Court of PA
 624 South Office Building
 P.O. Box 11730
 Harrisburg, PA 17108
 Telephone (717) 787-5884

Review of Commonwealth Vendors

The Commonwealth Contractor Responsibility Program (CCRP) began in 1990 and has collected \$70 million dollars since inception. Clearly, existence of the program serves as a deterrent to abuse and encourages voluntary compliance. The intent of the matching process is to identify contractors slated to receive payments from the Commonwealth with delinquent taxes; the key to the process involves the nine-digit taxpayer identification number, EIN and/or SSN, associated with the invoice. The narrative below describes the automated process within DOR, using metrics collected by the program.

Once a week, DOR receives an electronic file from the Budget Office with the EIN or SSN for vendors who receive state funds and who are subject to CCRP directives. The accompanying table contains figure on how many come up “dirty” or non-compliant for personal income tax (PIT) and for trust fund taxes (those taxes where the taxpayer has collected funds in trust on behalf of the Commonwealth; these include sales and employer withholding taxes). Keystone Integrated Tax System (KITS) is the DOR application that processes trust fund taxes. These figures do not show corporation tax liabilities. Note the highest number of non-compliant accounts is for PIT.

For the personal income tax, many of the non-compliant accounts are for non-filed PIT returns. System constraints limit the automatic identification of spouses on primary personal income tax return records. The system also cannot identify when missing periods are due to a taxpayer not residing in Pennsylvania and not conducting any business activities here.

Finally, lowering parameters for invoice review could generate additional collections. At present, only invoices of \$10,000 and over are automatically checked through the invoice processing system in the Commonwealth’s SAP system. Hypothetically, with a two-year contract, an originally compliant vendor could become non-compliant and continue to receive payments in the second year, as long as invoices remain under \$10,000.

Contractor records	211,216
KITS Totals	
Records with multiple EINS	7,267
Personal Income Tax (PIT) Totals	
Records read	84,583
Records found on annual	72,809
Primary ID match	67,552
Spouse ID match	5,257
Non-compliant annual PIT records	32,746
Primary/spouse outstanding balance	2,554
Primary/spouse missing tax year	30,192
Combination Totals	
Non-compliant KITS records	11,808
Non-compliant annual PIT records	32,746
Records in KITS and annual PIT	0
Records in KITS only	11,808
Records in annual only	32,746
Total non-compliant records	44,554

Systems without EIN/SSN

At DEP, 66 % of the records in the Environment, Facility, Application, Compliance Tracing System (eFACTS) have no associated SSN or EIN. As a result, with the initial implementation of an automated tax clearance system, DEP will continue to rely on human intervention in its licensing process. This report discusses DEP's specific situation as a subset of information in **Work Product 1 – State Agency Survey**, below, with additional information in the appendices.

At L&I, the Asbestos/Lead program and Employment Agency License do not currently collect SSN or EIN.

Recent Enforcement Activity in Other States

A longer analysis of tax clearance related issues in multiple states appears in **Work Product 4 – Comparative State Study**, which focuses on tax clearance. The accompanying table from *The Wall Street Journal* of February 17, 2004, summarizes other kinds of action that states are currently taking to generate revenue without raising taxes. As noted in the article, *State Audits Catch More Taxpayers: Crackdown by Strapped Governments Means Traditional Loopholes Could Get Closed:*

Action	State
Increasing auditors	ID, KS, NJ
Raising late fees	IL, WA
Nabbing telecommuters	NY
Adding use tax to income tax returns	CA, NY
Targeting partnerships	KS, NJ, NY
Revoking/not renewing licenses	MD, MO
Increasing fines post-amnesty	MD, NJ

Other tactics employed to punish debtors are also growing more severe. Some states have adopted rules that allow them to refuse to issue driver's licenses and trade licenses to people who owe back taxes.

Maryland implemented legislation in July 2003 that prevents government agencies from renewing licenses, ranging from boating permits to physician's licenses, to people with outstanding tax bills. Maryland has collected \$3.1 million from the program in six months, and aims for a total of \$10 million by July 2004. Missouri signed similar legislation last year (2003), and Kansas is considering doing the same. Kansas is also now checking the tax status of people appointed to public boards and committees.

Authorizing Legislation

The accompanying text is the authorizing legislation for this report, Section 32 of Act 46 of 2003 (H.B. 200, P.N. 3160).

SECTION 32. BY APRIL 1, 2004, THE DEPARTMENT OF REVENUE
14 SHALL SUBMIT A DETAILED REPORT TO THE CHAIRMAN AND MINORITY
15 CHAIRMAN OF THE APPROPRIATIONS COMMITTEE AND THE FINANCE
16 COMMITTEE OF THE SENATE AND THE CHAIRMAN AND MINORITY
CHAIRMAN
17 OF THE APPROPRIATIONS COMMITTEE AND THE FINANCE COMMITTEE OF
THE
18 HOUSE OF REPRESENTATIVES OUTLINING THE PLANS AND COSTS
19 CONCERNING A STATEWIDE TAX CLEARANCE FOR LICENSES, PERMITS
AND
20 REGISTRATIONS. THE REPORT SHALL INCLUDE ALL OF THE FOLLOWING:
21 (1) THE AMOUNT OF STATE REVENUE NECESSARY TO PERFORM TAX
22 CLEARANCES FOR ALL LICENSES, PERMITS AND REGISTRATIONS FOR
23 THE DEPARTMENT, THE DEPARTMENT OF LABOR AND INDUSTRY, THE
24 DEPARTMENT OF ENVIRONMENTAL PROTECTION, THE DEPARTMENT
OF
25 BANKING, THE DEPARTMENT OF STATE, THE INSURANCE DEPARTMENT
26 AND THE PENNSYLVANIA SECURITIES COMMISSION. THE AMOUNT
NEEDED
27 SHALL BE ITEMIZED AND ALL COSTS, INCLUDING PERSONNEL, OFFICE
28 EXPENSES, AND OTHER RELATED COSTS, SHALL BE INCLUDED.
29 (2) THE NUMBER OF LICENSES, PERMITS AND REGISTRATIONS
30 FOR EACH AGENCY AND THE COSTS ASSOCIATED WITH THE PROGRAM
BY
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1 AGENCY.
2 (3) THE SOURCE OF FUNDS WHICH WILL BE UTILIZED TO PAY
3 FOR THE TAX CLEARANCE PROGRAM.
4 (4) THE LEGAL ISSUES CONCERNING THE PROPRIETY OF
5 RESTRICTING OR REVOKING A LICENSE, PERMIT OR REGISTRATION DUE
6 TO THE DELINQUENCY OF A TAX OWED.
7 (5) THE NUMBER OF OTHER STATES WHICH HAVE A SIMILAR LAW
8 IN EFFECT AND THE SUCCESS OR DEFICIENCIES OF THE LAW.
9 (6) PROPOSED DRAFT LEGISLATION CONCERNING TAX CLEARANCE.
10 (7) A DETAILED TIMETABLE ON WHEN SEPARATE TASKS MUST BE
11 COMPLETED FOR FULL IMPLEMENTATION ON AN ESTIMATED START
DATE

Work Product 1 – State Agency Survey

This work product contains a description of how we surveyed the participating state agencies, a summary of the pertinent information collected, and a listing of the exceptions identified either by the agencies themselves or by the project team. The accompanying table provides a summary of the information; details follow in this chapter and in **Appendix B: License Detail by Agency**.

Agency	Licenses	Licensees
Banking	21	14,611
DEP	410	142,803
Revenue	7	517,602
L&I	58	14,998
DOS	164	829,888
Insurance	27	203,723
Securities	6	139,049
Total	693	1,862,674

We interviewed the agencies shown in the accompanying table.

Agency	Date/Time	Meeting	Attendees	Contacts
Department of Banking	2/4/2004 9:00-10:00 AM	Business	L. Fidler, C. Franz	C. Franz
Department of Environmental Protection	2/5/2004 1:00-3:00 PM	Business	K. Bassett, B. Yowell	K. Bassett
Department of Revenue	2/3/2004 1:00-2:00 PM	Business	S. Amsler, A. Andreoli, K. Bailey, J. Benson, G. Byerly, M. Crowley, A. Cwalina, M. DeFrank, D. Fink, S. Hannon, D. Sheridan, B. Williams, T. Young	A. Cwalina
	2/3/2004 2:00-3:00 PM	IT	T. Bomberger, A. Cwalina, M. DeFrank, M. Miller, K. Milligan, D. Novak, W. Schneider, T. VanKirk, T. Young	A. Cwalina
Department of Labor & Industry	2/4/2004 3:00-4:00 PM	Business	P. Beaty, K. Graham, K. Romeo, C. Sludden	P. Beaty
	2/21/2004 1:00-2:00	Technical	M. Benner, K. Davis, D. Schreffler	P. Beaty
DOS	2/12/2004 1:00 – 2:30	Business/IT	Eric Battisti, Linda Barrett, David Burgess, Pete Dalina, Ruth Dunnewold, Bruce Gilbert, Don Kirschman, Basil Merenda, Scott Messing, Christal Pike-Nase, and Don Smith	L. Barrett
Insurance Department	2/11/2004 1:00-3:00 PM	Business/IT	Robert Brackbill, Cressinda Bybee, Ron Gallagher, Mark Gear, Steve Johnson, Scott Kast, Patricia Keeley, Thomas Keys, Ken Kitch, Cathy Malone, Art McNulty, Edwards Mills, Carolyn Morris, Tracey Pontius, Willard Smith, Lorae Spuhler, Jennifer Wentzel, Jack Yanosky	S. Johnson
Securities Commission	2/5/2004 9:00-10:00 AM	Business	D. DeHoff, S. Dengel, P. Rutledge, P. Schwartz	P. Rutledge

Prior to the interview, the team distributed a generic interview tool for facilitating discussion with the technical and business staff of each agency. The tool included the following files; copies appear in **Appendix A: Survey Instrument**.

- ◆ A Word document

A document containing questions regarding the agency's licensing processes and the potential impact on the agency's technology and business practices

- ◆ Two Excel spreadsheets

A spreadsheet listing the licenses administered by the agency and their relevant details

A spreadsheet collecting current cost data, as well as future projected costs resulting from the new legislation

The spreadsheets collecting information concerning agency licenses appear in **Appendix B: License Detail by Agency**.

Agency Overview

This section summarizes the results for each agency, in alphabetical order.

Banking

Banking will need few system enhancements to establish a tax clearance plan. The accompanying table lists the licenses that are renewed annually. Please note that most licenses must be renewed not only for the central office of a corporation, but also for each branch.

Permit/License	Annual Information		
	Main	Branch	Date
Accelerated Mortgage Payment Provider	3		Jan 1
Collector Repossessor	138		Oct 1
Consumer Discount Company	52	437	Jun 1
First Mortgage Banker	289	693	Jul 1
First Mortgage Broker	2439	572	Jul 1
First Mortgage Loan Correspondent	112	43	Jul 1
Installment Seller	3606		Oct 1
Limited Mortgage Broker	324		Jul 1
Loan Broker	20		Feb 1
Money Transmitter	27		Nov 1
Pawnbroker	56		Oct 1
Sales Finance Company	893		Oct 1
Secondary Mortgage Lender	261	1210	Jul 1
Secondary Mortgage Loan Broker	1650	552	Jul 1
Secondary Mortgage Loan Broker Agent	203		Jul 1
Wholesale Table Funder	2		Jul 1
Totals	10,427	3,923	

In addition, Banking also issues one-time licenses as shown in the accompanying table. Banking has indicated that in a phased implementation these licenses could be included in a future phase.

Permit/License	Annual Totals	
	New	Renew
Banks and Trust Companies	3	168
Credit Unions	0	79
Savings Associations	0	11

Environmental Protection

DEP has more than 400 different permits; a full listing appears in **Appendix B: License Detail by Agency**. The primary limiting factor is the significant number of records without an EIN.

Code	eFACTS Client Records				Total
	With EIN		Without EIN		
	Number	%	Number	%	
Association or Organization	3,530	55%	2,847	45%	6,377
Authority	1,689	61%	1,101	39%	2,790
County	214	60%	145	40%	359
Federal Agency	300	56%	235	44%	535
Limited Liability Corporation	904	75%	302	25%	1,206
Limited Liability Partnership	179	60%	120	40%	299
Municipality	3,015	65%	1,658	35%	4,673
Non-PA Government	111	56%	89	45%	200
Non-PA Corporation	7,379	64%	4,186	36%	11,565
Other (Non-Government)	23,663	59%	16,368	41%	40,031
Other (Government)	183	57%	140	43%	323
PA Corporation	29,836	64%	16,806	36%	46,642
Partnership General	5,238	58%	3,861	42%	9,099
Partnership Limited	893	64%	499	36%	1,392
School District	606	79%	159	21%	765
Sole Proprietorship	11,698	73%	4,360	27%	16,058
State Government	388	79%	101	21%	489
Total	89,826	63%	52,977	37%	142,803

The eFACTS system manages the permit application process for all of DEP. To support the proposed program, eFACTS would require a number of modifications, including the following:

- ◆ Mandatory SSN or EIN at the form level
- ◆ Possible protection of tax information from eFACTS' 3,000 users
- ◆ Database scrubbing (data quality correction)

Insurance Department

The licenses in the accompanying table could be immediately included in a phased implementation.

Permit/License	Annual		Cycle
	New	Renewal	
Continuing Care Retirement Provider	4	n/a	n/a
Domestic Licensed Insurer	5	n/a	n/a
Foreign Licensed Insurer	38	1400	Annual / April 1
Insurance Producer—Individual and Firm			
Resident	14000	93000	Biennial/date of issue
Nonresident	16000	63000	Biennial/date of issue
Insurance Administrator	62	122	2-yr / Issue Month
Manager/Exclusive General Agent	4	6	Annual
Managing General Agent	3	0	n/a
Motor Vehicle Physical Damage Appraiser	75	7900	Annual / June 30
Premium Finance Company	5	57	Annual / July 1
Public Adjuster—Individual and Corporation	25	467	
Public Adjuster Solicitor (Individual)	32	356	
Purchasing Group	16	n/a	n/a
Reinsurance Intermediary Broker/Manager	10	28	2-yr / Issue Month
Risk Retention Group	9	n/a	n/a
Surplus Lines—Individual and Business Entity			Annual/March 1
Surplus Lines Insurer	5	n/a	n/a
Title Insurance: Individual and Business Entity			
Resident	678	4723	Biennial/ date of issue
Nonresident	72	205	
Viatical Settlement Broker	49	49	Annual/date of issue
Individual	49	49	
Business Entity			
Viatical Settlement Provider	10	10	Annual
REGISTRATIONS			
Peer Review Organizations	2	81	No Renewal

The Professional Bondsman license is of medium priority to Insurance and could be included in a future implementation phase. There are 165 license holders and approximately 20 new licensees each year.

Labor & Industry

L&I licenses typically relate to public health and safety issues; it may not be feasible to revoke them. Except for the Workplace Safety Committee Certification, which we determined was not applicable; all the licenses considered in this evaluation are issued by the Bureau of Occupational and Industrial Safety (BOIS), as summarized in the accompanying table.

Permit/License	Annual		Cycle
	New	Renewal	
Asbestos Occupation Certification – Less Than Six Months Until Expiration			
Worker	3124	3124	Annual
Supervisor	1703	1703	
Project Designer	234	234	
Building Inspector	216	216	
Management Planner	699	699	
Contractor	188	188	
Asbestos Occupation Certification – More Than Six Months Until Expiration			
Worker	18	28	Annual
Supervisor	19	24	
Project Designer	6	11	
Building Inspector	14	17	
Management Planner	5	11	
Contractor Individual	19	18	
Contractor Firm	10	10	
Dry Cleaning Permit			
Family Day Care Permit			Initial
Group Day Care Permit			Initial
Employment Agency License	399	399	Annual
Lead Occupations Certification – Less Than Six Months Until Expiration			
Worker	432	432	Annual
Supervisor	124	124	Annual
Project Designer	23	23	Annual
Building Inspector	29	29	Annual
Risk Assessor	170	170	Annual
Lead Occupations Certification – More Than Six Months Until Expiration			
Worker	17	15	Annual
Supervisor	15	14	Annual
Project Designer	4	3	Annual
Building Inspector	10	9	Annual
Risk Assessor	10	9	Annual
Totals		7488	7510

Beginning in April 2004, L&I will offer the permits in the accompanying table.

Uniform Construction Code Permits
New buildings and additions
New structures and facilities other than buildings
Alterations, renovations, or modifications
Revisions of approved plans and accelerated approvals
Department accessibility plan review
Building or structure demolition

Revenue

DOR collects a variety of taxes and performs a number of compliance checks related to these taxes, including the following:

- ◆ Cigarette Dealers License
 - Allows the bearer to sell, hold, and transfer large volumes of cigarettes in the Commonwealth
- ◆ Liquid Fuels
 - This tax is collected and restricted to fund the Pennsylvania Department of Transportation operating expenses. Currently, there are no restrictions on delinquent payers of this tax.
 - Allows licensed distributors to purchase tax free fuels from other licensed distributors, and to import/export fuels tax free
- ◆ Motor Carriers Road Tax (International Fuel Tax Agreement - IFTA)
 - Required of anyone operating a qualified motor vehicle in the Commonwealth
- ◆ Sales Tax Exemption Certificate
 - Allows charitable and nonprofit organizations to claim exemptions from sales and use taxes
- ◆ Sales, Use, Hotel and Occupancy Tax License
 - Currently, tax clearance occurs only with license renewals on the renewal date
 - Allows vendors to collect sales and use as well as hotel occupancy taxes
- ◆ Small Games of Chance
 - In order to sell small games of chance in the Commonwealth to licensed clubs, one must be licensed by DOR. The Division approves/denies in accordance with regulatory and statutory provisions of applicants or renewal of manufacturers (32) and distributors (148) license of small games of chance.
- ◆ Transporter's Permit
 - Allows people to transport motor fuel physically into or within the Commonwealth
- ◆ Lottery
 - Currently has a process for performing clearance checks on new retailer license applications

- Will expand and enhance the existing clearance process for license renewals if the legislation passes

Licensing volumes and renewal information appear in the accompanying table:

Permit/License Name	Number	Renewal Info
Cigarette Dealer Licenses		
Retailers/Vending Machines	18,000	Annual, Feb 28
Wholesalers	438	
Stamping Agents	134	
Liquid Fuels and Fuels Tax Exemption	700	Annual, May 31
Motor Carriers Road Tax/IFTA		
Accounts	26,000	Annual, Dec 31
Vehicles	150,000	
Sales Tax Exemptions	3,500	Every five years, Approval date
Sales, Use, and Hotel Occupancy Tax License	318,000	Every five years
Small Games of Chance License		
Distributors	148	Renewed annually
Manufacturers	32	
Transporter's Permit	650	Annual, Dec 31

Department of State

General information about licenses from the Department of State appears in the accompanying tables. The licenses for the Corporation Bureau are issued once and no renewals occur.

Corporation Bureau	
Permit/License/Registration	New
Articles of Incorporation - Profit	18,000
Limited Liability Company	16,500
Certificate of Authority	3,600
Name Change Amendments	7,300
Total	45,400

The Corporation Bureau receives more than 60 different types of corporate record filings for businesses ranging from for-profit and nonprofit corporations, municipal authorities, limited partnerships, and foreign corporations qualifying to do business within the Commonwealth and receives approximately 80,000 initial Uniform Commercial Code (UCC) financing statements for secured transactions per year. These are not conventional licenses and will need special consideration in the process.

Permit/License	2002/2003 Licenses	Biennial Renewals	Cycle
State Board of Accountancy			
Biennial Renewal - PA, CPA, AF		22,144	Biennial
Biennial Renewal -PX (c.e. prog. sponsor)		556	Biennial
Application Program Sponsor -PX(c.e. prog. sponsor)	61		
Certification & initial licensure of CPA	978		
Initial licensure of public accounting firm (AF)	89		
Temporary practice permit	31		
State Board of Architects			
Biennial Renewal - RA		6,726	Biennial
Biennial Renewal - AX		1,716	Biennial
Firm practice registration or modification	109		
Initial license - RA	274		
State Board of Auctioneers			
Apprentice Auctioneer App	59		
Auctioneer App	80		
Auctioneer Company App	12		
Auction House App	15		
Biennial Renewal-Apprentice-AA		268	Biennial
Biennial Renewal-Auction House/Auction Company-AH/AY		235	Biennial
Biennial Renewal-Auctioneer-AU		2,080	Biennial
Special License	28		
State Board of Barbers			
Biennial Renewal-Barber-BL		3,081	Biennial
Biennial Renewal-Barber Manager-BM		5,076	Biennial
Biennial Renewal-Barber Teacher-BT		247	Biennial
Biennial Renewal-Barber Shop-BT		3,022	Biennial
Biennial Renewal-Barber School-BS		24	Biennial
License-Barber/Manager/Teacher	197		
License-Barber School	2		
License-Barber Shop	112		
Temporary Authority to Practice - Barber	58		
State Board of Certified Real Estate Appraisers			
Biennial Renewal-RE Appraiser-GA/RL		2,883	Biennial
Biennial Renewal-Pa Cert. Eval-AV		499	Biennial
Initial Cert. Broker/App.	58		
Application-RE Appraiser	35		
State Board of Chiropractors			
Adjunctive Procedure Certification	164		
App. for License by Exam	189		
Biennial Renewal-DC		4,043	Biennial
State Board of Cosmetology			
Initial License-Cosmetologist, Manicurist or Cosmetician	3,459		
Initial License-Cosmetology Shop Manager or Teacher	103		
Initial Shop License-Cosmetology, Manicurist or Cosmetician	1,429		

Permit/License	2002/2003 Licenses	Biennial Renewals	Cycle
Initial License-Cosmetology School	6		
Apprentice Registration Application	13		
Biennial Renewal - Cosmetician-CQ		2,187	Biennial
Biennial Renewal - Manicurist-CL		12,856	Biennial
Biennial Renewal-Cosmetician or Manicurist Shop-CY,CZ		2,272	Biennial
Biennial Renewal-Cosmetologist-Co		83,960	Biennial
Biennial Renewal-Cosmetology Mgr or Teacher-CM,CT		10,585	Biennial
Biennial Renewal-Cosmetology Shop-CB		15,069	Biennial
Biennial Renewal-Cosmetology School -CS		157	Biennial
Temporary Authority to Practice - Cosmetologist or Manicurist	1,218		
State Board of Dentistry			
Application-Dentist, Dental Hygienist	306		
Application-Dental Hygienist	291		
App-Restricted Permit II	90		
Biennial Renewal-Dental Hygienist-DH		7,191	Biennial
Biennial Renewal-Dentist-DS		9,867	Biennial
Biennial Renewal-Restricted or Unrestricted Anesthesia Permit-DA/DN/DP		3,268	Biennial
Temporary Permit-Expanded Function Dental Assistant	82		
State Board of Professional Engineers			
App-Certificate of Approval of Corp/Fictitious Name	109		
App for Registration-Geologist	63		
App-Initial License (Engineer or Surveyor)	1,097		
Biennial Renewal-Geologist-PG		2,490	Biennial
Biennial Renewal-Professional Engineer or Land Surveyor-PE,SU		34,200	Biennial
Temporary Permit-Engineer or Surveyor	19		
State Board of Funeral Directors			
Biennial Renewal-all classes		6,862	Biennial
Initial App-Funeral Director	65		
Initial App-Restricted Corp/Prof. Corp/Partnership/Shared Funeral Establishment	24		
Initial App-Sole Proprietorship/Branch/Widow or Estate	18		
Initial Registration-Resident intern or Student Trainee	132		
Initial Registration-Supervisor	51		
State Board of Landscape Architects			
License by Exam-No Interview Required	46		
Temporary Permit	1		
Biennial Renewal-LA		801	Biennial
Continuing Education Provider Application	1		
State Board of Medicine			
Acupuncturist Registration	53		
Acupuncturist Supervisor Registration	2		
Acupuncturist Biennial Renewal (AK)		458	Biennial
Drugless Therapist Biennial Renewal (DT)		8	Biennial

Permit/License	2002/2003 Licenses	Biennial Renewals	Cycle
Graduate License App-from accredited medical college	1,973		
Interim License	20		
Institutional License App	15		
License w/o Restriction-from accredited medical college	2,225		
License without Restriction Biennial Renewal (MD)		42,935	Biennial
Midwife License	13		
Midwife Biennial Renewal(MW)		339	Biennial
Physician Assistant Certificate	334		
Physician Assistant Biennial Renewal (MA)		3,073	Biennial
Respiratory Care Practitioner Initial Certification	234		
Respiratory Care Practitioner-Temporary Permit	38		
Respiratory Care Practitioner Biennial Renewal (YM)		6,171	Biennial
Temporary License	9		
Navigation Commission			
Annual Renewal - all classes (HA/HB/HC/HD/HE/HF)	2		Annual
State Board of Nursing			
Application: Approval of New Nursing Program	5		
Biennial Renewal – PN		53,132	Biennial
Biennial Renewal – RN		197,089	Biennial
Biennial Renewal – CRNP		5,725	Biennial
License by Examination- PN or RN	11,027		
Application for Certification as a CRNP	435		
Temporary Permit- PN or RN	856		
State Board of Nursing Home Administrators			
Biennial Renewal-NHA		2,074	Biennial
License Application	98		
State Board of Occupational Therapy			
Biennial Renewal-OC/OR		5,208	Biennial
Biennial Renewal-OP-Assistant		2,311	Biennial
License Application-Therapist	402		
License Application-Therapist Assistant	121		
Temporary License	13		
State Board of Optometry			
Application-Continuing Ed Program Approval	75		
Biennial Renewal(OE)		2,912	Biennial
Biennial Renewal-each additional Practice Location (OB)		435	Biennial
License Application-additional Practice Location (OB)	82		
License Application (OE)	1,280		
State Board of Osteopathic Medicine			
Acupuncturist Registration	12		
Biennial Renewal-Acupuncturist(KO)		91	Biennial
Biennial Renewal-Respiratory Care Practitioner (YO)		466	Biennial
Biennial Renewal-Physician Assistant (OA)		451	Biennial
Biennial Renewal - (OS & DO)		6,161	Biennial
Graduate Training-Initial License	391		

Permit/License	2002/2003 Licenses	Biennial Renewals	Cycle
License Application	268		
Physician Assistant Application	88		
Respiratory Care Practitioner Initial Certification	4		
State Board of Pharmacy			
Application for Pharmacist License	704		
Application for Pharmacy Intern Certificate	688		
Application-New Pharmacy Permit	101		
Biennial Renewal-Pharmacist (RP)		17,664	Biennial
Biennial Renewal-Pharmacy Permit (HP/PP)		3,168	Biennial
State Board of Physical Therapy			
Application-Physical Therapist by Endorsement or Exam	597		
Application-Physical Therapist Assistant Registration	177		
Biennial Renewal-Physical Therapist & Athletic Trainer(PT/RT)		10,407	Biennial
Biennial Renewal-Physical Therapist Assistant (TE)		3,623	Biennial
State Board of Podiatry			
Application-Initial License	133		
Biennial Renewal (SC)		1,435	Biennial
State Board of Psychology			
App-Initial License	119		
Application-Continuing Ed Sponsor/Provider Approval	1		
Biennial Renewal (PS)		5,757	Biennial
Fictitious/Corporate Name Registration	37		
State Board of Real Estate			
Application-licensure of cemetery salesperson	207		
Application-assoc. broker, salesperson, cemetery associate broker, builder-owner salesperson, time-share salesperson, campground membership salesperson, broker-of-record, partner or officer for a partnership, association or corp; cemetery registration	5,821		
Biennial Renewal-assoc. broker, salesperson, cemetery associate broker, builder, Owner salesperson, time-share salesperson, campground membership salesperson, broker-of-record, partner or officer for a partnership, association or corporation		40,066	Biennial
Application-broker, cemetery broker, or rental listing referral agent	4		
Application-licensure of branch office	116		
Biennial Renewal-assoc. broker, salesperson, cemetery associate broker, builder, Owner salesperson, time-share salesperson, campground membership salesperson, broker-of-record, partner or officer for a partnership, association or corporation		8,798	Biennial
Annual renewal of approval-real estate school		32	Annual

State Board of Speech & Hearing			
App-Initial License	382		
Biennial Renewal-all classes (AT/SL/TH)		6,001	Biennial
State Board of Social Work			
Application for License-SW	509		
Application for License-SW/CW	1,097		
Application for License-LCWS, MFT, PC	1,197		
Biennial Renewal (SW)		6,235	Biennial
Biennial Renewal (CW/PC/MFT)		6,111	Biennial
State Board of Motor Vehicles			
Application-vehicle dealer	493		
Application-used lot, branch or auction	59		
Application-vehicle manufacturer or manufacturer branch, distributor	25		
Application-vehicle representative or salesperson	5,035		
Application-salesperson change of employer			
Biennial Renewal-vehicle manufacturer license (VM)		329	Biennial
Biennial Renewal-dealer, auction, branch, broker, mfr. branch, wholesale dist., used lot lic		8,752	Biennial
Biennial Renewal-vehicle representative or salesperson license(VR/MV)		38,908	Biennial
State Board of Veterinary Medicine			
App-Animal Health Tech	126		
App-Veterinarian(original, reactivation, reissue or reciprocal)	258		
Biennial Renewal-VT		1,044	Biennial
Biennial Renewal-BV		3,619	Biennial

Grand Totals 49,135 735,353

The following table contains information about licenses granted by the State Athletic Commission.

State Athletic Commission		
Permit/License	Annual	
	New	Renewal
Announcer	12	12
Judge	44	44
Manager	51	51
Matchmaker	6	6
Pro. Boxer	437	437
Pro. Boxing Promoter	40	40
Pro. Wrestling Promoter	20	20
Referee	18	18
Ring-side Doctor	21	21
Second	513	513
Timekeeper	8	8
Trainer	16	16
Athlete Agent Individual	119	119
Athlete Agent Business	45	45
Total	1,350	1,350

Securities Commission

The Securities Commission participated in a DOR survey in 2003. All licensing occurs through a national database from National Association of Securities Dealers (NASD) in Gaithersburg, MD. The licensing volume appears in the accompanying table.

License	Annual Volume			
	FY 01-02	FY 02-03	New	Renewals
Agent	166,249	140,348	32,542	133,707
Broker-dealer	2,610	2,560	196	2,414
Investment Adviser	574	510	128	446
Investment Adviser Representatives	3,881	4,541	1,414	2,467
Sec. 205 Securities Registration	69	56	69	15
Sec. 206 Securities Registration	58	79	58	N/A
Totals	173,441	148,094	34,407	139,049

Except for the securities registration, all licenses renew on December 31 each year. The Sec. 205 Registration can be renewed annually at the option of the Commission.

License Exclusion

The accompanying table summarizes the recommended exclusions for the early program phase because these licenses are not associated with income generation.

Agency	Exception
Insurance	Peer Review Organization
L&I	Boiler Inspector Examination Fee
	Boiler Certificate of Competency & Commission
	Certificate of Operation Boiler/Pressure Vessel
	Plan Approval
	Mechanical Room
	High Pressure Boiler
	Low Pressure Boiler
	Liquefied Petroleum Plot Plans
	Elevator Permit Application All Types (includes ski lifts and escalators)
	Elevator Major Repair/Modification Permit Appl (All Types)
	Elevator Special Permit Application Approval
	Elevator Certificate of Operation Initial/Renewals
	Fire & Panic New Construction/Renovations/Modifications
	Grand Stand Permit
	Uniform Construction Code
	Registration
	Certification
	Third Party Agency
Stuffed Toy Registration	

In addition, all of the L&I programs in this table do not currently collect SSN or EIN.

There has been a discussion on whether to include or exclude certain areas of Commonwealth registry activity, which is included in this *Work Product 1 – State Agency Survey* section. For instance, it has been discussed that the Department of State’s Corporation Bureau, State Athletic Commission, and Notary Public Division of the Bureau of Commissions, Elections, and Legislation be excluded.

The basis for Corporation Bureau exclusion would be they do not issue any licenses, permits, or registrations as defined in the draft legislation. The basis for State Athletic Commission exclusion would be they are neither subject to any continuing education or testing requirements nor stringent experience requirements. In addition, the remuneration they receive for their services is extremely limited and none of the licensees engage in their work on a full-time basis. The basis for Notary Public Division exclusion would be that they bestow a commission which is unlike a license, permit, or registration.

Work Product 2 – Clearance Program Cost Analysis

This section evaluates cost by agency to implement tax clearance as part of its ongoing operations, assuming that the delinquent taxes collected as a result of the legislation will pay both for construction of the system and for its ongoing maintenance; this also assumes hiring 57 new full-time equivalents (FTEs) to administer the system. We have provided agency figures and documented assumptions throughout. Details for each agency appear in **Appendix C: Cost Detail by Agency**. These figures are based on **Appendix D: Draft Legislation**.

Cost Analysis

This section contains the details of the cost analysis.

Current Operations

As required by the initial legislation, each agency provides the current operating costs for the various licensing systems. These represent annual capital expenditures, operating expenses, and personnel expenses; they will remain constant with or without a new tax compliance system. The accompanying table contains a summary of each agency's cost.

Agency	Current Annual Cost
Banking	\$892,148
DEP	\$1,091,503
Revenue	\$2,066,687
L&I	\$742,460
DOS	\$2,266,900
Insurance	\$2,336,782
Securities	\$705,876
Total	\$10,102,356

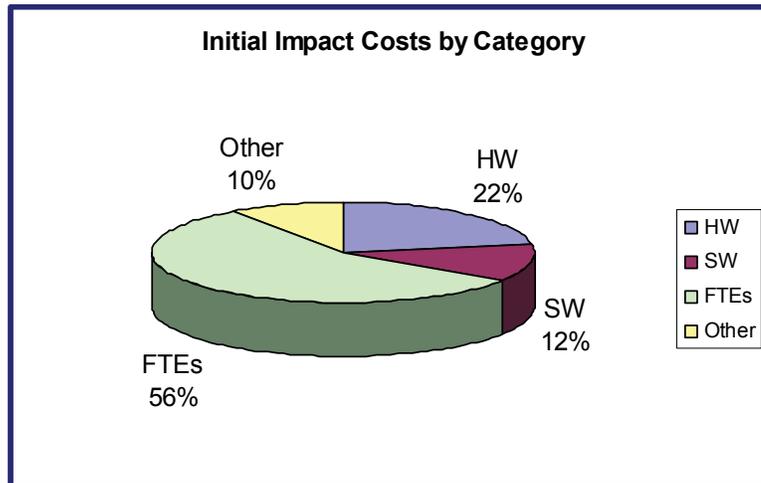
Implementing tax clearance

Each agency also provided its estimated cost to implement the new system and to maintain it annually thereafter. Total cost is \$5.2 million, as shown in the accompanying table.

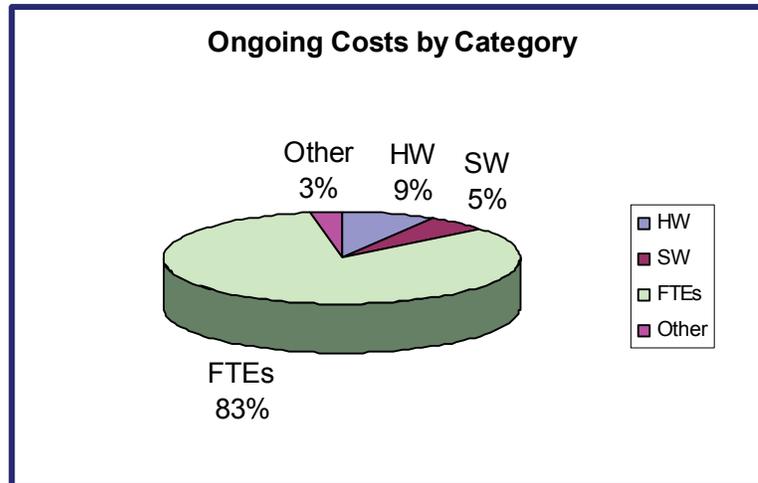
Agency	One Time	Annual Ongoing	Program Impact	New FTEs
Banking	\$0	\$0	\$0	0
DEP	\$242,000	\$0	\$242,000	0
Revenue	\$281,130	\$1,717,734	\$1,998,864	30
L&I	\$562,983	\$1,235,788	\$1,798,771	19
DOS	\$220,500	\$294,712	\$515,212	4
Insurance	\$237,750	\$254,095	\$491,845	4
Securities	\$102,996	\$2,880	\$105,876	0
Total	\$1,647,359	\$3,505,208	\$5,152,567	57

The differences across agencies, especially in the ongoing costs are the result of several factors. First, both Departments of Revenue and Labor & Industry are taxing agencies and will carry a significant portion of the compliance enforcement responsibility. L&I is also in the process of a major system replacement so their costs represent the possibility of an older system and the potential requirement to develop a solution for the current system and then re-implement the solution in the new system. Also, Banking and Securities costs are lower due to newer single systems and the limited number of license types involved. Similarly, DEP uses eFACTS, a single licensing system.

The following chart provides a comparison of the implementation costs by category. Clearly, the FTEs are the largest contributor to the costs. The 56% is \$920K. The large portion of the FTEs is for application development staff to build and implement the new system.

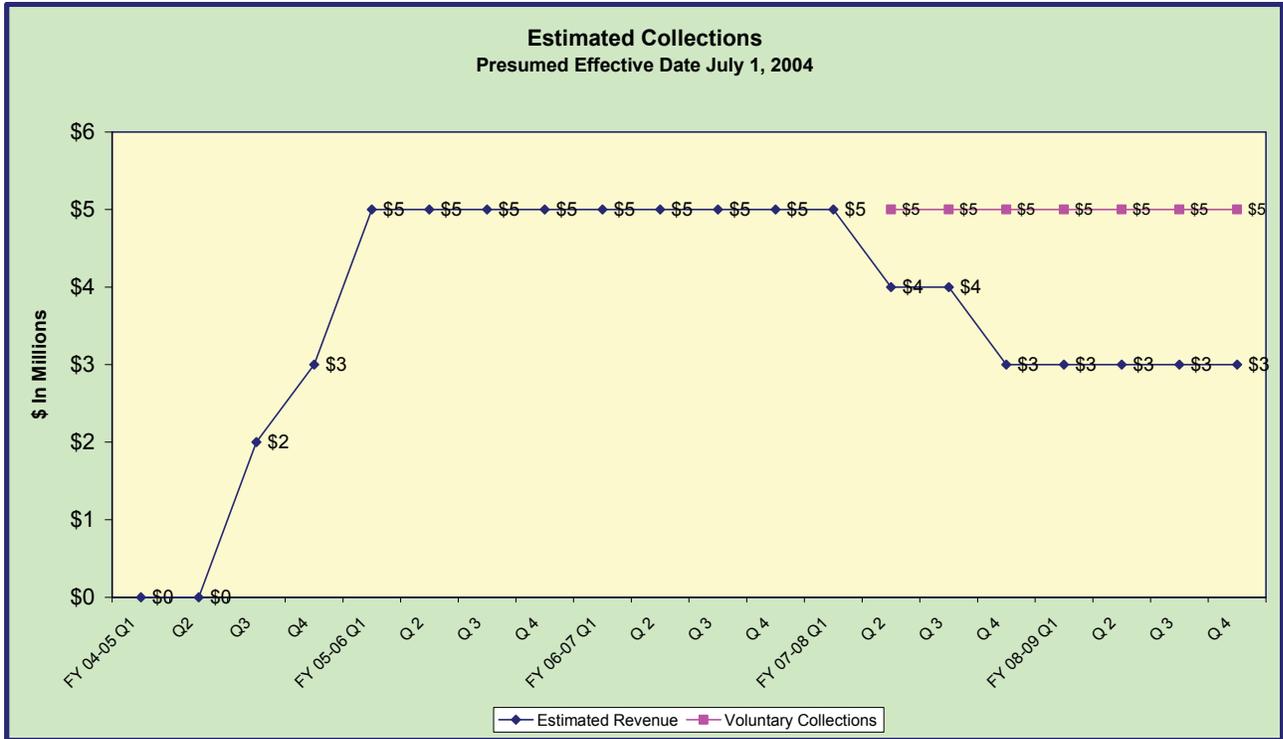


The following chart provides a comparison of the ongoing costs by category. Again, the FTEs are the largest contributor to the costs. The 83% is \$2.9 million. The large portions of the new FTEs are for tax collection staff to respond to taxpayer inquiries and process tax clearance certificates.



Return on Investment

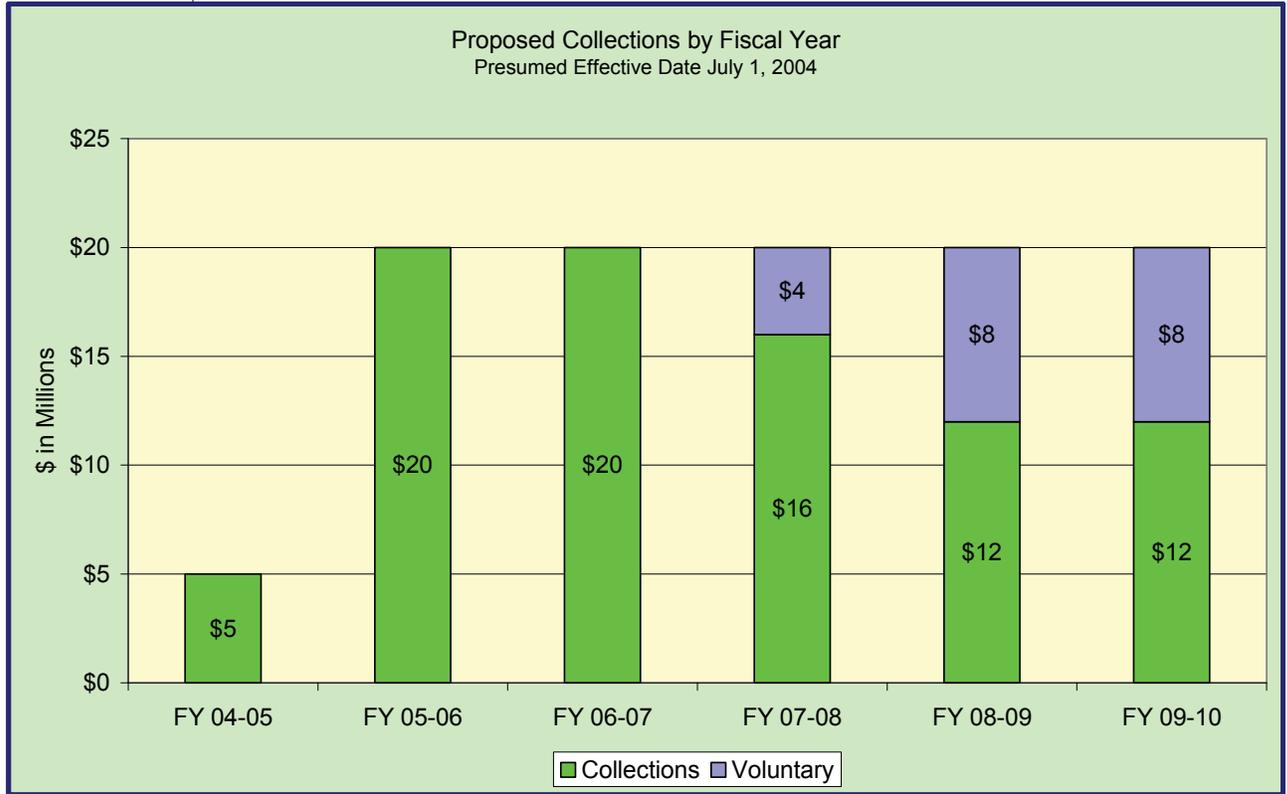
Current collectable tax delinquencies at DOR total \$600 million for 1999-2003; in addition, for the same time period, L&I had uncollected taxes of \$72 million for federal funds from the Federal Unemployment Compensation Trust Fund. Our collections estimate is based on a total pool of uncollected taxes of \$672 million, some portion of which is owed by taxpayers who have or will apply for a license. Information on the number of delinquent taxpayers who hold or will apply for licenses under this program is not available at this time. Therefore, only part of the \$672 million will be impacted by this program. We anticipate a collection of \$15 million within the first 18 months. Please refer to the accompanying *Estimated Collections* chart for a full view of the estimate.



We also project that delinquency rates will decrease in subsequent years as licensees are encouraged into voluntary compliance. The anticipated impact of this substantial indirect benefit of the tax clearance program is the difference between the estimated revenue and voluntary collections lines on the graph. Further, this study does not project the savings to the Commonwealth of not having to borrow funds, the additional related income from earned interest, or the benefit the Commonwealth will derive from the judicious use of these funds. Clearly, however, the tax clearance program will quickly recoup the investment required for its initial implementation and support ongoing operating and maintenance expenses thereafter.

Note that there is a steady stream of collections from initial implementation in first quarter 2005 through full implementation in first quarter 2007: \$50 million is collected. Please refer to the *Compliance Collections* chart below. This is based on the renewal period of the various licenses. The decrease after first quarter 2007 represents the program’s impact on voluntary compliance. The anticipated impact of this substantial indirect benefit of the tax clearance program is the difference between the estimated revenue and voluntary collections lines on the graph. The approximate \$3 million per quarter represents the collections from the combination of the habitually delinquent taxpayer population and new licensees, of which a large portion can be attributed to the additional leverage this program will provide the taxing agencies.

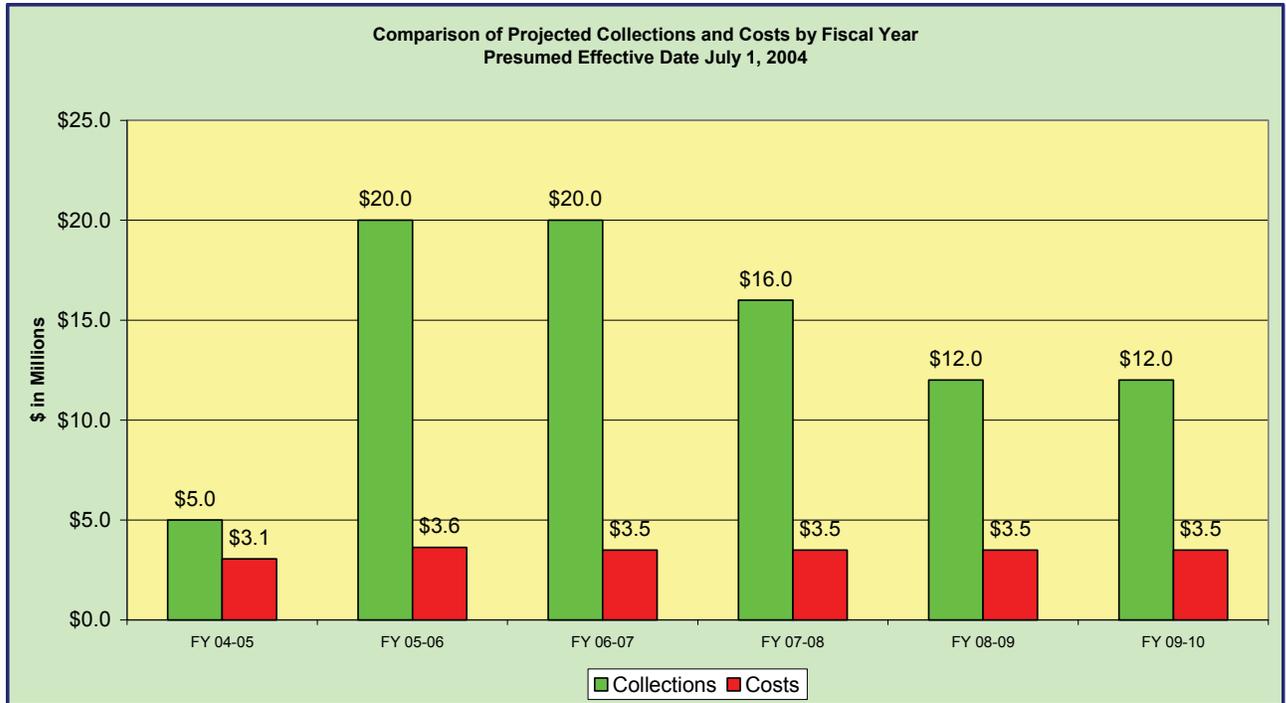
We have also provided the following graph with a fiscal year view:



The following table combines the initial and ongoing costs for the first three fiscal years. This is the time period estimated to reach full implementation of the program.

Total Projected Costs by Fiscal Year			
	FY 04-05	FY 05-06	FY 06-07
One Time	\$1,402,772	\$244,587	\$0
Ongoing	\$1,659,460	\$3,386,205	\$3,505,208
FY Total:	\$3,062,231	\$3,630,792	\$3,505,208

The accompanying graph provides the comparison of revenue collections to program expenditures. The graph gives a visual estimate of the net proceeds from the proposed tax clearance program. First year collections are estimated to surpass costs by nearly \$2 million and significantly exceed costs in all subsequent years.



We considered four demographic groups of delinquent taxpayers for our estimate of funds collected. The first group consists of those who will quickly come into compliance once they receive initial notice from this system that their license is in jeopardy. The majority of this group will remain compliant going forward. The second group is those that will come into compliance as they receive the notice to hold, deny, revoke, or suspend their license. When members of this group realize that their livelihood, i.e. license, is in jeopardy they will either pay or enter a deferred payment plan. The third and smallest group is those that will continue to be non-compliant or go into and out of compliance on a regular basis. This final group is composed of those that represent the true portion of “uncollectible” debt owed to the Commonwealth by licenses holders. This group represents those that are or border on the criminal element of the population. The fourth group we considered is the new license applicants who owe taxes. This affects the estimate of ongoing collections because there is this constant addition to the pool of uncollected taxes owed by licensees.

Details on assumptions behind this figure appear at the end of this section. Also note: there are several suggestions for alternative funding to cover costs. Detailed information for all costs can be found in **Appendix C: Cost Detail by Agency**.

Assumptions

This section highlights the assumptions made in the cost analysis, including specifics for each agency.

General

These assumptions apply broadly to the entire cost model. We have assumed a July 2004 effective date which leads to a January 2005 initial implementation date.

New Collections

The DOR Bureau of Research, using data provided by the DOR Bureau of Compliance, initially predicted the collection of \$20 million following a six-month implementation period. The following methodology was used:

- ◆ The estimate was based on "like" clearances and examined each taxpayer type associated with a clearance type
- ◆ DOR keyed in on new Lottery applications, LCB clearances, and Keystone Opportunity Zone (KOZ) applicants (with the likelihood that a high proportion of individuals, as opposed to corporations, would be involved in these new clearances)
- ◆ The other intention was to use programs that could provide gross numbers of clearances processed, as opposed to non-compliant cases, as some cases are referred to Compliance only if they are non-compliant. The investigation showed an average return of \$392 per clearance.
- ◆ The above assumptions lead to the assumption that there would be approximately 50,000 clearances processed annually, for an estimated \$20 million collected

Collection Estimate Validation

The Bureau of Compliance conducted two pilot programs to determine compliance of both sales taxes and new cigarette dealers.

First, Compliance examined monthly Sales Tax Renewals for the three-year period 2000 – 2003. Of the 292,750 licenses examined, 19%, or 55,793, were non-compliant.

Issued	Pre revoked	Total	% Issued	% Pre-revoked
236,957	55,793	292,750	80.94%	19.06%

Secondly, The Cigarette Retailer License project looked at non-compliance rates from 1/1/04 through 2/25/04 and showed that, on average, 8% of the new dealers registered were non-compliant.

New Dealers Registered	# Non Compliant	% Non Compliant

January	363	39	10.74%
February	374	21	5.61%
Cumulative	737	60	8.14%

Based on the two pilots, the percentage non-compliant is in the range of 8% to 19%. We chose 10% as a conservative estimate.

Using the information from these two pilots, we estimate the following: Of the 1,862,674 licenses that will be processed over the first 18 months after effective date, 10%, or 186,267, will be responsible for generating the \$15 million. This is an average of \$81 per clearance, which is significantly lower than the \$392 determined above. However, it is important to note that the automated system will process almost 37 times as many licenses as that of the 50,000 estimated above, thereby reducing the average amount.

These numbers also validate the premise that the post-implementation percentage of non-compliant accounts will decrease. The validation is in the Cigarette Retailer License project pilot, because all of these licensees should have already been subjected to a Sales Tax License compliance check. In other words, this represents the ongoing collections at program maturity.

Business Activity Consideration

Another premise that is validated using the above sampling is that the mix of business activity that is being cleared affects the average collection amount. Business activity is defined by the North American Industry Classification System (NAICS). There is a large difference in the compliance rate between all sales tax license holders and the subset of cigarette retailer license holders. Although we do not have a detailed analysis of licenses issued by business activity, we predict there will be differences in the non-compliance rate. Another example from the LCB clearance program is NAICS sector 72, Arts, Entertainment, & Recreation, in which non-compliance has been in the 20% range. We predict that the 20% NAICS sector 72 non-compliance rate will be much higher than for the DOS professional licenses, NAICS sector 54 Professional, Scientific, and Technical Services. We propose that an average of non-compliance rates across the various NAICS sectors will result in a 10% non-compliance rate.

Estimating Scenarios

Another approach was taken to validate the \$20 million estimate. We looked at other states that had recently implemented similar programs. Then we compared the states based on Census Bureau information to develop a rough order of magnitude of size. The accompanying table, from the Census Bureau records for 1997, shows the economic activity within the states indicating Pennsylvania is slightly more than twice the size of Maryland and Minnesota.

State	Population	# Establishments	Sales, Shipments, Receipts, Revenue, or Business (\$1,000) **
Pennsylvania	12,000,000	271,792	\$674,828,025
Maryland	5,500,000	116,762	\$239,909,239
Minnesota	5,000,000	124,039	\$318,482,387

**Includes the total sales, shipments, receipts, revenue, or business done by establishments within the scope of the economic census.

<http://www.census.gov/epcd/ec97brdg/def/ECVALUE.HTM>

Maryland has roughly half the population of Pennsylvania and has estimated \$10 million in collections in FY 2004. As of March 3, 2004, Maryland has collected \$6 million and predicts that the program is on track to meet the \$10 million estimate. We make a conservative correlation by doubling Maryland's estimate to substantiate our projection of \$20 million.

Minnesota provided collection data from its mature tax compliance program. In FY 2003, Minnesota collected \$1.4 million. As of FY 2004, \$1 million has been received. Using this data, a very conservative estimate for yearly Pennsylvania would yield collections of \$3 million after the initial 18-month implementation period.

Personnel Assumptions

The Commonwealth's 37.5 hour standard pay schedule (effective July 1, 2002) associated with pay scale (PS) Level 13 for all pay groups was used to account for the various pay rates of existing staff. We assumed PS Level 13 based on the average tenure of 14 years. We assumed PS Level 10 for new FTEs based on the fact that the promotions will be back-filled by entry level positions. An additional 40% was added to account for benefits.

Each new FTE was allotted a one-time capital expenditure of \$2,000 for hardware expenses. We did not allocate any costs for office furniture or space.

By Agency

This section provides, from each agency, assumptions related to current and projected costs.

Banking

◆ Current Costs

- Licensing Division includes all non-depository entities (licensees)
- Applications Division includes all depository institutions (charters - banks, savings and loans, credit unions, trust companies, etc.)
- Personnel expense only includes staffing and associated costs for the Licensing and Applications Division

- The Department of Banking currently captures Tax Identification Numbers (TINs) and also performs criminal background checks with the FBI as part of the current licensing program
- ◆ Projected Costs
 - Impact on existing system is likely to be minimal. Depending on the workload volume, there may be a possible need to hire a Clerk Typist 2 to perform tax liability checks.

Department of Environmental Protection

- ◆ Current: None
- ◆ Projected Costs
 - This approach does not handle the client/client relationships or any repercussions as a result of handling these
 - Need to determine with legal multiples/uniqueness of EINs for clients
 - Check for determination of revocations (where the line is drawn on what can be revoked)

Department of Revenue

- ◆ Current Costs
 - Mainframe computer operations are part of the state-wide Data Powerhouse. DOR's total cost for this contract is approximately \$9 million per year. Our assumption is that the status quo processing for the tax systems that will be included in the clearance program represent 3% of the total activity of the our systems, or \$270,000.
- ◆ Projected: None

Department of Labor and Industry

- ◆ Current Costs
 - Many unknowns - associated costs and items are not inclusive.
- ◆ Projected Costs
 - Will not have a price for MQ Series for the AS/400 until after 3/19. The number included is an approximation.
 - Cost for mainframe resources is an estimate
 - Currently do not capture all required data. Major revisions will be required to database system.
 - Software Maintenance and Data Powerhouse- Possible purchases for transferring of data

Department of State

- ◆ Current Costs
 - The Department of State's Corporation Bureau's Business Processing & UCC applications are currently in transition. The Secretary of State Knowledge Base™ (SOSKB) application, while not currently in use at the Department of State, will be migrated beginning in March 2004.

The information presented here represents the SOSKB application and not the current application being used by the Department of State for support of their business process and UCC needs.

- ◆ Projected Costs
 - Assuming that the Corporation Bureau, Athletic Commission and Notary Public Division of the Bureau of Commissions, Elections and Legislation are excluded
 - Assuming that the future information sharing methodology for this effort is based upon a 'Web Service' process in conjunction with a batch oriented query process, most of the associated costs are unknown at this time

Insurance Department

- ◆ Current Costs
 - Technical costs depicted here are based on the FY 2003 - 2004 re-budget
- ◆ Projected Costs
 - The Insurance Department's COSMOS system would need modification in order to include a tax liability check at licensing, including interface development, database structure changes, and business rule changes. Additional personnel resources would be required to manually handle and process the number of licensees found to owe taxes and to maintain and support the back-end technical solution.

Securities Commission

- ◆ Current Costs: None
- ◆ Projected: CRD Report generation – \$240 per report, anticipated one a month

Funding Sources

We have identified several possible sources of funds to cover the initial and ongoing costs of this program. Any one or more of these funding sources could be applied to cover the initial and ongoing costs of this program.

The first recommendation is the creation of an appropriation to cover the costs with the General Fund. This appropriation would in turn be reimbursed from the additional collections. The second recommendation is to establish a restricted revenue account where collections are recorded and implementation/program expenses are disbursed. This recommendation permits agencies to recoup costs directly from collections associated with the clearance program but there is a substantial time lag between startup and realized collections. This recommendation is most applicable to the initial costs. The third recommendation is the institution of fees on licenses issued by the participating agencies to cover their costs. For example, a fee of \$50 per Sales, Use, Hotel and Occupancy Tax license issued by DOR would generate approximately \$3.2 million per year.

Work Product 3 – Policy and Legal Analysis

Generally speaking, challenges to tax compliance have occurred primarily on the basis of the misidentification of the taxpayer and on the amount owed of the tax liability.

Commentary

Based on information gathered for this report from other states and participating agencies, changes have been recommended to H.B. 200, P.N. 2820, dated October 20, 2003. A full copy of the October draft and new recommended version of the legislation appears in **Appendix D: Legislation Draft**.

The proposed changes include remove various applicant/entity reporting requirements and allow licensing agencies the flexibility to place a license application or license renewal on “hold” for a period of 45 days for the applicant/entity to achieve a tax compliance status without adverse action being taken. A related change is to remove authority for a licensing agency to review the sufficiency of the tax records file or the tax deficiency. Since statements regarding tax status are no longer required as part of the initial application process, the licensing agencies do not require authority to review.

The statute was also amended to include an exception for cases pending under the jurisdiction of a bankruptcy court. The remaining changes are related to the definitions of applicant, entity, and tax identification number.

Finally, while it is recommended that the draft legislation be revised to incorporate the definitions section preceding the rest of the proposal, this change was not made in order to facilitate comparison of the prior proposal.

Assumptions

In reviewing the draft legislation we have made a number of assumptions:

- ◆ The issue of property rights of a license as grounds to contest a revocation has been discussed and will be resolved. Please refer to **Appendix G: Legal Issues**.
- ◆ The General Assembly will consider and address the legal parameters and ramifications of due process
- ◆ The issue of collecting and using SSN for this program is resolved. Please refer to **Appendix G: Legal Issues**. This also resolves the issue of a common identifier – the TIN which includes EIN and SSN –across all agencies.
- ◆ The range of appropriate licenses has been identified
- ◆ The funds to implement the project will be available, either through this legislation or elsewhere

Legal Issues

Equal Protection

One issue that was discussed is that of discriminatory practices in implementing the legislation. It was agreed that all licensees must be afforded equal protection. Please refer to **Appendix G: Legal Issues**. The legislation and its subsequent implementation must be free of prejudice. For instance, out-of-state residents cannot be treated in a discriminatory fashion, but they must be subjected to identical clearance measures as domestic entities. The clearance measures must be implemented equally across all agencies for the licenses they issue.

Due Process

Another issue was that of procedural due process. All licensees will have under the statute the right to a clear and well defined legal process. Licensees will be advised of their rights in contesting the revocation, suspension, or denial of a license. This issue is discussed in **Appendix G: Legal Issues**. The legislation and program shall ensure that those taxpayers who are denied their license for non-compliance have access to the taxing agency's appeals processes.

Business Issues

This section discusses several business issues affected by the legislation.

Corporate officers and tax liability

There are some instances when corporate officers can be held liable for tax debt such as in the case of corporate dissolution: using corporate officer assessments for sales and employer (trust fund) taxes, DOR can pursue the individual for not paying corporate taxes. In order to perform this check, the system must accept more than one TIN per tax clearance request.

Licensing programs tied to national programs

Some licensing programs are tied to a national program where common forms are used, such as securities brokers-dealers and agents, motor carrier permits, and insurance brokers. Interaction with these national programs prevents the ability to make changes to those respective programs' forms.

Resolution when more than one agency is involved

There can be a timing issue between the two agencies trying to revoke the license and relieve the tax obligation. This is a theoretical problem but needs to be addressed. What happens when the two agencies in separate appeals processes have different rulings? Who will resolve this issue is open for discussion. In response to this issue, DOR indicates that if the only issue on appeal is mistaken identity and/or certification of tax liability, there should not be a problem with different rulings from different agencies, provided state

agencies enforce appropriate state statutes. DOR has added to the draft legislation a provision that allows the agency to request reconsideration of a suspension or revocation request due to interference with the agency mission. With this addition, there could be some differences in rulings but it would not be arbitrary or capricious and could be justified by an important agency goal or function.

Training issues

Lack of tax expertise within the licensing agency is perceived as a training issue. As stated in the draft legislation, applicants will be directed to contact the taxing agency when they have questions concerning their license denial/revocation based on tax liability. The program implementation plan has included time for staffing and training in conjunction with the system implementation.

License suspension statutes not currently available

In some instances, agencies such as the Department of State do not currently have the ability by statute to suspend a license, but only to revoke a license. In one example, the revocation lasts for five years, cannot be repealed, and the applicant must go through the entire application process (including any exams) as a new applicant. The lack of suspension provisions may need to be corrected in agencies' individual statutes.

Downstream effects

Revocation can have downstream effects. For instance, if DEP revokes an underground tank operating permit, Insurance would still send a tank liability indemnification insurance bill. In the case of medical malpractice, Insurance would need to know when a physician's license is revoked, so the agency can assess the impact of collecting secondary premiums. In these and other examples, some communication or coordination across agencies will need to occur.

Sufficient suspension notice to licensee

In order to prevent a person and his or her employer from being liable for conducting business without a license, the system processes must ensure that the date of the license revocation allows sufficient notice for the licensee to cease conducting business.

Federal Implications

There are issues that some licensing agencies could face if state-centric laws that restrict business are passed. These laws could backfire into an industry request for federal regulation; in effect, this could dismantle state regulation. Industries such as securities, banking, and insurance are particularly vulnerable to this issue.

The requirement on applicants to file tax-related information imposed by the proposed legislation may make Pennsylvania both non-uniform and non-competitive with other licensing states. Importantly, it will be a catalyst for the industry to go back to Congress to preempt state licensing authority. An example of this occurring is the process Congress initiated when it passed the National Securities Markets Improvement Act of 1996, based on industry allegations that state regulation was unduly burdensome. Preemption of state securities licensing authority would result in the immediate loss of \$10 million annually to the General Fund and another \$5 million in fee increases proposed in Governor Rendell's budget. Any requirement that the Pennsylvania Securities Commission amend their forms may impede participation in the federal program. This program does not require any amendments.

Fairness Issues

Several agencies indicated that this program should have reasonable criteria for the taxing agencies to determine prosecution. They should also consistently apply those criteria. The criteria will be addressed in the system business rules.

Work Product 4 – Comparative State Study

This section provides information on other states, with narrative focused on the states that have similar tax clearance programs already in place. Details appear in **Appendix E: State Detail**.

Overview

We collected information from 26 states, five of which have programs similar to the one envisioned for Pennsylvania. In addition, several have tax clearance programs narrowly focused on a specific kind of license: coal mines (Kentucky), lottery (Virginia), cigarette stamps (New York), etc. Others (Massachusetts, Kansas, and Rhode Island) have pending or proposed legislation. It is important to note that of the states surveyed, very few complaints have been filed and none have encountered legal issues.

The accompanying table summarizes the impact of license tax clearance programs in other states, shown in chronological order by implementation date. Demographics information is from the U.S. Census Bureau, with figures representing 1997 data.

State	Trigger Point			Program Statistics			Census Demographics		
	New	Renewals	Revocations	Type of Licenses	Starting	Annual Revenue (\$ millions)	Sales, Receipts, Shipments (\$ millions)	Annual Payroll (\$ millions)	Paid Employees (\$ millions)
Maryland		X		Renewals only	2003	Est. \$10	\$240	\$53	1.8
Minnesota	X	X	X	Business or professional	1984	\$1.4	\$318	\$60	2.1
Missouri	X	X	X	Professional only	2003	Est. \$20	\$336	\$57	2.2
Wisconsin	X	X	X		1999	\$2.5	\$306	\$59	2.2
Oklahoma*		X		Professional only	2000	N/A	\$149	\$25	1.1
Pennsylvania	X	X	X	Business or Professional	2005	\$20	\$675	\$129	4.6

**Oklahoma annual revenue is not available; however they reported collection of \$6.2 million in payment plans in the first 12 months and have collected \$42 million to date.*

In evaluating programs in other states, the team used a combination of web research, emails, telephone interviews, and surveys. This included coordinating information with the non-profit Federation of Tax Administrators (FTA) in Washington, D.C. The mission statement of the FTA is to coordinate

research and information exchange across multiple taxing organizations; it also represents the interests of state tax administrators before federal policymakers. FTA and the Multistate Tax Commission (MTC) also jointly sponsor the web site www.taxexchange.org to enable states to exchange confidential information and ideas; it is restricted to employees of member agencies. We also procured information from LexisNexis, a web service that provides legal, news, public records, and business information to subscribers, including tax and regulatory publications.

Finally, for the most significant states, we conducted telephone interviews and/or conference calls.

In terms of common business rules, we identified the following policy in multiple states:

- ◆ The process of matching was universally conducted on the basis of SSN and EIN; some states extend the matching so revoking a license for a business entity could also impact other businesses owned by the proprietor
- ◆ Several states have a minimum threshold of \$500
- ◆ Some states limit the program to renewals only. The basis for the policy is that, for the most part, people tend to acquire tax liabilities only after they have been licensed for a trade or business.
- ◆ None of the states reported legal issues associated with their program

Specific States

This section summarizes the programs in the four states identified as most closely matching the proposed Pennsylvania initiative.

Maryland

Maryland enacted tax clearance legislation in July 2003, with approximately \$6 million recovered as of March 3, 2004, putting the state on track to meet its \$10 million estimate. A representative from the state confirmed the estimate of \$10 million for first three years, and stated that this state expects it to drop to \$5 million for the subsequent two years. Of interest is the fact that Maryland targets renewals three months prior to expiration; this gives the persons/firms sufficient time to clear up the tax liability without impacting their business. Three specific notes from Maryland's response:

The hold applies to licenses issued by the Comptroller, Health Department, Department of Environment, Motor Vehicles (dealers—not driver's licenses or tag renewals) and Labor Licensing and Regulation (professional licenses not including lawyers).

A couple points—the hold does not apply to the original issuance of licenses—only renewals. This is vastly simpler—eliminates manual processing of individual applications and probably costs nothing—for the most part, people tend to acquire tax liabilities only after they've been licensed for a trade or business.

All the money does not come in the first year if you have licenses renewable on two- or three-year cycles.

Minnesota

Minnesota has the oldest tax clearance program identified in our research. It started in 1984, originally targeted at renewals of business licenses. Today it incorporates both professional and business licenses, impacts both new and renewed licenses, and empowers the Minnesota Department of Revenue to revoke licenses. It also includes licenses issued by county and local jurisdictions.

Excerpts from the statute and a link to the full text appear in **Appendix E: State Detail**; the accompanying citation summarizes the cross-agency focus of the law.

Tax clearance required. The state or a political subdivision of the state may not issue, transfer, or renew, and must revoke, a license for the conduct of a profession, occupation, trade, or business, if the commissioner notifies the licensing authority that the applicant owes the state delinquent taxes, penalties, or interest

Missouri

Missouri began a professional license clearance program in November 2003. The program focuses on new or renewing licenses and only checks for PIT delinquencies. Missouri estimates collections of \$20 million for FY 2004, but realizes that since most licenses renew every two years, it will take some time to cycle. Most agencies had already been capturing SSNs prior to the start of the program.

Wisconsin

Wisconsin began tax clearance for licenses in 1999, with a phased implementation (largest agency first). It has collected \$11 million to date and reports 97 percent compliance. Much of the program was implemented with changes to business procedure, as opposed to IT integration. For example, the Wisconsin Department of Revenue created an Intranet web site to enable agencies to key in the SSN/EIN and reply with Yes/No on tax clearance; the

licensing agencies modified their work flow to require the bureau representative to verify compliance.

In addition, agencies periodically (quarterly or annually) submit an electronic file to Wisconsin DOR of licenses, which DOR uses as input to a matching process. The process generates letters to all matched delinquent taxpayers as well as a file to the submitting agency. Details on the IT and business work flow appears in **Appendix E: State Detail**.

Oklahoma

Oklahoma began its program in 2000 and has collected \$42 million through February 2004. The Oklahoma process matches on name and SSN, and affects professional licenses only. It found that, in most cases, new license requests were normally people moving into the state or students and would not have any tax liabilities. The most substantive impact of the program was the requirement for other agencies to capture SSN as part of their license process.

Work Product 5 – Final Recommendations and Implementation Plan

This section contains recommendations for proceeding with the legislation, as well as a high-level view of the information technology (IT) infrastructure needed to implement it. We also provide a suggested implementation plan.

Policy Considerations

This section contains specific suggestions for the implementation of the program.

Business Rules

The team recommends the business rules below for inclusion in the new program.

DOR responds only to positive matches

A letter of clearance is only required from DOR for positive hits to be cleared; DOR will send back a notice to the licensing agency only if it finds a match on taxes delinquent. If no match is found, no notice is given to the licensing agency.

Amending license applications to contain a disclosure

Where feasible licensee application forms should be amended or shall include a separate letter containing a disclosure clause. Sample wording:

If a taxpayer owes delinquent state taxes, the taxing agency may deny the issuance of a Tax Compliance notification to any of the following Commonwealth agencies to which the taxpayer has applied or requested a renewal of a license, permit or registration: Department of Banking, Department of Environmental Protection, Department of Insurance, Department of Revenue, Department of State, Pennsylvania Securities Commission and Department of Labor and Industry.

This is similar to Lottery's recent implementation of its new Lottery Retailer application tax compliance check program. Exceptions to this are where this disclosure inclusion is in conflict with federal or industry standards or uniformity.

Implement License Fee

DOR recommends the implementation of a fee for the Sales, Use, Hotel and Occupancy Tax license; there currently is no charge for the license. This license is renewed every five years and there are 318,000 issued. As an example, a license fee of only \$50 for the approximately 64,000 accounts annually renewing would nearly cover a projected annual operating cost of \$3.5 million for the tax clearance program.

Fee for Service

As a potential source of revenue to fund this program, a fee for service approach is suggested. A fee would be required for each license application to defray the cost of processing the clearance check. This fee would be included in this statute as opposed to amending all the license statutes.

Denial of due process

To satisfy the issue of denial of due process, the applicant who is found to be delinquent at the time of application or renewal could be issued a Notice of Delinquency that would include instruction to the applicant concerning whom to contact and how to resolve the delinquency. Appropriate level and number of attempts to contact the taxpayer will be made.

Second Level Check Recommendation

We believe that enforcing second-level checks across the board in the proposed program would not be immediately cost effective. This course of action would increase program complexity without a significant increase in tax collection; it would also increase disruption to conducting business by slowing the clearance process and would burden the taxing agencies with time consuming cross-checks of the tax information of parties related to a license applicant.

For the proposed tax clearance program, we recommend utilizing second level pass-through checks only where they are presently performed as part of existing processes and limiting them narrowly to tying the license clearance to the applicant who is directly deriving business benefit. In addition, some agencies could extend existing checks within their own business process. For example, the tax clearance check for Lottery retailers is performed only at initial application; we recommend that Lottery follow its own process and apply it to renewals also.

For the next two business rules, DOR will take the following recommendations under advisement when developing the system.

Delinquency notices warn of jeopardized licenses

Current procedure includes attaching a Taxpayer Bill of Rights, rev-554 form, to all delinquency letters. The DOR Clearance system can use the existing file of licenses issued to an entity to be used in the tax liability notices. The notice will warn taxpayers that licenses are in jeopardy.

Department of State has recommended adding wording to the DOR delinquency notices indicating “Your tax delinquency may affect ability to renew with the following licensing agencies....” This implies that DOR is maintaining a file or has access to information about the licenses that an entity/person has been issued. A possible solution is a real-time query of the Department of State’s system(s) by DOR.

Interception of payments

DOR should have the power to offset (intercept) payments, similar to TOP (treasury offset program) with the Internal Revenue Service (IRS). This means that contractor payment can be intercepted and used to pay tax debt. Currently, only child/spousal support arrears and PA PIT liabilities can be offset from federal income tax refunds through DOR. Lottery would like to have statutory authority to offset commissions from lottery retailers.

Additional Licensing Agencies

We have identified additional licensing agencies that could be incorporated into the program at a later date. As we discussed in this report, there are other agencies that have compliance checks in place such as the Pennsylvania Department of Community and Economic Development (DCED). In the accompanying table, we have identified additional licensing agencies and other licenses for existing participating agencies for consideration in future legislative action. This list could be reviewed to include licenses from which economic benefit is directly derived and exclude licenses for personal benefit. The remaining licenses should then be prioritized. The obvious licenses for personal benefit such as personal drivers, hunting, and fishing licenses have already been excluded.

Department/Agency	Permit/License
Aging	Adult Day Care Facility Licenses
Agriculture	Agricultural Liming License
	Amusement Ride Registration
	Bee Registration
	Century Farms
	Cervide Herd Registration
	Feed Licensing
	Fertilizer Licensing
	Greenhouse Operator Registration
	Harness Racing
	Horse Racing
	Kennel License
	Pesticide Business License
	Pesticide Certification Commercial and Public Applicators
	Seafood Registration
	Soil and Plant Product Manufacturing License
	Soil and Plant Product Registration
Weighmasters	
Conservation and Natural Resources	ATV Dealer Registration
	Drilling, Water Well
	Ginseng Dealer License
	Ginseng Harvester Certification

Department/Agency	Permit/License
	Launches for Non-Power Boats
	Snowmobile Dealer Registration
	Snowmobile/ATV Registration
	Vulnerable Plant License
	Wild Plant Management Permit
Education	Charter School Professional Staff Certification
	Private Licensed School Registration
	Teacher Certification
Health	Ambulance Service Licensing
	Clinical Laboratory Licensing
	Hearing Aid Fitter/Seller Registration
	Home Health Care
	Hospice Licensing
	Long Term Care License
	Nurse Aid Registration
	Public Swimming and Bathing Permit (includes hot tubs and spas)
Milk Marketing Board	Dealer License
	Milk Hauler
	Weigher-Sampler
Public Utility Commission	PUC 178 LM - Carrier of Persons in Limousine Service
	Motor Common Carrier of Persons in Group & Party Service
	PUC 189 - Motor Common Carrier of Property
	PUC 319 - Taxi Medallion Sale
Public Welfare	Child Care Provider Certification
	Personal Care Home Licenses
Transportation	Airport Licensing
	Aviation Licensing
	Commercial Driver License
	Highway Occupancy Permit
	Oversize/Overweight Special Hauling Permit
	Overweight Special Hauling Permit
	Single-Trip Special Hauling Permit
	Super Load Permit
Turnpike Commission	Over Dimension Permit

Agencies Distributing or Managing Grants/Loans

In addition to the licensing agencies, there are a number of agencies that distribute or otherwise manage grants and loans. DOR already conducts clearance activity for a number of DCED sponsored grant/loan programs.

A recommendation is to consider expanding the clearance program to assure coverage of agencies that provide state monies via grants and low interest loans. Agencies such as the Pennsylvania Department of Education (PDE), the Pennsylvania Infrastructure Investment Authority (PENNVEST), and Pennsylvania Commission on Crime and Delinquency (PCCD) provide significant number of grants for large amounts of money. Please refer to the

accompanying table for examples. Recipients of these grants and loans should be in compliance with their taxes due.

Agency	Grant/Loan Program
Aging	Manages foundation grants for special projects
Agriculture	Loans: Next Generation Farmer, Small Business First Loan Grants: Ag and Rural Youth Grants, 7 Pa. Code § 105
Community and Economic Development	Small Business First Loan
Conservation and Natural Resources	Grant: PA Heritage Parks, Keystone Parks, Community Conservation Partnership Program Planning and Technical Assistance Grants, Urban and Community Forestry Grants
Fish and Boat Commission	Coldwater Heritage, State Wildlife Grant
Health	Primary Health Care Practitioners Loan Repayment Program
Historical and Museum Commission	Pennsylvania Historical and Museum Grant Program
	Pennsylvania Conservation Corps, AmeriCorps
Emergency Management Agency	Disaster grants and loans Hazard Mitigation Grant Hazardous Materials Emergency Preparedness Planning and Training Grants
Infrastructure Investment Authority	Drinking Water, Waste Water, and Storm Water On-Lot Sewage Disposal Growing Greener
Department of Public Welfare	Child Care Information Services Children's Trust Fund Children's Health Outreach Project Mini-Grant
Department of Transportation	Aviation Development Grants Urban Transit Operating Assistance Program Rural Public Transportation Program State Block Grant Transit Capital Assistance Program Intercity Bus Assistance Intercity Rail Passenger

Proposed System

Using the concepts of the original legislation and working with the affected agencies, DOR has developed a high-level design of a tax clearance system, summarized in the diagram below. Features include:

- ◆ Each licensing agency will electronically request tax clearance information from the system that would in turn check each of the tax systems for outstanding balance
- ◆ Specific business rules will define delinquent tax status

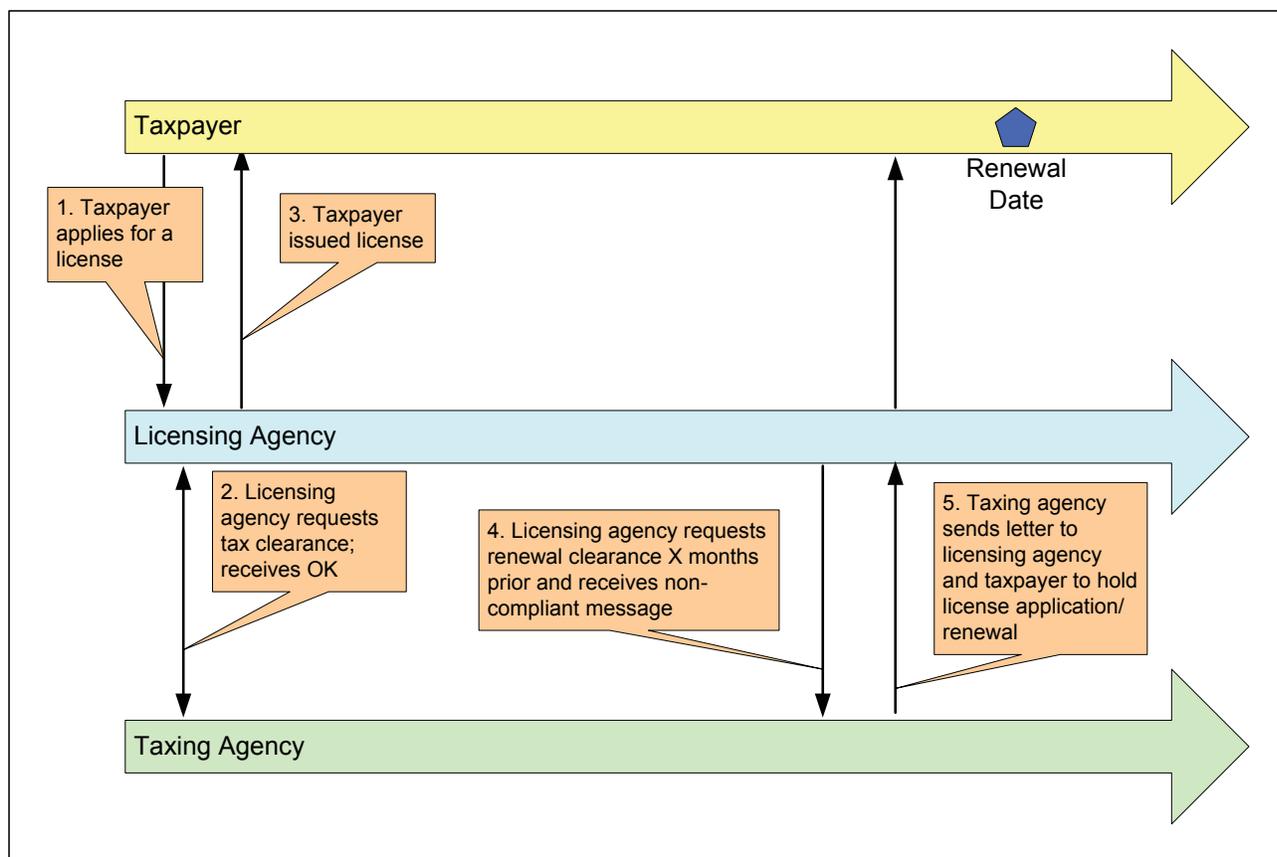
- ◆ The system will maintain a history and an audit trail of all requests
- ◆ Provisions for means of processing
 - Submission in batch files for overnight processing
 - Acceptance of real -time requests from licensing agency systems
 - Online verification using an Intranet site
- ◆ The system will be based on common identifiers of TIN, including:
 - EIN
 - SSN
 - In the event that the TIN is not available, the applicant may provide a Pennsylvania driver's license number, last name and date of birth

If the account is in compliance, the license application is processed in the usual manner. In the event that there is an outstanding balance, the taxpayer is notified with a copy of the notice provided to the licensing agency. At this point, the taxing agency will wait to be contacted by the taxpayer. After the specified timeframe has elapsed and there is no contact and the delinquency is not resolved, the taxing agency will issue a written order to the licensing agency to merely put the application on hold and resume processing once tax liability is cleared.

Many other states operate under similar rules and it appears to be a more conservative approach than outright suspension or denial. In addition, it would resolve an issue that a professional license is permanently revoked and according to current statutes cannot be reinstated once revoked. The licensing agencies only revoke or suspend a license at the point at which the taxing agency notifies them that there are delinquent tax liabilities in violation of the statute. Agencies must have the ability to submit renewal lists to the system well in advance of the renewal date to have renewal applicants screened for tax liabilities. Some states have allowed agencies to pre-submit renewals 6-10 months in advance.

License applications or renewals will not be processed if there are outstanding tax liabilities until a tax clearance certificate has been obtained. Licenses previously issued may be suspended or revoked at the request of the taxing agency if there are outstanding tax liabilities.

The following timeline illustrates the typical flow:



There are other possible scenarios such as:

- Taxpayer may be non-compliant upon initial application
- Taxpayer becomes compliant before step 5, therefore notice to hold is not sent

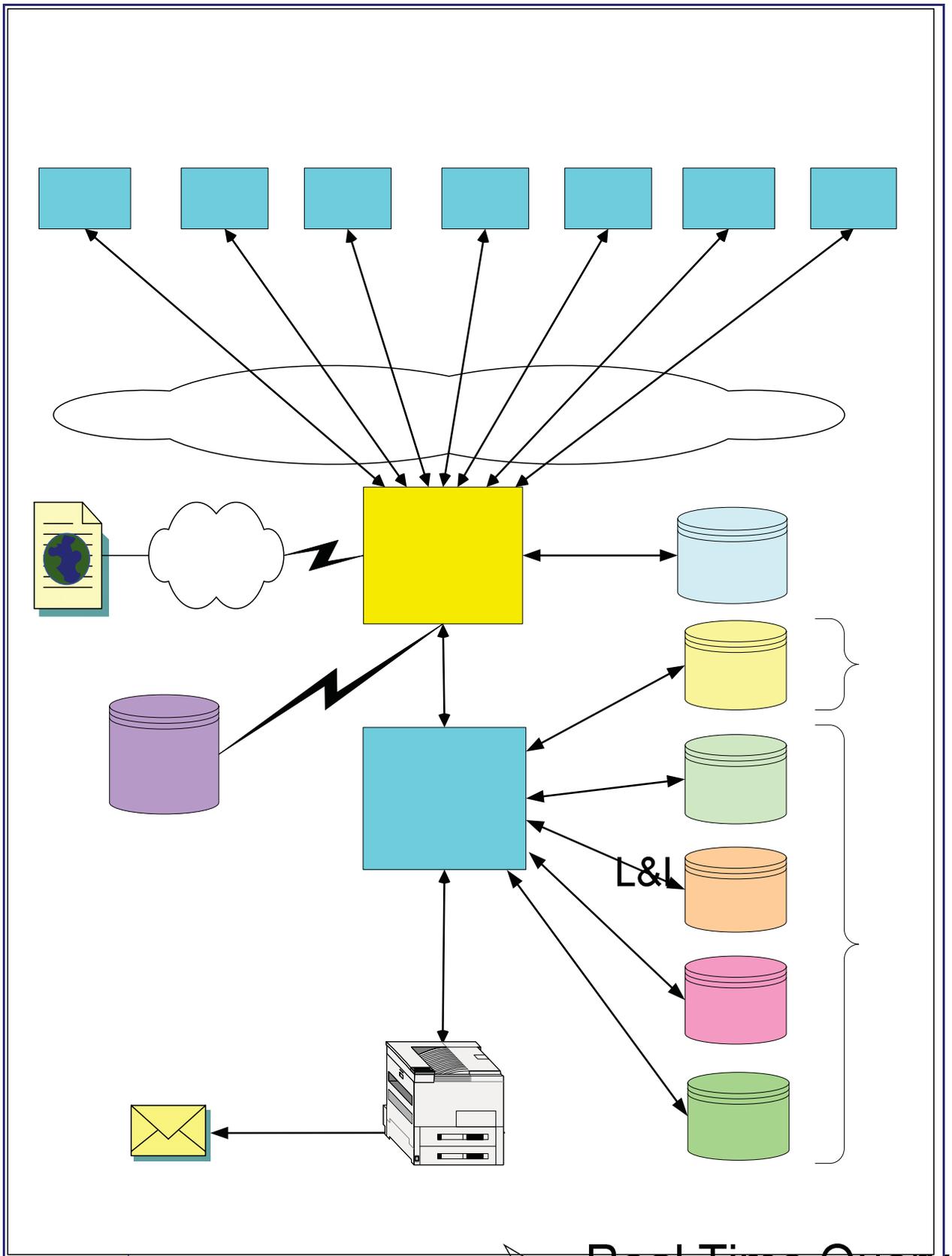
It is unclear as to how many licenses go to “hold” status will then become formally denied or revoked. Other state analysis indicates that this will be a very small percentage.

If the taxpayer has not exhausted the appeals timeframe for the taxing agency, he or she may file an appeal, which will follow the current applicable appeals process for the delinquent tax. If the taxpayer decides to appeal the license action with the licensing agency, the taxing agency will prepare the certified documentation and appear at the appeals venue with the licensing agency. The licensing appeals process referred to is the existing process.

System Component Overview

The recommended license tax clearance system design is simple and straightforward, with considerable reuse of existing systems and processes. The existing components of the proposed system include the agencies’

licensing and taxing applications, the existing data exchange program between DOR and PENNDOT, the Commonwealth network and data center infrastructure, and printing hardware. The new component is the application software that contains the business rule logic, and a new database that collects license data and maintains audit information. Please refer to the accompanying diagram for a graphic of system components.



- Real Time Query
- FTP
- Intranet

Commonwealth Standards

The Governor's Office of Administration (GOA) is responsible for developing and promulgating state-wide policies and standards governing the management and use of the Commonwealth's IT investments. These responsibilities are carried out through the Office for Information Technology (OIT). The Office of Administration/Office for Information Technology (OA/OIT) prescribes the overall agency-wide information and communication technology (ICT) policy and development, and oversees the operations of the Commonwealth Technology Center.

GOA establishes the policies, procedures, and guidelines governing the planning, management, acquisition, security, and use of ICT assets in all Commonwealth agencies under the Governor's jurisdiction. Since the agencies involved in this program are within the Commonwealth of Pennsylvania under the Governor's jurisdiction, they are bound to OA/OIT policies, procedures, and resources.

OA/OIT periodically issues Information Technology Bulletins (ITBs) in the following categories:

<http://www.oit.state.pa.us/oaoit/taxonomy/taxonomy.asp?DLN=1821&oaoitNav=|1821|>

- A-Series ITBs: IT Acquisition
- B-Series ITBs: Electronic Commerce/EDI
- C-Series ITBs: Desktop Technology
- D-Series ITBs: Data Internetworking
- E-Series ITBs: Internet/Intranet/Extranet
- F-Series ITBs: Voice/Telephone
- G-Series ITBs: Electronic Document Imaging
- H-Series ITBs: Video
- I-Series ITBs: Security, Privacy and Business Continuity Planning
- K-Series ITBs: Enterprise/Affinity Project Admin.

New software development and hardware implementation for this program will adhere to the applicable Commonwealth standards cited above. This project will engage the Enterprise Architect (EA) for guidance and assistance to ensure the systems are in compliance with the standards developed for the Commonwealth.

Implementation Plan

This section of the report provides a recommended implementation plan. The plan will not be constrained by the software application, which will be able to process the anticipated volume. The primary constraints will be in the work effort for agency personnel interacting with the other agencies and taxpayers,

as well as agency staffing. The implementation plan can be adjusted to balance agency personnel, backlog of clearance certificates, and the amount of funds collected.

Project Management

Immediately upon passage of the tax clearance legislation, DOR will assemble a representative team including from each impacted state agency and OA/OIT. This project team will address and resolve cross agency issues, confirmation of the proposed solution, and definition of system component requirements.

The first task of the project team will be to develop a detailed project plan. We recognize that the first interface will be a critical step in assessing the integrity and accuracy of the system design, allowing for stabilization, and providing a timeframe to measure and assure performance. The plan will include adequate testing and training resources to ensure an error free implementation.

Phased Approach

As noted in the research from other states, there is a high level of “hits” for overdue taxes at first, but this reduces quickly as word spreads to the taxpayers that enforcement is in place. In implementing this program, we do not recommend an all-at-once approach because of the strain it would cause on both technical and program resources. Previous clearance programs have been implemented using a phased approach. We recommend a phased approach for this program that would include a pilot license type or group of licenses, complete agency rollout, and remaining agencies in a logical sequence.

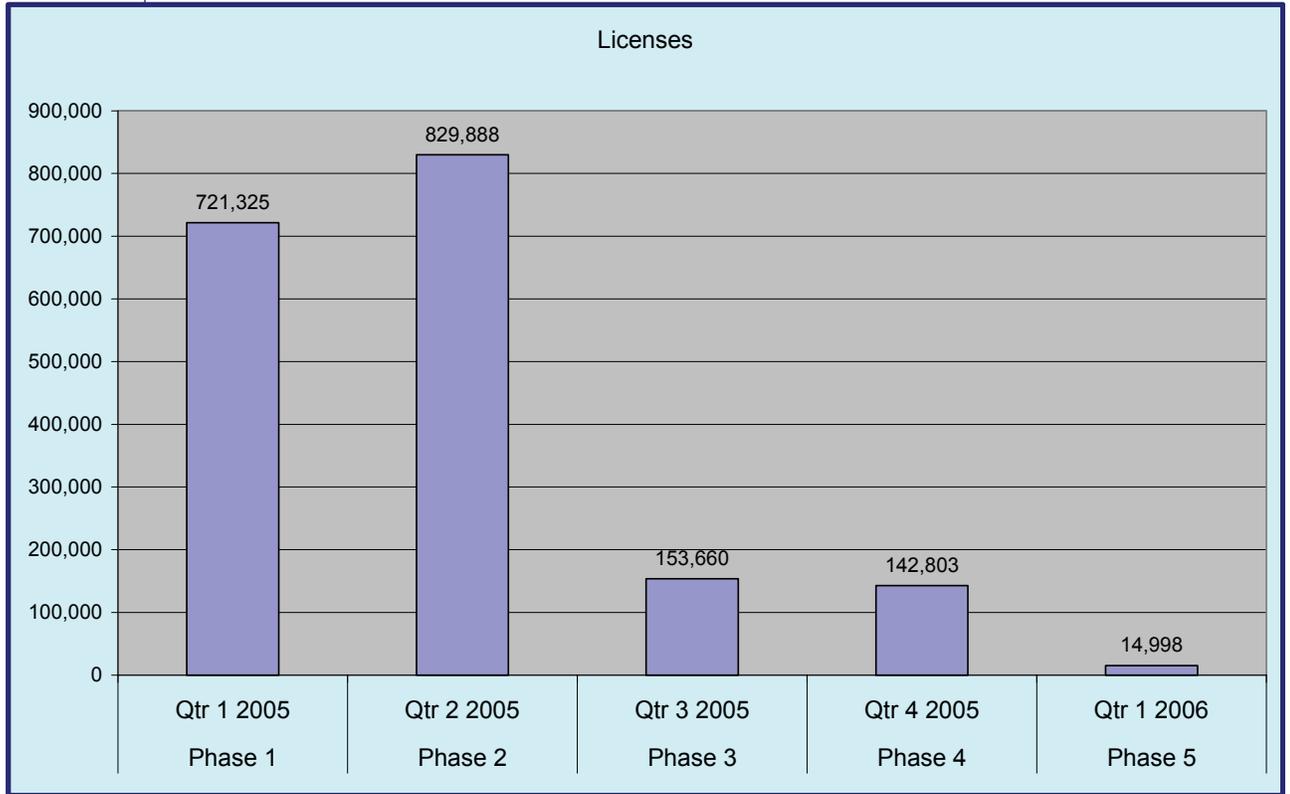
We recommend the following sequence of implementation by agency:

1. DOR and Insurance
2. DOS
3. Banking, Securities
4. L&I
5. DEP

Our recommendation is based on agency license volume and renewal timeframes. We recommend DEP and L&I at the end because of the collection of a common identifier of EIN or SSN. This will give them the needed time to update their data. In addition, L&I will be in the process of replacing their Unemployment Compensation (UC) tax system, which will occur over several years in parallel with this project.

The accompanying chart represents the number of licenses that would be implemented within each phase. It is important to remember this means all new applications will be processed for a license. Renewals, although included in the program, will not be checked for compliance until renewal date, which

varies considerably. The majority of licenses in the program will renew within the first 24 months.



The accompanying Gantt chart depicts a six-month system development phase beginning in July 2004, followed by approximately a 13-month implementation ending in January 2006. According to this plan, the workload is expected to taper off within the first 12 to 18 months in full operation. The *Staffing Plan* task indicates when the FTEs need to be hired.

The following table depicts the initial and first two fiscal years of expenditures to develop and implement the new system. This includes the hardware, software, other, and FTE costs.

	FY 04-05	FY 05-06	FY 06-07	Extended Total
One Time	\$1,402,772	\$244,587	\$0	\$1,647,359
On-going	\$1,659,460	\$3,386,205	\$3,505,208	\$8,550,873
FY Total:	\$3,062,231	\$3,630,792	\$3,505,208	

ID	Task Name	Duration	Start	Finish	2nd Half		1st Half		2nd Half		1st
					Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1
1	PA Tax Compliance Project	405 days	Thu 7/1/04	Wed 1/18/06							
2	Develop System	135 days	Thu 7/1/04	Wed 1/5/05							
3	Define and Code	90 days	Thu 7/1/04	Wed 11/3/04							
4	Test & Train	45 days	Thu 11/4/04	Wed 1/5/05							
5	Implement System	270 days	Thu 1/6/05	Wed 1/18/06							
6	Phase I DOR & PID	60 days	Thu 1/6/05	Wed 3/30/05							
7	Phase II DOS	60 days	Thu 3/31/05	Wed 6/22/05							
8	Phase III Securities, Bank	30 days	Thu 6/23/05	Wed 8/3/05							
9	Phase IV L&I	60 days	Thu 8/4/05	Wed 10/26/05							
10	Phase V DEP	60 days	Thu 10/27/05	Wed 1/18/06							
11	Staffing Plan	282 days	Thu 7/1/04	Fri 7/29/05							
12	Staff DOR (FTE 30)	110 days	Thu 7/1/04	Wed 12/1/04							
13	Staff PID (4 FTE)	65 days	Mon 8/9/04	Fri 11/5/04							
14	Staff DOS (4 FTE)	30 days	Tue 2/1/05	Mon 3/14/05							
15	Staff L&I (19 FTE)	65 days	Mon 5/2/05	Fri 7/29/05							

The phasing of the implementation can be used to throttle the workload as the agencies ramp up capacity to handle the predicted steady state at the end of the initial implementation period. We recommend that a checkpoint review occur near the end of each phase with a re-evaluation of the next phased target agency(s) and licenses.

Marketing and Advertising

In order to increase and maintain voluntary compliance, we recommend the use of media to educate the taxpayers about the new program. We recommend the use of both broadcast and print media to notify the public. We also encourage the contacting of professional organizations such as the Pennsylvania Institute of Certified Public Accountants (PICPA), (<http://www.picpa.org>), Pennsylvania Society of Public Accountants (PSPA), Pennsylvania Bar Association, tax preparer companies, associations related to the 27 professional licensing boards, and others.

This marketing campaign should be developed during the system development phase and implemented as the system is initially implemented with updates as each major phase is rolled out. The marketing campaign shall be designed in such a fashion as to be generic and non-alarming especially to those licensing programs with ties to national or industry regulatory authority.

Glossary

Agent	Individual who represents an issuer or broker-dealer in effecting or attempting to effect transactions in securities
Applicant	A person or entity that applies to a licensing agency for a license or applies for renewal or in the case of the transfer of an existing license, the transferor or the transferee.
Broker-dealer	Person or firm engaged in the business of effecting transactions in securities
CATS	Collection and Taxpayer Services
CCRP	Commonwealth Contractor Responsibility Program
DCED	Department of Community and Economic Development
DEP	Department of Environmental Protection
DOR	Department of Revenue
DOS	Department of State
DPW	Department of Public Welfare
eFACTS	Environment, Facility, Application, Compliance Tracking System
EIN	Employer identification number
FTA	Federation of Tax Administrators
FTE	Full-time equivalent
HW	Hardware – computer systems
IFTA	<p>The International Fuel Tax Agreement is an agreement among jurisdictions in the United States and Canada that simplifies fuel tax reporting for Interjurisdictional Carriers with vehicle fleets fueled by diesel fuel, gasoline, gasohol, propane and natural gas.</p> <p>It provides for the uniform collection and distribution of fuel tax revenues. Jurisdictions continue to set their own tax rates according to local and state highway construction and maintenance needs, and are only required to notify other base jurisdictions of the proper tax rates to collect.</p> <p>Fuel taxes are levied by the individual states for fuel purchases and consumption within their state. While fuel tax rates are set by each individual state, the government mandated that all states must join the International Fuel Tax Agreement (IFTA).</p> <p>Once an IFTA account is set up with your base state you are required to file a quarterly fuel tax return. The single tax report contains reporting information for all IFTA states traveled. The carrier, therefore, submits only one check and this one completed report to the base state only. It is the base state's responsibility to disperse the funds to each individual state according to the report filed.</p> <p>It is required that each carrier maintain a complete record of all miles traveled in each state and fuel purchased. These records are vital to compile the information for the quarterly IFTA tax return. http://www.usmotorcarriers.com/onlinetrucker/fueltax.htm</p>
Indemnification	When insurance policies are written on an "indemnification" basis, the insurance company will reimburse the insured for claim costs already paid.
Investment adviser	Person who provides advice about the sale or purchase of securities or as to their value for compensation
IRR	Internal Rate of Return
IRS	Internal Revenue Service
KITS	Keystone Integrated Tax System
KOZ	Keystone Opportunity Zone
LCB	Liquor Control Board
License	A license, permit or registration granted or issued by a licensing agency that confers benefits, privileges or rights to the licensee, permit holder or registrant to practice a trade, profession or occupation or to conduct a business activity within this commonwealth.
MTC	Multi-state Tax Commission

NAICS	North American Industry Classification System - NAICS was developed jointly by the U.S., Canada, and Mexico to provide new comparability in statistics about business activity across North America.
NASD	National Association of Securities Dealers
NESTOA	North Eastern State Tax Officials Association
PCCD	Pennsylvania Commission of Crime and Delinquency
PENNVEST	Pennsylvania Infrastructure Investment Authority
PID	Pennsylvania Insurance Department
PIT	Personal income tax
PSC	Pennsylvania Securities Commission
ROI	Return on Investment. The percentage return on an investment or expenditure.
Sec. 205 Securities Registration	Represents securities to be offered to the public in Pennsylvania where the issuer also is required to file a registration statement with the U.S. Securities and Exchange Commission
Sec. 206 Securities Registration	Represents securities to be offered to the public in Pennsylvania where the issuer is not required to file a registration statement with the U.S. Securities and Exchange Commission
SSN	Social Security Number
SW	Software – computer systems
TIN	Tax identification number
TOP	Treasury Offset Program
UCC	Uniform Commercial Code

6. How would you define an applicant?

7. Who answers questions pertaining to licensing?

8. Do you have government entities as applicants? Would you include them in enforcement actions?

9. Where in the process would you perform a compliance check? Would you prefer a push or a pull process?

10. Are there any unusual situations you could perceive with a particular application type?

11. What enforcement actions would you like to see available?

12. What policy issues do you perceive with denial or revocation?

Technical Questions

1. What is your vision of the tax clearance solution that would be implemented? In a push environment? In a pull environment?

2. How many systems are involved? Number of modules/objects and technology for each system?

3. What identifiers are used in the licensing systems today?

4. Are there any changes planned for these systems within the next one to five years?

5. Could changes related to tax clearance legislation be piggy-backed at a reduced rate?

6. What security and encryption can be applied?

7. Who answers questions pertaining to licensing systems?

Status Quo Cost Data

Objective: Capture all costs associated with administering various licensing programs/systems

	Description	Additional Notes
<p>Please provide description of current system. Include hardware, software and associated telecommunications.</p>		

Annual Capital Expenditures	Description	\$ Cost / Year
Hardware		
Software		
Network		
Security		
Other (upgrades, etc)		

Annual Operating Expenses	Description	\$ Cost / Year
Hardware Maintenance		
Software Maintenance (licensing fees etc)		
Help Desk		
Data Powerhouse		
Administrative Expenses		
Other (please itemize)		

Annual Personnel Expense	Position	Pay Grade	FT/PT

Clearance Program Impact

Objective: Capture all costs associated with new legislation

Please provide description of impacted systems and proposed solution.	Description	Additional Notes

Additional Annual Capital Expenditures	Description	\$ Cost	Ongoing	One Time
Hardware				
Software				
Network				
Security				
Other (upgrades, etc)				

Additional Annual Operating Expenses	Description	\$ Cost	Ongoing	One Time
Hardware Maintenance				
Software Maintenance (licensing fees etc)				
Help Desk				
Data Powerhouse				
Administrative Expenses				
Other (please itemize)				

Additional Annual Personnel Expense	Position	Pay Grade	# Months	FT/PT

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Appendix B: License Detail by Agency

This appendix contains the results of the license survey, which requested license information including the number of licenses issued, renewal dates, license cost, etc. We have chosen to organize the agency license data worksheets in the order of the agencies appearing in the accompanying table.

Agency
Department of Revenue
Securities Commission
Department of Banking
Insurance Department
Department of Labor & Industry
Department of State
Department of Environmental Protection

Department of Revenue Permitting Data Worksheet

Permit/License Name	Description	Period	Cost	Number	Statutory Authority
Liquid Fuels and Fuels Tax	Allows licensed distributors to purchase tax free fuels from other licensed distributors, and to import/export fuels tax free	6/1 - 5/31	Surety bond required	700	75 Pa. C.S. 9003
Transporter's Permit	Required registration for persons physically transporting motor fuel into or within PA.	1/1 - 12/31	\$5/yr/company	650	75 Pa. C.S. 9019(a)
Motor Carriers Road Tax/IFTA	Required of anyone, not exempt from the tax, operating qualified motor vehicle in PA	1/1 - 12/31	\$5/vehicle	26,000 accounts and 150,000 vehicles	75 Pa. C.S. 2102
Cigarette Dealers License	Required to sell, possess, or transfer cigarettes in the Commonwealth of PA	Renewable 2/28 of each year	\$25 per retail license or vending machine, \$500 for a Wholesaler, and \$1,500 for a CSA/Wholesaler	18,000 retailers/vending machines, 438 Wholesalers, 134 Stamping Agents	
Sales Tax Exemptions	In order to claim sales and use tax and presumption of property tax exemption organizations must be approved by the Department of Revenue. The Division approves/denies in accordance with regulatory and statutory provisions of applications and renewals of organizations for sales tax exempt status	Renewable every five years upon approval date	No charge	3,500 approved each year	
Small Games of Chance License Certificate	In order to sell small games of chance in the Commonwealth to licensed clubs, one must be licensed by the Department of Revenue. The Division approves/denies in accordance with regulatory and statutory provisions of applicants or renewal of manufactures (32) and distributors (148) license of small games of chance.	Renewed annually	New Distributor \$1,000, New Manufacturer \$2,000, Distributor Replacement \$100, Manufacturer Replacement \$10	148 Distributors, 32 Manufacturers	
Sales, Use, and Hotel Occupancy Tax License	Required to make sales of tangible personal property.	Renewed every five years	No charge	318,000	

Securities Commission Permitting Data Worksheet

<u>Registration or License Description</u>	<u>Fiscal Yr. 2001-02</u>	<u>New Lic. Per Year</u>	<u>Subject to Renewal</u>	<u>Renewal Cycle</u>	<u># of Renewals</u>	<u>Suspension or revocation</u>	<u>Date Renewal Sent</u>
Broker-dealer	2,610	196	YES	Every 12/31	2,414	YES	October
Agent	166,249	32,542	YES	Every 12/31	133,707	YES	October
Investment Adviser	574	128	YES	Every 12/31	446	YES	
Investment Adviser Representatives	3,881	1,414	YES	Every 12/31	2,467	YES	October
Sec. 205 Securities Registration	69	69	Solely at issuer's option	Annually	15	YES	Issuer's option
Sec. 206 Securities Registration	58	58	NO	N/A	N/A	YES	N/A

Broker-dealer is a person, usually a firm, which is engaged in the business of effecting transactions in securities.

Agent is an individual who represents an issuer or broker-dealer in effecting or attempting to effect transactions in securities.

Investment adviser is a person who, for compensation, provides advice about the sale or purchase of securities or as to their value.

Investment adviser representative is an individual who represents an investment adviser in the rendering of investment advice.

Sec. 205 securities registration represents securities to be offered to the public in Pennsylvania where the issuer also is required to file a registration statement with the U.S. Securities and Exchange Commission.

Sec. 206 securities registration represents securities to be offered to the public in Pennsylvania where the issuer is not required to file a registration statement with the U.S. Securities and Exchange Commission.

Department of Banking Permitting Data Worksheet

Permit/License	Priority	Number Per Year		Cost		Fee Chg	Cycle	Applicant	Bus. Type	System Information				Comments	
		New	Renewal	New	Renewal					Name	App Tech	DB Tech	Owner		Contact Info
Banks, Bank and Trust Companies, Savings Banks, Trust Companies	L	3	168	\$3000/\$500	\$0	1995	None	B	Corp.						
Credit Unions	L	0	79	\$0	\$0		None	B	Corp.						Credit Unions are not charged application fees
Savings Associations	L	0	11	\$3000/\$500	\$0	1995	None	B	Corp.						
Accelerated Mortgage Payment Provider	H		3	\$2,000	\$2,000	1990	Annual Jan 1	I	Any						
Check Cashier	H		288/264	\$500	\$350	1998	Annual May 1	I	Any						Fee paid for principal place of business as well as each branch
Grocery Store Check Cashier	H		64/152	\$100	\$100	2002	1-May	I	Any						Fee paid for principal place of business as well as each branch
Collector Repossessor	H		138	\$350	\$250	1990	Annual Oct 1	I	Any						
Consumer Discount Company	H		52/437	\$500	\$350	1990	Annual Jun 1	B	Corp.						Fee paid for principal place of business as well as each branch
First Mortgage Banker	H		289/693	\$500/\$50	\$350/\$25	1990	Annual July 1	I	Any						Fee paid for principal place of business as well as each branch

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Permit/License	Priority	Number Per Year		Cost		Fee Chg	Cycle	Applicant	Bus. Type	System Information				Comments	
		New	Renewal	New	Renewal					Name	App Tech	DB Tech	Owner		Contact Info
First Mortgage Broker	H		2439/572	\$500/\$50	\$200/\$25	1990	Annual July 1	I	Any						Fee paid for principal place of business as well as each branch
First Mortgage Loan Correspondent	H		112/43	\$300	\$300	1999	Annual July 1	I	Any						Fee paid for principal place of business as well as each branch
Installment Seller	H		3606	\$250	\$250	1990	Annual Oct 1	I	Any						
Limited Mortgage Broker	H		324	\$250	\$200	1999	Annual July 1	I	Any						
Loan Broker	H		20	\$300	\$300	1992	Annual Feb 1	I	Any						
Money Transmitter	H		27	\$2,000	\$2,000	1990	Annual Nov 1	I	Any						
Pawnbroker	H		56	\$500	\$250	1990	Annual Oct 1	I	Any						
Sales Finance Company	H		893	\$500	\$350	1990	Annual Oct 1	I	Any						
Secondary Mortgage Lender	H		261/1210	\$500/\$50	\$350/\$25	1990	Annual July 1	I	Any						Fee paid for principal place of business as well as each branch
Secondary Mortgage Loan Broker	H		1650/552	\$500/\$50	\$250/\$25	1990	Annual July 1	I	Any						Fee paid for principal place of business as well as each branch
Secondary Mortgage Loan Broker Agent	H		203	\$250	\$200	1995	Annual July 1	I	Any						
Wholesale Table Funder	H		2	\$500	\$350	1990	Annual July 1	I	Any						Fee must be paid for organization as well as per site
GENERAL NOTES															

Permit/License	Priority	Number Per Year		Cost		Fee Chg	Cycle	Applicant	Bus. Type	System Information			Owner	Contact Info	Comments
		New	Renewal	New	Renewal					Name	App Tech	DB Tech			
(1) Any number after a slash indicates the appropriate value for a branch.															
(2) Banks, bank and trust companies, savings banks, trust companies, credit unions, and savings associations are "chartered" once- thereafter, the entity does not "renew" its charter. Such entities do pay an annual assessment to the Department for the Department's costs in regulating the institution, based upon asset size.															
(3) The number of new and renewal licensees per year varies by licensee. In 2003, there were 4267 new licensees, of which 60% generally renew.															

Insurance Department Permitting Data Worksheet

Permit/License	Priority	Number Per Year		Cost		Fee Chg	Cycle	Applicant	Bus. Type	System Information					Comments
		New	Renewal	New	Renewal					Name	App Tech	DB Tech	Owner	Contact Info	
Domestic Licensed Insurer	H	5	n/a	\$2,500	n/a	12/19/2003	n/a	B	Company, Association or Exchange Only					Lorae Spuhler, CIO	
Continuing Care Retirement Provider	H	4	n/a	\$750	n/a		n/a	B		COSMOS			Insurance and Innovative IT Solutions, Inc		
Foreign Licensed Insurer	H	38	1400	\$3,350	\$100	12/19/2003	Annual / April 1	B	Company, Association or Exchange Only						
Insurance Producer --										COSMOS				Additional \$24.00 fee for fingerprinting for residents	
Resident: Individual and Firm	H	14000	93000	\$55	\$55		Biennial/date of issue			COSMOS					
NonResident: individual and Firm.		16000	63000	\$110	\$110		Biennial/date of issue			COSMOS					
Insurance Administrator	H	62	122	\$100	\$100		2-yr / Issue Month	B & I		COSMOS					
Manager/Exclusive General Agent	H	4	6	\$400	\$400	12/19/2003	Annual	B & I		COSMOS					
Managing General Agent	H	3	0	\$0	\$0		n/a	B & I		COSMOS					
Motor Vehicle Physical Damage Appraiser	H	75	7900	\$55	\$55		Annual / June 30			COSMOS					
Premium Finance Company	H	5	57	\$200	\$200		Annual / July 1	B		COSMOS					
Professional Bondsman	M	20	165	\$100	\$100		Annual / Issue Month			COSMOS				Additional \$100 for each county	
Public Adjuster Individual	H	25	467	\$100	\$100					COSMOS					
Corporation		Incl. Above	Incl. Above	\$100						COSMOS				Additional \$100 for each officer	
Public Adjuster Solicitor (Individual)		32	356	\$50	\$50					COSMOS					
Purchasing Group	H	16	n/a	\$100	n/a		n/a	B		COSMOS					
Reinsurance Intermediary Broker/Manager	H	10	28	\$0	\$0		2-yr / Issue Month	B & I		COSMOS					
Risk Retention Group	H	9	n/a	\$300	n/a		n/a	B		COSMOS					

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Permit/License	Priority	Number Per Year		Cost		Fee Chg	Cycle	Applicant	Bus. Type	System Information					Comments
		New	Renewal	New	Renewal					Name	App Tech	DB Tech	Owner	Contact Info	
Surplus Lines							Annual/Mar ch 1			COSMOS					
Individual	H	100	832	\$100	\$100					COSMOS					
Business Entity		Incl. Above	incl. Above	\$100	\$100					COSMOS					
Surplus Lines Insurer	H	5	n/a	\$0	n/a		n/a	B	Company, Association or Exchange Only						
Title Insurance	H						Biennial/da te of issue			COSMOS					
Individual										COSMOS					
Resident		678	4723	\$55	\$55					COSMOS					
NonResident		72	205	\$110	\$110					COSMOS					
Business Entity		Incl. above	Incl. above							COSMOS					
Resident				\$55	\$55					COSMOS					
NonResident				\$110	\$110					COSMOS					
Viatical Settlement Broker	H	49	49	\$100	\$100		Annual/dat e of issue			COSMOS					
Individual	H	49	49	\$100	\$100					COSMOS					
Business Entity				\$100	\$100					COSMOS					
Viatical Settlement Provider	H	10	10	\$300	\$300		Annual	B & I		COSMOS					
REGISTRATIONS															
Peer Review Organizations	H	2	81	N/A			No Renewal			COSMOS					

Department of Labor & Industry Permitting Data Worksheet

Permit/License	Priority	Number Per Year		Cost		Fee Chg	Cycle	Applicant	Bus. Type	System Information				Comments
		New	Renewal	New	Renewal					Name	App Tech	DB Tech	Owner	
Asbestos Occupation Certification														
Less Than 6 Months Until Expiration Of Training Certificate														
Worker	L	3124	3124	\$25.00	\$25.00	7/1/1991	Annual	I and/or B	Business - Abatement Company		AS/400			
Supervisor	L	1703	1703	\$50.00	\$50.00	7/1/1991	Annual	I and/or B	Business - Abatement Company		AS/400			
Project Designer	L	234	234	\$150.00	\$150.00	7/1/1991	Annual	I and/or B	Business - Abatement Company		AS/400			
Building Inspector	L	216	216	\$150.00	\$150.00	7/1/1991	Annual	I and/or B	Business - Abatement Company		AS/400			
Management Planner	L	699	699	\$150.00	\$150.00	7/1/1991	Annual	I and/or B	Business - Abatement Company		AS/400			
Contractor	L	188	188	\$250.00	\$250.00	7/1/1991	Annual	I and/or B	Business - Abatement Company		AS/400			
More Than 6 Months Until Expiration Of Training Certificate														
Worker	L	18	28	\$50.00	\$50.00	7/1/1991	Annual	I and/or B	Business - Abatement Company		AS/400			
Supervisor	L	19	24	\$100.00	\$100.00	7/1/1991	Annual	I and/or B	Business - Abatement Company		AS/400			
Project Designer	L	6	11	\$300.00	\$300.00	7/1/1991	Annual	I and/or B	Business - Abatement Company		AS/400			
Building Inspector	L	14	17	\$300.00	\$300.00	7/1/1991	Annual	I and/or B	Business - Abatement Company		AS/400			
Management Planner	L	5	11	\$300.00	\$300.00	7/1/1991	Annual	I and/or B	Business - Abatement Company		AS/400			
Contractor Individual	L	19	18	\$500.00	\$500.00	7/1/1991	Annual	I and/or B	Business - Abatement Company		AS/400			
Contractor Firm	L	10	10	\$50.00	\$50.00	7/1/1991	Annual	B	Business - Abatement Company		AS/400			
Boiler Inspector Examination Fee	N/A	5		\$44.00		12/23/2003	Initial	I	Inspector/Inspection		AS/400			Additional \$15 for certificate and credential card
Boiler Certificate of Competency & Commission	N/A		252	\$22.00	\$15.00	12/23/2003	Annual	I	Inspector/Inspection		AS/400			

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Permit/License	Priority	Number Per Year		Cost		Fee Chg	Cycle	Applicant	Bus. Type	System Information				Comments
		New	Renewal	New	Renewal					Name	App Tech	DB Tech	Owner	
Certificate of Operation Boiler/Pressure Vessel	N/A		72,978	\$22.00	\$22.00	12/23/2003	Yearly	I and/or B	Owner of equipment/building			AS/400		Certificate is issued based on compliance with health safety regulations at the time of inspection and should not be dependant on tax clearance
Plan Approval Mechanical Room	L	500 inclusive of mechanical/high/low		\$73.00		12/23/2003	Initial Fee	B	Design Professional/Contractor			AS/400		
Plan Approval High Pressure Boiler	L			\$29.00		12/23/2003	Initial Fee	B	Design Professional/Contractor			AS/400		
Plan Approval Low Pressure Boiler	L			\$29.00		12/23/2003	Initial Fee	B	Design Professional/Contractor			AS/400		
Plan Approval Liquefied Petroleum Plot Plans	L	150		\$20.00		12/23/2003	Initial Fee	B	Design Professional/Contractor			AS/400		
Elevator Permit Appl New Pass/Frt/CPF Roped 1-7	L	1230 inclusive of all new permit types		\$363.00		12/23/2003	Initial Fee	B	Installer/Contractor			AS/400		
Elevator Permit Appl New Pass/Frt/CPF Roped 8-20	L			\$436.00		12/23/2003	Initial Fee	B	Installer/Contractor			AS/400		
Elevator Permit Appl New Pass/Frt/CPF Roped +20	L			\$508.00		12/23/2003	Initial Fee	B	Installer/Contractor			AS/400		
Elevator Permit Appl New Pass/Frt/CPF/Others Hydro	L			\$290.00		12/23/2003	Initial Fee	B	Installer/Contractor			AS/400		
Ski Lifts Permit Appl Aerial/Surface	L			\$508.00		12/23/2003	Initial Fee	B	Installer/Contractor			AS/400		
Escalators Permit Appl	L			\$290.00		12/23/2003	Initial Fee	B	Installer/Contractor			AS/400		
Elevator Major Repair/Modification Permit Appl (All Types)	N/A	462		\$145.00		12/23/2003	Varying	B	Contractor/Owner			AS/400		Permit request is for existing equipment normally due to emergency conditions
Elevator Special Permit Appl Approval	L			\$508.00		12/23/2003	Initial Fee	I and/or B	Owner/Installer/Contractor			AS/400		

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Permit/License	Priority	Number Per Year		Cost		Fee Chg	Cycle	Applicant	Bus. Type	System Information					Comments	
		New	Renewal	New	Renewal					Name	App Tech	DB Tech	Owner	Contact Info		
Elevator Certificate of Operation Initial/Renewals	N/A	1,230	40,376	NA	\$36.00	12/23/2003	Yearly	I and/or B	Owner of equipment/building			AS/400			Certificate is issued based on compliance with health safety regulations at the time of inspection and should not be dependant on tax clearance	
UCC Construction Permits		Implementation date 04/09/2004 for all UCC Permits														
New Construction/New Buildings and Additions	L			\$100 + .20 per square foot		4/9/2004	Initial	I and/or B	Design Professional/Owner			AS/400				
New structures & facilities other than buildings	L			\$300.00		4/9/2004	Initial	I and/or B	Design Professional/Owner			AS/400				
Alterations, renovations or modifications of existing buildings or structures	L			\$100 + \$20 for each \$1000 of estimated cost of alterations, renovations or modification								AS/400				
Revisions of approved plans and accelerated approvals	L			\$300.00		4/9/2004	Initial	I and/or B	Design Professional/Owner			AS/400				
Department Accessibility Plan Review	L			\$200.00		4/9/2004	Initial	I and/or B	Design Professional/Owner			AS/400				
Building or Structure demolition	L			\$100.00		4/9/2004	Initial	I and/or B	Design Professional/Owner			AS/400				
Annual Permit (revision to approved mech/elect)	N/A			\$100.00	\$100.00	4/9/2004	Annual	I and/or B	Design Professional/Owner			AS/400			Annual renew for existing systems not new construction.	
Fire & Panic Permits																
Fire & Panic New Construction Permit	L	13,733 inclusive of all F&P permit types		\$75.00 Base fee + \$5.00 per 100 sq feet			Initial	I and/or B	Design Professional/Owner			AS/400				
Fire & Panic Renovations/Modifications	L			\$75.00 base fee + \$5.00 for \$1,000 of code related work			Initial	I and/or B	Design Professional/Owner			AS/400				
Grand Stand Permit	L			\$75.00			Initial	I and/or B	Design Professional/Owner			AS/400				
Dry Cleaning Permit	L			\$75.00			Initial	I and/or B	Owner			AS/400				
Family Day Care Permit	L			\$25.00			Initial	I and/or B	Owner			AS/400				

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Permit/License	Priority	Number Per Year		Cost		Fee Chg	Cycle	Applicant	Bus. Type	System Information				Comments	
		New	Renewal	New	Renewal					Name	App Tech	DB Tech	Owner		Contact Info
Group Day Care Permit	L			\$75.00			Initial	I and/or B	Owner			AS/400			
Uniform Construction Code Registration	N/A	700	233	\$50.00			Initial	I				AS/400			Registration and certification of individual code enforcement officers - not businesses.
Uniform Construction Code Certification	N/A	350	115	\$50.00	\$50.00		3 years	I				AS/400			Registration and certification of individual code enforcement officers - not businesses.
Uniform Construction Code 3rd Party Agency	L	20	10	\$250.00	\$250.00		3 years	B				AS/400			
Employment Agency License	L	399	399	\$350.00	\$350.00	10/16/1972	Annual	I and/or B				AS/400			
Lead Occupations Certification															
Less Than 6 Months Until Expiration Of Training Certificate												AS/400			
Worker	L	432	432	\$25.00	\$25.00	7/6/1995	Annual	I and/or B	Business - Abatement Company			AS/400			
Supervisor	L	124	124	\$37.50	\$27.50	7/6/1995	Annual		Business - Abatement Company			AS/400			
Project Designer	L	23	23	\$100.00	\$100.00	7/6/1995	Annual		Business - Abatement Company			AS/400			
Building Inspector	L	29	29	\$100.00	\$100.00	7/6/1995	Annual		Business - Abatement Company			AS/400			
Risk Assessor	L	170	170	\$100.00	\$100.00	7/6/1995	Annual		Business - Abatement Company			AS/400			
More Than 6 Months Until Expiration Of Training Certificate												AS/400			
Worker	L	17	15	\$50.00	\$50.00	7/6/1995	Annual		Business - Abatement Company			AS/400			
Supervisor	L	15	14	\$75.00	\$75.00	7/6/1995	Annual		Business - Abatement Company			AS/400			
Project Designer	L	4	3	\$200.00	\$200.00	7/6/1995	Annual		Business - Abatement Company			AS/400			
Building Inspector	L	10	9	\$200.00	\$200.00	7/6/1995	Annual		Business - Abatement Company			AS/400			
Risk Assessor	L	10	9	\$200.00	\$200.00	7/6/1995	Annual		Business - Abatement			AS/400			

Pennsylvania Department of Revenue
 Clearance Program Legislative Report
 March 2004

Permit/License	Priority	Number Per Year		Cost		Fee Chg	Cycle	Applicant	System Information					Comments	
		New	Renewal	New	Renewal				Bus. Type	Name	App Tech	DB Tech	Owner		Contact Info
Stuffed Toy Registration	L	3503		\$25.00	\$25.00		Annual		Company Business - Abatement Company			AS/400			If a craftsman makes less than \$1000 from the toy, they are exempt from the fee.

Department of State Permitting Data Worksheet

Permit/License	Priority	Number Per Year		Cost		Fee Chg	Cycle	Applicant	Bus. Type	System Information				
		New	Renewal	New	Renewal					Name	App Tech	DB Tech	Owner	Contact Info
Articles of Incorporation - Profit	H	18000	n/a	\$125						Corps	.net	SQL Server	DOS	Dave Burgess
Articles of Incorporation - NonProfit	H	3000	n/a	\$125						Corps	.net	SQL Server	DOS	Dave Burgess
Limited Liability Company	H	16,500	n/a	\$125						Corps	.net	SQL Server	DOS	Dave Burgess
Certificate of Authority	H	3600	n/a	\$250						Corps	.net	SQL Server	DOS	Dave Burgess
Name Change Amendments	H	7300	n/a	125 or 250						Corps	.net	SQL Server	DOS	Dave Burgess
Licenses for Health Care Professionals														

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Permit/License	Priority	2002/2003 License Count	Biennial Renewals	New Cost	Renewal Cost	Fee Chg	Cycle	Applicant	Dependency	Name	App Tech	DB Tech	Owner	Contact Info	Comments
State Board of Accountancy															
Biennial Renewal - PA, CPA, AF			22,144		\$45	6/23/1990	Biennial	I		LicensePA	PowerBuilder	SQL Server	DOS	Ray Ketner	Both applications apply to all Boards.
Biennial Renewal -PX(c.e. prog. sponsor)			556		\$120	1/13/2001	Biennial	B		myLicense	.net	SQL Server	DOS	Ray Ketner	
Application Program Sponsor -PX(c.e. prog. sponsor)		61		\$145		1/1/2004		B							
Certification & initial licensure of CPA		978		\$65		12/9/2000		I							
Initial licensure of public accounting firm (AF)		89		\$45		12/9/2000		I							
Temporary practice permit		31		\$25		12/9/2000		I							
State Board of Architects															
Biennial Renewal - RA			6,726		\$100	3/31/2001	Biennial	I							
Biennial Renewal - AX			1,716		\$50	1/4/2003	Biennial	B							
Firm practice registration or modification		109		\$50		12/9/2000		B							
Initial license - RA		274		\$40		12/9/2000		I							
State Board of Auctioneers															
Apprentice Auctioneer App		59		\$30		7/1/1978		I	Auctioneer						
Auctioneer App		80		\$50		7/1/1978		I							
Auctioneer Company App		12		\$50		8/1/1989		B							
Auction House App		15		\$50		8/1/1989		B							
Biennial Renewal-			268		\$100	11/28/1998	Biennial	I							

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Permit/License	Priority	2002/2003 License Count	Biennial Renewals	New Cost	Renewal Cost	Fee Chg	Cycle	Applicant	Dependency	Name	App Tech	DB Tech	Owner	Contact Info	Comments
Apprentice-AA															
Biennial Renewal-Auction House/Auction Company-AH/AY			235		\$200	11/28/1998	Biennial	B							
Biennial Renewal-Auctioneer-AU			2,080		\$200	11/28/1998	Biennial	I							
Special License		28		\$200		7/1/1978		I							
State Board of Barbers															
Biennial Renewal-Barber-BL			3,081		\$42	5/7/1988	Biennial	I							
Biennial Renewal-Barber Manager-BM			5,076		\$62	5/7/1988	Biennial	I							
Biennial Renewal-Barber Teacher-BT			247		\$67	5/7/1988	Biennial	I							
Biennial Renewal-Barber Shop-BT			3,022		\$72	5/7/1988	Biennial	B							
Biennial Renewal-Barber School-BS			24		\$112	5/7/1988	Biennial	B							
License-Barber/Manager/Teacher		197		\$10		3/3/2001		I							
License-Barber School		2		\$280		3/3/2001		B							
License-Barber Shop		112		\$55		3/3/2001		B							
Temporary Authority to Practice - Barber		58		\$0				I	Barber Manager/Teacher						
State Board of Certified Real Estate Appraisers															
Biennial Renewal-RE Appraiser-GA/RL			2,883		\$225	5/23/2003	Biennial	I							
Biennial			499		\$225	5/23/2003	Biennial	I							

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Permit/License	Priority	2002/2003 License Count	Biennial Renewals	New Cost	Renewal Cost	Fee Chg	Cycle	Applicant	Dependency	Name	App Tech	DB Tech	Owner	Contact Info	Comments
Renewal-Pa Cert. Eval-AV															
Initial Cert. Broker/App.		58		\$90		3/27/1999		I							
Application-RE Appraiser		35		\$235		1/18/2003		I							
State Board of Chiropractors															
Adjunctive Procedure Certification		164		\$25		8/27/1998		I							
App. for License by Exam		189		\$25		8/27/1998		I							
Biennial Renewal-DC			4,043		\$210	1/27/1996	Biennial	I							
State Board of Cosmetology															
Initial License-Cosmetologist, Manicurist or Cosmetician		3,459		\$10		9/29/2001		I							
Initial License-Cosmetology Shop Manager or Teacher		103		\$10		4/20/1991		I							
Initial Shop License-Cosmetology, Manicurist or Cosmetician		1,429		\$55		9/29/2001		I							
Initial License-Cosmetology School		6		\$160		9/29/2001		B							
Apprentice Registration Application		13		\$70		9/29/2001		I							
Biennial Renewal - Cosmetician-CQ			2,187		\$21	1/19/1991	Biennial	I							
Biennial Renewal - Manicurist-CL			12,856		\$21	12/27/1986	Biennial	I							
Biennial Renewal-Cosmetician or Manicurist Shop-			2,272		\$25	1/19/1991	Biennial	B							

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Permit/License	Priority	2002/2003 License Count	Biennial Renewals	New Cost	Renewal Cost	Fee Chg	Cycle	Applicant	Dependency	Name	App Tech	DB Tech	Owner	Contact Info	Comments
CY,CZ															
Biennial Renewal-Cosmetologist-Co			83,960		\$23	12/27/1986	Biennial	I							
Biennial Renewal-Cosmetology Mgr or Teacher-CM,CT			10,585		\$36	12/27/1986	Biennial	I							
Biennial Renewal-Cosmetology Shop-CB			15,069		\$41	12/27/1986	Biennial	B							
Biennial Renewal-Cosmetology School -CS			157		\$66	12/27/1986	Biennial	B							
Temporary Authority to Practice - Cosmetologist or Manicurist		1,218		\$0				I	Cosmetology Teacher/Cosmetologist						
State Board of Dentistry															
Application-Dentist, Dental Hygienist		306		\$20		6/6/1998		I							
Application-Dental Hygienist		291		\$20		6/6/1998		I	Dentist						
App-Restricted Permit II		90		\$15		7/9/1998		I							
Biennial Renewal-Dental Hygienist-DH			7,191		\$40	5/20/1995	Biennial	I	Dentist						
Biennial Renewal-Dentist-DS			9,867		\$100	5/20/1995	Biennial	I							
Biennial Renewal-Restricted or Unrestricted Anesthesia Permit-DA/DN/DP			3,268		\$25	3/23/1991	Biennial	I							

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Permit/License	Priority	2002/2003 License Count	Biennial Renewals	New Cost	Renewal Cost	Fee Chg	Cycle	Applicant	Dependency	Name	App Tech	DB Tech	Owner	Contact Info	Comments
Temporary Permit-Expanded Function Dental Assistant		82		\$15		6/6/1998		I							
State Board of Professional Engineers															
App-Certificate of Approval of Corp/Fictitious Name		109		\$25		7/1/1978		B							
App for Registration-Geologist		63		\$50		5/14/1994		I							
App-Initial License (Engineer or Surveyor)		1,097		\$50		7/1/1978		I							
Biennial Renewal-Geologist-PG			2,490		\$25	5/14/1994	Biennial	I							
Biennial Renewal-Professional Engineer or Land Surveyor-PE,SU			34,200		\$25	7/1/1978	Biennial	I							
Temporary Permit-Engineer or Surveyor		19		\$25		7/1/1998		I							
State Board of Funeral Directors															
Biennial Renewal-all classes			6,862		\$185	1/26/2002	Biennial	I							
Initial App-Funeral Director		65		\$25		1/26/2002		I							
Initial App-Restricted Corp/Prof. Corp/Partnership/Shared Funeral Establishment		24		\$150		1/26/2002		B							
Initial App-Sole		18		\$125		1/26/2002		B							

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Permit/License	Priority	2002/2003 License Count	Biennial Renewals	New Cost	Renewal Cost	Fee Chg	Cycle	Applicant	Dependency	Name	App Tech	DB Tech	Owner	Contact Info	Comments
Proprietorship/Branch/Widow or Estate															
Initial Registration-Resident intern or Student Trainee		132		\$25		1/26/2002		I	Funeral Director						
Initial Registration-Supervisor		51		\$25		1/26/2002		I							
State Board of Landscape Architects															
License by Exam-No Interview Required		46		\$60		9/29/2001		I							
Temporary Permit		1		\$45		9/29/2001		I							
Biennial Renewal-LA			801		\$125	3/1/1983	Biennial	I							
Continuing Education Provider Application		1		\$100		8/26/2000		B							
State Board of Medicine															
Acupuncturist Registration		53		\$30		1/12/2002		I							
Acupuncturist Supervisor Registration		2		\$30		1/12/2002		I							
Acupuncturist Biennial Renewal(AK)			458		\$40	9/19/1998	Biennial	I							
Drugless Therapist Biennial Renewal(DT)			8		\$35	9/19/1998	Biennial	I							
Graduate License App-from accredited medical college		1,973		\$30		1/12/2002		I							
Interim License		20		\$30		1/12/2002		I							
Institutional		15		\$30		1/12/2002		B							

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Permit/License	Priority	2002/2003 License Count	Biennial Renewals	New Cost	Renewal Cost	Fee Chg	Cycle	Applicant	Dependency	Name	App Tech	DB Tech	Owner	Contact Info	Comments
License App															
License w/o Restriction-from accredited medical college		2,225		\$35		1/12/2002		I							
License without Restriction Biennial Renewal(MD)			42,935		\$360	7/6/2002	Biennial	I							
Midwife License		13		\$30		1/12/2002		I							
Midwife Biennial Renewal(MW)			339		\$40	9/19/1998	Biennial	I							
Physician Assistant Certificate		334		\$30		1/12/2002		I	Physician						
Physician Assistant Biennial Renewal(MA)			3,073		\$40	9/19/1998	Biennial	I	Physician						
Respiratory Care Practitioner Initial Certification		234		\$30		1/12/2002		I							
Respiratory Care Practitioner-Temporary Permit		38		\$30		1/12/2002		I							
Respiratory Care Practitioner Biennial Renewal(YM)			6,171		\$25	11/19/1996	Biennial	I							
Temporary License		9		\$45		1/12/2002		I							
Navigation Commission															
Annual Renewal - all classes(HA/HB/H C/HD/HE/HF)		2		\$200		2/3/1996	Annual	I							
State Board of Nursing															
Application: Approval of New Nursing Program		5		\$475		6/17/2000		B							
Biennial Renewal - PN			53,132		\$40	11/18/2000	Biennial	I							

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Permit/License	Priority	2002/2003 License Count	Biennial Renewals	New Cost	Renewal Cost	Fee Chg	Cycle	Applicant	Dependency	Name	App Tech	DB Tech	Owner	Contact Info	Comments
Biennial Renewal - RN			197,089		\$45	11/18/2000	Biennial	I							
Biennial Renewal - CRNP			5,725		\$50	11/18/2000	Biennial	I							
License by Examination- PN or RN		11,027		\$35		12/26/1987		I							
Application for Certification as a CRNP		435		\$100		6/17/2000		I							
Temporary Permit- PN or RN		856		\$35		6/17/2000		I							
State Board of Nursing Home Administrators															
Biennial Renewal-NHA			2,074		\$108	1/27/1996	Biennial	I							
License Application		98		\$40		12/2/2000		I							
State Board of Occupational Therapy															
Biennial Renewal-OC/OR			5,208		\$55	1/12/1985	Biennial	I							
Biennial Renewal-OP- Assistant			2,311		\$45	1/12/1985	Biennial	I	Occupational Therapist						
License Application- Therapist		402		\$30		1/12/1985		I							
License Application- Therapist Assistant		121		\$30		1/12/1985		I	Occupational Therapist						
Temporary License		13		\$20		1/12/1985		I							
State Board of Optometry															
Application- Continuing Ed Program Approval		75		\$45		5/13/2000		I							
Biennial Renewal(OE)			2,912		\$135	8/27/1988	Biennial	I							

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Permit/License	Priority	2002/2003 License Count	Biennial Renewals	New Cost	Renewal Cost	Fee Chg	Cycle	Applicant	Dependency	Name	App Tech	DB Tech	Owner	Contact Info	Comments
Biennial Renewal-each additional Practice Location(OB)			435		\$20	8/27/1988	Biennial	B							
License Application-additional Practice Location(OB)		82		\$20		8/27/1988		B							
License Application(OE)		1,280		\$25		8/27/1988		I							
State Board of Osteopathic Medicine															
Acupuncturist Registration		12		\$30		1/29/2000		I							
Biennial Renewal-Acupuncturist (KO)			91		\$25	1/22/1994	Biennial	I							
Biennial Renewal-Respiratory Care Practitioner (YO)			466		\$25	11/16/1996	Biennial	I							
Biennial Renewal-Physician Assistant(OA)			451		\$10	8/10/1996	Biennial	I							
Biennial Renewal - (OS & DO)			6,161		\$440	7/6/2002	Biennial	I							
Graduate Training-Initial License		391		\$30		1/29/2000		I							
License Application		268		\$45		1/29/2000		I							
Physician Assistant Application		88		\$30		1/29/2000		I							
Respiratory Care Practitioner Initial Certification		4		\$30		1/29/2000		I							
State Board of Pharmacy															

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Permit/License	Priority	2002/2003 License Count	Biennial Renewals	New Cost	Renewal Cost	Fee Chg	Cycle	Applicant	Dependency	Name	App Tech	DB Tech	Owner	Contact Info	Comments
Application for Pharmacist License		704		\$40		9/9/2000		I							
Application for Pharmacy Intern Certificate		688		\$30		9/9/2000		I							
Application-New Pharmacy Permit		101		\$100		9/9/2000		B							
Biennial Renewal-Pharmacist(RP)			17,664		\$120	10/1/1998	Biennial	I							
Biennial Renewal-Pharmacy Permit(HP/PP)			3,168		\$75	10/1/1998	Biennial	B							
State Board of Physical Therapy															
Application-Physical Therapist by Endorsement or Exam		597		\$30		1/27/2001		I							
Application-Physical Therapist Assistant Registration		177		\$30		1/27/2001		I							
Biennial Renewal-Physical Therapist & Athletic Trainer(PT/RT)			10,407		\$37	11/15/1988	Biennial	I							
Biennial Renewal-Physical Therapist Assistant(TE)			3,623		\$20	11/15/1988	Biennial	I							
State Board of Podiatry															
Application-Initial License		133		\$30		2/2/2002		I							
Biennial Renewal(SC)			1,435		\$392	8/31/2002	Biennial	I							
State Board of															

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Permit/License	Priority	2002/2003 License Count	Biennial Renewals	New Cost	Renewal Cost	Fee Chg	Cycle	Applicant	Dependency	Name	App Tech	DB Tech	Owner	Contact Info	Comments
Psychology															
App-Initial License		119		\$105		4/14/1990		I							
Application-Continuing Ed Sponsor/Provider Approval		1		\$165		6/18/1994		B							
Biennial Renewal(PS)			5,757		\$120	4/14/1990	Biennial	I							
Fictitious/Corporate Name Registration		37		\$80		1/29/2000		B							
State Board of Real Estate															
APPLICATION-licensure of cemetery salesperson		207		\$20		5/27/2000		I	Cemetery Broker/RE Broker						
APPLICATION-assoc. broker, salesperson, cemetery associate broker, builder-owner		5,821		\$25		5/27/2000		I	RE Broker/Cemetery Broker						
salesperson, time-share salesperson, campground membership salesperson, broker-of-															
record, partner or officer for a partnership, association or corp; cemetery registration															
BIENNIAL RENEWAL-assoc. broker, salesperson, cemetery associate broker, builder-			40,066		\$64	5/21/1994	Biennial	I	RE Broker/Cemetery Broker						

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Permit/License	Priority	2002/2003 License Count	Biennial Renewals	New Cost	Renewal Cost	Fee Chg	Cycle	Applicant	Dependency	Name	App Tech	DB Tech	Owner	Contact Info	Comments
owner salesperson, time-share salesperson, campground membership salesperson, broker-															
of-record, partner or officer for a partnership, association or corporation															
APPLICATION-broker, cemetery broker, or rental listing referral agent		4		\$75		5/27/2000		I	RE Broker/Cemetery Broker						
APPLICATION-licensure of branch office		116		\$65		5/27/2000		B	RE Broker/Cemetery Broker						
BIENNIAL RENEWAL-assoc. broker, salesperson, cemetery associate broker, builder-			8,798		\$84	5/21/1994	Biennial	I	RE Broker/Cemetery Broker						
owner salesperson, time-share salesperson, campground membership salesperson, broker-															
of-record, partner or officer for a partnership, association or corporation															
ANNUAL renewal of approval-real estate school			32		\$250	5/27/2000	Annual	B							
State Board of															

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Permit/License	Priority	2002/2003 License Count	Biennial Renewals	New Cost	Renewal Cost	Fee Chg	Cycle	Applicant	Dependency	Name	App Tech	DB Tech	Owner	Contact Info	Comments
Speech & Hearing															
App-Initial License		382		\$20		7/30/1988		I							
Biennial Renewal-all classes(AT/SL/TH)			6,001		\$46	7/30/1988	Biennial	I							
State Board of Social Work															
Application for License-SW		509		\$15		6/24/1989		I							
Application for License-SW/CW		1,097		\$25		11/30/2002		I							
Application for License-LCWS, MFT, PC		1,197		\$25		11/30/2002		I							
Biennial Renewal(SW)			6,235		\$45	12/1/1990	Biennial	I							
Biennial Renewal(CW/PC/MFT)			6,111		\$45	11/27/2002	Biennial	I							
State Board of Motor Vehicles															
Application-vehicle dealer		493		\$65		12/16/2000		B							
Application-used lot, branch or auction		59		\$65		12/16/2000		B	Vehicle Dealer						
Application-vehicle manufacturer or manufacturer branch, distributor		25		\$30		12/16/2000		B	Vehicle Manufacturer						
Application-vehicle representative or salesperson		5,035		\$25		12/16/2000		I	Vehicle Dealer						
Application-salesperson change of employer				\$25		12/16/2000									
Biennial			329		\$100	5/20/1989	Biennial	B							

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Permit/License	Priority	2002/2003 License Count	Biennial Renewals	New Cost	Renewal Cost	Fee Chg	Cycle	Applicant	Dependency	Name	App Tech	DB Tech	Owner	Contact Info	Comments
Renewal-vehicle manufacturer license(VM)															
Biennial Renewal-dealer, auction, branch, broker, mfr. branch, wholesale dist., used lot lic			8,752		\$70	5/20/1989	Biennial	B	Vehicle Dealer/Manufacturer						
Biennial Renewal-vehicle representative or salesperson license(VR/MV)			38,908		\$35	5/20/1989	Biennial	I	Vehicle Dealer/Manufacturer						
State Board of Veterinary Medicine															
App-Animal Hlth Tech		126		\$35		3/13/1999		I	Veterinarian						
App-Veterinarian(original, reactivation, reissue or reciprocal)		258		\$35		3/13/1999		I							
Biennial Renewal-VT			1,044		\$60	11/18/2000	Biennial	I	Veterinarian						
Biennial Renewal-BV			3,619		\$225	11/18/2000	Biennial	I							

State Athletic Commission Data Collection Worksheet

Permit/License	Priority	Number Per Year		Cost		Fee Chg	Cycle	Applicant	Bus. Type	System Information					Comments
		New	Renewal	New	Renewal					Name	App Tech	DB Tech	Owner	Contact Info	
State Athletic Commission															
Announcer Initial License	Low	12		\$20		None	Annual	I	N/A						
Announcer Renewal License	Low		12		\$20	None	Annual	I	N/A						
Judge Initial License	Low	44		\$35		None	Annual	I	N/A						
Judge Renewal License	Low		44		\$35	None	Annual	I	N/A						
Manager Initial License	Low	51		\$60		Sept. 03	Annual	I	N/A						
Manager Renewal License	Low		51		\$60	Sept. 03	Annual	I	N/A						
Matchmaker Initial License	Low	6		\$50		None	Annual	I	N/A						
Matchmaker Renewal License	Low		6		\$50	None	Annual	I	N/A						
Pro. Boxer Initial License	Low	437		\$22		None	Annual	I	N/A						
Pro. Boxer Renewal License			437		\$22	None	Annual	I	N/A						
Pro. Boxing Promoter Initial License	Low	40		\$100		None	Annual	I	N/A						
Pro. Boxing Promoter Renewal License	Low		40		\$100	None	Annual	I	N/A						
Pro. Wrestling Promoter Initial License	Low	20		\$100		None	Annual	I	N/A						
Pro. Wrestling Promoter Renewal License	Low		20		\$100	None	Annual	I	N/A						
Referee Initial License	Low	18		\$35		None	Annual	I	N/A						
Referee Renewal License	Low		18		\$35	None	Annual	I	N/A						
Ring-side Doctor Initial License	Low	21		\$40		None	Annual	I	N/A						

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Permit/License	Priority	Number Per Year		Cost		Fee Chg	Cycle	Applicant	Bus. Type	System Information					Comments
		New	Renewal	New	Renewal					Name	App Tech	DB Tech	Owner	Contact Info	
Ring-side Doctor Renewal License	Low		21		\$40	None	Annual	I	N/A						
Second Initial License	Low	513		\$20		None	Annual	I	N/A						
Second Renewal License	Low		513		\$20	None	Annual	I	N/A						
Timekeeper Initial License	Low	8		\$25		None	Annual	I	N/A						
Timekeeper Renewal License	Low		8		\$25	None	Annual	I	N/A						
Trainer Initial License	Low	16		\$25		None	Annual	I	N/A						
Trainer Renewal License	Low		16		\$25	None	Annual	I	N/A						
Athlete Agent Individual Initial Reg.	Low	119		\$200		None	Biennial	I	N/A						
Athlete Agent Individual Renewal Reg.	Low		119		\$200	None	Biennial	I	N/A						
Athlete Agent Business Initial Reg.	Low	45		\$400		None	Biennial	B	None						
Athlete Agent Business Renewal Reg.	Low		45		\$400	None	Biennial	B	None						

Department of Environmental Protection Permitting Data Worksheet

Authorization/Permit/License	Priority	Appl Type	# / Year		Cost	
			#/Year		Cost	Renewal
Department-Wide Authorizations						
General Information Form (GIF)		NEW			0	
PHMC Cultural Resource Notice		NEW			0	
Air Quality						
AQ General Permit		NEW	99		varies	
AQ General Permit		REN	3			varies
AQ General Plan Approval		NEW	39		varies	
Major Facility Operating Permit		NEW	16		615	
Major Facility Operating Permit		REN	77			615
Major Facility Operating Permit		AMEN	52			615
Major Facility Operating Permit		MOD	17			615
Major Facility Operating Permit		MODS	5			615
Major Facility Operating Permit		TRAN	3			615
Major Facility Plan Approval Case-by-Case MACT		NEW	0.3		6,700	
Major Facility Plan Approval Case-by-Case MACT		EXT				230
Major Facility Plan Approval Case-by-Case MACT		MOD				230
Major Facility Plan Approval Case-by-Case MACT		TRAN				230
Major Facility Plan Approval Haz Air Pollutant Std Part 61		NEW			1,400	
Major Facility Plan Approval Haz Air Pollutant Std Part 61		MOD				230
Major Facility Plan Approval Haz Air Pollutant Std Part 61		TRAN				230
Major Facility Plan Approval MACT Air Toxics Part 63		NEW	5		1,400	
Major Facility Plan Approval MACT Air Toxics Part 63		EXT		0.6		230
Major Facility Plan Approval MACT Air Toxics Part 63		MOD	1			230
Major Facility Plan Approval MACT Air Toxics Part 63		TRAN				230
Major Facility Plan Approval New Facility Review Prevention of Significant Deterioration		NEW	6		18,500	
Major Facility Plan Approval New Facility Review Prevention of Significant Deterioration		EXT				230
Major Facility Plan Approval New Facility Review Prevention of Significant Deterioration		MOD	2			230
Major Facility Plan Approval New Facility Review Prevention of Significant Deterioration		TRAN				230
Major Facility Plan Approval New Source Performance Std		NEW		17	1,400	
Major Facility Plan Approval New Source Performance Std		EXT	2			230
Major Facility Plan Approval New Source Performance Std		MOD		6		230
Major Facility Plan Approval New Source Performance Std		TRAN				230
Major Facility Plan Approval New Source Review Non-Attainment		NEW	4		4,300	
Major Facility Plan Approval New Source Review Non-Attainment		EXT		0.3		230
Major Facility Plan Approval New Source Review Non-Attainment		MOD				230
Major Facility Plan Approval New Source Review Non-Attainment		TRAN				230
Major Facility Plan Approval State Regulation		NEW		63	850	
Major Facility Plan Approval State Regulation		EXT		11.7		230
Major Facility Plan Approval State Regulation		MOD		23		230
Major Facility Plan Approval State Regulation		TRAN		1.7		230

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Authorization/Permit/License	Priority	Appl Type	# / Year		Cost	
			#/Year		Cost	Renewal
Minor Facility Plan Approval Haz Air Pollutant Std Part 66		NEW			1,400	
Minor Facility Plan Approval Haz Air Pollutant Std Part 61		EXT				230
Minor Facility Plan Approval Haz Air Pollutant Std Part 65		MOD				230
Minor Facility Plan Approval Haz Air Pollutant Std Part 75		TRAN				230
Minor Facility Plan Approval MACT Air Toxics Minor		NEW	3		1,400	
Minor Facility Plan Approval MACT Air Toxics Minor		EXT	.6			230
Minor Facility Plan Approval MACT Air Toxics Minor		MOD				230
Minor Facility Plan Approval MACT Air Toxics Minor		TRAN				230
Minor Facility Plan Approval New Source Performance Std		NEW	65		1,400	
Minor Facility Plan Approval New Source Performance Std		EXT	11			230
Minor Facility Plan Approval New Source Performance Std		MOD	11			230
Minor Facility Plan Approval New Source Performance Std		TRAN	0.3			230
Minor Facility Plan Approval State Regulation		NEW	188		850	
Minor Facility Plan Approval State Regulation		EXT	20			230
Minor Facility Plan Approval State Regulation		MOD	75			230
Minor Facility Plan Approval State Regulation		TRAN	3			230
Minor Facility Plan Approval State Regulation Minor		EXT				230
Minor Facility Plan Approval State Regulation Minor		MOD	6			230
Minor Significance Review		NEW	7		0	
Minor Source Operating Permit		NEW	233		300	
Minor Source Operating Permit		REN	24			300
Minor Source Operating Permit		AMEN	28			300
Minor Source Operating Permit		MOD	9			300
Minor Source Operating Permit		MODS	2			300
Minor Source Operating Permit		TRAN	5			300
Radiation Protection						
Radiation Producing Accelerator, Facility		NEW	48			
Radiation Producing Accelerator, Facility		REN				
Radiation Producing Accelerator, Facility		AMEN				
Radiation Producing Machine Registration, Facility		NEW	385			
Radioactive Material General License, Client		NEW				
Radioactive Material General License, Client		REN				
Radioactive Material General License, Client		AMEN				
Radioactive Material General License, Facility		NEW				
Radioactive Material General License, Facility		REN				
Radioactive Material General License, Facility		AMEN				
Radioactive Material License, Client		NEW	34		125-1,530	
Radioactive Material License, Client		REN				
Radioactive Material License, Client		AMEN				
Radon Lab Certification, Company		NEW				
Radon Lab Certification, Individual		NEW				
Radon Mitigation Certification, Company		NEW				
Radon Mitigation Certification, Individual		NEW				
Radon Testing Certification, Company		NEW				
Radon Testing Certification, Individual		NEW				

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Authorization/Permit/License	Priority	Appl Type	# / Year		Cost	
			#/Year		Cost	Renewal
Land Recycling & Waste Mgmt, Hazardous Waste						
Hazardous Waste Transporter Affidavit		MOD	25			0
Hazardous Waste Transporter License		NEW	11		500	
Hazardous Waste Transporter License		REN	97			250
Captive Boiler Industrial Furnace/Incinerator Pmt		NEW			0	
Captive Boiler Industrial Furnace/Incinerator Pmt		MOD	0.3			0
Captive Boiler Industrial Furnace/Incinerator Pmt Closure Plan Approval		MOD				0
Captive Boiler Industrial Furnace/Incinerator Pmt Construction Certification		MOD				0
Captive Disposal Pmt		NEW			0	
Captive Disposal Pmt		MOD	0.3			71,400
Captive Disposal Pmt Closure Plan Approval		MOD				0
Captive Disposal Pmt Construction Certification		MOD	0.3			35,700
Captive Disposal Pmt Post Closure Pmt		NEW	1		25,000	
Captive Disposal Pmt Post Closure Pmt		MOD	0.3			12,500
Captive Pmt by Rule		NOT				0
Captive Storage Pmt		NEW	1		14,000	
Captive Storage Pmt		MOD	2			7,000
Captive Storage Pmt Closure Plan Approval		MOD	0.3			0
Captive Storage Pmt Construction Certification		MOD	0.3			0
Captive Treatment Pmt		NEW	0.3		14,000	
Captive Treatment Pmt		MOD				7,000
Captive Treatment Pmt Closure Plan Approval		MOD				0
Captive Treatment Pmt Construction Certification		MOD				0
Captive Unpermitted Facility Closure Plan		NEW			0	
Captive Unpermitted Facility Closure Plan		MOD				0
Commercial Boiler Industrial Furnace/Incinerator Pmt		NEW			0	
Commercial Boiler Industrial Furnace/Incinerator Pmt		MOD				0
Commercial Boiler Industrial Furnace/Incinerator Pmt Module 1 Approval		MOD				0
Commercial Boiler Industrial Furnace/Incinerator Pmt Module 1 Approval-Generic		MOD				0
Commercial Disposal Pmt		NEW			125,000	
Commercial Disposal Pmt		MOD				62,500
Commercial Disposal Pmt Closure Plan Approval		MOD				0
Commercial Disposal Pmt Construction Certification		MOD				0
Commercial Disposal Pmt Module 1 Approval		MOD				300
Commercial Disposal Pmt Module 1 Approval-Generic		MOD				1,500
Commercial Disposal Pmt Post Closure Pmt		NEW	0.3		25,000	
Commercial Disposal Pmt Post Closure Pmt		MOD				12,500
Commercial HW Pmt Form U Approval		MOD				0
Commercial Recycling Pmt Construction Certification		MOD	0.6			0
Commercial Recycling Pmt Module 1 Approval		MOD				300
Commercial Recycling Pmt Module 1 Approval-Generic		MOD				1,500
Commercial Storage Pmt		NEW	2		36,000	
Commercial Storage Pmt		MOD	0.6			18,000
Commercial Storage Pmt Closure Plan Approval		MOD				0
Commercial Storage Pmt Construction Certification		MOD	2			0

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Authorization/Permit/License	Priority	Appl Type	# / Year		Cost	
			#/Year		Cost	Renewal
Commercial Storage Pmt Module 1 Approval		MOD	75			300
Commercial Storage Pmt Module 1 Approval-Generic		MOD	1,133			1,500
Commercial Treatment Pmt		NEW	1		36,000	
Commercial Treatment Pmt		MOD	2			18,000
Commercial Treatment Pmt Closure Plan Approval		MOD				0
Commercial Treatment Pmt Construction Certification		MOD	0.3			0
Commercial Treatment Pmt Module 1 Approval		MOD	345			0
Commercial Treatment Pmt Module 1 Approval-Generic		MOD	26			0
Commercial Unpermitted Facility Closure Plan		NEW			0	
Commercial Unpermitted Facility Closure Plan		MOD				0
Research, Development and Demonstration Permit		NEW			0	
Land Recycling & Waste Mgmt, Municipal Waste						
Infectious & Chemotherapeutic Waste Transporter Affidavit		MOD	2			0
Infectious & Chemotherapeutic Waste Transporter License		NEW	2		500	
Infectious & Chemotherapeutic Waste Transporter License		REN	22			500
MW/RW Transporter Final Authorization		REN				varies
MW/RW Transporter Final Authorization		AMEN	508			varies
MW/RW Transporter Final Authorization		MOD				0
MW/RW Transporter Final Authorization		TRAN	1			varies
MW/RW Transporter Interim Authorization		NEW	1,891		varies	
General Pmt ICW Processing Client		NEW	.3		1,000	
General Pmt ICW Processing Determination of Applicability		NEW	.3		500	
General Pmt ICW Processing Determination of Applicability Client		NEW			500	
General Pmt ICW Processing Multi-Company		NEW			1,000	
General Pmt ICW Processing Multi-Company Client		NEW			1,000	
General Pmt ICW Processing Registration		NEW	1		250	
General Pmt ICW Processing Registration Client		NEW			250	
General Pmt ICW Processing Single Company		NEW	.6		1,000	
General Pmt ICW Processing Single Company Client		NEW			1,000	
MW General Permit Renewal, Client		REN				300
MW General Permit Renewal, Fac		REN				300
MW General Permit Renewal, Site		REN				300
MW General Pmt Beneficial Use Client		NEW			1,000-2,000	
MW General Pmt Beneficial Use Determination of Applicability Client		NEW	.3		500	
MW General Pmt Beneficial Use Registration Client		NEW			250	
MW General Pmt Processing		NEW			1,000-2,000	
MW General Pmt Processing Client		NEW			1,000-2,000	
MW General Pmt Processing Determination of Applicability		NEW	2		500	
MW General Pmt Processing Determination of Applicability Client		NEW			500	
MW General Pmt Processing Registration		NEW			250	
MW General Pmt Processing Registration Client		NEW			250	
Alt Timeline, SERO, Pottstown Ldfl Eastern Vertical Expansion		NEW	.3		8,100	
Alt Timeline, SERO, SECCRA Ldfl		NEW	.3		7,800	
Alt Timeline, SERO, SECCRA Ldfl Incease		NEW	.3		7,800	
Alt Timeline, NERO, Alliance Ldfl Area III Expansion		NEW			7,800	

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Authorization/Permit/License	Priority	Appl Type	# / Year		Cost	Renewal
			#/Year		Cost	
Alt Timeline, NERO, Environmental & Recycling Services, Inc., Landfill, ERSI, Phase IV		NEW			4,600	
Alt Timeline, NERO, Grand Ctl Sani Ldfl Inc		NEW	.3		4,600	
Alt Timeline, NERO, IESI Bethlehem Ldfl		NEW	.6		7,800	
Alt Timeline, NERO, Pine Grove Ldfl Pad 12 Expansion		NEW	.6		7,800	
Alt Timeline, SCRO, Blue Ridge Ldfl		NEW			7,800	
Alt Timeline, SCRO, Conestoga Ldfl		NEW	.3			
Alt Timeline, SCRO, Pioneer Crossing Ldfl		NEW	.3		7,800	
Alt Timeline, SCRO, WSI Sandy Run Ldfl		NEW	.3			
Alt Timeline, NCRO, Phoenix Resources C/D Ldfl		NEW			7,800	
Alt Timeline, NCRO, White Pines Ldfl		NEW			7,800	
Alt Timeline, NWRO, Happy Landing Transfer Station		NEW			1,400	
Alt Timeline, NWRO, Redi-Mix Concrete Ldfl		NEW			7,800	
Alt Timeline, NWRO, Tri-County Ldfl		NEW			7,800	
Alt Timeline, NWRO, Tri-County Ldfl 2004		NEW			18,500	
Compost Increased Capacity/MDV		MODEO				700
Construction/Demolition Landfill Pmt		REN	.6			300
Construction/Demolition Landfill Pmt		MOD	2			7,800
Construction/Demolition Landfill Pmt		REIS	.3			300
Construction/Demolition Landfill Pmt (Alternative Project)		NEW			19,250	
Construction/Demolition Landfill Pmt (Alternative Project)		MOD	.3			7,800
Construction/Demolition Landfill Pmt Closure Plan Approval		MOD				7,800
Construction/Demolition Landfill Pmt Expansion or Increased Capacity/ADV/MDV/Acreage		MODEO				7,800
Construction/Demolition Landfill Pmt Final Construction Certification Form 37		MOD	.6			0
Construction/Demolition Landfill Pmt Form 37 (per Component)		MOD	5			0
Construction/Demolition Landfill Pmt Form FC1		MOD				300
Construction/Demolition Landfill Pmt Form FC1 w/ Approved Waste Acceptance Plan		MOD				0
Construction/Demolition Landfill Pmt Form R		MOD				7,800
Construction/Demolition Landfill Pmt Form U		MOD				300
Construction/Demolition Landfill Pmt Form U w/ Approved Waste Acceptance Plan		MOD				0
General Pmt ICW Processing Determination of Applicability		NEW			500	
General Pmt ICW Processing Multi-Company		NEW			1,000	
General Pmt ICW Processing Registration		NEW			250	
General Pmt ICW Processing Single Company		NEW			1,000	
Landfill Pmt		REN	4			300
Landfill Pmt		REIS	1			300
Landfill Pmt (Alternative Project)		NEW			18,500	
Landfill Pmt (Alternative Project)		MOD	15			7,800
Landfill Pmt Closure Plan Approval		MOD	.3			7,800
Landfill Pmt Final Construction Certification, Form 37		MOD	39			0
Landfill Pmt Form 35		MOD				300
Landfill Pmt Form 35 w/ Approved Waste Acceptance Plan		MOD	28			0
Landfill Pmt Form 36		MOD	.3			300
Landfill Pmt Form 36 w/ Approved Waste Acceptance Plan		MOD	3			0
Landfill Pmt Form 37 (per component)		MOD	77			0
Landfill Pmt Form 43		MOD				300

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Authorization/Permit/License	Priority	Appl Type	# / Year		Cost	
			#/Year		Cost	Renewal
Landfill Pmt Form 43 w/ Approved Waste Acceptance Plan		MOD	78			0
Landfill Pmt Form FC1		MOD	1			300
Landfill Pmt Form FC1 w/ approved Waste Acceptance Plan		MOD	385			0
Landfill Pmt Form R		MOD				7,800
Landfill Pmt Form U		MOD				300
Landfill Pmt Form U w/ Approved Waste Acceptance Plan		MOD	1,089			0
Minor Modification to an Existing Facility		MOD	6			300
Municipal Landfill Pmt		MOD	44			7,800
Municipal Landfill Pmt Expansion or Increased Capacity/ADV/MDV/Acreage		MODEO				7,800
MW Composting Pmt		NEW			4,000	
MW Composting Pmt		REN	.3			300
MW Composting Pmt		MOD	1.3			700
MW Composting Pmt		REIS	.3			300
MW Composting Pmt Closure Plan Approval		MOD				700
MW Composting Pmt Form 37		MOD	1.3			0
MW Composting Pmt Form 43		MOD	.6			300
MW Composting Pmt Form 43 w/ Approved Waste Acceptance Plan		MOD	5			0
MW Composting Pmt Form R		MOD				700
MW Demonstration Pmt		NEW			17,300	
MW Demonstration Pmt		MOD	.6			6,700
MW General Permit Renewal, Client		REN				300
MW General Permit Renewal, Fac		REN				300
MW General Permit Renewal, Site		REN				300
MW General Pmt ICW Processing		NEW			1,000	
MW General Pmt Processing		NEW	5		1,000-2,000	
MW General Pmt Processing Determination of Applicability		NEW			500	
MW General Pmt Processing Registration		NEW	15		250	
MW Pmt-By-Rule Notification		NEW	2		0	
Resource Recovery & Other Processing Pmt		NEW	1		4,000	
Resource Recovery & Other Processing Pmt		REN	4			300
Resource Recovery & Other Processing Pmt		MOD	11			700
Resource Recovery & Other Processing Pmt		MODEO	.6			1,500
Resource Recovery & Other Processing Pmt		REIS	1			300
Resource Recovery & Other Processing Pmt Closure Plan Approval		MOD				1,500
Resource Recovery & Other Processing Pmt Construction Certification Form 37		MOD	3			0
Resource Recovery & Other Processing Pmt Form 34		MOD				300
Resource Recovery & Other Processing Pmt Form 43		MOD	.6			300
Resource Recovery & Other Processing Pmt Form 43 w/ Approved Waste Acceptance Plan		MOD	4			0
Resource Recovery & Other Processing Pmt Form R		MOD				1,500
Resource Recovery & Other Processing Pmt Form U		MOD	4			300
Resource Recovery & Other Processing Pmt Form U w/ Approved Waste Acceptance Plan		MOD	96			0
Transfer Station Pmt		NEW	.6		4,400	
Transfer Station Pmt		REN	6			300
Transfer Station Pmt		MOD	26			700
Transfer Station Pmt		MODEO	1.3			700

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Authorization/Permit/License	Priority	Appl Type	# / Year		Cost	
			#/Year		Cost	Renewal
Transfer Station Pmt		REIS	.3			300
Transfer Station Pmt Closure Plan Approval		MOD				700
Transfer Station Pmt Construction Certification Form 37		MOD				0
Transfer Station Pmt Form 43		MOD				300
Transfer Station Pmt Form 43 w/ Approved Waste Acceptance Plan		MOD	.6			0
Transfer Station Pmt Form FC-1		MOD				300
Transfer Station Pmt Form FC-1 w/ Approved Waste Acceptance Plan		MOD				0
Transfer Station Pmt Form R		MOD				700
Transfer Station Pmt Form U		MOD	2			300
Transfer Station Pmt Form U w/ Approved Waste Acceptance Plan		MOD				0
Yard Waste Composting Site Approval		NEW	11		0	
Land Recycling & Waste Mgmt, Residual Waste						
Waste Tire Transporter Authorization		NEW	240		50	
Waste Tire Transporter Authorization		REN	27			50
RW General Permit Renewal, Client		REN				300
RW General Permit Renewal, Fac		REN				300
RW General Permit Renewal, Site		REN				300
RW General Pmt Beneficial Use Determination of Applicability Client		NEW	2		500	
RW General Pmt Beneficial Use Multi-Company Client		NEW			2,000	
RW General Pmt Beneficial Use Registration Client		NEW	.6		250	
RW General Pmt Beneficial Use Single Company Client		NEW	.3		2,000	
RW General Pmt Processing Determination of Applicability		NEW	14		500	
RW General Pmt Processing Determination of Applicability Client		NEW	.6		500	
RW General Pmt Processing Multi-Company		NEW	7		2,000	
RW General Pmt Processing Multi-Company Client		NEW			2,000	
RW General Pmt Processing Registration		NEW			250	
RW General Pmt Processing Registration Client		NEW			250	
RW General Pmt Processing Single Company		NEW	11		2,000	
RW General Pmt Processing Single Company Client		NEW	1		2,000	
Alt Timeline, NWRO, Sechan Limestone RW Ldfl		NEW	.3		25,900	
Beneficial Use of Coal Ash Approval		MOD				0
Commercial Landfill-Class I, II or III Pmt		MOD	1			7,800
Commercial Landfill-Class I, II or III Pmt (Alternative Project)		NEW			25,900	
Commercial Landfill-Class I, II or III Pmt (Alternative Project)		MOD				7,800
Composting Pmt Form FC1		MOD				600
Composting Pmt Form FC1 w/ approved Waste Acceptance Plan		MOD				0
Composting Pmt Form U		MOD				600
Composting Pmt Form U w/ Approved Waste Acceptance Plan		MOD				0
Disposal Impoundment-Class I or II Pmt		NEW			8,500	
Disposal Impoundment-Class I or II Pmt		REN				300
Disposal Impoundment-Class I or II Pmt		MOD	2			4,600
Disposal Impoundment-Class I or II Pmt		REIS	.3			400
Disposal Impoundment-Class I or II Pmt 19R (per component)		MOD	1			0
Disposal Impoundment-Class I or II Pmt Closure Plan Approval		MOD				4,600
Disposal Impoundment-Class I or II Pmt Final Construction Certification Form 19R		MOD	2			0

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Authorization/Permit/License	Priority	Appl Type	# / Year		Cost	
			#/Year		Cost	Renewal
Disposal Impoundment-Class I or II Pmt Form R		MOD				4,600
Disposal Impoundment-Class I or II Pmt Form U		MOD				600
Disposal Impoundment-Class I or II Pmt Form U w/ Approved Waste Acceptance Plan		MOD	27			0
Land Application Pmt Agric Util, Land Reclam Closure Plan App		MOD				600-1,900
Land Application Pmt Agricultural Utilization		NEW			5,100	
Land Application Pmt Agricultural Utilization		MOD	.3			600
Land Application Pmt Agricultural Utilization		REIS	.3			400
Land Application Pmt Agricultural Utilization, Land Reclamation		REN				300
Land Application Pmt Land Reclamation		NEW			5,100	
Land Application Pmt Land Reclamation		MOD				1,900
Landfill-Class I, II or III Pmt		NEW	.6		25,900	
Landfill-Class I, II or III Pmt		REN				300
Landfill-Class I, II or III Pmt		MOD	6			7,800
Landfill-Class I, II or III Pmt		REIS	2			400
Landfill-Class I, II or III Pmt Closure Plan Approval		MOD	.6			7,800
Landfill-Class I, II or III Pmt Final Construction Certification Form 19R		MOD	6			0
Landfill-Class I, II or III Pmt Form 19R (per component)		MOD	8			0
Landfill-Class I, II or III Pmt Form FC1		MOD				600
Landfill-Class I, II or III Pmt Form FC1 w/ approved Waste Acceptance Plan		MOD	.6			0
Landfill-Class I, II or III Pmt Form R		MOD				7,800
Landfill-Class I, II or III Pmt Form U		MOD				600
Landfill-Class I, II or III Pmt Form U w/ Approved Waste Acceptance Plan		MOD	22			0
Minor Modification to an Existing Facility		MOD	38			300
Processing and/or Incinerator Pmt		NEW	2		5,200	
Processing and/or Incinerator Pmt		REN				300
Processing and/or Incinerator Pmt		MOD	9			1,500
Processing and/or Incinerator Pmt		REIS	.6			400
Processing and/or Incinerator Pmt Closure Plan Approval		MOD				1,500
Processing and/or Incinerator Pmt Form FC1		MOD				600
Processing and/or Incinerator Pmt Form FC1 w/ approved Waste Acceptance Plan		MOD	12			0
Processing and/or Incinerator Pmt Form R		MOD				1,500
Processing and/or Incinerator Pmt Form U		MOD	5			600
Processing and/or Incinerator Pmt Form U w/ Approved Waste Acceptance Plan		MOD	70			0
Processing and/or Incinerator Pmt/Construction Certification Form 19R		MOD	2			0
RW Composting Pmt		NEW			5,200	
RW Composting Pmt		REN				300
RW Composting Pmt		MOD				700
RW Composting Pmt		REIS				400
RW Composting Pmt Closure Plan Approval		MOD				700
RW Composting Pmt Construction Certification		MOD				0
RW Composting Pmt Form R		MOD				700
RW Demonstration Pmt		NEW			8,500	
RW Demonstration Pmt		MOD	.3			5,800
RW General Permit Renewal, Client		REN	2			300
RW General Permit Renewal, Fac		REN	1			300

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Authorization/Permit/License	Priority	Appl Type	# / Year		Cost	
			#/Year		Cost	Renewal
RW General Permit Renewal, Site		REN				300
RW General Pmt Form U, Facility		MOD	6			0
RW General Pmt Form U, Site		MOD				0
RW General Pmt Processing Determination of Applicability		NEW			500	
RW General Pmt Processing Determination of Applicability Client		NEW			500	
RW General Pmt Processing Registration		NEW			250	
RW Pmt-By-Rule Notification		NEW	2		0	
RW Pmt-By-Rule Notification		MOD				0
Transfer Pmt Closure Plan Approval		MOD				700
Transfer Pmt Construction Certification Form 19R		MOD				0
Transfer Pmt Form FC1		MOD				600
Transfer Pmt Form FC1 w/ approved Waste Acceptance Plan		MOD				0
Transfer Pmt Form R		MOD				700
Transfer Pmt Form U		MOD				600
Transfer Pmt Form U w/ Approved Waste Acceptance Plan		MOD				0
Transfer Station Pmt		NEW			5,200	
Transfer Station Pmt		REN				300
Transfer Station Pmt		MOD				700
Transfer Station Pmt		REIS				400
UnPmtted Facilities Closure Plan Approval		MOD				0
UnPmtted Facilities Closure Plan Approval		NEW	.1		0	
Land Recycling & Waste Mgmt, Storage Tanks						
Site Specific Installation Permit		NEW	20		*varies	
Storage Tank Company Certification		NEW	23			
Storage Tank Company Certification		REN	169			
Storage Tank Company Certification		MOD				
Storage Tank Installer/Inspector Certification		NEW	227			
Storage Tank Installer/Inspector Certification		REN	261			
Storage Tank Installer/Inspector Certification		MOD	20			
Storage Tank Registration/Permitting		NEW	573		**varies	
Storage Tank Registration/Permitting		MOD	760			***varies
<i>*UST: \$20; AST: \$20 per 10,000 Gal</i>						
<i>**UST: \$50 111 Gal+over; AST: \$50-\$300 based on Gal</i>						
<i>***UST: \$50 111 Gal+over; AST: \$50-\$300 based on Gal</i>						
Water Mgmt, Act 537 Muni Sewage						
Act 537 Base Plan Approval Update Revision, Spcl Study		NEW	97		0	
New Land Development Plan Approval Component 1		NEW			0	
New Land Development Plan Approval Component 2-Commercial		NEW	117		0	
New Land Development Plan Approval Component 2-Residential		NEW	429		0	
New Land Development Plan Approval Component 3-Commercial		NEW	166		0	
New Land Development Plan Approval Component 3-Residential		NEW	277		0	
New Land Development Plan Approval Component 3S-Commercial		NEW	16		0	
New Land Development Plan Approval Component 3S-Residential		NEW	187		0	
Planning Mailer Application/Exemption Request		NEW			0	
Water Mgmt, Erosion & Sediment						

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Authorization/Permit/License	Priority	Appl Type	# / Year		Cost	
			#/Year		Cost	Renewal
Erosion & Sediment Control Pmt		NEW	0.6		200	
Erosion & Sediment Control Pmt		REN				200
Erosion & Sediment Control Pmt		AMEN				200
Erosion & Sediment Control Pmt		TRAN				0
Erosion & Sedimentation Control Plan Approval		NEW	0.3		0	
Erosion & Sedimentation Control Plan Approval		REN				0
Erosion & Sedimentation Control Plan Approval		AMEN				0
Erosion & Sedimentation Control Plan Approval		TRAN				0
NPDES Stormwater Construction Permit Conserv Dist Notice of Termination		AMEN				0
NPDES Stormwater Construction Permit Conservation Dist		NEW	238		0	
NPDES Stormwater Construction Permit Conservation Dist		REN	1			0
NPDES Stormwater Construction Permit Conservation Dist		AMEN	2			0
NPDES Stormwater Construction Permit Conservation Dist		TRAN				0
NPDES Stormwater Construction Permit Conservation Dist Co-Permittee		AMEN				0
NPDES Stormwater-Construction Permit		NEW	49		500	
NPDES Stormwater-Construction Permit		REN	0.6			500
NPDES Stormwater-Construction Permit		AMEN	0.6			500
NPDES Stormwater-Construction Permit		TRAN				0
NPDES Stormwater-Construction Permit Co-Pmttee		AMEN	2			0
NPDES Stormwater-Construction Permit Notice of Termination		AMEN				0
PAG-02 NPDES Stormwater-Construction		NEW	1		250	
PAG-02 NPDES Stormwater-Construction		REN				250
PAG-02 NPDES Stormwater-Construction		AMEN	0.3			250
PAG-02 NPDES Stormwater-Construction		TRAN				0
PAG-02 NPDES Stormwater-Construction Permit Co-Pmttee		AMEN				0
PAG-02 NPDES Stormwater-Construction Permit Notice of Termination		AMEN				0
NPDES Stormwater-Construction Permit		NEW	49		500	
NPDES Stormwater-Construction Permit		REN	0.6			500
NPDES Stormwater-Construction Permit		AMEN	0.6			500
NPDES Stormwater-Construction Permit		TRAN				0
NPDES Stormwater-Construction Permit Co-Pmttee		AMEN	2			0
NPDES Stormwater-Construction Permit Notice of Termination		AMEN				0
PAG-02 NPDES Stormwater-Construction		NEW	1		250	
PAG-02 NPDES Stormwater-Construction		REN				250
PAG-02 NPDES Stormwater-Construction		AMEN				250
PAG-02 NPDES Stormwater-Construction		TRAN				0
NPDES Stormwater-Construction Permit		NEW			500	
NPDES Stormwater-Construction Permit		REN				500
NPDES Stormwater-Construction Permit		AMEN				500
NPDES Stormwater-Construction Permit		TRAN				0
NPDES Stormwater-Construction Permit Co-Pmttee		AMEN	2			0
NPDES Stormwater-Construction Permit Notice of Termination		AMEN				0
PAG-02 NPDES Stormwater-Construction		NEW	1		250	
PAG-02 NPDES Stormwater-Construction		REN				250
PAG-02 NPDES Stormwater-Construction		AMEN				250

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Authorization/Permit/License	Priority	Appl Type	# / Year		Cost	
			#/Year		Cost	Renewal
PAG-02 NPDES Stormwater-Construction		TRAN				0
NPDES Stormwater-Construction Permit		NEW	49		500	
NPDES Stormwater-Construction Permit		REN	0.6			500
NPDES Stormwater-Construction Permit		AMEN	0.6			500
NPDES Stormwater-Construction Permit		TRAN				0
NPDES Stormwater-Construction Permit Co-Pmttee		AMEN	2			0
NPDES Stormwater-Construction Permit Notice of Termination		AMEN				0
PAG-02 NPDES Stormwater-Construction		NEW	11		250	
PAG-02 NPDES Stormwater-Construction		REN				250
PAG-02 NPDES Stormwater-Construction		AMEN				250
PAG-02 NPDES Stormwater-Construction		TRAN				0
Water Mgmt, NPDES						
PAG-10 Discharge Resulting from Hydrostatic Testing of Tanks & Pipelines		NEW			100	
Concentrated Animal Feed Operations Indiv NPDES Pmt		NEW	21		500	
Concentrated Animal Feed Operations Indiv NPDES Pmt		REN				500
Concentrated Animal Feed Operations Indiv NPDES Pmt		AMEN	1			500
Concentrated Animal Feed Operations Indiv NPDES Pmt		TRAN	2			-
No Exposure Certification, Discharge of Stormwater Assoc w Ind Activities, PAG-03		NEW			0	
No Exposure Certification, Discharge of Stormwater Assoc w Ind Activities, PAG-03		REN				0
NPDES Pmt for New & Existing Discharger, Municipal, Minor		NEW	23		500	
NPDES Pmt for New & Existing Discharger, Municipal, Minor		REN	128			500
NPDES Pmt for New & Existing Discharger, Municipal, Minor		AMEN	16			500
NPDES Pmt for New & Existing Discharger, Municipal, Minor		TRAN	4			0
NPDES Pmt for New & Existing Industrial Discharger, Major		NEW	0.3		500	
NPDES Pmt for New & Existing Industrial Discharger, Major		REN	13			500
NPDES Pmt for New & Existing Industrial Discharger, Major		AMEN	10			500
NPDES Pmt for New & Existing Industrial Discharger, Major		TRAN	2			0
NPDES Pmt Industrial Wastewater Discharge Minor		NEW	39		500	
NPDES Pmt Industrial Wastewater Discharge Minor		REN	151			500
NPDES Pmt Industrial Wastewater Discharge Minor		AMEN	27			500
NPDES Pmt Industrial Wastewater Discharge Minor		TRAN	13			0
NPDES Pmt Sewage Discharge Non-Municipal-Major		NEW			500	
NPDES Pmt Sewage Discharge Non-Municipal-Major		REN	1			500
NPDES Pmt Sewage Discharge Non-Municipal-Major		AMEN	1.3			500
NPDES Pmt Sewage Discharge Non-Municipal-Major		TRAN				0
NPDES Pmt Sewage Discharges Municipal, Major		NEW	0.3		500	
NPDES Pmt Sewage Discharges Municipal, Major		REN	40			500
NPDES Pmt Sewage Discharges Municipal, Major		AMEN	22			500
NPDES Pmt Sewage Discharges Municipal, Major		TRAN	0.6			0
NPDES Pmt Sewage Discharges Non-Municipal-Minor		NEW	67		500	
NPDES Pmt Sewage Discharges Non-Municipal-Minor		REN	308			500
NPDES Pmt Sewage Discharges Non-Municipal-Minor		AMEN	25			500
NPDES Pmt Sewage Discharges Non-Municipal-Minor		TRAN	18			0
NPDES Pmt Stormwater Discharges from Small Muni Separate Storm Sewer Sys MS4, Individual		NEW	47		500	

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Authorization/Permit/License	Priority	Appl Type	# / Year		Cost	
			#/Year		Cost	Renewal
NPDES Pmt Stormwater Discharges from Small Muni Separate Storm Sewer Sys MS4, Individual		REN				500
NPDES Pmt Stormwater Discharges from Small Muni Separate Storm Sewer Sys MS4, Individual		AMEN				500
NPDES Pmt Stormwater Discharges from Small Muni Separate Storm Sewer Sys MS4, Individual		TRAN				500
NPDES Pmt Stormwater Industrial Site Runoff (Individual)		NEW	12		500	
NPDES Pmt Stormwater Industrial Site Runoff (Individual)		REN	7			500
NPDES Pmt Stormwater Industrial Site Runoff (Individual)		AMEN	0.3			500
NPDES Pmt Stormwater Industrial Site Runoff (Individual)		TRAN	0.6			0
NPDES Pmt Stormwater Municipal Site Runoff (MS4)		NEW	0.3		0	
NPDES Pmt Stormwater Municipal Site Runoff (MS4)		REN				0
NPDES Pmt Stormwater Municipal Site Runoff (MS4)		AMEN				0
PAG-03 Discharge of Stormwater Associated w/ Industrial Activities		NEW	113		100	
PAG-03 Discharge of Stormwater Associated w/ Industrial Activities		REN	231			100
PAG-03 Discharge of Stormwater Associated w/ Industrial Activities		AMEN	4			100
PAG-03 Discharge of Stormwater Associated w/ Industrial Activities		TRAN	14			-
PAG-04 Single Residence Sewage Treatment Plant		NEW	133		-	
PAG-04 Single Residence Sewage Treatment Plant		REN	135			-
PAG-04 Single Residence Sewage Treatment Plant		AMEN	1.3			-
PAG-04 Single Residence Sewage Treatment Plant		TRAN	23			-
PAG-05 Discharge from Gasoline Contaminated Ground Water Remediation Systems		NEW	50		100	
PAG-05 Discharge from Gasoline Contaminated Ground Water Remediation Systems		REN	15			100
PAG-05 Discharge from Gasoline Contaminated Ground Water Remediation Systems		AMEN	0.3			100
PAG-05 Discharge from Gasoline Contaminated Ground Water Remediation Systems		TRAN				0
PAG-06 Wet Weather Overflow Discharge from Combined Sewer Sys		NEW	1		100	
PAG-06 Wet Weather Overflow Discharge from Combined Sewer Sys		REN	6			100
PAG-10 Discharge Resulting from Hydrostatic Testing of Tanks & Pipelines		NEW	15		100	
PAG-12 Concentrated Animal Feed Operations		NEW	29		-	
PAG-12 Concentrated Animal Feed Operations		REN				-
PAG-12 Concentrated Animal Feed Operations		AMEN	1			-
PAG-12 Concentrated Animal Feed Operations		TRAN				-
PAG-13 Stormwater Discharges from Small Muni Separate Storm Sewer Sys MS4		NEW	243		100	
PAG-13 Stormwater Discharges from Small Muni Separate Storm Sewer Sys MS4		REN				100
PAG-13 Stormwater Discharges from Small Muni Separate Storm Sewer Sys MS4		AMEN				100
PAG-13 Stormwater Discharges from Small Muni Separate Storm Sewer Sys MS4		TRAN				100
Stormwater for Timber & Forest Products Industry		NEW	.3		100	
Stormwater for Timber & Forest Products Industry		REN				100
Water Mgmt, State Water Pollution						
Water Quality Mgmt Part II, Industrial Waste, Land Application		NEW	3		500	
Water Quality Mgmt Part II, Industrial Waste, Land Application		REN	0.6			0
Water Quality Mgmt Part II, Industrial Waste, Land Application		AMEN				500
Water Quality Mgmt Part II, Industrial Waste, Land Application		TRAN	0.6			0
Water Quality Mgmt Part II, Industrial Wastewater Fac		NEW	32		500	
Water Quality Mgmt Part II, Industrial Wastewater Fac		REN	0.3			0
Water Quality Mgmt Part II, Industrial Wastewater Fac		AMEN	9			500

Authorization/Permit/License	Priority	Appl Type	# / Year		Cost	
			#/Year		Cost	Renewal
Water Quality Mgmt Part II, Industrial Wastewater Fac		TRAN	13			0
Water Quality Mgmt Part II, Manure Storage Fac for CAFO		NEW	8		500	
Water Quality Mgmt Part II, Manure Storage Fac for CAFO		AMEN				500
Water Quality Mgmt Part II, Manure Storage Fac for CAFO		TRAN	0.3			-
Water Quality Mgmt Part II, Sewage Fac		NEW	282		25-500	
Water Quality Mgmt Part II, Sewage Fac		REN	1			-
Water Quality Mgmt Part II, Sewage Fac		AMEN	50			25-500
Water Quality Mgmt Part II, Sewage Fac		TRAN	92			-
Water Quality Mgmt Part II, Sewer Extensions & Pumping Stations		NEW	120		500	
Water Quality Mgmt Part II, Sewer Extensions & Pumping Stations		REN				0
Water Quality Mgmt Part II, Sewer Extensions & Pumping Stations		AMEN	16			500
Water Quality Mgmt Part II, Sewer Extensions & Pumping Stations		TRAN	8			0
Water Quality Mgmt Part II, Sewerage Trmt Plant Land Application		NEW	13		25-500	
Water Quality Mgmt Part II, Sewerage Trmt Plant Land Application		REN	5			0
Water Quality Mgmt Part II, Sewerage Trmt Plant Land Application		AMEN	4			25-500
Water Quality Mgmt Part II, Sewerage Trmt Plant Land Application		TRAN	1			0
401 Water Quality Certification		NEW				
Water Mgmt, State Water Pollution, Biosolids						
Individual Generator Permit for Beneficial Use of Biosolids by Land Application, Out of State		NEW	0.3		500	
Individual Generator Permit for Beneficial Use of Biosolids by Land Application, Out of State		REN				500
Individual Generator Permit for Beneficial Use of Biosolids by Land Application, Out of State		TRAN				0
PAG-07 Beneficial Use of Exceptional Quality Sewage Sludge by Land Application, Out of State		NEW	2		500	
PAG-07 Beneficial Use of Exceptional Quality Sewage Sludge by Land Application, Out of State		REN	0.3			500
PAG-07 Beneficial Use of Exceptional Quality Sewage Sludge by Land Application, Out of State		TRAN				0
PAG-08 Beneficial Use of Non-Exceptional Quality Sewage Sludge by Land Application, Out of State		NEW	2		500	
PAG-08 Beneficial Use of Non-Exceptional Quality Sewage Sludge by Land Application, Out of State		REN	0.6			500
PAG-08 Beneficial Use of Non-Exceptional Quality Sewage Sludge by Land Application, Out of State		TRAN				0
PAG-09 Beneficial Use of Residential Septage by Land Application, Out of State		NEW			500	
PAG-09 Beneficial Use of Residential Septage by Land Application, Out of State		REN				500
PAG-09 Beneficial Use of Residential Septage by Land Application, Out of State		TRAN				0
First Land Appl Notification, Site Suitability 30-Day Notice		NEW	71		0	
Individual Generator Permit for Beneficial Use of Biosolids by Land Application, In PA		NEW			500	
Individual Generator Permit for Beneficial Use of Biosolids by Land Application, In PA		REN				500
Individual Generator Permit for Beneficial Use of Biosolids by Land Application, In PA		TRAN				0
Individual Site Permit for Beneficial Use of Biosolids by Land Application		NEW	0.6		500	
Individual Site Permit for Beneficial Use of Biosolids by Land Application		REN				500
Individual Site Permit for Beneficial Use of Biosolids by Land Application		TRAN				0
PAG-07 Beneficial Use of Exceptional Quality Sewage Sludge by Land Application, In PA		NEW	4		500	
PAG-07 Beneficial Use of Exceptional Quality Sewage Sludge by Land Application, In PA		REN	1			500
PAG-07 Beneficial Use of Exceptional Quality Sewage Sludge by Land Application, In PA		TRAN				0

Authorization/Permit/License	Priority	Appl Type	# / Year		Cost	
			#/Year		Cost	Renewal
PAG-08 Beneficial Use of Non-Exceptional Quality Sewage Sludge by Land Application, In PA		NEW	17		500	
PAG-08 Beneficial Use of Non-Exceptional Quality Sewage Sludge by Land Application, In PA		REN	14			500
PAG-08 Beneficial Use of Non-Exceptional Quality Sewage Sludge by Land Application, In PA		TRAN	0.6			0
PAG-09 Beneficial Use of Residential Septage by Land Application, In PA		NEW	9		500	
PAG-09 Beneficial Use of Residential Septage by Land Application, In PA		REN	8			500
PAG-09 Beneficial Use of Residential Septage by Land Application, In PA		TRAN				0
Water Mgmt, Safe Drinking Water						
Public Water Supply Pmt Bulk Water Hauler, Bottled Water System - Out of State Construction		NEW		2	100-750	
Public Water Supply Pmt Bulk Water Hauler, Bottled Water System - Out of State Construction		AMAJ	1			100-750
Public Water Supply Pmt Bulk Water Hauler, Bottled Water System - Out of State Construction		AMIN				0
Public Water Supply Pmt Bulk Water Hauler, Bottled Water System - Out of State Construction		RESC				0
Public Water Supply Pmt Bulk Water Hauler, Bottled Water System - Out of State Construction		TRAN				0
Public Water Supply Pmt Bulk Water Hauler, Bottled Water System - Out of State Operations		NEW	0.3		0	
Public Water Supply Pmt Bulk Water Hauler, Bottled Water System - Out of State Operations		AMEN				0
Public Water Supply Pmt Bulk Water Hauler, Bottled Water System - Out of State Operations		RESC				0
Public Water Supply Pmt Bulk Water Hauler, Bottled Water System - Out of State Operations		TRAN				0
Noncommunity Water System Plan Approval		NEW				
Noncommunity Water System Plan Approval		AMEN				
Non-Transient Non-Community Water Sys Const		NEW			0, 750, or 2,500	
Non-Transient Non-Community Water Sys Const		AMAJ				0, 750, or 2,500
Non-Transient Non-Community Water Sys Const		AMIN				0
Non-Transient Non-Community Water Sys Const		RESC				0
Non-Transient Non-Community Water Sys Const		TRAN				0
Non-Transient Non-Community Water Sys Oper		NEW			0	
Non-Transient Non-Community Water Sys Oper		RESC				0
Non-Transient Non-Community Water Sys Oper		TRAN				0
Public Water Supply Pmt Bottled Water System Construction		NEW	0.6		750	
Public Water Supply Pmt Bottled Water System Construction		AMAJ	3			750
Public Water Supply Pmt Bottled Water System Construction		AMIN	7			
Public Water Supply Pmt Bottled Water System Construction		RESC				0
Public Water Supply Pmt Bottled Water System Construction		TRAN				0
Public Water Supply Pmt Bottled Water System Operations		NEW	0.6			
Public Water Supply Pmt Bottled Water System Operations		AMEN	6			
Public Water Supply Pmt Bottled Water System Operations		RESC				0
Public Water Supply Pmt Bottled Water System Operations		TRAN	0.6			0

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Authorization/Permit/License	Priority	Appl Type	# / Year		Cost	
			#/Year		Cost	Renewal
Public Water Supply Pmt Bottled Water System-Finished Water Source Construction		NEW	0.6		300	
Public Water Supply Pmt Bottled Water System-Finished Water Source Construction		AMAJ				300
Public Water Supply Pmt Bottled Water System-Finished Water Source Construction		AMIN	0.3			0
Public Water Supply Pmt Bulk Water Hauler-Finished Water Source Construction		NEW	0.3		300	
Public Water Supply Pmt Bulk Water Hauler-Finished Water Source Construction		AMAJ	0.3			300
Public Water Supply Pmt Bulk Water Hauler-Finished Water Source Construction		AMIN	0.3			
Public Water Supply Pmt Bulk Water Hauler Construction		NEW	0.6		750	
Public Water Supply Pmt Bulk Water Hauler Construction		AMAJ	3			750
Public Water Supply Pmt Bulk Water Hauler Construction		AMIN	5			
Public Water Supply Pmt Bulk Water Hauler Construction		RESC				0
Public Water Supply Pmt Bulk Water Hauler Construction		TRAN	0.3			0
Public Water Supply Pmt Bulk Water Hauler Operations		NEW				
Public Water Supply Pmt Bulk Water Hauler Operations		AMEN	2			
Public Water Supply Pmt Bulk Water Hauler Operations		RESC				0
Public Water Supply Pmt Bulk Water Hauler Operations		TRAN				0
Public Water Supply Pmt Community Water System Construction		NEW	28		0, 750, or 2,500	
Public Water Supply Pmt Community Water System Construction		AMAJ	136			0, 750, or 2,500
Public Water Supply Pmt Community Water System Construction		AMIN	172			
Public Water Supply Pmt Community Water System Construction		RESC	0.6			0
Public Water Supply Pmt Community Water System Construction		TRAN	4			0
Public Water Supply Pmt Community Water System Operations		NEW	42			
Public Water Supply Pmt Community Water System Operations		AMEN	228			
Public Water Supply Pmt Community Water System Operations		RESC	2			0
Public Water Supply Pmt Community Water System Operations		TRAN	33			0
Public Water Supply Pmt Retail Water System Construction		NEW			750	
Public Water Supply Pmt Retail Water System Construction		AMAJ				750
Public Water Supply Pmt Retail Water System Construction		AMIN				
Public Water Supply Pmt Retail Water System Construction		RESC				0
Public Water Supply Pmt Retail Water System Construction		TRAN				0
Public Water Supply Pmt Retail Water System Operations		NEW				
Public Water Supply Pmt Retail Water System Operations		AMEN				
Public Water Supply Pmt Retail Water System Operations		RESC				0
Public Water Supply Pmt Retail Water System Operations		TRAN	0.3			0
Public Water Supply Pmt Retail Water System-Finished Water Source Construction		NEW			300	
Public Water Supply Pmt Retail Water System-Finished Water Source Construction		AMAJ				300
Public Water Supply Pmt Retail Water System-Finished Water Source Construction		AMIN				
Public Water Supply Pmt Vended Water System Construction		NEW	0.3		750	
Public Water Supply Pmt Vended Water System Construction		AMAJ	0.3		750	750
Public Water Supply Pmt Vended Water System Construction		AMIN	4			
Public Water Supply Pmt Vended Water System Construction		RESC			0	0
Public Water Supply Pmt Vended Water System Construction		TRAN			0	0
Public Water Supply Pmt Vended Water System Operations		NEW	0.3			
Public Water Supply Pmt Vended Water System Operations		AMEN	3			
Public Water Supply Pmt Vended Water System Operations		RESC	1			0
Public Water Supply Pmt Vended Water System Operations		TRAN				0

Authorization/Permit/License	Priority	Appl Type	# / Year		Cost	
			#/Year		Cost	Renewal
Public Water Supply Pmt Vended Water System Pmt-By-Rule		AMEN	20			300
Public Water Supply Pmt Vended Water System Pmt-By-Rule		REG	6			300
SOC Monitoring Waiver		NEW			100-2,000	
Transient Non-Community Water Sys Const		NEW			0, 750, 2,500	
Transient Non-Community Water Sys Const		AMAJ				0, 750 or 2,500
Transient Non-Community Water Sys Const		AMIN				0
Transient Non-Community Water Sys Const		RESC				0
Transient Non-Community Water Sys Const		TRAN				0
Transient Non-Community Water Sys Oper		NEW			0	
Transient Non-Community Water Sys Oper		AMEN				0
Transient Non-Community Water Sys Oper		RESC				0
Transient Non-Community Water Sys Oper		TRAN				0
Water Mgmt, Dam Safety						
Dam Safety Pmt		NEW	15		1,500-3,000	
Env Assessment Review for Dam-Related Activities		NEW	4		0	
Limited Power Pmt		NEW			5	
Water Mgmt, Water Obstruction & Encroachment						
GP-04 Intake & Outfall Structures, Water, Permitting Section		AMEN				0
GP-05 Utility Line Stream Crossings, Water, Permitting Section		NEW			0	
Envl Assessment for Waived Activities for Water Obstruction & Encroachment		NEW			0	
Envl Assessment for Waived Activities for Water Obstruction & Encroachment		REN				0
Envl Assessment for Waived Activities for Water Obstruction & Encroachment		AMAJ				0
GP-01 Fish Habitat Enhancement Structures		NEW			0	
GP-02 Small Docks & Boat Launch Ramps		NEW			0	
GP-03 Bank Rehabilitation, Bank Protection & Gravel Bar Removal		NEW			0	
GP-04 Intake & Outfall Structures		NEW			0	
GP-05 Utility Line Stream Crossings		NEW			0	
GP-06 Agricultural Crossings & Ramps		NEW			0	
GP-07 Minor Road Crossings		NEW			0	
GP-08 Temporary Road Crossings		NEW			0	
GP-09 Agricultural Activities		NEW			0	
GP-10 Abandoned Mine Reclamation		NEW			0	
GP-15 Private Residential Construction in Wetlands		NEW			0	
Water Obstruction & Encroachment Pmt		NEW	676		100-750	
Water Obstruction & Encroachment Pmt		REN	2			100-750
Water Obstruction & Encroachment Pmt		AMAJ	14			100-750
Water Obstruction & Encroachment Pmt		TRAN	8			0
Envl Assessment for Waived Activities for Water Obstruction & Encroachment		NEW	5		0	
Envl Assessment for Waived Activities for Water Obstruction & Encroachment		REN				0
Envl Assessment for Waived Activities for Water Obstruction & Encroachment		AMAJ				0
Water Obstruction & Encroachment Pmt		NEW	676		100-750	
Water Obstruction & Encroachment Pmt		REN	2			100-750
Water Obstruction & Encroachment Pmt		AMAJ	14			100-750
Water Obstruction & Encroachment Pmt		TRAN	8			0
Envl Assessment for Waived Activities for Water Obstruction & Encroachment		NEW	5		0	

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Authorization/Permit/License	Priority	Appl Type	# / Year		Cost	
			#/Year		Cost	Renewal
Envl Assessment for Waived Activities for Water Obstruction & Encroachment		REN				0
Envl Assessment for Waived Activities for Water Obstruction & Encroachment		AMAJ				0
Water Obstruction & Encroachment Pmt		NEW	676		100-750	
Water Obstruction & Encroachment Pmt		REN	2			100-750
Water Obstruction & Encroachment Pmt		AMAJ	14			100-750
Water Obstruction & Encroachment Pmt		TRAN	8			0
Envl Assessment for Waived Activities for Water Obstruction & Encroachment		NEW	5		0	
Envl Assessment for Waived Activities for Water Obstruction & Encroachment		REN				0
Envl Assessment for Waived Activities for Water Obstruction & Encroachment		AMAJ				0
Water Obstruction & Encroachment Pmt		NEW	676		100-750	
Water Obstruction & Encroachment Pmt		REN	2			100-750
Water Obstruction & Encroachment Pmt		AMAJ	14			100-750
Water Obstruction & Encroachment Pmt		TRAN	8			0
Water Mgmt, Water Allocation						
Water Allocation Pmt		NEW	13		25	
Water Allocation Pmt		REN	2			25
Water Allocation Pmt		MOD	11			25
Water Allocation Pmt		RESC	2			25
Water Allocation Pmt		SUCC	2			25
Oil & Gas Mgmt (Water, NPDES, State Water Poll, Water Obst & Enchr)						
Alt Waste Mgmt Practice Land Application on Well Site		NEW	9		0	
Coal Pillar Pmt		NEW	120		0	
Coal Pillar Pmt		AMEN	7			0
Drill & Operate Well Pmt		NEW	3,237		1)varies	
Drill & Operate Well Pmt		REN	128			1)varies
Drill & Operate Well Pmt Alteration		NEW	2		100	
Drill & Operate Well Pmt Change in Use		NEW	0.3		100	
Drill & Operate Well Pmt Drill Deeper		NEW	28		100	
Drill & Operate Well Pmt Inactive Status		NEW	5		0	
Drill & Operate Well Pmt Inactive Status		REN				0
Drill & Operate Well Pmt Operation		TRAN				0
Drill & Operate Well Pmt Redrill		NEW	10		100	
Drill & Operate Well Pmt Rehab Orphan		NEW			0	
Drilling or Altering a Well		NEW			1)varies	
Orphan Well Classification		NEW	0.3		0	
Pit Approval Production		NEW	1		0	
Sec. 13(c) Order to Plug		ORD	5			
Well Plugging Notice Intent to Plug Project Well		NEW			0	
Well Plugging Notice Intent to Plug Single Well		NEW			0	
Well Registration Abandoned Well		NEW	22		0	
Well Registration Operated Well		NEW	26		2)varies	
NPDES Pmt Industrial Wastewater Discharge Minor		NEW	39		500	
NPDES Pmt Industrial Wastewater Discharge Minor		REN	151			500
NPDES Pmt Industrial Wastewater Discharge Minor		AMEN	27			3)varies
NPDES Pmt Industrial Wastewater Discharge Minor		TRAN	13			0

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Authorization/Permit/License	Priority	Appl Type	# / Year		Cost	
			#/Year		Cost	Renewal
NPDES Pmt Stormwater Industrial Site Runoff (Individual)		NEW			500	
NPDES Pmt Stormwater Industrial Site Runoff (Individual)		REN				500
NPDES Pmt Stormwater Industrial Site Runoff (Individual)		AMEN				3)varies
NPDES Pmt Stormwater-Construction		NEW	10		500	
NPDES Pmt Stormwater-Construction		REN				500
NPDES Pmt Stormwater-Construction		AMEN				3)varies
NPDES Pmt Stormwater-Construction		TRAN				0
NPDES Pmt Stormwater-Construction Co-Pmttee		AMEN				0
NPDES Pmt Stormwater-Construction Notice of Termination		AMEN				0
PAG-01 NPDES Industrial Wastewater Discharge-Stripper Well		NEW	2		0	
PAG-02 Discharge of Stormwater Assoc w Construction Activities Notice of Termination		AMEN				0
PAG-02 NPDES Stormwater-Construction		NEW	1		250	
PAG-02 NPDES Stormwater-Construction		REN				250
PAG-02 NPDES Stormwater-Construction		AMEN				4)varies
PAG-02 NPDES Stormwater-Construction		TRAN				0
PAG-02 NPDES Stormwater-Construction Co-Pmttee		AMEN				0
PAG-03 Discharge of Stormwater Assoc w Industrial Activities		NEW			500	
Water Quality Mgmt Part II, Industrial Wastewater Fac		NEW	1		500	
GP-03 Bank Rehabilitation, Bank Protection & Gravel Bar Removal		NEW			0	
GP-04 Intake & Outfall Structures		NEW			0	
GP-05 Utility Line Stream Crossings		NEW			0	
GP-07 Minor Road Crossings		NEW			0	
GP-08 Temporary Road Crossings		NEW			0	
Water Obstruction & Encroachment Pmt		NEW			5)varies	
Alt Method of Equipping, Casing, or Venting Well		NEW	208		0	
Alt Waste Mgmt Practice Dusting		NEW			0	
Dust Control Approval (Roadspreading)		NEW	97		0	
Dust Control Approval (Roadspreading)		REN	18			0
Dust Control Approval (Roadspreading)		AMEN	3			0
Well Plugging Notice Alternate Method		NEW	77		0	
<i>*Auth/Appl only associated w/ LU for 'disposal wells'.</i>						
<i>1) \$100 App fee; \$50 Surcharge-AB; \$100 for Oil; \$200 for Gas Surcharge to Orp.</i>						
<i>2) \$15/well or \$250 blanket.</i>						
<i>3) \$500 or \$0.</i>						
<i>4) \$250 or \$0.</i>						
<i>5) \$100-\$750.</i>						
Mining, Coal						
CM Annual Bond Calculation		NEW	420		varies	
CM Blast Plan Approval		NEW	19		0	
CM Blast Plan Approval		AMEN	8			0
CM Bond Liability Revisions		NEW	23		varies	
CM Bonding Increment		NEW	166		varies	
CM Bonding Increment		AMEN	67			varies
CM Completion Report		NEW	181		0	
CM Mining Pmt Exploration		NEW	333		0	

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Authorization/Permit/License	Priority	Appl Type	# / Year		Cost	
			#/Year		Cost	Renewal
CM Post Mining Activity Permit		NEW	1		varies	
CM Post Mining Activity Permit		REN	2			varies
CM Post Mining Activity Permit		AMIN				varies
CM Post Mining Activity Permit		AMAJ				varies
CM Post Mining Activity Permit		TRAN				varies
Remining Operators Assistance Program (ROAP) Contract		NEW	3		0	
Remining Operators Assistance Program (ROAP) Contract		AMEN				0
Small Operators Assistance Program (SOAP) Contract		NEW	30		0	
Small Operators Assistance Program (SOAP) Contract		AMEN				0
CM Pre-Application Review		NEW	7		0	
Surface Mining Pmt		NEW	72		****varies	
Surface Mining Pmt		REN	183			varies
Surface Mining Pmt		AMAJ	41			varies
Surface Mining Pmt		AMIN	201			varies
Surface Mining Pmt		TRAN	36			varies
CM Surface Mining Pmt Auger Safety		NEW	48		0	
Govt Financed Construction Contract		NEW	19		0	
Govt Financed Construction Contract		AMAJ	.3			0
Govt Financed Construction Contract		AMIN	.3			0
Govt Financed Construction Contract Exploration		NEW	12		0	
Incidental Extraction		NEW	2		varies	
Incidental Extraction		AMAJ				varies
Incidental Extraction		AMIN				varies
Refuse Reprocessing Pmt		NEW	5		varies	
Refuse Reprocessing Pmt		REN	18			varies
Refuse Reprocessing Pmt		AMAJ	3			varies
Refuse Reprocessing Pmt		AMIN	33			varies
Refuse Reprocessing Pmt		TRAN	2			varies
Underground Mining Pmt		NEW	5		**varies	
Underground Mining Pmt		REN	30			**varies
Underground Mining Pmt		AMAJ	29			**varies
Underground Mining Pmt		AMIN	45			0
Underground Mining Pmt		TRAN	6			0
CM Underground Mining Pmt Six Month Plan		NEW	40		0	
CM Underground Mining Pmt Six Month Plan		MOD	6			0
Preparation-Processing Plant Pmt		NEW	.3		**varies	
Preparation-Processing Plant Pmt		REN	17			**varies
Preparation-Processing Plant Pmt		AMAJ	1			**varies
Preparation-Processing Plant Pmt		AMIN	7			0
Preparation-Processing Plant Pmt		TRAN	3			0
Refuse Disposal Pmt		NEW	1		***varies	
Refuse Disposal Pmt		REN	7			0
Refuse Disposal Pmt		AMAJ	6			***varies
Refuse Disposal Pmt		AMIN	16			0
Refuse Disposal Pmt		TRAN	5			***varies

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Authorization/Permit/License	Priority	Appl Type	# / Year		Cost	
			#/Year		Cost	Renewal
Coal Mine Operator License		NEW			****varies	
Coal Mine Operator License		REN				****varies
Coal Mine Operator License		MOD				****varies
Combined Coal & Ind Minerals Mine Operator Authorization		NEW	1		*varies	
Combined Coal & Ind Minerals Mine Operator Authorization		REN	47			*varies
Combined Coal & Ind Minerals Mine Operator Authorization		MOD	3			*varies
<i>*Contains two fees; one for coal and one for industrial minerals.</i>						
<i>**Additional \$250 if related NPDES discharge point.</i>						
<i>***\$500+\$10/acre>50 acres; additional \$250 if related NPDES discharge point.</i>						
<i>****Can include additional fees.</i>						
<i>*****Based upon tonnage mineral mined.</i>						
Mining, Industrial Minerals						
IM Bonding Increment		NEW	33		varies	
IM Bonding Increment		AMEN	49			varies
IM Blast Plan Approval		NEW	10		0	
IM Blast Plan Approval		AMEN	28			0
IM Completion Report		NEW	30		0	
Bluestone Surface Mining Pmt		NEW	63		varies	
Bluestone Surface Mining Pmt		REN				varies
Bluestone Surface Mining Pmt		AMAJ				varies
Bluestone Surface Mining Pmt		AMIN	4			varies
Bluestone Surface Mining Pmt		TRAN	12			varies
IM General Permit, Short-Term Construction		NEW	7		varies	
IM General Permit, Short-Term Construction		AMAJ				varies
IM General Permit, Short-Term Construction		AMIN				varies
Large Surface Mining Pmt		NEW	26		***varies	
Large Surface Mining Pmt		REN	71			varies
Large Surface Mining Pmt		AMAJ	22			varies
Large Surface Mining Pmt		AMIN	84			varies
Large Surface Mining Pmt		TRAN	16			0
Small Surface Mining Pmt		NEW	93		0	
Small Surface Mining Pmt		TRAN	14			varies
IM Underground Mining Pmt		NEW	0.6		varies	
IM Underground Mining Pmt		REN	0.6			varies
IM Underground Mining Pmt		AMAJ				varies
IM Underground Mining Pmt		AMIN	0.3			varies
IM Underground Mining Pmt		TRAN				0
IM Pre-Application Review		NEW	6		0	
IM Exploration Pmt		NEW	83		0	
Industrial Mineral Mine Operator Authorization		NEW	136		**varies	
Industrial Mineral Mine Operator Authorization		REN	1,156			**varies
Industrial Mineral Mine Operator Authorization		MOD	8			**varies
<i>**Based upon tonnage mineral mined.</i>						
<i>***Can also include additional fees.</i>						
Mining, Reclaim PA						

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Authorization/Permit/License	Priority	Appl Type	# / Year		Cost	
			#/Year		Cost	Renewal
Environmental Good Samaritan Act Approval		NEW	7		0	
Environmental Good Samaritan Act Approval		MOD				0
Environmental Good Samaritan Act Approval		TRAN				0
Beneficial Use, BDMO AML Biosoloid Appl Notification		NEW	1		0	
Beneficial Use, BDMO AML Biosoloid Appl Notification		AMIN	3			0
Mining, Coal Ash Beneficial Use						
Coal Ash Beneficial Use Certification		NEW			0	
Coal Ash Beneficial Use Certification		REN				0
Coal Ash Beneficial Use Certification		AMEN				0
Coal Ash Beneficial Use Certification		TRAN				0
Mining, Explosives						
Blasters License		NEW			50	
Blasters License		REN				30
Explosive Purchase Pmt		NEW			0	
Explosive Purchase Pmt		REN				0
Explosive Sales Pmt		NEW			0	
Explosive Sales Pmt		REN				0
Explosive Storage License		NEW	11		50	
Explosive Storage License		REN				50
Blasting Activity Permit		NEW	787		0	
Blasting Activity Permit By Rule		NEW	366		0	
Deep Mine Safety, Anthracite						
AMS Equipment Approvals, Client		NEW			0	
AMS Equipment Approvals, Client		AMEN				0
AMS Mining Plans-Mine Closing Plans		NEW			0	
AMS Mining Plans-Mine Closing Plans		AMEN				0
AMS Mining Plans-Mine Opening Plans		NEW			0	
AMS Mining Plans-Mine Opening Plans		AMEN				0
AMS Mining Plans-Mine Sealing Plans		NEW			0	
AMS Mining Plans-Mine Sealing Plans		AMEN				0
AMS Mining Plans-Mining Methods Plan		NEW			0	
AMS Mining Plans-Mining Methods Plan		AMEN				0
AMS Mining Plans-Roof Control Plan		NEW			0	
AMS Mining Plans-Roof Control Plan		AMEN				0
AMS Mining Plans-Ventilation Plan		NEW			0	
AMS Mining Plans-Ventilation Plan		AMEN				0
AMS Section 1137 Plan		NEW			0	
AMS Section 1137 Plan		AMEN				0
AMS Section 1402 Plan		NEW			0	
AMS Section 1402 Plan		AMEN				0
Deep Mine Safety, Industrial Minerals						
IMMS Equipment Approvals, Client		NEW			0	
IMMS Equipment Approvals, Client		AMEN				0
IMMS Mining Plans-Mine Closure Plan		NEW			0	
IMMS Mining Plans-Mine Closure Plan		AMEN				0

Pennsylvania Department of Revenue
Clearance Program Legislative Report
March 2004

Authorization/Permit/License	Priority	Appl Type	# / Year		Cost	
			#/Year		Cost	Renewal
IMMS Mining Plans-Mine Opening Plan		NEW			0	
IMMS Mining Plans-Mine Opening Plan		AMEN				0
IMMS Mining Plans-Mine Sealing Plan		NEW			0	
IMMS Mining Plans-Mine Sealing Plan		AMEN				0
IMMS Mining Plans-Mining Methods Plan		NEW			0	
IMMS Mining Plans-Mining Methods Plan		AMEN				0
IMMS Mining Plans-Roof Control Plan		NEW			0	
IMMS Mining Plans-Roof Control Plan		AMEN				0
IMMS Mining Plans-Ventilation Plan		NEW			0	
IMMS Mining Plans-Ventilation Plan		AMEN				0
Deep Mine Safety, Bituminous						
BMS Diesel Equip, Client		NEW	1		0	
BMS Diesel Equip, Client		AMEN	.6			0
BMS Equip Approval-Bituminous Face Equip, Client		NEW	16		0	
BMS Equip Approval-Bituminous Face Equip, Client		AMEN	19			0
BMS Equip Approval-Bituminous Intrinsically Safe Circuitry, Client		NEW			0	
BMS Equip Approval-Bituminous Intrinsically Safe Circuitry, Client		AMEN				0
BMS Equip Approval-Bituminous Open Type Equip, Client		NEW	50		0	
BMS Equip Approval-Bituminous Open Type Equip, Client		AMEN	35			0
BMS Equip Approval-Bituminous Power Distrib Equip, Client		NEW	27		0	
BMS Equip Approval-Bituminous Power Distrib Equip, Client		AMEN	14			0
BMS Equip Approval-Elevator and Hoist Approval, Client		NEW	2		0	
BMS Equip Approval-Elevator and Hoist Approval, Client		AMEN	1			0
BMS Equip Approval-Mine Fan Approval, Client		NEW	10		0	
BMS Equip Approval-Mine Fan Approval, Client		AMEN	6			0
BMS Equip Approval-Mining Methods (Electrical System), Client		NEW	5		0	
BMS Equip Approval-Mining Methods (Electrical System), Client		AMEN	3			0
BMS Mining Plan-Diesel Mine Operating Plan		NEW	1		0	
BMS Mining Plan-Diesel Mine Operating Plan		AMEN	.6			0
BMS Mining Plans-Mine Closure Plan		NEW	4		0	
BMS Mining Plans-Mine Closure Plan		AMEN				0
BMS Mining Plans-Mine Opening Plan		NEW			0	
BMS Mining Plans-Mine Opening Plan		AMEN	.6			0
BMS Mining Plans-Mine Sealing Plan		NEW	27		0	
BMS Mining Plans-Mine Sealing Plan		AMEN	.3			0
BMS Mining Plans-Mining Methods Plan		NEW	92		0	
BMS Mining Plans-Mining Methods Plan		AMEN	9			0
BMS Mining Plans-Roof Control Plan		NEW	37		0	
BMS Mining Plans-Roof Control Plan		AMEN	15			0
BMS Mining Plans-Ventilation Plan		NEW	27		0	
BMS Mining Plans-Ventilation Plan		AMEN	.3			0
BMS Section 334 Plan		NEW			0	
BMS Section 334 Plan		AMEN				0
BMS Section 702 Plan		NEW	12		0	
BMS Section 702 Plan		AMEN	.3			0

Authorization/Permit/License	Priority	Appl Type	# / Year		Cost	
			#/Year		Cost	Renewal
Certification, Licensing & Bonding						
Blasters License		NEW			50	
Blasters License		REN				30
Explosive Purchase Pmt		NEW			0	
Explosive Purchase Pmt		REN				0
Explosive Sales Pmt		NEW			0	
Explosive Sales Pmt		REN				0
Explosive Storage License		NEW	11		50	
Explosive Storage License		REN				50
Wastewater System Operator Certification		NEW	2,225		20	
Wastewater System Operator Certification		REN				0
Water System Operator Certification		NEW	1,894		20	
Water System Operator Certification		REN				0
Sewage Enforcement Officer Certification		NEW			25	
Sewage Enforcement Officer Certification		REN				50

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Appendix C: Cost Detail by Agency

The agencies are listed in the following order:

Banking.....	2
Environmental Protection	4
Revenue	6
DOR Total Cost.....	6
Bureau of Business Trust Fund.....	7
Bureau of Collections and Taxpayer Services	9
Bureau of Motor Fuel Taxes	11
Bureau of Compliance	13
Bureau of Information Systems	15
Labor and Industry.....	17
State.....	19
Totals	19
Status Quo CORP.....	20
Status Quo BPOA.....	21
Clearance Program Impact CORP	22
Clearance Program Impact BPOA	23
Insurance	24
Securities.....	27

The accompanying table lists the surveyed agencies and their contacts.

Agency	Contact
Department of Banking	C. Franz
Department of Environmental Protection	K. Bassett
Department of Revenue	A. Cwalina
Department of Labor & Industry	P. Beatty
Department of State	L. Barrett
Insurance Department	S. Johnson
Securities Commission	P. Rutledge

Cost details for each agency follow.

Banking

Objective: Capture all costs associated with administering various licensing programs/systems

Assumptions:

- (1) Licensing Division - All non-depository entities (licensees)
- (2) Applications Division - All depository institutions (charters - banks, savings and loans, credit unions, trust companies, etc.)
- (3) Personnel expense only includes staffing and associated costs for the Licensing and Applications Division. Pay Grade includes benefits.
- (4) The Department currently captures tax ID's and SSN's and we also perform criminal background checks with the FBI as part of our current licensing program.

	Description	Additional Notes
Please provide description of current system. Include hardware, software and associated telecommunications.	SQL Server Database running on Windows Server 2000	

Annual Capital Expenditures	Description	\$ Cost / Year
Hardware		
Software		
Network		
Security		
Other (upgrades, etc)	Hardware / storage upgrades	

Annual Operating Expenses	Description	\$ Cost / Year
Hardware Maintenance		\$1,562
Software Maintenance (licensing fees etc)		
Help Desk		
Data Powerhouse		
Other (please itemize)	Desktop computer lease, telephone, supplies, travel, etc.	
	Licensing Division	\$34,151
	Applications Division	\$9,434
Subtotal Cap Exp and Op Exp		\$45,147

Annual Personnel Expense	Position	\$ Value	FT/PT	Pay Grade
Licensing Division	Clerk Typist 2 (1 position)	\$40,474	1	3
	Clerk Typist 3 (5 positions)	\$229,068	5	4
	Division Chief	\$77,743	1	8
	Administrative Officer 1 (2 positions)	\$119,339	2	6
Applications Division	Clerk Typist 2 (1 position)	\$40,474	1	3
	Clerk Typist 3 (1 position)	\$45,814	1	4
	Depository Institution Administrator	\$88,752	1	9
	Depository Institution Manager	\$101,293	1	10
	Administrative Officer 1 (1 position)	\$59,669	1	6
IT Support	Database Administrator	\$44,376	0.5	9
Subtotal Personnel		\$847,001		

Total Current Annual Costs \$892,148

Revenue

DOR Total Cost

Bureau	Current Costs
Bureau of Business Trust Fund Taxes	\$10,389
Bureau of Collections & Taxpayer Services	\$134,010
Bureau of Motor Fuels Taxes	\$1,500
Bureau of Compliance	\$1,524,000
Bureau of Information Systems	\$396,788
Total	\$2,066,687

Bureau	Projected Additional Costs	=	Ongoing	+	One Time
Bureau of Business Trust Fund Taxes	\$51,396	=	\$49,396	+	\$2,000
Bureau of Collections & Taxpayer Services	\$841,773	=	\$815,773	+	\$26,000
Bureau of Motor Fuels Taxes	\$101,762	=	\$97,762	+	\$4,000
Bureau of Compliance	\$827,781	=	\$681,781	+	\$146,000
Bureau of Information Systems	\$176,152	=	\$73,021	+	\$103,130
Total	\$1,998,864	=	\$1,717,734	+	\$281,130

Projected Clearance Costs

	Description	Additional Notes

Additional Annual Capital Expenditures	Description	\$ Cost	Ongoing	One Time
Hardware				
Software				
Network				
Security				
Other (upgrades, etc)	Additional Hardware for new FTEs	\$2,000		X

Additional Annual Operating Expenses	Description	\$ Cost	Ongoing	One Time
Hardware Maintenance				
Software Maintenance (licensing fees etc)				
Help Desk				
Data Powerhouse				
Administrative Expenses	Additional Mailing Costs	\$11,250	X	
Other (please itemize)				

Subtotal Add'l Cap Exp and Op Exp \$13,250

Additional Annual Personnel Expense	Position	\$ Value	# Months	FT/PT	Pay Grade
	Clerk Typist 2	\$38,146	12	1	3

Subtotal Add'l Personnel \$38,146 1

Total \$ Impact \$51,396

Bureau of Collections and Taxpayer Services

Current Clearance Costs

	Description	Additional Notes

Additional Annual Capital Expenditures	Description	\$ Cost	Ongoing	One Time
Hardware				
Software				
Network				
Security				
Other (upgrades, etc)				

Additional Annual Operating Expenses	Description	\$ Cost	Ongoing	One Time
Hardware Maintenance				
Software Maintenance (licensing fees etc)				
Help Desk				
Data Powerhouse				
Administrative Expenses	Postage	\$31,080		
Other (please itemize)				

Subtotal Add'l Cap Exp and Op Exp \$31,080

Additional Annual Personnel Expense	Position	\$ Value	# Months	FT/PT	Pay Grade
	Salaries and Benefits	\$102,930			

Subtotal Add'l Personnel (including benefits) \$102,930

Total \$ Impact \$134,010

Projected Clearance Costs

	Description	Additional Notes

Additional Annual Capital Expenditures	Description	\$ Cost	Ongoing	One Time
Hardware				
Software				
Network				
Security				
Other (upgrades, etc)	Additional Hardware for new FTEs	\$26,000		X

Additional Annual Operating Expenses	Description	\$ Cost	Ongoing	One Time
Hardware Maintenance				
Software Maintenance (licensing fees etc)				
Help Desk				
Data Powerhouse				
Administrative Expenses	Postage	\$31,080	x	
Other (please itemize)				

Subtotal Add'l Cap Exp and Op Exp \$57,080

Additional Annual Personnel Expense	Position	\$ Value	# Months	FT/PT	Pay Grade
	Tax Account Collections Technician (3)	\$146,643	12	3	5
	Revenue Enforcement Collection Agent (10)	\$638,050	12	10	7

Subtotal Add'l Personnel \$784,693 13

Total \$ Impact \$841,773

Bureau of Motor Fuel Taxes

Current Clearance Costs

	Description	Additional Notes

Additional Annual Capital Expenditures	Description	\$ Cost	Ongoing	One Time
Hardware				
Software				
Network				
Security				
Other (upgrades, etc)				

Additional Annual Operating Expenses	Description	\$ Cost	Ongoing	One Time
Hardware Maintenance				
Software Maintenance (licensing fees etc)				
Help Desk				
Data Powerhouse				
Administrative Expenses	Postage and handling	\$1,500		
Other (please itemize)				

Subtotal Add'l Cap Exp and Op Exp \$1,500

Additional Annual Personnel Expense	Position	\$ Value	# Months	FT/PT	Pay Grade

Subtotal Add'l Personnel (including benefits) \$0 \$0

Total \$ Impact \$1,500

Projected Clearance Costs

	Description	Additional Notes

Additional Annual Capital Expenditures	Description	\$ Cost	Ongoing	One Time
Hardware				
Software				
Network				
Security				
Other (upgrades, etc)	Additional Hardware for new FTEs	\$4,000		X

Additional Annual Operating Expenses	Description	\$ Cost	Ongoing	One Time
Hardware Maintenance				
Software Maintenance (licensing fees etc)				
Help Desk				
Data Powerhouse				
Administrative Expenses				
Other (please itemize)				

Subtotal Add'l Cap Exp and Op Exp \$4,000

Additional Annual Personnel Expense	Position	\$ Value	# Months	FT/PT	Pay Grade
	Tax Account Collections Technician (2)	\$97,762	12	2	5

Subtotal Add'l Personnel \$97,762 2

Total \$ Impact \$101,762

Bureau of Compliance

Current Clearance Costs

	Description	Additional Notes

Additional Annual Capital Expenditures	Description	\$ Cost	Ongoing	One Time
Hardware				
Software				
Network				
Security				
Other (upgrades, etc)				

Additional Annual Operating Expenses	Description	\$ Cost	Ongoing	One Time
Hardware Maintenance				
Software Maintenance (licensing fees etc)				
Help Desk				
Data Powerhouse				
Administrative Expenses	Mailing Costs	\$15,000	X	
Other (please itemize)				

Subtotal Add'l Cap Exp and Op Exp \$15,000

Additional Annual Personnel Expense	Position	\$ Value	# Months	FT/PT	Pay Grade
	Salaries and Benefits	\$1,509,000			

Subtotal Add'l Personnel (including benefits) \$1,509,000

Total \$ Impact \$1,524,000

Projected Clearance Costs

	Description	Additional Notes

Additional Annual Capital Expenditures	Description	\$ Cost	Ongoing	One Time
Hardware				
Software				
Network				
Security				
Other (upgrades, etc)	Additional Hardware for new FTEs	\$26,000		X

Additional Annual Operating Expenses	Description	\$ Cost	Ongoing	One Time
Hardware Maintenance				
Software Maintenance (licensing fees etc)				
Help Desk				
Data Powerhouse				
Administrative Expenses	Additional Mailing Costs	\$20,000	X	
Other (please itemize)	Operating Costs	\$28,000	X	
	Equipment	\$120,000		X
Subtotal Add'l Cap Exp and Op Exp		\$194,000		

Additional Annual Personnel Expense	Position	\$ Value	# Months	FT/PT	Pay Grade
	Tax Account Collection Supervisor	\$63,805	12	1	7
	Tax Account Collection Technician (10)	\$488,810	12	10	5
	Clerk Typist 3	\$43,021	12	1	4
	Clerk 2	\$38,146	12	1	3
Subtotal Add'l Personnel		\$633,781		13	
Total \$ Impact		\$827,781			

Projected Clearance Costs

Objective: Capture all costs associated with new legislation

	Description	Additional Notes

Additional Annual Capital Expenditures	Description	\$ Cost	Ongoing	One Time
Hardware	Proliant DL360 Web Server	\$5,250		X
Software	Windows Server 2003	\$1,508		X
Network		n/a		
Security		n/a		
Other (upgrades, etc)	Additional Hardware for new FTEs	\$2,000		X

Additional Annual Operating Expenses	Description	\$ Cost	Ongoing	One Time
Hardware Maintenance	Proliant DL360 Web Server	\$262	X	
Software Maintenance (licensing fees etc)		n/a		
Help Desk		n/a		
Data Powerhouse		n/a		
Administrative Expenses		n/a		
Other (please itemize)				

Subtotal Add'l Cap Exp and Op Exp \$9,020

Additional Annual Personnel Expense	Position	\$ Value	# Months	FT/PT	Pay Grade
	Application Developer 2 - mainframe taxing systems	\$24,253	4	0.33	8
	Application Developer 2 - mainframe new tax clearance system	\$18,190	3	0.25	8
	Application Developer 2 - web developer	\$24,253	4	0.33	8
	Application Developer Supervisor - project manager	\$27,676	4	0.33	9
	Application Developer - continued support	\$72,759	12	1.00	8

Subtotal Add'l Personnel (including benefits) \$167,132 1.00

Total \$ Impact \$176,152

Labor and Industry

Objective: Capture all costs associated with administering various licensing programs/systems

	Description	Additional Notes
Please provide description of current system. Include hardware, software and associated telecommunications.	AS/400 database, desktop pc's. Database is inhouse OIT programming with client access. Lan Network.	

Annual Capital Expenditures	Description	\$ Cost / Year
Hardware		
Software		
Network		
Security		
Other (upgrades, etc)	Hardware / storage upgrades	

Annual Operating Expenses	Description	\$ Cost / Year
Hardware Maintenance	Desktop PC, Printers	\$18,000
Software Maintenance (licensing fees etc)	Microsoft lic., Imaging Software	\$13,000
Help Desk	LINKS	\$5,000
Data Powerhouse	AS/400 & Imaging Jukebox	\$140,000
Other (please itemize)	IBM Mainframe for Clearance Program	\$100,000
	Many unknowns - associated costs and items are not inclusive	
Subtotal Cap Exp and Op Exp		\$276,000

Annual Personnel Expense	Position	\$ Value	FT/PT	Pay Grade
	Application Developers (6)	\$466,460	6.00	8
Subtotal Personnel		\$466,460	6.00	

Total Current Annual Costs \$742,460

Objective: Capture all costs associated with new legislation

Please provide description of impacted systems and proposed solution.	Description	Additional Notes
	Current do not capture all required data. Major revisions will be required to database system. UC Tax Clearance may require migration from mainframe to server environment pending outcome of UC Modernization effort.	

Additional Annual Capital Expenditures	Description	\$ Cost	Ongoing	One Time
Hardware				
Software	MQ Series for AS/400	\$40,000		X
Network				
Security				
Other (upgrades, etc)	Additional Hardware for new FTEs	\$38,000		X

Additional Annual Operating Expenses	Description	\$ Cost	Ongoing	One Time
Hardware Maintenance			Yes	
Software Maintenance (licensing fees etc)			Yes	
Help Desk	LINKS	\$5,000	Yes	
Data Powerhouse	AS/400/MQ Series licenses	\$150,000	Yes	
Administrative Expenses	UC Mainframe/Servers	\$300,000	Yes	
Other (please itemize)	Many unknowns - associated costs and items are not inclusive	?	Yes	

Subtotal Add'l Cap Exp and Op Exp \$533,000

Additional Annual Personnel Expense	Position	\$ Value	# Months	FT/PT	Pay Grade	Ongoing	One Time
Elevator Section	(2) clerk typist 2*	\$76,292		2		3	xx
Bldgs Section	(2) clerk typist 2*	\$76,292		2		3	xx
Boiler Section	(2) clerk typist 2*	\$76,292		2		3	xx
Asbestos/Lead Section	(2) clerk typist 2*	\$76,292		2		3	xx
BETO	(2) Tax Technician Trainee *	\$86,041		2		4	xx
BETO	Clerk Typist 2*	\$38,146		1		3	xx
BETO	Tax Technician*	\$48,881		1		5	xx
BETO	Tax Technician Supervisor*	\$55,836		1		6	xx
	Help Desk*	\$57,219		1.5		3	xx
	Business Analyst - program interface*	\$94,749		1		9	xx
	Application Developer III - UC maintenance*	\$94,749		1		9	xx
	Application Developer III - handle processing of UC file*	\$189,498		2		9	xx
	Application Developer I	\$83,028		1		8	xx
	Application Developer II	\$94,749		1		9	xx
	Application Developer III	\$108,167		1		10	xx
	Contractor Support	\$9,540					xx
Subtotal Add'l Personnel		\$1,265,771		19		\$780,788	\$484,983

*represent new FTEs

Total \$ Impact \$1,798,771

State

Totals

Bureau	Status Quo	Clearance Pgm Impact	Ongoing	One Time
CORP	\$891,900	\$4,850	\$350	\$4,500
BPOA	\$1,375,000	\$510,362	\$294,362	\$216,000
Total	\$2,266,900	\$515,212	\$294,712	\$220,500

Status Quo CORP

Objective: Capture all costs associated with administering various licensing programs/systems

	Description	Additional Notes
Please provide description of current system. Include hardware, software and associated telecommunications.	Secretary of State Knowledge Base (SOSKB) application supporting DOS' Corporation Business Processing and UCC applications. It is a proprietary package developed by Office Automation Systems. The client/server and Q/A Testing portions of the application will be housed at DOS, while the on-line Web access portion will be housed at the ESF.	Please note: The DOS Corporation Bureau's Business Processing & UCC applications are currently in transition. The SOSKB application, while not currently in use at DOS, it is DOS' intention to migrate to the SOSKB application beginning in March of 2004. The information presented below represents the SOSKB application and not the current application being used by DOS for support of their Business Process & UCC needs.

Annual Capital Expenditures	Description	\$ Cost / Year
Hardware	ESF- (6) servers, DOS - (9) servers Estimate	\$96,900
Software	SOSKB application & server based Operating system software	\$700,000
Network	Commonwealth's MAN/WAN facilities, DOS internal network (NOB & Penn Center segments)	\$0
Security	Internal application & Network Firewall(s) (DOS & ESF)	\$0
Other (upgrades, etc)		

Annual Operating Expenses	Description	\$ Cost / Year
Hardware Maintenance	ESF and DOS resident servers. Associated network support costs(?)	\$30,000
Software Maintenance (licensing fees etc)	SOSKB application (yearly)	\$50,000
Help Desk	ESF, Office Automation Systems & interal DOS	\$15,000
Data Powerhouse	n/a	\$0
Administrative Expenses	unknown	\$0
Other (please itemize)	unknown	\$0
Subtotal Cap Exp and Op Exp		\$891,900

Annual Personnel Expense	Position	\$ Value
Subtotal Personnel		\$0
Total Current Annual Costs		\$891,900

Status Quo BPOA

Objective: Capture all costs associated with administering various licensing programs/systems

	Description	Additional Notes
Please provide description of current system. Include hardware, software and associated telecommunications.	License 2000, MyLicense & eVerification Application in support of the Bureau of Professional & Occupational Affairs. This application is a proprietary off the shelf package developed by Systems Automation.	The Client/Server portion of the application (License 2000) is housed at the DataPower House. The on-line public access (e-Verification) and renewal (MyLicense) portions of the application are housed at the Enterprise Server Farm.

Annual Capital Expenditures	Description	\$ Cost / Year
Hardware	DPH - (1) ES-7000 server; ESF- (6) servers, DOS - (1) server	\$85,000
Software	License 2000 system application & approx. (300 +) client	\$265,000
Network	Commonwealth's MAN/WAN facilities, DOS' internal/external network NOB & Penn Center local segments & our remote regional offices sites in King of Prussia, Pittsburgh & Scranton	\$25,000
Security	Internal application & Network Firewall(s) (DPH, ESF & DOS)	\$30,000
Other (upgrades, etc)		

Annual Operating Expenses	Description	\$ Cost / Year
Hardware Maintenance	DPH, ESF & interanl DOS (servers, desktops & network)	\$20,000
Software Maintenance (licensing fees etc)	L2K application (yearly)	\$30,000
Help Desk	DPH, ESF, System Automation & DOS	\$30,000
Data Powerhouse	Hardware & Database Support	\$800,000
Administrative Expenses	unknown	\$60,000
Other (please itemize)	unknown	\$15,000
Subtotal Cap Exp and Op Exp		\$1,360,000

Annual Personnel Expense	Position	\$ Value
Subtotal Personnel		\$0

Total Current Annual Costs \$1,375,000

Clearance Program Impact CORP

Objective: Capture all costs associated with new legislation

	Description	Additional Notes
Please provide description of impacted systems and proposed solution.	Secretary of State Knowledge Base (SOSKB) application in support of the DOS Corporation Bureau's Business Processing & UCC applications. Assuming that the future information sharing methodology for this effort is based upon a 'Web Service' process in conjunction with a batch oriented query process, most of the associated costs are unknown at this time.	

Additional Annual Capital Expenditures	Description	\$ Cost
Hardware	One additional server housed at DOS	\$3,500
Software	Operating system software for the new server	\$1,000
Network	Internal DOS & Commonwealth MAN	n/a
Security	Internal application & network firewall(s)	n/a
Other (upgrades, etc)	unknown	

Additional Annual Operating Expenses	Description	\$ Cost
Hardware Maintenance	Server maintenance	\$350
Software Maintenance (licensing fees etc)	n/a	
Help Desk	n/a	
Data Powerhouse	n/a	
Administrative Expenses	unknown	
Other (please itemize)	unknown	
Subtotal Add'l Cap Exp and Op Exp		\$4,850

Additional Annual Personnel Expense	Position	\$ Value
Subtotal Add'l Personnel		\$0

Total \$ Impact \$4,850

Clearance Program Impact BPOA

Objective: Capture all costs associated with new legislation

Please provide description of impacted systems and proposed solution.	Description	Additional Notes
	License 2000 & MyLicense Application in support of the Bureau of Professional & Occupational Affairs.	Assuming that the future information sharing for this effort is based upon a Web Service process in conjunction with a batch oriented query process, most the costs associated with the effort are unknown at this time.

Additional Annual Capital Expenditures	Description	\$ Cost	Ongoing	One Time
Hardware	One additional Server	\$8,000		xx
Software	License 2000 system application	\$200,000		xx
Network				
Security				
Other (upgrades, etc)	Additional Hardware for new FTEs	\$8,000		X

Additional Annual Operating Expenses	Description	\$ Cost	Ongoing	One Time
Hardware Maintenance		\$2,000	xx	
Software Maintenance (licensing fees etc)		\$20,000	xx	
Help Desk				
Data Powerhouse				
Administrative Expenses				
Other (please itemize)				

Subtotal Add'l Cap Exp and Op Exp \$238,000

Additional Annual Personnel Expense	Position	\$ Value	# Months	FT/PT	Pay Grade
	Hearing Officer	\$108,167	12	1	11
	Prosecuting Attorney	\$83,028	12	1	9
	Clerk 2	\$38,146	12	1	3
	Legal Astt1	\$43,021	12	1	4

Subtotal Add'l Personnel \$272,362 4

Total \$ Impact \$510,362

Insurance

Please provide description of current system. Include hardware, software and associated telecommunications.	Description	Additional Notes
	All licensing** in the Insurance Department is controlled through the COSMOS Licensing System. **Bailbondsmen are controlled through an Access database - and is accounted for in the information below.	Technical Costs depicted on this page are based on the FY 03/04 Rebudget.

Annual Capital Expenditures	Description	\$ Cost / Year
Hardware		
Software		
Network		
Security		
Other (upgrades, etc)	Hardware / storage upgrades	\$25,145

Annual Operating Expenses	Description	\$ Cost / Year
Hardware Maintenance	PCs, Servers, Network Architecture and storage,	\$113,972
Software Maintenance (licensing fees etc)	COSMOS maintenance and support, Oracle, CWOPA desktop, reporting software, network architecture software maint & support,	\$316,340
Help Desk	internal - accounted for in personnel costs	n/a
Data Powerhouse	n/a	n/a
Other (please itemize)	IVRS - automated call support	60,000
	technical training	\$25,080
Subtotal Cap Exp and Op Exp		\$540,537

Annual Personnel Expense	Position	\$ Value	FT/PT	Pay Grade
Bureau of Information Technology -				
	Bureau Director	\$57,794	0.5	11
	IT Administration	\$38,872	0.5	8
Enterprise Applications Division, Bureau of Information Technology	Division Manager	\$50,646	0.5	10
	Senior Systems Analyst	\$38,872	0.5	8
	Systems Analyst	\$77,743	1	8
	IT Coordinator	\$34,052	0.5	7
	IT Coordinator	\$34,052	0.5	7
	IT Coordinator	\$34,052	0.5	7
	IT Coordinator	\$68,104	1	7
	IT Coordinator	\$68,104	1	7
Technical Services Division, Bureau of Information Technology	Division Manager/ Systems Security	\$44,376	0.5	9
	Help Desk Agent	\$29,835	0.5	6
	Help Desk Agent	\$34,052	0.5	7
	Help Desk Agent	\$34,052	0.5	7
	Network Administrator	\$34,052	0.5	7
	DBA	\$44,376	0.5	9
Office of Corporate and Financial Regulation - Company Licensing Division	Insurance Company Licensing Chief	\$88,752	1	9
	Insurance Company Licensing Specialist	\$204,313	3	7
Office of Consumer and Producer Services - Bureau of Producer Licensing	Insurance Producer Licensing Director	\$88,752	1	9
	Insurance Investigator 2	\$68,104	1	7
	Administrative Officer 1	\$119,339	2	6
	Clerk Typist 3	\$458,136	10	4
	Clerk 3	\$45,814	1	4
Subtotal Personnel		\$1,796,245		
Total Current Annual Costs		\$2,336,782		

Objective: Capture all costs associated with new legislation

	Description	Additional Notes
Please provide description of impacted systems and proposed solution.	The Department's COSMOS system would need modification in order to include a tax liability check at licensing including interface development, database structure changes, and business rule changes. Additional personnel resources would be required to manually handle and process the number of licensees found to owe taxes and to maintain and support the back-end technical solution.	

Additional Annual Capital Expenditures	Description	\$ Cost	Ongoing	One Time
Hardware	Additional SAN storage hardware	\$25,000		XX
Software				
Network	Updates to SAN storage software, infrastructure devices (switches, etc)	\$15,000		XX
Security				
Other (upgrades, etc)	Additional Hardware for new FTEs	\$8,000		X

Additional Annual Operating Expenses	Description	\$ Cost	Ongoing	One Time
Hardware Maintenance	Additional PCs, and web server	\$32,000		XX
Software Maintenance (licensing fees etc)	Additional licensing for new resources, CWOPA desktops, Oracle, reporting software, network architecture / infrastructure maintenance and support	\$9,500	XX	
Help Desk				
Data Powerhouse				
Administrative Expenses				
Other (please itemize)	Modifications to web-based licensing system	\$144,750		XX
	Modifications to IVRS	\$13,000		XX
Subtotal Add'l Cap Exp and Op Exp		\$247,250		

Additional Annual Personnel Expense	Position	\$ Value	# Months	FT/PT	Pay Grade
Bureau of Producer Services	Insurance Investigator 2	\$63,805	12	1	7
	Clerk Typsit 3	\$86,041	12	2	4
Bureau of Information Technology	Database Administrator 2	\$94,749	12	1	10
Subtotal Add'l Personnel		\$244,595		4	
Total \$ Impact		\$491,845			

Securities

Objective: Capture all costs associated with administering various licensing programs/systems

	Description	Additional Notes
Please provide description of current system. Include hardware, software and associated telecommunications.	LAN/WAN, ATM Cisco Router communications; Novell Architecture; Applications are developed in ColdFusion using Dreamweaver and Crystal Reports and housed on MS SQL Servers. Disaster Recovery and Backups are daily to Tape and broadcast to remote Philadelphia and Pittsburgh offices. CRD is a 3rd party vpn, web-based application process and is accessed through the internet.	Harrisburg 95 Total PC's, (5 Training, 3 Undercover) 21 Laptops 13 Servers Philadelphia 23 Total PC's, (2 Undercover) 2 Laptops 1 Server Pittsburgh 17 Total PC's, (2 Undercover) 13 Laptops 1 Server Multiple printers @ various locations within the 3 agency offices.

Annual Capital Expenditures	Description	\$ Cost / Year
Hardware	PC's, Laptops and Servers	\$69,671
Software	Macromedia's ColdFusion, Dreamweaver	\$3,404
Network	Cisco Routers	\$37,767
Security	Maintain Novell's Border Manager Firewall @ agency level; cost included in Operating Expense Software Maintenance (licensing fees, etc.)	
Other (upgrades, etc)		

Annual Operating Expenses	Description	\$ Cost / Year
Hardware Maintenance	LAN/WAN Management - Diversified Data Services, Inc.	\$74,267
Software Maintenance (licensing fees etc)	MS-SQL Servers, MS 2000 Servers, MS 2002 Desktop operating systems, Novell Operating System, Border Manager and Zen Works	\$21,283
Help Desk		
Data Powerhouse		
Other (please itemize)		
	ColdFusion Application Support - Perfect Order	\$3,150
	MS-SQL Servers, MS 2000 Servers Normal and Disaster Recovery Maintenance	\$35,133
Subtotal Cap Exp and Op Exp		\$244,674

Annual Personnel Expense	Position	\$ Value	FT/PT	Pay Grade
	IT Manager	\$101,293	1	10
	Application Developer 3	\$88,752	1	9
	ITG Administrator 1	\$88,752	1	9
	ITG Supervisor	\$88,752	1	9
	ITG 2	\$77,743	1	8
	Government Services Intern	\$15,910	0.5	1
Subtotal Personnel		\$461,201	5.5	
Total Current Annual Costs		\$705,876		

Appendix D: Legislation Draft

The following pages contain the current draft of House Bill 200 PN 2820 dated October 20, 2003 and a new recommended version with annotated changes.

House Bill 200 PN 2820 dated October 20, 2003

TAX CLEARANCE FOR LICENSES, PERMITS AND REGISTRATIONS.--(A) EXCEPT AS SET FORTH IN SUBSECTION (C), AN APPLICANT FOR THE GRANT, RENEWAL OR TRANSFER OF ANY LICENSE SHALL PROVIDE TO THE LICENSING AGENCY, UPON FORMS APPROVED BY THE DEPARTMENT, THE FOLLOWING:

- (1) THE APPLICANT'S STATE PERSONAL INCOME TAX IDENTIFICATION NUMBER;
- (2) THE APPLICANT'S STATE SALES TAX NUMBER;
- (3) THE APPLICANT'S STATE CORPORATION TAX NUMBER;
- (4) THE APPLICANT'S STATE EMPLOYER WITHHOLDING TAX NUMBER;
- (5) THE APPLICANT'S UNEMPLOYMENT COMPENSATION ACCOUNT NUMBER; AND
- (6) A STATEMENT OF WHETHER:
 - (I) ALL STATE TAX REPORTS HAVE BEEN FILED AND ALL STATE TAXES PAID;
 - (II) ALL STATE TAXES ARE SUBJECT TO A TIMELY ADMINISTRATIVE OR JUDICIAL APPEAL; OR
 - (III) ALL STATE TAXES ARE SUBJECT TO A DULY APPROVED DEFERRED PAYMENT PLAN.
- (B) A LICENSE APPLICATION SHALL BE DEEMED TO BE INCOMPLETE AND A LICENSING AGENCY SHALL NOT APPROVE ANY APPLICATION FOR THE GRANT, RENEWAL OR TRANSFER OF ANY LICENSE WHEN A LICENSEE DOES NOT PROVIDE THE INFORMATION REQUIRED BY SUBSECTION (A).
- (C) AN APPLICANT FOR THE GRANT, RENEWAL OR TRANSFER OF A LICENSE ISSUED BY THE PENNSYLVANIA SECURITIES COMMISSION SHALL COMPLY WITH ANY REGULATION OR ORDER ADOPTED BY THE COMMISSION FOR THE IMPLEMENTATION OF SUBSECTION (A)
- (D) UPON THE FILING OF AN APPLICATION WITH A LICENSING AGENCY FOR THE GRANT, RENEWAL OR TRANSFER OF ANY LICENSE, THE APPLICANT WAIVES ANY CONFIDENTIALITY WITH RESPECT TO STATE TAX INFORMATION REGARDING THE APPLICANT IN THE POSSESSION OF THE DEPARTMENT, THE OFFICE OF ATTORNEY GENERAL OR THE DEPARTMENT OF LABOR AND INDUSTRY, REGARDLESS OF THE SOURCE OF THAT INFORMATION AND CONSENTS TO THE PROVISION OF THAT INFORMATION TO THE LICENSING AGENCY BY THE DEPARTMENT, THE OFFICE OF ATTORNEY GENERAL OR THE DEPARTMENT OF LABOR AND INDUSTRY.
- (E) UPON RECEIPT OF ANY APPLICATION FOR THE GRANT, RENEWAL OR TRANSFER OF ANY LICENSE, THE LICENSING AGENCY SHALL FORWARD STATE TAX INFORMATION REGARDING THE APPLICANT TO THE DEPARTMENT, THE OFFICE OF ATTORNEY GENERAL AND THE DEPARTMENT OF LABOR AND INDUSTRY. THE LICENSING AGENCY, THE DEPARTMENT, THE OFFICE OF ATTORNEY GENERAL AND THE DEPARTMENT OF LABOR AND INDUSTRY MAY USE REASONABLE PARAMETERS IN DETERMINING WHETHER AN APPLICANT HAS FILED REQUIRED STATE TAX REPORTS OR PAID STATE TAX DUE. IF A STATE TAX IS DELINQUENT OR A REQUIRED REPORT HAS NOT BEEN FILED, THE TAXING AGENCY SHALL ISSUE A NOTICE TO THE LICENSING AGENCY AND TO THE LICENSEE OR APPLICANT AS PROVIDED IN SUBSECTION (F) SPECIFYING THAT THE APPLICANT OR LICENSEE HAS NOT FILED THE REQUIRED RETURN OR PAID A STATE TAX. FOR PURPOSES OF THIS PARAGRAPH, A STATE TAX IS DELINQUENT WHEN IT IS SUBJECT TO COLLECTION ACTION BY THE TAXING AGENCY AND IS NEITHER SUBJECT TO A TIMELY ADMINISTRATIVE OR JUDICIAL APPEAL NOR SUBJECT TO A DULY AUTHORIZED DEFERRED PAYMENT PLAN.
- (F) NOTICE TO LICENSEE OR APPLICANT FOR LICENSE OR TRANSFER OF LICENSE SHALL BE AS FOLLOWS:
 - (1) PRIOR TO THE ISSUANCE OF AN ORDER TO SUSPEND, TO NOT RENEW OR TO DENY A LICENSE, THE APPLICABLE TAXING AGENCY SHALL PROVIDE NOTICE TO THE APPLICANT OR LICENSEE AS SET FORTH IN SUBSECTION (E). THE NOTICE MUST SPECIFY:

- (I) ANY REPORTS WHICH MUST BE FILED AND ANY AMOUNTS OWED.
 - (II) HOW, WHEN AND WHERE THE NOTICE CAN BE CONTESTED.
 - (III) WHERE PAYMENT MAY BE MADE IN ORDER TO CURE THE STATE TAX DELINQUENCY OR WHOM THE INDIVIDUAL MAY CONTACT TO ATTEMPT TO ESTABLISH A PAYMENT PLAN.
 - (IV) THAT THE GROUNDS FOR CONTESTING THE NOTICE ARE LIMITED TO MISTAKEN IDENTITY OF THE LICENSEE.
 - (V) THAT AN ORDER TO DENY AN APPLICATION FOR LICENSE OR TRANSFER OR AUTOMATICALLY SUSPEND THE LICENSE WILL BE ISSUED FORTY-FIVE DAYS AFTER ISSUANCE OF THE NOTICE UNLESS THE DELINQUENT REPORT IS FILED, THE STATE TAX IS PAID OR A PAYMENT PLAN IS APPROVED BY THE APPLICABLE TAXING AGENCY.
- (2) AN AGREEMENT PROVIDING FOR A PERIODIC PAYMENT PLAN SHALL SPECIFY THAT FAILURE TO COMPLY WITH THE SCHEDULE OF PAYMENTS SHALL RESULT IN THE IMMEDIATE SUSPENSION, NONRENEWAL OR DENIAL OF THE LICENSE WITHOUT FURTHER RIGHT TO A HEARING.
- (3) TO CONTEST THE NOTICE OR OBTAIN A PAYMENT PLAN, THE LICENSEE OR APPLICANT MUST CONTACT THE APPLICABLE TAXING AGENCY NOT LATER THAN TWENTY DAYS AFTER ISSUANCE OF THE NOTICE. THE GROUNDS FOR CONTESTING SHALL BE LIMITED TO MISTAKEN IDENTITY. IF, AS DETERMINED BY THE TAXING AGENCY, A MISTAKE HAS OCCURRED, THE NOTICE PROVIDED TO THE LICENSING AGENCY UNDER SUBSECTION (E) SHALL BE MODIFIED ACCORDINGLY WITHIN TWENTY DAYS OF THE APPROPRIATE TAXING AGENCY BEING CONTACTED.
- (G) A PERSON THAT PRACTICES A TRADE, PROFESSION OR OCCUPATION OR CONDUCTS A BUSINESS ACTIVITY WITHOUT A LICENSE UNDER THIS SECTION SHALL BE GUILTY OF A MISDEMEANOR. THE PENALTY IMPOSED UNDER THIS SECTION SHALL BE IN ADDITION TO ANY OTHER PENALTY IMPOSED BY LAW.
- (H) IF DURING THE EFFECTIVE PERIOD OF ANY LICENSE, THE LICENSEE FAILS TO FILE ANY REQUIRED STATE TAX REPORT, FAILS TO PAY ANY COLLECTIBLE STATE TAX DUE OR DEFAULTS IN A DEFERRED PAYMENT PLAN, THE DEPARTMENT, THE OFFICE OF ATTORNEY GENERAL OR THE DEPARTMENT OF LABOR AND INDUSTRY, AFTER COMPLYING WITH SUBSECTION (F), MAY NOTIFY THE LICENSING AGENCY WHICH SHALL SUSPEND OR NOT RENEW ANY LICENSE ISSUED TO THE LICENSEE. NOTWITHSTANDING THE PROVISIONS OF ANY OTHER STATUTE, THE LICENSE SUSPENSION OR NONRENEWAL SHALL BE FOR AN INDEFINITE PERIOD OF TIME AND SHALL REMAIN IN EFFECT UNTIL THE LICENSEE FILES THE REQUIRED REPORTS, PAYS THE STATE TAX DUE OR CURES THE DEFERRED PAYMENT PLAN DEFAULT.
- (I) THE APPROPRIATE TAXING AGENCY MAY STAY THE PROCESS FOR SUSPENSION, NONRENEWAL OR DENIAL BEYOND THE NOTICE PERIOD SPECIFIED IN SUBSECTION (F)(1)(V) IF ADDITIONAL TIME IS REQUIRED FOR IT TO PROCESS A CASE OR REACH A PAYMENT PLAN WITH THE LICENSEE. THE TAXING AGENCY SHALL NOTIFY THE LICENSING AGENCY OF THE INTENT TO STAY THE SUSPENSION, NONRENEWAL OR DENIAL AT LEAST FIVE WORKING DAYS BEFORE THE NOTICE PERIOD HAS EXPIRED.
- (J) A LICENSING AGENCY MAY MAKE A DETERMINATION THAT A LICENSE IS VITAL TO PREVENT AN IMMEDIATE THREAT TO THE HEALTH, SAFETY AND WELFARE OF THE PUBLIC. THE LICENSING AGENCY SHALL NOTIFY THE APPLICABLE TAXING AGENCY OF THE DETERMINATION. IF THIS DETERMINATION IS MADE, THE LICENSING AGENCY MAY USE ITS DISCRETION TO RENEW A LICENSE OR NOT SUSPEND A LICENSE BUT MAY NOT GRANT A LICENSE TO A NEW APPLICANT UNTIL THE APPLICANT FILES THE REQUIRED REPORTS, PAYS THE STATE TAX DUE OR CURES THE DEFERRED PAYMENT PLAN DEFAULT.

- (K) THE PROVISIONS OF THIS SECTION SHALL ALSO BE APPLICABLE TO ANY MANAGEMENT COMPANY UTILIZED BY THE APPLICANT. PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SUBSECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

"APPLICANT." A PERSON THAT APPLIES TO A LICENSING AGENCY FOR A LICENSE OR APPLIES FOR RENEWAL OR IN THE CASE OF THE TRANSFER OF AN EXISTING LICENSE, THE TRANSFEROR OR THE TRANSFEREE.

"DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.

"LICENSE." A LICENSE, PERMIT OR REGISTRATION GRANTED OR ISSUED BY A LICENSING AGENCY THAT CONFERS BENEFITS, PRIVILEGES OR RIGHTS TO THE LICENSEE, PERMIT HOLDER OR REGISTRANT TO PRACTICE A TRADE, PROFESSION OR OCCUPATION OR TO CONDUCT A BUSINESS ACTIVITY WITHIN THIS COMMONWEALTH.

"LICENSING AGENCY." THE DEPARTMENT OF REVENUE, THE DEPARTMENT OF LABOR AND INDUSTRY, THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, THE DEPARTMENT OF BANKING, THE DEPARTMENT OF STATE, THE INSURANCE DEPARTMENT OR THE PENNSYLVANIA SECURITIES COMMISSION "STATE TAX." A TAX LIABILITY, INCLUDING INTEREST, PENALTY AND ADDITIONS OF A TAXPAYER, LICENSEE, EMPLOYER OR OTHER PERSON IMPOSED UNDER THIS ACT, THE ACT OF DECEMBER 5, 1936 (2ND SP.SESS., 1937 P.L.2897, NO.1), KNOWN AS THE "UNEMPLOYMENT COMPENSATION LAW," OR 75 PA.C.S. § 9014 (RELATING TO COLLECTION OF UNPAID TAXES).

"TAXING AGENCY." THE DEPARTMENT OF REVENUE OR THE DEPARTMENT OF LABOR AND INDUSTRY.

Recommended Version

TAX CLEARANCE PROGRAM

LEGISLATIVE DRAFT PROPOSAL – 3-17-04

TAX CLEARANCE FOR LICENSES, PERMITS AND REGISTRATIONS.--(A) EXCEPT AS SET FORTH IN SUBSECTION (C), AN APPLICANT FOR THE GRANT, RENEWAL OR TRANSFER OF ANY LICENSE SHALL PROVIDE TO THE LICENSING AGENCY, UPON FORMS APPROVED BY THE DEPARTMENT, THE FOLLOWING:

(1) THE APPLICANT'S OR ENTITY'S FULL NAME AND TAX IDENTIFICATION Number. STATE PERSONAL INCOME TAX IDENTIFICATION NUMBER;

(2) THE APPLICANT'S STATE SALES TAX NUMBER;

(3) THE APPLICANT'S STATE CORPORATION TAX NUMBER;

(4) THE APPLICANT'S STATE EMPLOYER WITHHOLDING TAX NUMBER;

(5) THE APPLICANT'S UNEMPLOYMENT COMPENSATION ACCOUNT NUMBER; AND

(6) A STATEMENT OF WHETHER:

(I) ALL STATE TAX REPORTS HAVE BEEN FILED AND ALL STATE TAXES PAID;

(II) ALL STATE TAXES ARE SUBJECT TO A TIMELY ADMINISTRATIVE OR JUDICIAL APPEAL; OR

(III) ALL STATE TAXES ARE SUBJECT TO A DULY APPROVED DEFERRED PAYMENT PLAN.

(B) A LICENSE APPLICATION SHALL BE DEEMED TO BE INCOMPLETE AND A LICENSING AGENCY SHALL NOT APPROVE ANY APPLICATION FOR THE GRANT, RENEWAL OR TRANSFER OF ANY LICENSE WHEN A LICENSEE DOES NOT PROVIDE THE INFORMATION REQUIRED BY SUBSECTION (A).

(B) ~~(C)~~ AN APPLICANT FOR THE GRANT, RENEWAL OR TRANSFER OF A LICENSE ISSUED BY THE PENNSYLVANIA SECURITIES COMMISSION SHALL COMPLY WITH ANY REGULATION OR ORDER ADOPTED BY THE COMMISSION FOR THE IMPLEMENTATION OF SUBSECTIONS (A), **(C)** AND **(D)**.

(C) ~~(D)~~ UPON THE FILING OF AN APPLICATION WITH A LICENSING AGENCY FOR THE GRANT, RENEWAL OR TRANSFER OF ANY LICENSE, THE APPLICANT WAIVES ANY CONFIDENTIALITY WITH RESPECT TO STATE TAX INFORMATION REGARDING THE APPLICANT IN THE POSSESSION OF THE DEPARTMENT, THE OFFICE OF ATTORNEY GENERAL OR THE DEPARTMENT OF LABOR AND INDUSTRY, REGARDLESS OF THE SOURCE OF THAT INFORMATION AND CONSENTS TO THE PROVISION OF THAT INFORMATION TO THE LICENSING AGENCY BY THE DEPARTMENT, THE OFFICE OF ATTORNEY GENERAL OR THE DEPARTMENT OF LABOR AND INDUSTRY.

~~(D)~~ ~~(E)~~ UPON RECEIPT OF ANY APPLICATION FOR THE GRANT, RENEWAL OR TRANSFER OF ANY LICENSE, THE LICENSING AGENCY SHALL FORWARD STATE TAX INFORMATION REGARDING THE APPLICANT TO THE DEPARTMENT, THE OFFICE OF ATTORNEY GENERAL AND THE DEPARTMENT OF LABOR AND INDUSTRY. ~~THE LICENSING AGENCY, THE DEPARTMENT, THE OFFICE OF ATTORNEY GENERAL AND THE DEPARTMENT OF LABOR AND INDUSTRY MAY USE REASONABLE PARAMETERS IN DETERMINING WHETHER AN APPLICANT HAS FILED REQUIRED STATE TAX REPORTS OR PAID STATE TAX DUE. IF A STATE TAX IS DELINQUENT OR A REQUIRED REPORT HAS NOT BEEN FILED, THE TAXING AGENCY SHALL~~ MAY ISSUE A NOTICE TO THE LICENSING AGENCY AND TO THE LICENSEE OR APPLICANT AS PROVIDED IN SUBSECTION (F) SPECIFYING THAT THE APPLICANT OR LICENSEE HAS NOT FILED THE REQUIRED RETURN OR PAID A STATE TAX. FOR PURPOSES OF THIS PARAGRAPH, A STATE TAX IS DELINQUENT WHEN IT IS SUBJECT TO COLLECTION ACTION BY THE TAXING AGENCY AND IS ~~NEITHER~~ NOT SUBJECT TO A TIMELY ADMINISTRATIVE OR JUDICIAL APPEAL, ~~NOR SUBJECT TO A DULY AUTHORIZED DEFERRED PAYMENT PLAN~~ OR SUBJECT TO THE JURISDICTION OF A BANKRUPTCY COURT.

(E) NOTWITHSTANDING ANY LAW TO THE CONTRARY, A LICENSE APPLICATION SHALL BE DEEMED INCOMPLETE AND A LICENSING AGENCY SHALL NOT APPROVE ANY APPLICATION FOR GRANT, RENEWAL OR TRANSFER OF ANY LICENSE IF A NOTICE OF TAX DELINQUENCY IS ISSUED.

(F) NOTICE TO LICENSEE OR APPLICANT FOR LICENSE OR TRANSFER OF LICENSE SHALL BE AS FOLLOWS:

(1) PRIOR TO THE ISSUANCE OF AN ORDER TO SUSPEND, TO NOT RENEW OR TO DENY A LICENSE, THE APPLICABLE TAXING AGENCY SHALL PROVIDE NOTICE TO THE APPLICANT OR LICENSEE AS SET FORTH IN SUBSECTION (D). THE NOTICE MUST SPECIFY:

(I) ANY REPORTS WHICH MUST BE FILED AND ANY AMOUNTS OWED.
(II) HOW, WHEN AND WHERE THE NOTICE CAN BE CONTESTED.
(III) WHERE PAYMENT MAY BE MADE IN ORDER TO CURE THE STATE TAX DELINQUENCY OR WHOM THE INDIVIDUAL MAY CONTACT TO ATTEMPT TO ESTABLISH A PAYMENT PLAN. (IV) THAT THE GROUNDS FOR CONTESTING THE NOTICE ARE LIMITED TO MISTAKEN IDENTITY OF THE LICENSEE.

(V) THAT AN ORDER TO DENY AN APPLICATION FOR LICENSE OR TRANSFER OR AUTOMATICALLY SUSPEND THE LICENSE WILL BE ISSUED FORTY-FIVE DAYS AFTER ISSUANCE OF THE NOTICE UNLESS THE DELINQUENT REPORT IS FILED, THE STATE TAX IS PAID OR A PAYMENT PLAN IS APPROVED BY THE APPLICABLE TAXING AGENCY.

(2) AN AGREEMENT PROVIDING FOR A PERIODIC PAYMENT PLAN SHALL SPECIFY THAT FAILURE TO COMPLY WITH THE SCHEDULE OF PAYMENTS ~~SHALL~~ MAY RESULT IN THE IMMEDIATE SUSPENSION, NONRENEWAL OR DENIAL OF THE LICENSE WITHOUT FURTHER RIGHT TO A HEARING.

(3) TO CONTEST THE NOTICE OR OBTAIN A PAYMENT PLAN, THE LICENSEE OR APPLICANT MUST CONTACT THE APPLICABLE TAXING AGENCY NOT LATER THAN TWENTY DAYS AFTER ISSUANCE OF THE NOTICE. THE GROUNDS FOR CONTESTING SHALL BE LIMITED TO MISTAKEN IDENTITY. IF, AS DETERMINED BY THE TAXING AGENCY, A MISTAKE HAS OCCURRED, THE NOTICE PROVIDED TO THE LICENSING AGENCY UNDER SUBSECTION **(D)** ~~(E)~~ SHALL BE MODIFIED ACCORDINGLY WITHIN TWENTY DAYS OF THE APPROPRIATE TAXING AGENCY BEING CONTACTED.

(G) A PERSON THAT PRACTICES A TRADE, PROFESSION OR OCCUPATION OR CONDUCTS A BUSINESS ACTIVITY WITHOUT A LICENSE UNDER THIS SECTION SHALL BE GUILTY OF A MISDEMEANOR. THE PENALTY IMPOSED UNDER THIS SECTION SHALL BE IN ADDITION TO ANY OTHER PENALTY IMPOSED BY LAW.

(H) IF DURING THE EFFECTIVE PERIOD OF ANY LICENSE, THE LICENSEE FAILS TO FILE ANY REQUIRED STATE TAX REPORT, FAILS TO PAY ANY COLLECTIBLE STATE TAX DUE OR DEFAULTS IN A DEFERRED PAYMENT PLAN, THE DEPARTMENT, THE OFFICE OF ATTORNEY GENERAL OR THE DEPARTMENT OF LABOR AND INDUSTRY, AFTER COMPLYING WITH SUBSECTION (F), MAY NOTIFY THE LICENSING AGENCY WHICH SHALL SUSPEND OR NOT RENEW ANY LICENSE ISSUED TO THE LICENSEE. NOTWITHSTANDING THE PROVISIONS OF ANY OTHER STATUTE, THE LICENSE SUSPENSION OR NONRENEWAL SHALL BE FOR AN INDEFINITE PERIOD OF TIME AND SHALL REMAIN IN EFFECT UNTIL THE LICENSEE FILES THE REQUIRED REPORTS, PAYS THE STATE TAX DUE OR CURES THE DEFERRED PAYMENT PLAN DEFAULT. (I) THE APPROPRIATE TAXING AGENCY MAY STAY THE PROCESS FOR SUSPENSION, NONRENEWAL OR DENIAL BEYOND THE NOTICE PERIOD SPECIFIED IN SUBSECTION (F)(1)(V) IF ADDITIONAL TIME IS REQUIRED FOR IT TO PROCESS A CASE OR REACH A PAYMENT PLAN WITH THE LICENSEE. THE TAXING AGENCY SHALL NOTIFY THE LICENSING AGENCY OF THE INTENT TO STAY THE SUSPENSION, NONRENEWAL OR DENIAL AT LEAST FIVE WORKING DAYS BEFORE THE NOTICE PERIOD HAS EXPIRED.

(J) A LICENSING AGENCY MAY MAKE A DETERMINATION THAT A LICENSE IS VITAL TO PREVENT AN IMMEDIATE THREAT TO THE HEALTH, SAFETY AND WELFARE OF THE PUBLIC. THE LICENSING AGENCY SHALL NOTIFY THE APPLICABLE TAXING AGENCY OF THE DETERMINATION. IF THIS DETERMINATION IS MADE, THE LICENSING AGENCY MAY USE ITS DISCRETION TO RENEW A LICENSE OR NOT SUSPEND A LICENSE BUT MAY NOT GRANT A LICENSE TO A NEW APPLICANT UNTIL THE APPLICANT FILES THE REQUIRED REPORTS, PAYS THE STATE TAX DUE OR CURES THE DEFERRED PAYMENT PLAN DEFAULT.

(K) THE PROVISIONS OF THIS SECTION SHALL ALSO BE APPLICABLE TO ANY MANAGEMENT COMPANY UTILIZED BY THE APPLICANT. PHRASES SHALL HAVE THE TAX CLEARANCE PROGRAM LEGISLATIVE PROPOSAL MEANINGS GIVEN TO THEM IN THIS SUBSECTION UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE: "APPLICANT." A PERSON **OR ENTITY**

THAT APPLIES TO A LICENSING AGENCY FOR A LICENSE OR APPLIES FOR RENEWAL OR IN THE CASE OF THE TRANSFER OF AN EXISTING LICENSE, THE TRANSFEROR OR THE TRANSFEREE. "DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH. **"DEPARTMENT OF STATE". THE DEPARTMENT OF STATE SHALL INCLUDE ANY LICENSING BOARD, DIVISION OR COMMISSION UNDER THE BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS, THE CORPORATION BUREAU ,THE STATE ATHLETIC COMMISSION AND THE NOTARY PUBLIC DIVISION. "ENTITY" AN ASSOCIATION, BUSINESS TRUST, CORPORATION, ESTATE, GENERAL PARTNERSHIP, GOVERNMENT, JOINT VENTURE PARTNERSHIP, LIMITED LIABILITY COMPANY, LIMITED LIABILITY PARTNERSHIP, RESTRICTED PROFESSIONAL COMPANY, SOLE PROPRIETORSHIP OR TRUST** "LICENSE." A LICENSE, PERMIT, **CERTIFICATE** OR REGISTRATION GRANTED OR ISSUED BY A LICENSING AGENCY THAT CONFERS BENEFITS, PRIVILEGES OR RIGHTS TO THE LICENSEE, PERMIT HOLDER OR REGISTRANT TO PRACTICE A TRADE, PROFESSION OR OCCUPATION OR TO CONDUCT A BUSINESS ACTIVITY WITHIN THIS COMMONWEALTH. "LICENSING AGENCY." THE DEPARTMENT OF REVENUE, THE DEPARTMENT OF LABOR AND INDUSTRY, THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, THE DEPARTMENT OF BANKING, THE DEPARTMENT OF STATE, THE INSURANCE DEPARTMENT OR THE PENNSYLVANIA SECURITIES COMMISSION "STATE TAX." A TAX LIABILITY, INCLUDING INTEREST, PENALTY AND ADDITIONS OF A TAXPAYER, LICENSEE, EMPLOYER OR OTHER PERSON IMPOSED UNDER THIS ACT, THE ACT OF DECEMBER 5, 1936 (2ND SP.SESS., 1937 P.L.2897, NO.1), KNOWN AS THE "UNEMPLOYMENT COMPENSATION LAW," OR 75 PA.C.S. § 9014 (RELATING TO COLLECTION OF UNPAID TAXES). **"TAX IDENTIFICATION NUMBER" A SOCIAL SECURITY NUMBER (SSN) OR EMPLOYER IDENTIFICATION NUMBER (EIN).** "TAXING AGENCY." THE DEPARTMENT OF REVENUE OR THE DEPARTMENT OF LABOR AND INDUSTRY.

NOTE: It is recommended that section (k), definitions, be moved to the head of the statute. The current formatting has been retained to ease comparison with the prior proposal.

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Appendix E: State Detail

This appendix contains details and supporting documentation for the comparative analysis we did for similar programs in other states.

Overview	2
Methodology	2
Response summary	3
Existing Tax Clearance Programs.....	3
Maryland	3
Minnesota	6
Missouri	7
Oklahoma	8
Wisconsin	10
Other Requested States	16
Connecticut	16
Delaware	16
Massachusetts	16
New Jersey	16
New York	16
Ohio	17
Virginia	17
West Virginia	17
Remote States	17
Arkansas	17
Arizona	17
District of Columbia	18
Florida	18
Hawaii	18
Illinois (Chicago)	18
Iowa	19
Kansas	19
Kentucky	20
Maine	21
Mississippi	21
South Dakota	22
Rhode Island	22
Washington	22
Enabling Legislation (Attachments)	23
Minnesota Statute	23
Wisconsin Statute	23
Kentucky Statute	23

Overview

This section provides an overview of how we obtained the information in this appendix. Specific contact information such as phone numbers and emails has been removed for confidentiality purposes, but can be obtained by contacting DOR.

Methodology

Survey

We conducted a survey of tax administrators in other states. Most of the information obtained from other states was provided via Pennsylvania's participation in the Federation of Tax Administrators (FTA) and the Multistate Tax Commission (MTC).

Personal Interview

Finally, Mike Cibroski, Assistant Special Projects for DOR, conducted several telephone interviews with representatives from other states, and Jennifer Cooney (CAI) spoke with others.

LexisNexis

We also procured information from LexisNexis, a web service that provides authoritative legal, news, public records and business information to subscribers, including tax and regulatory publications. DOR has a subscription to the web site.

A unit of publishing giant Reed Elsevier Group, the LexisNexis Group offers subscribers access to thousands of sources – including newspaper, magazine, and journal articles, and public records – via both print and electronic media. The bulk of its content is culled from more than 16,000 databases and focuses on legal, business, government and tax information. LexisNexis launched the Nexis news and business information research service in 1980; the company became part of Reed Elsevier Group in 1994.

Response summary

The accompanying table summarizes the states where we received a response of other information. States from which we received no information do not appear in the list.

	E-mail	Telephone	Lexis	Comments, notes
Arizona	X			
Arkansas	X			
California	X			
Delaware		X		
District of Columbia	X			
Florida	X			
Hawaii			X	
Iowa	X			
Kansas	X			
Kentucky	X			See attachment
Maine	X			
Maryland	X	X	X	See attachment, Comptroller report
Massachusetts	X			
Minnesota	X			See attachment
Mississippi			X	
Missouri		X	X	
New Jersey			X	
New York	X	X		
North Carolina		X		
Ohio	X			
Oklahoma	X			Web site documentation
Virginia		X		
Washington	X			
West Virginia	X	X		
Wisconsin	X			Conf call, attachment

Existing Tax Clearance Programs

This section describes similar initiatives in five states, presented in alphabetical order.

Maryland

Maryland enacted tax clearance legislation in July 2003, with approximately \$6 million recovered as of March 3, 2004, putting them on track to meet their \$10 million estimate. A representative from the state confirmed the estimate of \$10 million for first three years, and stated that they expect it to drop to \$5 million for the subsequent two years.

Overview

Staff members from the Bureau of Compliance visited their counterparts in Maryland on March 3, 2004. Additional information appears in a separate attachment. The following comments resulted from the meeting.

Since July 2003 Maryland has collected \$6 million, so they are in line with estimates of \$10 million which they estimated would be collected the first year. They did not have figures on analysis how they came up with \$10 million estimate but believe it was based on collections figures from other clearance programs. They will provide us with contact name of someone who was involved in analysis.

So far 8,500 licenses were held up but 5,000 resulted in fairly quick compliance so licenses were released. Maryland did not have figures on how many licenses went through tax check so far. However, there are 450,000 licenses which they plan to check over two year period.

The definition of "license" they use is simply anyone renewing certain licenses. We obtained a list of those licenses.

Maryland does not check for pass through income. For example, if a license is being renewed by sub chapter S Corporation, they do not check the owners' PIT account to see if pass through income was paid by shareholders/owners.

Maryland checks business taxes for delinquent returns and liabilities but for PIT they only check for liabilities. Their theory is they do not look for PIT non filed periods since they are uncertain if someone had to file in Maryland for a particular year. For example someone could have lived in Maryland in 2000 left state for 2001 & 2002 and then returned. So non filed periods for those two years would be ok. The only time they will go out for PIT non filed years is if they had data from IRS that taxpayer was a Maryland resident.

They said licensing agencies educated the licensees about the program prior to implementation. They also noted that while agencies are cooperating in providing SSN and EIN, not all agencies capture that information yet so they are giving them more time to collect numbers. They also said that currently they are not doing anything with the not found numbers. For example, if they get a SSN or EIN and it is not registered on their records they are just renewing license and plan to address those cases later.

MD received no major complaints or challenges to the program.

Survey

We received the accompanying email in response to our survey, summarizing the general license clearance program.

Maryland enacted a general license clearance program last year, effective July 1, 2003.

Implementation is now underway. The fiscal note estimated that \$10 million would be raised in the first year. At this point, it appears that collections will reach that amount. Measurement is a little difficult because we can track receipts only from those licenses which had actually been held up (generally three months or so before renewal) but cannot track receipts from those aware of the problem and settle up earlier.

The hold applies to licenses issued by the Comptroller, Health Department, Department of Environment, Motor Vehicles (dealers—not driver's licenses or tag renewals) and Labor Licensing and Regulation (professional licenses not including lawyers).

A couple points—the hold does not apply to the original issuance of licenses—only renewals. This is vastly simpler—eliminates manual processing of individual applications and probably costs nothing—for the most part, people tend to acquire tax liabilities only after they've been licensed for a trade or business.

All the money does not come in the first year if you have licenses renewable on two- or three-year cycles.

We made the decision to exclude taxpayers on current payment plans and found ourselves compelled to accept payment plans in a large number of other cases. Generally, we have requested 25 percent down and a payment plan of less than one year. This has had the impact of providing constantly rising receipts from the program as more and more payment plans are entered into.

We did not, at least at this point, attempt to hold up renewals for personal income tax on non-filers unless the non-filing had been converted to an estimated assessment. We are working on procedures to accelerate such cases or create a delinquency indicator for those non-filers where we have an indication that a return is due (as, for example, from our automated W-2 files).

I regret that I have no estimates of costs of administration. The cost is largely employee time, although we did create a relatively simple mainframe program to record holds and track receipts. Affected agencies undoubtedly had some programming expenses related to creating and releasing holds on their particular licenses.

– Stephen Cordi

LexisNexis

We obtained a profile of the program from LexisNexis, quoted below.

Maryland enacted similar requirements for many professional licenses in 2003 as part of its budget-balancing bill, according to Linda Tanton, director of the Compliance Division of the Office of the Comptroller of the Treasury. Licenses affected include those for nurses, doctors, driving

instructors, car salesmen, cosmetologists, electricians, and real estate appraisers.

The comptroller's office has also been conducting a special sales and use tax audit project targeting liquor retailers. Comparing purchases made by retailers for a two-year period to taxable sales reported by the retailer, tax officials look for significant underreporting of sales, Tanton said. The pilot program began in the city of Baltimore and identified 46 flagrant cases, most of which are being handled as fraud cases. The program is now expanded to additional parts of that state.

Minnesota

Survey

We received the following email from Minnesota:

Hi, my name is Rose Underhill. I have been directed by our Disclosure Attorney to respond directly to you. I'm with Minnesota's Department of Revenue and I supervise the unit that handles our License Clearance program. We have been doing License Clearance in some form or another since 1984. It has evolved from only business licenses to any license required to do a trade or business issued by any governmental body. This includes the contracts at the State Fair. We started out only being able to hold up renewals of licenses but now can also revoke anytime during the life of that license. I have tried to answer the questions you had asked in your message:

Agencies Involved. The Department of Revenue manages the License Clearance program. This program is very comprehensive affecting all types of licenses issued by state agencies, counties, cities, municipalities and any governmental body. Our program involves any business or professional license for any tax or non tax debt. We are also able to revoke licenses anytime during the year, after giving notice.

Collections. For FY03, we collected \$1.4 million using this program. That was for both business and professional licenses. So far in FY04, we collected almost \$1 million and 2/3 was for business licenses.

Percentage of total A/R. This program is not a mandatory program, but done on a referral basis. The amount collected so far this fiscal year is less than 1 percent of the total accounts receivable.

Any legal challenges? No, we have never been sued.

Please let me know if you have any questions.

I have included a link to our statute as well:

<http://www.revisor.leg.state.mn.us/stats/270/72.html>

Authorizing Legislation

The text below is excerpted from the Minnesota legislation, noted at the web site above.

Subdivision 1. Tax clearance required. The state or a political subdivision of the state may not issue, transfer, or renew, and must revoke, a license for the conduct of a profession, occupation, trade, or business, if the commissioner notifies the licensing authority that the applicant owes the state delinquent taxes, penalties, or interest. The commissioner may not notify the licensing authority unless the applicant taxpayer owes \$500 or more in delinquent taxes or has not filed returns. If the applicant taxpayer does not owe delinquent taxes but has not filed returns, the commissioner may not notify the licensing authority unless the taxpayer has been given 90 days' written notice to file the returns or show that the returns are not required to be filed. A licensing authority that has received a notice from the commissioner may issue, transfer, renew, or not revoke the applicant's license only if (a) the commissioner issues a tax clearance certificate and (b) the commissioner or the applicant forwards a copy of the clearance to the authority. The commissioner may issue a clearance certificate only if the applicant does not owe the state any uncontested delinquent taxes, penalties, or interest and has filed all required returns.

and:

Subd. 4. Licensing authority; duties. All licensing authorities must require the applicant to provide the applicant's social security number and Minnesota business identification number on all license applications. Upon request of the commissioner, the licensing authority must provide the commissioner with a list of all applicants, including the name, address, business name and address, social security number, and business identification number of each applicant. The commissioner may request from a licensing authority a list of the applicants no more than once each calendar year.

Missouri

Survey

We conducted a phone interview with Stan Farmer. A synopsis of the call appears below.

Missouri recently began a professional license clearance program in November 2003. The program focuses on new or renewing licenses and only checks for PIT delinquencies. Most agencies had already been capturing SSNs prior to the start of the program. Missouri estimates collections of \$20 million for FY 2004, but realizes that since most licenses renew every 2 years, it will take some time to cycle.

LexisNexis

The accompanying information is from LexisNexis.

March 31, 2003: On March 18, the Missouri House of Representatives approved by 107 to 53 legislation HB 600 that would raise an estimated \$20 million in revenue to help reduce the state's \$1 billion deficit by toughening tax enforcement. Businesses and professionals could not renew their state and local business licenses without an annual tax clearance letter from the Department of Revenue.

May 12, 2003: Professionals and local license holders would have to obtain tax clearances from the Missouri Department of Revenue. The Senate version of HB 600 is projected to raise only \$166 million.

June 16, 2,003: Missouri could collect another \$10 million if people seeking to renew professional licenses or do business with the state had to first obtain a tax clearance—the most valuable item among the four “tax inequities” listed in the report.

Oklahoma

Web Research

The accompanying text specific to the legislation is from the web site www.oktax.state.ok.us/oktax/licrev.html, maintained by the Oklahoma Tax Commission (OTC).

The Statute

Effective July 1, 2000, a new law went into effect requiring professional license applicants to be reviewed by the Oklahoma Tax Commission for income tax compliance. This tax review is to be conducted before a state license can be issued.

The Oklahoma Tax Commission has established a section, the Professional Licensing Compliance Unit, to assist taxpayers with this new law.

Agencies are to submit a list of individuals who are applying for license issuance, renewal or reinstatement to be verified for income tax compliance by the Professional Licensing Compliance Unit.

Licensees who appear to be not in compliance will be contacted directly by the Oklahoma Tax Commission in an attempt to resolve any issues prior to notification of the licensing agency.

If resolution is not achieved, written notification will be made to the licensing agency.

In this event, the individual's license will not be issued, renewed or reinstated.

What Does "In Compliance" Mean

An applicant will be considered "in compliance" if all income tax filing obligations have been met and balances are paid in full.

If the applicant has an outstanding obligation, they will be considered "in compliance" if one of the following arrangements are made:

- ◆ All past due returns are filed and paid
- ◆ Reports are filed and a payment program is arranged
- ◆ The applicant is on a current payment program
- ◆ A legal protest has been filed on an assessment
- ◆ The applicant is making reasonable effort in working with the Oklahoma Tax Commission to resolve an issue

Personal Interview

We conducted a telephone interview with supervisor Darla Young in Oklahoma City. A synopsis of the call appears below.

The OK Clearance program had been in existence since July 2000. It is set up so that the other state agencies send information via the Web to the IT department at OTC.

The system is based on name and social security number match-up; this required all of the state agencies to change and correct their applications to grab this required information. Many of the agencies already had that information on their applications, but did not capture the SSN on their systems.

The IT group set up a text format for all of the state agencies to use when forwarding information. This information is received six to 10 months prior to the renewal date and run against the OTC system for programmed parameters. A paper list is created for the License Clearance group to review.

If a non-compliant license is found, one letter is sent to the taxpayer, stating that their license will not be renewed if arrangements for payment are not made or the balance paid. If there is no reaction, the licensing agency is contacted and advised not to renew the taxpayer's license. The taxpayer is advised accordingly and must contact the OTC.

Very few complaints (legal issues) have been filed to-date by taxpayers, and those that have challenged this legislation have lost their appeals.

Unfortunately, a few of the state agencies were not cooperative in the beginning but they finally fell in line with the support of the Executive area.

The process in OK based its clearance only on renewals. The state had found that new license requests were normally people moving into the state or students, most of who would presumably have no prior Oklahoma tax liabilities.

The project started out slowly with small agencies, Insurance and then Education.

In their first year, OTC reviewed 539,105 licenses renewals with a compliance rate of 90%. Collections totaled \$31,832,795, and there were over 1758 payment plans representing \$6,247,535.

Wisconsin

Personal Interview

Wisconsin enacted license clearance effective 1999 and has collected \$11 million through 2003. Based on a conference call between DOR representatives in Pennsylvania and Wisconsin, we can summarize the program as follows:

- ◆ Issues/challenges were very few; taxpayers have a chance to appeal
- ◆ Biggest issues were some agencies not going along with the program
- ◆ Program started with the largest agency first
- ◆ Compliance is 97 percent
- ◆ More than 80 percent PIT Tax

Of interest to the group was the Wisconsin web page that allowed specific agencies to obtain tax clearance for individual licensees, as a Yes/No reply. We also noted that the Wisconsin legislation required agencies to capture a social security number (SSN) as part of their licensing process.

The accompanying table provided by Wisconsin summarizes the impact of the project. Details on the legislation and our interview follow.

	December-03	Fiscal YTD	Project TD
Number of Ten Day Letters Sent:	186	526	8,063
Amount Due Per Ten Day Letters:	\$12,397,795	\$16,468,770	\$104,276,689
Number of Clearance Certificates Issued:	36	256	5,216
Number of Final Denial Notices Issued:	24	196	4,216
Special Procedures Unit Collections:	\$68,995	\$570,978	\$10,392,698
Reported Field Agent Collections:	\$0	\$17,635	\$569,440
Total SPU & Field Collections:	\$68,995	\$588,613	\$10,962,138
SPU Installment Agreements:	13	49	576
Reported Field Installment Agreements:	1	1	81

Compliance Information Bulletin

The Wisconsin Department of Revenue issued an internal Compliance Information Bulletin (CIB) on March 1, 1999. The text of CIB 138 appears below.

SUBJECT: Revocation, Denial, or Suspension of Occupational Licenses and Credentials for Failure to Pay Delinquent Taxes, Frequently Asked Questions and Answers

As part of post amnesty legislation, the Budget Adjustment Bill, 1997 Wisconsin Act 237, expanded the withholding of occupational licenses or credentials of taxpayers who owe delinquent Wisconsin taxes. This legislation became effective January 1, 1999. The new law covers initial issuance, renewal and revocation of occupational licenses and credentials of the following agencies and licensing boards:

Licensing Agencies/Boards effected by Act 237	
Administration	Public Instruction
Commerce	Regulation and Licensing
Commissioner of Insurance	Revenue
Ethics Board	Transportation
Financial Institutions	Workforce Development
Health and Family Services	Supreme Court (if Supreme Court agrees)
Natural Resources	

We attempted to work out license matching procedures acceptable for each agency. Following is a general overview of how the process will work:

1. In most cases the agency will send an electronic file to DOR either at license renewal time or periodically (often quarterly or yearly). DOR will run the file against DTC and create a list of matches.
2. If the match process is conducted at license renewal or initial issuance, DOR will immediately notify the agency to hold the license of any accounts that match. If the match is run at any other time, the notice to hold the license will not be given until after the taxpayer has had the opportunity to resolve the delinquency.
3. DOR will send a letter to accounts on the match list giving them ten days to pay in full. If the applicant contacts DOR, we will negotiate an installment plan if necessary. The Special Procedures Unit (SPU) typically attempts to negotiate 1/2 down plus all missing tax returns.
4. If SPU notified an agency to hold or revoke a license, SPU will send a clearance certificate to the agency when the taxpayer pays in full or enters an acceptable repayment plan.
5. A certificate of delinquent tax will be sent to the agency if the taxpayer fails to contact DOR or we can not come to acceptable terms. The certificate is sent to agencies approximately 21 days after the 10-day letter is sent. On occasion, the occupational license specialist may grant the taxpayer a short extension to file returns or to pay in full.

6. The licensing agency will deny, revoke or suspend the license after receiving the certificate of delinquent tax. At this point, the taxpayer may request a hearing. The hearing, conducted by a DOR hearing examiner, will be limited to questions of: a) mistaken identity; and b) whether the license holder has paid the delinquent taxes.
7. SPU will advise the agency as to whether or not the account is resolved. The agency will issue the credential if the account is resolved or affirm its' prior notice of denial if the delinquency is not resolved. The taxpayer may appeal the agency's final order to the Dane County Circuit Court.

Authorizing Legislation

The accompanying text from the Wisconsin statutes summarizes the mandated arrangements between agencies. This is an extract; the full text appears at www.legis.state.wi.us/statutes/stat0073.pdf, which we have also included as a separate attachment to this appendix.

(2) DUTIES AND POWERS OF LICENSING DEPARTMENTS. (a) Each licensing department and the supreme court, if the supreme court agrees, shall enter into a memorandum of understanding with the department of revenue under sub. (4) (a) that requires the licensing department or supreme court to do all of the following:

1. Request the department of revenue to certify whether an applicant for a license or license renewal or continuation is liable for delinquent taxes. With respect to an applicant for a license granted by a credentialing board, the department of regulation and licensing shall make a request under this subdivision. This subdivision does not apply to the department of transportation with respect to licenses described in sub. (1) (d) 7.

2. Request the department of revenue to certify whether a license holder is liable for delinquent taxes. With respect to a holder of a license granted by a credentialing board, the department of regulation and licensing shall make a request under this subdivision.

(b) Each licensing department and the supreme court, if the supreme court agrees, shall do all of the following:

1. a. If, after a request is made under par. (a) 1. or 2., the department of revenue certifies that the license holder or applicant for a license or license renewal or continuation is liable for delinquent taxes, revoke the license or deny the application for the license or license renewal or continuation. The department of transportation may suspend licenses described in sub. (1) (d) 7. in lieu of revoking those licenses. A suspension, revocation or denial under this subd. 1. a. is not subject to administrative review or, except as provided in subd. 2., judicial review. With respect to a license granted by a credentialing board, the department of regulation and licensing shall make a revocation or denial under this subd. 1. a.

- b. Mail a notice of suspension, revocation or denial under subd. 1. a. to the license holder or applicant. The notice shall include a statement of

the facts that warrant the suspension, revocation or denial and a statement that the license holder or applicant may, within 30 days after the date on which the notice of denial, suspension or revocation is mailed, file a written request with the department of revenue to have the certification of tax delinquency on which the suspension, revocation or denial is based reviewed at a hearing under sub. (5) (a). With respect to a license granted by a credentialing board, the department of regulation and licensing shall mail a notice under this subd. 1. b.

2. If notified by the department of revenue that the department of revenue has affirmed a certification of tax delinquency after a hearing under sub. (5) (a), affirm a suspension, revocation or denial under subd. 1. a. A license holder or applicant may seek judicial review under ss. 227.52 to 227.60, except that the review shall be in the circuit court for Dane County, of an affirmation of a revocation or denial under this subdivision. With respect to a license granted by a credentialing board, the department of regulation and licensing shall make an affirmation under this subdivision.

3. If a person submits a nondelinquency certificate issued under sub. (5) (b) 1., reinstate the license or grant the application for the license or license renewal or continuation, unless there are other grounds for suspending or revoking the license or for denying the application for the license or license renewal or continuation. If reinstatement is required under this subdivision, a person is not required to submit a new application or other material or to take a new test. No separate fee may be charged for reinstatement of a license under this subdivision. With respect to a license granted by a credentialing board, the department of regulation and licensing shall reinstate a license or grant an application under this subdivision.

4. If a person whose license has been suspended or revoked or whose application for a license or license renewal or continuation has been denied under subd. 1. a. submits a nondelinquency certificate issued under sub. (3) (a) 2., reinstate the license or grant the person's application for the license or license renewal or continuation, unless there are other grounds for not reinstating the license or for denying the application for the license or license renewal or continuation. With respect to a license granted by a credentialing board, the department of regulation and licensing shall reinstate a license or grant an application under this subdivision. (c) 1. Each licensing department and the supreme court may require a holder of a license to provide the following information upon request:

a. If the license holder is an individual and has a social security number, the license holder's social security number. [am. If the applicant is an individual and does not have a social security number, a statement made or subscribed under oath or affirmation that the applicant does not have a social security number. The form of the statement shall be prescribed by the department of workforce development. A license issued in reliance upon a false statement submitted under this subd. 1. am. is invalid.]

b. If the license holder is not an individual, the license holder's federal employer identification number.

2. A licensing department may not disclose any information received under subd. 1. a. or b. to any person except to the department of revenue for the sole purpose of requesting certifications under par. (b) 2. in accordance with the memorandum of understanding under sub. (4) or to the department of workforce development for the purpose of administering s. 49.22.

(3) DUTIES AND POWERS OF DEPARTMENT OF REVENUE. (a) The department of revenue shall do all of the following:

1. Enter into a memorandum of understanding with each licensing department and the supreme court, if the supreme court agrees, under sub. (4) (a).

2. Upon the request of any applicant for issuance, renewal, continuation or reinstatement of a license whose license has been previously revoked or whose application for a license or license renewal or continuation has been previously denied under sub. (2)(b)1.a., issue a nondelinquency certificate to the applicant if the applicant is not liable for delinquent taxes.

(b) If a request for certification is made under sub. (2) (a) 1. or 2., the department of revenue may, in accordance with a memorandum of understanding entered into under par. (a) 1., certify to the licensing department or the supreme court that the applicant or license holder is liable for delinquent taxes.

Personal Interview

The accompanying text is a summary of the interview conducted with Vicki Siekert, Director Compliance Bureau of Income, Sales and Excise Tax.

Authority to administer program became effective 1996; however, program did not commence until 1998 and it was expanded in 1999

Program covers occupational licensees, but not attorneys since they are managed by Judicial Branch

Program applies to initial licenses as well as renewals. If delinquent tax conditions exist, licensing agencies must:

- Deny initial applications
- Stop renewals
- Suspend or revoke license or credentials

Licensing Agencies are required to provide essential information SSN, FEIN and name

Program applies to all state taxes, including PIT, sales, excise tax and corporate taxes

A tax liability must exceed \$500 for the enforcement action against the license to kick in. If taxpayer cannot pay the full liability, installment payment arrangements can be made as long as down payments are made and financial statements provided

It was not known how many licensees there are; however there are 12 licensing agencies and the largest agency has 274,000 licensees.

The number of delinquent accounts was not disclosed, but they collected \$11 million under the program.

Very few complaints about the program were reported and not many appeals. Taxpayers can appeal for reason of identity or that the underlying tax obligation was paid.

PIT has a program to place estimates on periods for non-filed PIT returns and this reduces the amount of non-filed periods which affect the program.

Cross-matches might occur once or twice a year, although many licenses are on a two-year renewal cycle

Bankruptcy will prevent the license or credentials from being revoked, etc.

Other Requested States

As part of this report, we targeted several specific states, including those contiguous to Pennsylvania. Profiles appear below in alphabetical order.

Connecticut

Currently Connecticut has no license clearance programs.

Delaware

Currently Delaware has no license clearance programs.

Massachusetts

We received the following email from Howard Merkowitz.

Nothing like this currently in Massachusetts, though it was proposed recently.

New Jersey

LexisNexis

The accompanying text is from LexisNexis.

July 24, 1995: When New Jersey Governor Christine Todd Whitman (R) signed the fiscal 1996 budget on June 30, she also signed for bills designed to assist in the assessment and collection of delinquent taxes.

A 2896, now Ch. 158, Laws 1995, provides that state agencies shall furnish the Division of Taxation with Federal social security and taxpayer identification numbers, and business names and addresses of persons to obtain professional, trade, business, or occupational licenses from the state and from state vendors and contractors. The information furnished the division will not constitute a public record and will be confidential information.

A 2897, now Ch. 159, Laws 1995, authorizes the division of taxation to set off unpaid state taxes against amounts due to state vendors and contractors and to set off unpaid state taxes owed by partners and shareholders of S corporations against state vendor and contractor payments due to said partnerships and S corporations.

New York

Survey

The accompanying email response was received from Arthur Friedson.

We don't do anything like this in NY, except for certain type of tax licenses such as for cigarette stamping agents and motor fuel

distributors. Let me know if you need anything else and I can put you in touch with the right folks.

Furthermore, a phone call with Dave Esmond added that clearances for Lottery Vendors, Show Vendors and City Peddlers (both food and goods) are also conducted.

Ohio

We spoke with Mary Tillman , Assistant Director for Compliance and were told that Ohio currently only conducts liquor license clearance program. However, their Deputy recently attended an FTA meeting in Indianapolis and expects to pursue the idea of establishing a comprehensive program within the next year.

Virginia

The tax clearance program in Virginia applies to the state lottery only, for both new and renewed licenses to sell lottery tickets.

West Virginia

Survey

We spoke with Tom Raynes, Assistant Director Internal Auditing Division and learned that West Virginia currently performs clearances on Dissolutions and Contractors.

Remote States

This section summarizes information obtained from additional states, primarily via email and/or LexisNexis. The states appear in alphabetical order.

Arkansas

Arkansas does have such a program for all alcohol beverage permit holders and tobacco permit holders. Those permits are renewed annually. Before either an alcohol or tobacco permit can be renewed, the business must be current on its state taxes. The renewal is not issued until any delinquent taxes are paid or a payment plan is established.

Joe LaFace

Arizona

We don't have anything like this in Arizona.

Georganna Meyer

District of Columbia

DC (§47-2862) has a license clearance that covers any agency issuing a license or permit. Notwithstanding any other provision of law, the district government shall not issue or reissue any license or permit to any applicant if the applicant those more than \$100 in outstanding debt to the district as a result of fines, penalties, or taxes. The applicant may make a timely appeal of the tax or alleged debts. If the appeal is pending, the district government may not deny the issuance or re-issuance of any license or permit. The appeals procedures should not to be construed as allowing the nonpayment of any tax or fee. If the applicant has agreed to a payment schedule, they cannot be denied the license or permit.

William Bowie

Florida

Not yet, in Florida - but discussions are underway to throw more taxes, fees, licenses.

Christian Weiss

Hawaii

The accompanying text is from LexisNexis.

March 6, 1995: Fees can also be imposed for providing tax clearances that may be required by other governmental agencies, such as applications to the Liquor Commission for liquor licenses, or applications for taking a contract with the state or county governments.

As in the case the Federal tax delinquencies, so called trust fund taxes, such as amounts withheld from wages of employees, but not paid over to the Department of Taxation, may result in personal liability to responsible officers or directors of the taxpayer which failed to pay over such amounts.

Because many of the state tax procedures and remedies are somewhat comparable to the procedures of the Internal Revenue Service, the ultimate evasion of payment other than through appeal, bankruptcy or compromise may be very limited. Also many taxpayer businesses require licensing. The Department of Commerce and Consumer Affairs may refuse to issue licenses required to do business in the absence of Federal and state tax clearances. Hawaii now requires tax clearances for contractors on a semiannual basis and for liquor establishments on an annual basis. Tax clearances are also required for stating county contracts above certain threshold amounts.

Illinois (Chicago)

The accompanying text from LexisNexis applies to Chicago, but not the state of Illinois.

March 1993: The city of Chicago has a statute that requires tax clearance for various licenses before issuance. They interpret this to include sales tax for the state of Illinois as the city receives direct revenue from the state. They provided Examination Division with the tape of 1,000 taxpayers that were up for renewal on various licenses but were delinquent in state sales tax payment or filing. 429 taxpayers were identified who were not current in Federal filings.

Iowa

In Iowa a hold can be put on motor vehicle registrations, but not on business licenses.

Michael A. Lipsman, Manager
Tax Research and Program Analysis Section
Iowa Department of Revenue

Kansas

Kansas does not have such a program, but we are now working on a proposal to do so to present to the legislature.

Richard Cram

Kentucky

The accompanying text is an extract of a longer document provided by Kathy G. Moreland of the Kentucky Department of Revenue. The full document, including enabling legislation, appears as an attachment at the end of this appendix.

The Department of Revenue currently administers three license programs: a Mine License Revocation program, the Alcohol Beverage Control (ABC) claim program, and a lottery license clearance program.

Mine License Revocation

In Kentucky, a coal company must obtain a permit each year, in order to mine coal from a particular site. KRS 131.181 and KRS 351.175 (see attached) gives the Department of Revenue the authority to request the revocation of an existing mine license or the denial of a newly requested license after determining that the taxpayer holding or applying for the license is a "delinquent taxpayer."

Licenses are also revoked when it is determined that the taxpayer has been affiliated with another business whose mine license has already been revoked and whose liability remains unpaid. A Department of Mines and Minerals inspector physically closes the mine site and this site is opened, and the license reinstated, only after the taxpayer makes satisfactory repayment arrangements with the Department of Revenue.

The Mine License Revocation program has been in existence since 1978. In early years, this was a very successful program, but it has diminished in size in recent years due to the reduced number of taxpayers applying for permits.

ABC Claims Program

Before a taxpayer may either transfer or sell a liquor license, a tax clearance must be issued by the Department of Revenue, in accordance with KRS 139.670. The peak times for tax clearances occurs in April, May, or June of each year since the ABC Board has a renewal deadline of June 30. Renewals include payment of a fee; therefore, most taxpayers who intend to transfer or sell a license want to do so before the renewal deadline.

In addition to holding the taxpayers clearance, the Department of Revenue may file a claim with the ABC board, requesting a hearing, to determine if the delinquent taxpayer's license can be suspended or revoked (see KRS 243.500(5) – attached).

Statistics for FY 2003 include 106 tax clearance denials. The Department of Revenue is currently in the process of automating the clearance process, which should increase revenues significantly.

Lottery Application Review -

The Kentucky Department of Revenue must ensure that all tax liabilities are current in accordance with KRS 154A. 400(1)(b)2 before a retailer can be issued a license to sell lottery tickets. This process involves reviewing the application submitted by the retailer to the Kentucky Lottery Corp.

The Lottery Corporation faxes the completed application to the Department where all information is cross-matched to verify that the business is registered for the appropriate account numbers. If the Lottery Corporation receives notification from the Department indicating that the retailer is not in compliance, they notify the retailer that they have seven days to become compliant or their machines will be shut down. This usually spurs a quick response from the retailer.

Maine

Maine has two statutes, one for state-issued licenses generally (36 MRSA sec. 175) and a somewhat stricter one for liquor licensees and motor vehicle dealers only (sec. 172). The general one allows us only to prevent the renewal or extension of a license, not to outright revoke it. I'll check to see if we have any of the data you request and get back to you.

The only tax clearances in Maine are dissolutions of corporations if we are notified of the request, Governor appointments and MRS new hires. § 175 p1. Requires every department, board, commission or other agency of the State issuing or renewing a license or other certificate of authority to conduct a profession, trade or business information annually in a manner the State Tax Assessor prescribes. The information includes the name, address and identification number of the individual or business.

This information is utilized for us to prevent the issuance or renewal of the license or certificate for failing to file or pay taxes as outlined in § 175 p2 and p3.

David Bauer
General Counsel
Maine Revenue Services

Mississippi

The accompanying text is from LexisNexis.

June 1993: In June of 1993, the Jackson district began negotiations with Mississippi State Board of Public Accountancy to secure names, addresses, and social security numbers of all certified public accountants; and to rewrite regulations to require proof of compliance with state and Federal filing requirements prior to renewal or issuance of a license or certificate. The District Director, the Mississippi Tax Commissioner and the Director of Gaming met to discuss changes to gaming regulations and requirements, to require taxpayers applying for

licenses to provide proof of filing. As a result, the joint compliance committee will be established to write new regulations and requirements.

South Dakota

(§37-7-30.2) A corporation may apply for a certificate of reinstatement to the South Dakota Secretary of State. The application may be made by the board of directors, the president or other officer, or receiver trustee or any other court appointed fiduciary. The filing fees could be based on capital stock plus any delinquent annual reports for the period prior to the reinstatement application. Part of this reinstatement requires the department of revenue to provide a certificate stating that any taxes or fees owed the department have been paid.

Jack Magee

Rhode Island

Rhode Island has a license clearing program for liquor license holders. An explanation and details of the program can be found on the FTA website by getting on "Tax Exchange" and then going to "Steal It" and then "compliance."

We currently have a bill as part of the governor's budget proposal, which will require all professional licensees to get a tax clearance before renewal of their license. The bill also requires tax clearance for renewal of driver's licenses and auto registrations. Number has not been released since not yet introduced. Will most likely be submitted by next week 2/23/04.

Bob Geruso

Washington

The only tax clearance program we have is a small harvester contractor with L&I. They send a list of Harvester Contractor License renewal's we review for warrants and provide clearance. Also review to make sure they are registered with DOR. We review about 800 per year. This was a pilot for a bigger contractor registration clearance concept. That is all I am aware of from DOR's end.

Drew Shirk

Supporting Documentation (Attachments)

We have included attachments in the following order.

Maryland

Please refer to the attached section from Maryland for details on program specifics.

Minnesota Statute

Please refer to attached section *270.72 Tax clearance; issuance of licenses* from Minnesota for details enabling legislation.

Wisconsin Statute

Please refer to section *73.0301 License denial, nonrenewal, discontinuation, suspension and revocation based on tax delinquency* from Chapter 73 for details on Wisconsin's legislation.

Kentucky Statute

The Kentucky attachment includes an overview of the program as well as the following sections from Kentucky:

131.181 Coal mining license revocation for or denial to delinquent taxpayer or his agent, contract miner, or delegate.

139.670 Withholding amount of tax liability by purchaser of business.

154A.400 Statewide network of lottery retailers -- Criteria for selection -- Uniform fees -- Suspension, revocation or termination of contract -- Purchase or lease of on-line equipment -- Contracts not transferable or assignable -- Certificates -- General Assembly members not prohibited from being retailers -- Payment of prize -- Sales tax exemption.

243.500 Causes for which licenses may be revoked or suspended.

TAX CLEARANCES REQUIRED FOR STATE LICENSE RENEWALS

BEGINNING JULY 1, 2003, THE STATE AGENCIES LISTED BELOW MUST VERIFY THAT AN APPLICANT FOR RENEWAL OF A LICENSE HAS PAID, OR HAS SATISFACTORILY ARRANGED FOR THE PAYMENT OF, STATE TAXES BEFORE THE STATE LICENSES WHICH THEY ISSUE CAN BE RENEWED.

- **COMPTROLLER OF MARYLAND**
(Including clerks of the Circuit Court)
- **DEPARTMENT OF LABOR, LICENSING & REGULATION**
- **DEPARTMENT OF HEALTH & MENTAL HYGIENE**
- **MOTOR VEHICLE ADMINISTRATION**
(Excluding Drivers' Licenses and Vehicle Registration Renewals)
- **DEPARTMENT OF NATURAL RESOURCES**
- **DEPARTMENT OF THE ENVIRONMENT**

IF YOU HOLD A LICENSE ISSUED BY ONE OF THESE AGENCIES, YOU SHOULD FILE ANY NECESSARY TAX RETURNS AND PAY ANY TAXES DUE WITHOUT DELAY. IF YOU WAIT UNTIL RENEWAL TIME TO TAKE CARE OF THE PROBLEM, YOU RUN THE RISK THAT THE RENEWAL OF YOUR LICENSE MAY BE DELAYED. CALL THE NUMBER ON THE ENCLOSED BILL TO SPEAK WITH ONE OF THE COMPTROLLER'S REPRESENTATIVES WHO CAN WORK WITH YOU TO RESOLVE THE MATTER.



COMPTROLLER
of MARYLAND

Serving the People

William Donald Schaefer
Comptroller

Linda L. Tanton
Director
Compliance Division

James T. Loftus
Charles R. Townsend
Assistant Directors

**Tax Clearances Required
for State License Renewals**

Summary

<u>Agency</u>	<u>Number of Licenses</u>
Comptroller of Maryland	95,828
Dept. of the Environment	12,000
Dept. of Health & Mental Hygiene	151,570
Dept. of Labor, Licensing, & Regulation	170,000
Dept. of Natural Resources	8,200
Motor Vehicle Administration	15,959
Total	<u>453,557</u>

**Tax Clearances Required
for State License Renewals**

Agency & License Types	Number of Licenses	Due Dates	Duration	SS#	Interaction Automated Annap. Data Ctr		Comments
Comptroller of Maryland							
State License Bureau	90,000	1-May	1 year	Yes	Yes	Yes	
Auctioneer							
Billiard Table							
Chain Store							
Cigarette							
Commercial Garage							
Console Machine							
Construction Firm							
Hawkers & Peddlers							
Junk Dealers							
Wholesale Dealers - Farm Machinery							
Laundry							
Music Box							
Pinball							
Plumber & Gas Fitter							
Restaurant							
Special Cigarette							
Storage Warehouse							
Traders							
Vending Machine							
Alcohol & Tobacco Tax Division							
Alcohol	257	1-May	1 year	Yes	Yes		
Tobacco	121	1-May	1 year	Yes	Yes		
Motor Fuel Tax Division							
IFTA	5450			Yes	Yes		
MF	?			Yes	Yes		

Total Licenses 95,828

**Tax Clearances Required
for State License Renewals**

Agency & Licenses	Number of Licenses	Due Dates	Duration	SS#	Automated	Interaction Annap. Data Ctr.	Comments
Dept. of Environment	12,000	Staggered	Varies				Bi-Annual or 5 Year Renewals

Total Licenses 12,000

**Tax Clearances Required
for State License Renewals**

Agency & Associated Boards	Number of Licenses	Due Dates	Duration	SS#	Interaction		Comments
					Automated	Annap. Data Ctr.	
Dept. of Health & Mental Hygiene							
Acupuncture, Board of	720			50%	Yes	Yes	
Audiology/Hearing Aid Dispensers, Speech-Language Pathologists, Brd. of	2,534	Staggered	Varies	100%	Yes	Yes	Odd/Even Years by Lic. Type May & Jan.
Chiropractic Examiners, Brd. of							
Dental Examiners, Brd. of	10,905			98%	Yes	No	
Dietetic Practice, Brd. of	1,335			100%	Yes	Yes	
Electrologists, Brd. of	128	Aug.	1 year		Yes	No	As of July 1 handled by Brd. Of Nursing
Kidney Disease, Commission on							
Morticians, Brd. of	1,398	Staggered	2 years	Some	Yes	Yes	Odd/Even Years by Lic Type Nov & Apr Apprentice 1 yr.
Nursing, Brd. Of	70,000	Staggered	1 year	90%	Yes	No	
Nursing Home Admin. Brd. of	586			No	Yes	No	
Occupational Therapy Brd. of	2,519			100%	Yes	No	
Optometry, Brd. of	820			100%	Yes	Yes	
Pharmacy, Brd. of	15,865	Staggered	Varies	95%	Yes	Yes	Pharmacies & Distr. 1 yr. Pharmacists 2 years
Physical Therapy Examiners, Brd. of	4,932	31-May	2 years	66%	Yes	Yes	Odd/Even based on license number Renewal ends May
Physicians, Brd. of	23,000	Staggered	2 years	100%	Yes	No	Odd/Even Years by Lic. Type Apr., May, Jun, Sept.
Podiatry, Brd. of	453			50%	Yes	Yes	
Professional Counselors, Brd. of	3,075	Oct. & Dec.	1 year				
Psychology, Brd. of	2,300	Jan - Mar	2 years		Yes	Yes	1100 renewed in one year/1200 renewing in other year
Social Work Examiners, Brd. of	11,000			90%	Yes	Yes	
Total Licenses DHMH	151,570						

**Tax Clearances Required
for State License Renewals**

events spread throughout year

Agency & Associated Boards	Number of Licenses	Due Dates	Duration	SS#	Automated	Interaction Annap. Data Ctr.	Comments
Dept. Labor Licensing & Regulation	170,000	Staggered	2 years	100%	Yes	Yes	Renewals daily by specific month
Occupational & Professional Licensing							
Athletic Commission							
Board of Accountancy							
Board of Architects							
Board of Barbers							
Board of Bay Pilots							
Board of Cosmetologists							
Board of Examining Engineers							
Board of Foresters							
Board of Interior Designers							
Board of Land Surveyors							
Board of Master Electricians							
Board of Plumbing							
Board of Professional Engineers							
Employment Agencies							
Farm Labor Contractors							
HVACR							
Home Improvement							
Home Inspectors							
Office of Cemetery Oversight							
Precious Metal & Gem Dealers							
Real Estate Appraisers							
Real Estate Commission							
Sports Agents							
Racing							
Horse Racing in Maryland							
Safety							
Labor and Industry							
Amusement Ride							
Boiler and Pressure Vessel							
Elevators							
Railroad							
Workplace							
Training							
Apprenticeship Programs							

Total DLLR Licenses 170,000

**Tax Clearances Required
for State License Renewals**

Agency & License Types	Number of Licenses	Due Dates	Duration	SS#	Automated	Interaction Annap. Data Ctr.	Comments
Dept. of Natural Resources							
Commercial Waterman	7,000	Sept. 1	1 year	Some			Could be fein or ss#, no confidence accuracy of #'s
Boat Dealers	600	Jan. 1	1 year		Yes		
Tree Experts	600	Jan. 1	1 year				
Taxidermists			1 year				

Total Licenses DNR 8,200

**Tax Clearances Required
for State License Renewals**

Agency & License Types	Number of Licenses	Due Dates	Duration	SS#	Automated	Interaction Annap. Data Ctr	Comments
Motor Vehicle Administration							
Driver Instructors	1,000		2 years		Yes		
Driving Schools	124		2 years		Yes		
Manufacturer	149				Yes		
Car Dealers	2,609		2 years		Yes		
Car Salesmen	11,893		1 year		Yes		
Junk Yards	184	Staggered	2 years		Yes		
Total MVA Licenses	<u>15,959</u>						

[Minnesota Statutes 2003, Table of Chapters](#)[Table of contents for Chapter 270](#)**270.72 Tax clearance; issuance of licenses.**

Subdivision 1. **Tax clearance required.** The state or a political subdivision of the state may not issue, transfer, or renew, and must revoke, a license for the conduct of a profession, occupation, trade, or business, if the commissioner notifies the licensing authority that the applicant owes the state delinquent taxes, penalties, or interest. The commissioner may not notify the licensing authority unless the applicant taxpayer owes \$500 or more in delinquent taxes or has not filed returns. If the applicant taxpayer does not owe delinquent taxes but has not filed returns, the commissioner may not notify the licensing authority unless the taxpayer has been given 90 days' written notice to file the returns or show that the returns are not required to be filed. A licensing authority that has received a notice from the commissioner may issue, transfer, renew, or not revoke the applicant's license only if (a) the commissioner issues a tax clearance certificate and (b) the commissioner or the applicant forwards a copy of the clearance to the authority. The commissioner may issue a clearance certificate only if the applicant does not owe the state any uncontested delinquent taxes, penalties, or interest and has filed all required returns.

Subd. 2. **Definitions.** For purposes of this section, the following terms have the meanings given.

(a) "Taxes" mean all taxes payable to the commissioner including penalties and interest due on the taxes.

(b) "Delinquent taxes" do not include a tax liability if (i) an administrative or court action which contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the applicant has entered into a payment agreement and is current with the payments.

(c) "Applicant" means an individual if the license is issued to or in the name of an individual or the corporation or partnership if the license is issued to or in the name of a corporation or partnership. "Applicant" also means an officer of a corporation, a member of a partnership, or an individual who is liable for delinquent taxes, either for the entity for which the license is at issue or for another entity for which the liability was incurred, or personally as a licensee. In the case of a license transfer, "applicant" also means both the transferor and the transferee of the license. "Applicant" also means any holder of a license.

(d) "License" means any permit, registration, certification, or other form of approval authorized by statute or rule to be issued by the state or a political subdivision of the state as a condition of doing business or conducting a trade, profession, or occupation in Minnesota, specifically

including, but not limited to, a contract for space rental at the Minnesota state fair and authorization to operate concessions or rides at county and local fairs, festivals, or events.

(e) "Licensing authority" includes the Minnesota state fair board and county and local boards or governing bodies.

Subd. 3. **Notice and hearing.** (a) The commissioner, on notifying a licensing authority pursuant to subdivision 1 not to issue, transfer, or renew a license, must send a copy of the notice to the applicant. If the applicant requests, in writing, within 30 days of the date of the notice a hearing, a contested case hearing must be held. The hearing must be held within 45 days of the date the commissioner refers the case to the office of administrative hearings. Notwithstanding any law to the contrary, the applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the applicant. The notice may be served personally or by mail.

(b) Prior to notifying a licensing authority pursuant to subdivision 1 to revoke a license, the commissioner must send a notice to the applicant of the commissioner's intent to require revocation of the license and of the applicant's right to a hearing under paragraph (a). A license is subject to revocation when 30 days have passed following the date of the notice in this paragraph without the applicant requesting a hearing, or, if a hearing is timely requested, upon final determination of the hearing under section [14.62](#), subdivision 1. A license shall be revoked by the licensing authority within 30 days after receiving notice from the commissioner to revoke.

(c) A hearing under this subdivision is in lieu of any other hearing or proceeding provided by law arising from any action taken under subdivision 1.

Subd. 4. **Licensing authority; duties.** All licensing authorities must require the applicant to provide the applicant's social security number and Minnesota business identification number on all license applications. Upon request of the commissioner, the licensing authority must provide the commissioner with a list of all applicants, including the name, address, business name and address, social security number, and business identification number of each applicant. The commissioner may request from a licensing authority a list of the applicants no more than once each calendar year.

Subd. 5. Repealed, 1Sp1986 c 1 art 7 s 37

HIST: 1984 c 502 art 8 s 2; 1984 c 655 art 2 s 10 subd 1; 1986 c 444; 1Sp1986 c 1 art 7 s 15-17; 1987 c 268 art 17 s 6,7; 1989 c 184 art 2 s 14; 1994 c 510 art 4 s 6; 1995 c 264 art 13 s 5-7; 2003 c 127 art 8 s 5

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CHAPTER 73

TAX APPEALS COMMISSION AND DEPARTMENT OF REVENUE

73.01	Tax appeals commission.	73.031	Arrest powers.
73.015	Review of determination of tax appeals commission.	73.035	Private letter rulings.
73.02	Distribution of money; income tax coordinator.	73.04	Hearings, witnesses.
73.028	Levy rate limits and debt conditions; rules.	73.05	Assessment districts; supervisors; duties.
73.029	Rules required.	73.06	Supervision of assessments; supervisors; appointments and duties.
73.03	Powers and duties defined.	73.07	District offices, supplies, expenses.
73.0301	License denial, nonrenewal, discontinuation, suspension and revocation based on tax delinquency.	73.08	Educational program.
73.0302	Liability for delinquent taxes.	73.09	Assessor certification.
73.0305	Revenue limits and intradistrict transfer aid calculations.	73.10	Municipal finance.
		73.12	Set off of payments to vendors.

73.01 Tax appeals commission. (1) DEFINITIONS. In this section:

(a) “Commission” means the tax appeals commission.

(b) “Small claims” is a matter in which the amount in controversy, including any penalty, after the department of revenue takes its final action on the petition for redetermination is less than \$2,500 unless the commission on its own motion determines that the case not be heard as a small claims case or unless the department of revenue determines that the case has statewide significance.

(2) EMPLOYEES. The chairperson of the commission may appoint, under the classified service, such employees for the commission as are necessary.

(3) HEARINGS AND REPORTS. (a) The time and place of meetings and hearings of the commission shall be designated by the chairperson. Rooms for hearings outside the city of Madison shall be provided under s. 73.07. All hearings held in Milwaukee shall be held in the southeast district office of the department of natural resources. The commission shall maintain permanent hearing rooms in Madison.

(b) The commission shall provide for the publication of such of its reports, decisions and opinions as are of public interest in such form as it deems best adapted for public convenience and use. Such publications shall constitute the official reports of the commission and shall be made available for sale and distribution to the public under ch. 35. In addition to any report submitted under s. 15.06 (7), the commission shall make additional reports to the governor or the legislature as they request. The commission shall submit a report requested by the legislature to the chief clerk of each house of the legislature, for distribution to the legislature under s. 13.172 (2).

(4) POWERS AND DUTIES DEFINED. (a) Subject to the provisions for judicial review contained in s. 73.015, the commission shall be the final authority for the hearing and determination of all questions of law and fact arising under sub. (5) and s. 72.86 (4), 1985 stats., and ss. 70.38 (4) (a), 70.397, 70.64, and 70.995 (8), s. 76.38 (12) (a), 1993 stats., ss. 76.39 (4) (c), 76.48 (6), 76.91, 77.26 (3), 77.59 (6) (b), 78.01, 78.22, 78.40, 78.555, 139.02, 139.03, 139.06, 139.31, 139.315, 139.33, 139.76, 139.78, 341.405, and 341.45, subch. XIV of ch. 71, and subch. VII of ch. 77. Whenever with respect to a pending appeal there is filed with the commission a stipulation signed by the department of revenue and the adverse party, under s. 73.03 (25), or the department of transportation and the adverse party agreeing to an affirmance, modification, or reversal of the department of revenue’s or department of transportation’s position with respect to some or all of the issues raised in the appeal, the commission shall enter an order affirming or modifying in whole or in part, or canceling the assessment appealed from, or allowing in whole or in part or denying the petitioner’s refund claim, as the case may be, pursuant to and in accordance with the stipulation filed. No responsibility shall devolve upon the commission, respecting the signing of an order of dis-

missal as to any pending appeal settled by the department of revenue or the department of transportation without the approval of the commission.

(am) Whenever it appears to the commission or, in respect to hearings conducted by one commissioner, to that commissioner that proceedings have been instituted or maintained by the taxpayer primarily for delay or that the taxpayer’s position in those proceedings is frivolous or groundless, the commission or commissioner may assess the taxpayer an amount not to exceed \$1,000 at the same time that the deficiency is assessed. Those damages shall be paid upon notice from the department of revenue and shall be collected as a part of the tax.

(b) Any matter required to be heard by the commission may be heard by any member of the commission or its hearing examiner and reported to the commission, and hearings of matters pending before it shall be assigned to members of the commission or its hearing examiner by the chairperson. Cases other than small claims cases shall be decided by the full commission, except that if one or more members of the commission are unavailable, cases other than small claims cases shall be decided by the member or members assigned by the chairperson prior to the hearing. If the parties have agreed to an oral decision, the member or members conducting the hearing may render an oral decision. Hearings shall be open to the public and all proceedings shall be conducted in accordance with rules of practice and procedure prescribed by the commission. Small claims cases shall be decided by one commissioner assigned by the chairperson prior to the hearing.

(bn) The parties to any matter required to be heard and decided by the commission, except appeals arising under s. 70.64 or ch. 76, may consent in writing that the chairperson or any member of the commission assigned to hear the matter may render an oral decision, and that the parties waive the right to appeal such decision. Such oral decision shall not be binding upon the department, as to statutory construction, in a subsequent matter. Provisions of this section, s. 73.015 or ch. 227 in conflict herewith shall not apply to decisions rendered under this paragraph.

(c) The commission shall, upon the request of any party to a matter pending before it or of any officer of the state government or upon its own motion order that all proceedings in a matter pending before it be recorded, and the expense thereof shall be paid by the state out of the appropriation for the commission. The commission may supply copies of the transcript of those recordings to anyone requesting them, at the expense of the person making such request. All moneys received by the commission from the sale of transcripts of those recordings shall be paid into the state treasury within one week after receipt. If no party to a matter pending before the commission requests that the proceedings held with respect thereto be recorded, and the commission does not so order upon its own motion, all parties shall be deemed to have waived all rights of appeal to the courts upon questions as to the admission or exclusion of evidence or as to whether a finding of the commission is warranted by the evidence. The right of appeal upon ques-

73.01 TAX APPEALS COMMISSION; REVENUE DEPARTMENT

tions of law raised by the pleadings or by facts stipulated or shown by the findings of the commission is not waived.

(d) Any member of the commission or any employee of the commission, designated in writing for the purpose by the chairperson, may administer oaths, and any member of the commission may summon and examine witnesses and require by subpoena the production of all returns, books, papers, documents, correspondence and other evidence pertaining to the matter under inquiry, at any designated place of hearing and may require the taking of a deposition before any person competent to administer oaths, either within or without the state, upon notice to the interested party in like manner that depositions of witnesses are taken in civil actions pending in the circuit court. Any party to a matter pending before the commission may summon witnesses or require the production of papers in the same manner as witnesses are summoned or papers required to be produced in civil actions in the circuit court. Any person summoned or whose deposition is taken shall receive the same fees and mileage as would be allowed in a civil action pending in the circuit court, and the expense thereof shall be paid by the person summoning such witness or causing the deposition to be taken.

(dn) In connection with the hearing of any matter required to be heard and decided by the commission, except appeals arising under s. 70.64 or ch. 76, the chairperson or any member of the commission assigned to hear the matter may, with the consent of the parties, render an oral decision. In small claims cases, the presiding commissioner may, without consent of the parties, either render an oral decision at the close of the hearing or provide a written decision to all parties within 2 weeks after the hearing. Decisions in small claims cases are not precedents. Any party may appeal such oral decision as provided in s. 73.015. Oral decisions constitute notice for purposes of determining the time in which appeals may be taken. Provisions of this section or ch. 227 in conflict with this paragraph do not apply to decisions rendered under this paragraph.

(e) Except as provided in par. (dn), the commission in each case heard by it shall, irrespective of ch. 227, make a decision in writing accompanied by findings of fact and conclusions of law. The commission may issue an opinion in writing in addition to its findings of fact and decision. The decision or order of the commission shall become final and shall be binding upon the petitioner and upon the department of revenue for that case unless an appeal is taken from the decision or order of the commission under s. 73.015. Except in respect to small claims decisions, if the commission construes a statute adversely to the contention of the department of revenue:

1. Except for hearings on ss. 341.405 and 341.45 and except as provided in subd. 2., the department of revenue shall be deemed to acquiesce in the construction so adopted unless the department of revenue seeks review of the order or decision of the commission so construing the statute. For purposes of this subdivision, the department of revenue has sought review of the order or decision if it seeks review and later settles the case or withdraws its petition for review or if the merits of the case are for other reasons not determined by judicial review. The construction so acquiesced in shall thereafter be followed by the department of revenue.

2. Except for hearings on ss. 341.405 and 341.45, the department of revenue may choose not to appeal and to nonacquiesce in the decision or order by sending a notice of nonacquiescence to the clerk of the commission, to the revisor of statutes for publication in the Wisconsin administrative register and to the taxpayer or the taxpayer's representative before the time expires for seeking a review of the decision or order under s. 73.015. The effect of this action is that, although the decision or order is binding on the parties for the instant case, the commission's conclusions of law, the rationale and construction of statutes in the instant case are not binding upon or required to be followed by the department of revenue in other cases.

(em) 1. If only 2 commissioners are available to participate in a decision in a case that would otherwise be decided by the full

commission, and if the 2 commissioners cannot agree on the resolution of the case, the chairperson of the commission shall make the decision in the case, except that, if the chairperson is not participating in the case, the commissioner participating in the case who has been a commissioner for the longer period of time shall make the decision.

2. If only one commissioner is available to participate in a decision in a case that would otherwise be decided by the full commission, the commissioner who participates in the case shall make the decision.

(f) All reports, findings, decisions and opinions of the commission, and all evidence received by the commission, including a transcript of any report of the proceedings, shall be open to the inspection of the public, except that the originals of books, documents, records, labels, diagrams, and other exhibits introduced in evidence before the commission, may be withdrawn from the custody of the commission in such manner and upon such terms as the commission may, in its discretion, prescribe.

(g) The commission shall, in manufacturing property redeterminations under s. 70.995 for which a refund is due a taxpayer because of a reduction in value by the commission, include in its determination a finding of whether the reduction was due to false or incomplete information supplied by the taxpayer.

(h) The commission may extend any of its deadlines for persons designated in section 7508 (a) of the internal revenue code for the length of time specified in that section.

(i) If the department of revenue assesses under s. 71.74 (9), the commission shall consolidate the appeals of that assessment.

(4m) DEADLINE FOR DECISIONS. (a) The final decision or order of the commission shall be issued within 90 days after the date on which the last document necessary to the decision of the matter is received or the date on which a hearing is closed, whichever is later, unless good cause is shown or unless the parties and the commission agree to an extension.

(b) No member of the commission, including the chairperson, or its hearing examiner may receive any salary unless he or she first executes an affidavit at the end of each salary period stating that he or she has complied with the deadlines in par. (a). The affidavit shall be presented to and filed with every official who certifies, in whole or in part, the salary.

(c) If a member of the commission, including the chairperson, or its hearing examiner is unable to comply with the deadline under par. (a), that person shall so certify in the record, and the period is then extended for one additional period not to exceed 90 days.

(5) APPEALS TO COMMISSION. (a) Any person who is aggrieved by a determination of the state board of assessors under s. 70.995 (8) or who has filed a petition for redetermination with the department of revenue and who is aggrieved by the redetermination of the department of revenue may, within 60 days of the determination of the state board of assessors or of the department of revenue or, in all other cases, within 60 days after the redetermination but not thereafter, file with the clerk of the commission a petition for review of the action of the department of revenue and the number of copies of the petition required by rule adopted by the commission. Any person who is aggrieved by a determination of the department of transportation under s. 341.405 or 341.45 may, within 30 days after the determination of the department of transportation, file with the clerk of the commission a petition for review of the action of the department of transportation and the number of copies of the petition required by rule adopted by the commission. If a municipality appeals, its appeal shall set forth that the appeal has been authorized by an order or resolution of its governing body and the appeal shall be verified by a member of that governing body as pleadings in courts of record are verified. The clerk of the commission shall transmit one copy to the department of revenue, or to the department of transportation, and to each party. In the case of appeals from manufacturing property assessments, the person assessed shall be a party to a proceeding

initiated by a municipality. At the time of filing the petition, the petitioner shall pay to the commission a \$25 filing fee. The commission shall deposit the fee in the general fund. Within 30 days after such transmission the department of revenue, except for petitions objecting to manufacturing property assessments, or the department of transportation, shall file with the clerk of the commission an original and the number of copies of an answer to the petition required by rule adopted by the commission and shall serve one copy on the petitioner or the petitioner's attorney or agent. Within 30 days after service of the answer, the petitioner may file and serve a reply in the same manner as the petition is filed. Any person entitled to be heard by the commission under s. 76.38 (12) (a), 1993 stats., or s. 76.39 (4) (c), 76.48, or 76.91 may file a petition with the commission within the time and in the manner provided for the filing of petitions in income or franchise tax cases. Such papers may be served as a circuit court summons is served or by certified mail. For the purposes of this subsection, a petition for review is considered timely filed if mailed by certified mail in a properly addressed envelope, with postage duly prepaid, which envelope is postmarked before midnight of the last day for filing.

(b) The petition shall set forth specifically the facts upon which the petitioner relies, together with a statement of the propositions of law involved, and shall be in such form as the commission by rule designates. After an answer is filed as provided in par. (a), the matter shall be regarded as at issue and the commission shall set it for hearing. At all times while said appeal is pending before the commission, the petitioner shall keep the commission informed as to the petitioner's residence. Upon the petitioner's failure to do so, the mailing by the commission of a notice of hearing, decision and order or other papers by registered mail to the petitioner's attorney or to the petitioner's last-known address shall constitute good and sufficient service. Petitions and answers may be amended under rules to be prescribed by the commission.

History: 1973 c. 90; 1975 c. 39, 199; 1977 c. 29; 1979 c. 177 s. 85; 1979 c. 221; 1981 c. 20, 317; 1983 a. 27, 277; 1985 a. 29 ss. 1403 to 1411, 3202 (56) (d); 1987 a. 27 ss. 1542m, 1543m, 3202 (47) (a); 1987 a. 142, 186, 198, 312, 399, 403; 1989 a. 31; 1989 a. 56 s. 259; 1989 a. 335; 1991 a. 39, 262, 315, 316; 1993 a. 184, 213; 1995 a. 351; 1997 a. 27; 1999 a. 145; 2001 a. 16; 2003 a. 33.

A subpoena duces tecum need not show on its face the factual basis for its issuance in order to prove lawful purpose and relevancy. The commission properly took testimony even though it was deciding a question of law. *Neu's Supply Line, Inc. v. DOR*, 52 Wis. 2d 386, 190 N.W.2d 213 (1971).

A party challenging the administration of taxing statutes must exhaust state administrative remedies before commencing an action in state courts under 42 USC 1983. *Hogan v. Musolf*, 163 Wis. 2d 1, 471 N.W.2d 216 (1991).

Sub. (4) (dn) does not prohibit petitions for rehearing oral decisions. *DOR v. Hogan*, 198 Wis. 2d 792, 543 N.W.2d 825 (Ct. App. 1995).

Sub. (4) (b) does not grant the commission the authority to certify a class in a class-action that seeks income tax refunds. *DOR v. Hogan*, 198 Wis. 2d 792, 543 N.W.2d 825 (Ct. App. 1995).

Practice before the Wisconsin tax appeals commission. *Smrz*, 1976 WBB 3.

Procedures before the Wisconsin tax appeals commission. *Boykoff*, WBB October 1981.

73.015 Review of determination of tax appeals commission. (1) This section shall provide the sole and exclusive remedy for review of any decision or order of the tax appeals commission and no person may contest, in any action or proceeding, any matter reviewable by the commission unless such person has first availed himself or herself of a hearing before the commission under s. 73.01 or has cross-appealed under s. 70.995 (8) (a).

(2) Any adverse determination of the tax appeals commission is subject to review in the manner provided in ch. 227. If the circuit court construes a statute adversely to the contention of the department of revenue, the department shall be deemed to acquiesce in the construction so adopted unless an appeal to the court of appeals is taken, and the construction so acquiesced in shall thereafter be followed by the department.

History: 1977 c. 29, 187; 1985 a. 29; 1987 a. 399.

73.02 Distribution of money; income tax coordinator.

(1) The department of revenue shall, on the certification of the program agencies that all requirements of the applicable laws have been complied with, perform the mechanical operation of the

distribution of all moneys which the state distributes to political subdivisions.

(2) The secretary shall designate or appoint under the classified service, within the department of revenue, an income tax coordinator, whose duties shall include the setting up and operation of a coordination program with the internal revenue service to facilitate the reporting of federal adjustments to the department and the interchange of information with respect to examination of returns, adjustments to income, extension of limitations, furnishing copies of returns and other activities essential to an integrated and effective coordination program with the internal revenue service.

73.028 Levy rate limits and debt conditions; rules. The department may promulgate rules to implement and administer the levy rate limits and debt issuance conditions under ss. 59.605 and 67.045.

History: 1993 a. 16; 1999 a. 150 s. 672.

73.029 Rules required. The department of revenue may require electronic funds transfer only by promulgating rules.

History: 1997 a. 27.

Cross Reference: See also s. Tax 1.12, Wis. adm. code.

73.03 Powers and duties defined. It shall be the duty of the department of revenue, and it shall have power and authority:

(1) To have and exercise general supervision over the administration of the assessment and tax laws of the state, over assessors, boards of review, supervisors of equalization, and assessors of incomes, and over the county boards in the performance of their duties in making the taxation district assessment, to the end that all assessments of property be made relatively just and equal at full value and that all assessments of income may be legally and accurately made in substantial compliance with law.

(2) (a) To confer with, advise and direct assessors, boards of review and county boards of assessment as to their duties under the statutes.

(2a) To prepare, have published and distribute to each property tax assessor and to others who so request assessment manuals. The manual shall discuss and illustrate accepted assessment methods, techniques and practices with a view to more nearly uniform and more consistent assessments of property at the local level. The manual shall be amended by the department from time to time to reflect advances in the science of assessment, court decisions concerning assessment practices, costs, and statistical and other information considered valuable to local assessors by the department. The manual shall incorporate standards for the assessment of all types of renewable energy resource systems used in this state as soon as such systems are used in sufficient numbers and sufficient data exists to allow the formulation of valid guidelines. The manual shall incorporate standards, which the department of revenue and the state historical society of Wisconsin shall develop, for the assessment of nonhistoric property in historic districts and for the assessment of historic property, including but not limited to property that is being preserved or restored; property that is subject to a protective easement, covenant or other restriction for historic preservation purposes; property that is listed in the national register of historic places in Wisconsin or in this state's register of historic places and property that is designated as a historic landmark and is subject to restrictions imposed by a municipality or by a landmarks commission. The manual shall incorporate general guidelines about ways to determine whether property is taxable in part under s. 70.1105 and examples of the ways that s. 70.1105 applies in specific situations. The manual shall state that assessors are required to comply with s. 70.32 (1g) and shall suggest procedures for doing so. The manual or a supplement to it shall specify per acre value guidelines for each municipality for various categories of agricultural land based on the income that could be generated from its estimated rental for agricultural use, as defined by rule, and capitalization rates established by rule. The manual shall include guidelines for classifying land as agri-

73.03 TAX APPEALS COMMISSION; REVENUE DEPARTMENT

cultural land, as defined in s. 70.32 (2) (c) 1g., and guidelines for distinguishing between land and improvements to land. The cost of the development, preparation, publication and distribution of the manual and of revisions and amendments to it shall be borne by the assessors and requesters at an individual volume cost or a subscription cost as determined by the department. All receipts shall be credited to the appropriation under s. 20.566 (2) (hi). The department may provide free assessment manuals to other state agencies or exchange them at no cost with agencies of other states or of the federal government for similar information or publications.

(3) To direct proceedings, actions and prosecutions to be instituted to enforce the laws relating to the penalties, liabilities and punishment of public officers, persons, and officers or agents of corporations for failure or neglect to comply with the provisions of the statutes governing the return, assessment and taxation of property; and to cause complaints to be made against assessors, members of boards of review, assessors of incomes, and members of county boards, or other assessing or taxing officers, to the proper circuit judge for their removal from office for official misconduct or neglect of duty.

(4) To require district attorneys to assist in the commencement and prosecution of actions and proceedings for penalties, forfeitures, removals and punishment for violations of the laws of the state in respect to the assessment and taxation of property, in their respective counties.

(5) To collect annually from town, city, village, county, and other public officers information regarding the assessment of property, and any other information that may be necessary in the work of the department, in the form and upon forms that the department shall prescribe. All public officers shall properly complete and promptly return to the department all forms received from the department under this subsection.

(5g) To examine all town, village, city, and county records for any purposes that are considered necessary by the department.

(5r) To publish annually the information collected under subs. (5) and (5g), with any compilations, analyses, or recommendations that the department determines are necessary.

(6) In its discretion to inspect and examine or cause an inspection and examination of the records of any town, city, village, or county officer whenever such officer shall have failed or neglected to return properly the information as required by sub. (5), within the time set by the department of revenue. Upon the completion of such inspection and examination the department of revenue shall transmit to the clerk of the town, city, village, or county a statement of the expenses incurred by the department of revenue to secure the necessary information. Duplicates of such statements shall be filed in the office of the secretary of administration. Within 60 days after the receipt of the above statement, the same shall be audited, as other claims of towns, cities, villages, and counties are audited, and shall be paid into the state treasury, in default of which the same shall become a special charge against such town, city, village, or county and be included in the next apportionment or certification of state taxes and charges, and collected with interest at the rate of 10% per year from the date such statements were certified by the department, as other special charges are certified and collected.

NOTE: Sub. (6) is shown as amended eff. 7-1-04 by 2003 Wis. Act 33. Prior to 7-1-04 it reads:

(6) In its discretion to inspect and examine or cause an inspection and examination of the records of any town, city, village or county officer whenever such officer shall have failed or neglected to return properly the information as required by sub. (5), within the time set by the department of revenue. Upon the completion of such inspection and examination the department of revenue shall transmit to the clerk of the town, city, village or county a statement of the expenses incurred by the department of revenue to secure the necessary information. Duplicates of such statements shall be filed in the office of the department of administration and state treasurer. Within 60 days after the receipt of the above statement, the same shall be audited, as other claims of towns, cities, villages and counties are audited, and shall be paid into the state treasury, in default of which the same shall become a special charge against such town, city, village or county and be included in the next apportionment or certification of state taxes and charges, and collected with interest at the rate of 10% per year

from the date such statements were certified by the department, as other special charges are certified and collected.

(7) The officers responsible for the furnishing of the information collected pursuant to this section shall be jointly and severally liable for any loss the town, city, village or county may suffer through their delinquency; and no payment shall be made them for salary, or on any other accounts, until the cost of such inspection and examination as provided above shall have been paid into the town, city, village or county treasury.

(8) To require individuals, partnerships, limited liability companies, companies, associations and corporations to furnish information concerning their capital, funded or other debt, current assets and liabilities, value of property, earnings, operating and other expenses, taxes and all other facts which may be needful to enable the department to ascertain the value and the relative burdens borne by all kinds of property in the state.

(9) To summon witnesses to appear and give testimony, and to produce records, books, papers and documents relating to any matter which the department shall have authority to investigate or determine.

(10) To cause the deposition of witnesses residing within or without the state or absent therefrom, to be taken, upon notice to the interested party, if any, in like manner that depositions of witnesses are taken in civil actions pending in the circuit court, in any matter which the department shall have authority to investigate or determine.

(11) To visit the counties in the state, unless prevented by other necessary official duties, for the investigation of the work and the methods adopted by local assessors, county assessors, boards of review, supervisors of equalization and county boards, in the assessment, equalization and taxation of property. The department of revenue and its district supervisory staff shall assist the county assessor in carrying out the assessor's duties.

(12) To carefully examine into all cases where evasion or violation of the laws for assessment and taxation of property is alleged, complained of or discovered, and to ascertain wherein existing laws are defective or are improperly or negligently administered.

(13) To investigate the tax systems of other states and countries and to formulate and recommend such legislation as may be deemed expedient to prevent evasion of assessment and tax laws and to secure just and equal taxation and improvement in the system of taxation in the state.

(15) To consult and confer with the governor of the state upon the subject of taxation, the administration of the laws in relation thereto and the progress of the work of the department, and to furnish the governor from time to time such assistance and information as the governor may require.

(17) To disseminate from time to time, in such manner as shall best be calculated to attract general public attention, facts and data concerning public expenditures, sources of revenue, responsibility for levies, the value and relative tax burdens borne by different classes of property, and other useful and valuable information concerning the subject of taxation and public finance.

(18) To exercise and perform such further powers and duties as may be granted to or imposed upon the department by law.

(19) To annually publish the findings of any assessment ratio studies conducted.

(20) To investigate all delinquent personal property, death and income or franchise taxes and surtaxes in the state and the possibility of the collection of them and to require taxing officials, including town treasurers, county treasurers, sheriffs and district attorneys, to institute proceedings, actions and prosecutions for the collection of delinquent taxes so that the amount of delinquent taxes shall be reduced to the minimum. In carrying out this subsection the department of revenue may examine or cause to be examined by any agent, employee or representative designated by it for that purpose, any books, papers, records or memoranda of any corporation, limited liability company, partnership or individ-

ual bearing upon the collection of any delinquent taxes and may require the attendance of the officials of any corporation or limited liability company or of any other person having knowledge in the premises and may take testimony and require proof material for their information upon any matter that they deem of value for the purpose of enforcing the payment of delinquent taxes. The department of revenue may also perform other duties and adopt other procedures that may be necessary to carry out this subsection and direct that proceedings, actions and prosecutions be instituted to enforce the laws relating to the collection of delinquent taxes of every kind. To this end, the department of justice shall, upon the request of the department of revenue, conduct such actions, proceedings or prosecutions or assist the local town, city, village or county officials in them or assist the district attorneys.

(22) To appear by its counsel and represent the state in all matters before the tax appeals commission. Except as provided in ch. 72 and in s. 76.08 (1), the department of justice shall provide legal counsel to appear for the department in all courts, but with the consent of the attorney general a member of the staff of the department may appear for the department.

(24) To administer and enforce chs. 125 and 139.

(25) To settle and dispose of tax cases or issues pending before the tax appeals commission when, in the judgment of the department of revenue, such action is warranted in the best interests of the state; and, with the approval of the attorney general, to settle and dispose of tax cases or issues pending in the courts.

(26) To enter into reciprocal agreements with the appropriate official in any other state having a similar law relating to information obtained from returns as authorized by s. 71.78 (3).

(27) To write off from the records of the department income, franchise, sales, use, withholding, motor fuel, gift, beverage and cigarette tax and recycling surcharge liabilities, following a determination by the secretary of revenue that they are not collectible. Taxes written off under this subsection remain legal obligations.

(28) To enter into contracts to collect delinquent Wisconsin taxes. The department shall allocate a portion of the amounts collected under ch. 78 through those contracts to the appropriation under s. 20.566 (1) (hm) to pay contract and court costs. The department shall allocate the remainder of those collections to the transportation fund under s. 25.40. The department shall allocate a portion of the amount collected under chs. 71, 72, 77 and 139 through those contracts to the appropriation under s. 20.566 (1) (hm) to pay contract and court costs. The department shall allocate the remainder of those collections to the general fund.

(28d) To enter into a contract to participate in the multistate tax commission audit program. The department shall allocate a portion of the amount collected under chs. 71 and 77 through the contract to the appropriation under s. 20.566 (1) (hn) to pay the fees necessary to participate in the multistate tax commission audit program. The department shall allocate the remainder of such collections to the general fund.

(28m) To enter into contracts for database and data processing services for audits of occasional sales of motor vehicles.

(29) To provide on income tax forms a place for taxpayers to indicate the school district in which they reside and information that will assist persons in identifying the correct school district.

(30) To analyze the data provided under sub. (29), after consultation with the department of public instruction and the legislative fiscal bureau, and to notify the presiding officers of the houses of the legislature and the cochairpersons of the joint committee on finance of the results of the analysis.

(31) To compile and to furnish to the clerks of all taxation districts the information required under s. 74.09.

(33m) To collect, as taxes under ch. 71 are collected, from each person who owes to the department of revenue delinquent taxes, fees, interest or penalties, a fee for each delinquent account equal to \$35 or 6.5% of the taxes, fees, interest and penalties owed as of the due date specified in the assessment, notice of amount

due or notice of redetermination on that account, whichever is greater. The department of revenue shall deposit into the general fund as general purpose revenue—earned all fees collected under this subsection.

(33p) To collect, as taxes under ch. 71 are collected, from each person who owes to the department of revenue delinquent taxes, fees, interest or penalties, a \$20 fee for each delinquent taxpayer who enters into an agreement with the department of revenue to pay in installments the taxpayer's delinquent taxes, including fees, interest or penalties and to collect costs incurred to the department of revenue for court actions that are related to the collection of delinquent taxes. The department of revenue shall deposit into the general fund as general purpose revenue—earned all fees and costs collected under this subsection.

(34) To extend any deadline in regard to the taxes it administers for persons designated in section 7508 (a) of the internal revenue code for the length of time specified in that section.

(35) To deny a portion of a credit claimed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds), or (2dx), 71.28 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), or (4) (am), or 71.47 (1dd), (1de), (1di), (1dj), (1dL), (1dm), (1ds), (1dx), or (4) (am) if granting the full amount claimed would violate a requirement under s. 560.785 or would bring the total of the credits granted to that claimant under all of those subsections over the limit for that claimant under s. 560.768, 560.795 (2) (b), or 560.797 (5) (b).

(35m) To deny a portion of a credit claimed under s. 71.07 (3g), 71.28 (3g), or 71.47 (3g), if granting the full amount claimed would violate a requirement under s. 560.96 or would bring the total of the credits claimed under ss. 71.07 (3g), 71.28 (3g), and 71.47 (3g) over the limit for all claimants under s. 560.96 (2).

(36) To estimate revenues under subch. VII of ch. 77 and submit to the governor, the joint committee on finance and the chief clerk of each house of the legislature for distribution under s. 13.172 (2), not later than November 20 of each even-numbered year, a report of its estimate of those revenues for the current biennium and the following biennium.

(37) To make refunds in connection with motor vehicles returned to the manufacturers by a consumer, as provided under s. 218.0171 (2) (e) and (f).

(38) To require each operator of a swap meet, flea market, craft fair or similar event, as defined by rule, to report to the department the name, address, social security number and, if available, the seller's permit number of each vendor selling merchandise at the swap meet, flea market, craft fair or similar event that he or she operates. If any operator fails to comply with the requirements under this subsection, the department of revenue, after notifying that operator of its intent to do so, shall impose a penalty of \$200 for the first failure and \$500 for each subsequent failure. The department shall assess and collect the penalties under this subsection as it assesses and collects additional income and franchise taxes.

(40m) To include on the form on which a homestead credit is claimed information about the property tax deferral program.

(45) To direct the assessor of any taxation district to deny specific claims for property tax exemption or to terminate specific existing property tax exemptions prospectively. After receiving such direction, the assessor shall enter the property on the next assessment roll.

(47) To absolve a taxpayer of liability for interest and penalties if the taxpayer shows that the liability resulted because he or she relied on an erroneous, written statement made by an employee of the department acting in an official capacity and that the taxpayer had given the employee adequate and accurate information.

(48) To provide the public with information concerning the availability of the earned income tax credit, and the availability of the federal earned income tax credit under section 32 of the inter-

73.03 TAX APPEALS COMMISSION; REVENUE DEPARTMENT

nal revenue code, under criteria, and with a description of the methods that the department uses to provide the information, that the department shall promulgate as rules.

(49) To appoint a farmland advisory council that shall do the following:

(a) Advise the department of revenue on the supplement to the assessment manual's guidelines for assessing agricultural land, and on rules to implement use-value assessment of agricultural land and to reduce expansion of urban sprawl.

(c) Annually report to the legislature on the usefulness of use-value assessment as a way to preserve farmland and to reduce the conversion of farmland to other uses.

(d) Recommend a method to adjust the shared revenue formula and other formulas one factor of which is equalized value to compensate counties, municipalities and school districts that are adversely affected by use-value assessment.

(dg) Calculate the federal land bank's 5-year average capitalization rate and per-acre values based on estimated income generated from rental for agricultural use.

(dm) Carry out its duties in cooperation with the strategic growth task force of the governor's land use council.

(e) Include the following members:

1. The secretary of revenue, who shall serve as chairperson.
2. An agribusiness person.
3. A person knowledgeable about agricultural lending practices.
4. An agricultural economist employed by the University of Wisconsin System.
5. A mayor of a city that has a population of more than 40,000.
6. An expert in the environment.
7. A nonagricultural business person.
8. A professor of urban studies.
9. A farmer.

(50) With the approval of the joint committee on finance, to establish fees for obtaining a business tax registration certificate, which, except as provided in s. 73.0302, is valid for 2 years, and for renewing that certificate and, except as provided in s. 73.0302, shall issue and renew those certificates if the person who wishes to obtain or renew a certificate does all of the following:

(a) Applies on a form that the department prescribes.

(b) Sets forth the name under which the applicant intends to operate, the location of the applicant's place of operations and the other information that the department requires.

(c) In the case of an applicant who is an individual and who has a social security number, sets forth the social security number of the applicant or, in the case of an applicant who is an individual and who does not have a social security number, submits a statement made or subscribed under oath or affirmation that the applicant does not have a social security number. The form of the statement shall be prescribed by the department of workforce development. A certificate issued in reliance upon a false statement submitted under this paragraph is invalid.

(d) In the case of a sole proprietor, signs the form or, in the case of other persons, has an individual who is authorized to act on behalf of the person sign the form, or, in the case of a single-owner entity that is disregarded as a separate entity under section 7701 of the Internal Revenue Code, the person is the owner.

(50m) To enter into a memorandum of understanding with the department of workforce development under s. 49.857. The department of revenue shall suspend, refuse to issue or refuse to renew any certificate issued under sub. (50) as provided in the memorandum of understanding entered into under s. 49.857. Notwithstanding ss. 71.78 and 77.61 (5), the department of revenue shall disclose to the department of workforce development the social security number of any applicant for a certificate issued under sub. (50) as provided in the memorandum of understanding.

(51) To revoke all permits, licenses and certificates that the department has issued to a person who fails timely to renew a certificate under sub. (50), and to reissue those permits, licenses and certificates if the person renews the certificate under sub. (50).

(52) To enter into agreements with the Internal Revenue Service that provide for offsetting state tax refunds against federal tax obligations; and to charge a fee up to \$25 per transaction for such offsets; and offsetting federal tax refunds against state tax obligations, if the agreements provide that setoffs under ss. 71.93 and 71.935 occur before the setoffs under those agreements.

(52m) To enter into agreements with other states that provide for offsetting state tax refunds against tax obligations of other states and offsetting tax refunds of other states against state tax obligations, if the agreements provide that setoffs under ss. 71.93 and 71.935 occur before the setoffs under those agreements.

(53) To enter into agreements with direct marketers about the collection of state and local sales taxes and use taxes.

(54) To publish instructional material that provides information to persons who wish to object to valuations under s. 70.47 and to distribute that material in sufficient quantity to taxation districts.

(55) To provide or approve suitable training sessions at suitable times and instructional material for board of review members.

(56) To work with the Internal Revenue Service and the University of Wisconsin-Extension to undertake a program that accomplishes all of the following:

(a) Promotes volunteering among the state's financial and legal professionals in the volunteer income tax assistance program.

(b) Provides training for the volunteers.

(c) Assists individuals who are eligible to participate in the volunteer income tax assistance program and who reside in rural and underserved areas.

(58) (a) Notwithstanding any provision of ss. 179.76, 180.1161, 181.1161, and 183.1207, to treat, for state tax purposes, the conversion of a business entity to another form of business entity under s. 179.76, 180.1161, 181.1161, or 183.1207 in the same manner as the conversion is treated for federal tax purposes.

(b) Notwithstanding any provision of ss. 179.77, 180.1101, 180.1104, 181.1101, 181.1104, and 183.1201, to treat, for state tax purposes, the merger of a business entity with one or more business entities under s. 179.77, 180.1101, 180.1104, 181.1101, 181.1104, or 183.1201 in the same manner as the merger is treated for federal tax purposes.

(59) To enforce ss. 945.03 (2m) and 945.04 (2m).

(60) To enforce s. 945.05 (1m), in cases in which the department determines that the video gambling machine involved is likely to be used in connection with a violation of s. 945.03 (2m) or 945.04 (2m).

History: 1971 c. 40, 215; 1973 c. 90; 1975 c. 39; 1977 c. 143; 1977 c. 196 s. 130 (7); 1977 c. 313; 1979 c. 34; 1979 c. 110 s. 60 (13); 1979 c. 221, 350; 1981 c. 20; 1981 c. 79 s. 18; 1983 a. 275 s. 15 (4); 1983 a. 524; 1983 a. 538 s. 269 (3); 1985 a. 12, 29, 273; 1987 a. 4, 27, 186; 1987 a. 312 s. 17; 1987 a. 328, 378, 399; 1989 a. 31; 1989 a. 56 s. 259; 1989 a. 74, 335; 1991 a. 39, 219, 313, 316; 1993 a. 16, 112, 205, 490; 1995 a. 27 ss. 3434g to 3440m, 9145 (1); 1995 a. 209, 233; 1997 a. 27, 35, 191, 237, 252; 1999 a. 9, 31, 185; 2001 a. 16, 44, 104, 107, 109; 2003 a. 33.

The department's construction of a tax law in an official technical information memorandum estopped the department from collecting a tax. *DOR v. Family Hospital*, 105 Wis. 2d 250, 313 N.W.2d 828 (1982).

The department's subpoena authority does not permit it to take possession of subpoenaed records for more than one business day; however, the department may repeatedly subpoena records until its investigation is completed. *State v. Kielisch*, 123 Wis. 2d 125, 365 N.W.2d 904 (Ct. App. 1985).

73.0301 License denial, nonrenewal, discontinuation, suspension and revocation based on tax delinquency.

(1) DEFINITIONS. In this section:

(a) "Credential" has the meaning given in s. 440.01 (2) (a), but does not include a registration as an inactive licensee under s. 452.12 (6) (b).

(b) “Credentialing board” means a board, examining board or affiliated credentialing board in the department of regulation and licensing that grants a credential.

(c) “Liable for delinquent taxes” means that a person has exhausted all legal remedies to challenge the assertion that the person owes taxes, including penalties, interest, fees and costs, under ch. 71, 72, 76, 77, 78, 125 or 139 and sufficient time has elapsed so that the person is delinquent in the payment of those taxes.

(d) “License” means any of the following:

1. An approval specified in s. 29.024 (2r) or a license specified in s. 169.35.

2. A license issued by the department of health and family services under s. 48.66 (1) (a) to a child welfare agency, group home, shelter care facility or day care center, as required by s. 48.60, 48.625, 48.65 or 938.22 (7).

3. A license, certificate of approval, provisional license, conditional license, certification, certification card, registration, permit, training permit or approval specified in s. 50.35, 50.49 (6) (a) or (10), 51.038, 51.04, 51.42 (7) (b) 11., 51.421 (3) (a), 51.45 (8), 146.40 (3) or (3m), 146.50 (5) (a) or (b), (6g) (a), (7) or (8) (a) or (f), 250.05 (5), 252.23 (2), 252.24 (2), 254.176, 254.20 (3), 255.08 (2) (a) or 343.305 (6) (a) or a permit for operation of a campground specified in s. 254.47 (1).

3m. A license or certificate issued by the department of workforce development under s. 102.17 (1) (c), 103.275 (2) (b), 103.91 (1), 103.92 (3), 104.07 (1) or (2) or 105.13 (1).

5. A license, as defined in s. 101.02 (20) (a).

6. A license or certificate of registration issued by the department of financial institutions, or a division of it, under ss. 138.09, 138.12, 217.06, 218.0101 to 218.0163, 218.02, 218.04, 218.05, 224.72, 224.93 or under subch. III of ch. 551.

7. A license described in s. 218.0114 (14) (a) and (g), a license described in s. 218.0114 (14) (b), (c) or (e), a license issued under s. 218.11, 218.12, 218.22, 218.32, 218.41, 343.61 or 343.62, a buyer identification card issued under s. 218.51 or a certificate of registration issued under s. 341.51.

7m. A license issued under s. 562.05 or 563.24.

8. A license, registration or certification specified in s. 299.07 (1) (a).

9. A credential.

10. A license or permit granted by the department of public instruction.

11. A license to practice law.

12. A license issued under s. 628.04, 632.68 (2) or (4) or 633.14 or a temporary license issued under s. 628.09.

13. A license issued by the ethics board under s. 13.63 (1).

14. A permit under s. 170.12.

(e) “Licensing department” means the department of administration; the board of commissioners of public lands; the department of commerce; the ethics board; the department of financial institutions; the department of health and family services; the department of natural resources; the department of public instruction; the department of regulation and licensing; the department of workforce development; the office of the commissioner of insurance; or the department of transportation.

(f) “Nondelinquency certificate” means a certificate that the department of revenue issues to a person and that states that the person is not delinquent in the payment of taxes, including penalties, interest, fees and costs, under ch. 71, 72, 76, 77, 78, 125 or 139.

(2) DUTIES AND POWERS OF LICENSING DEPARTMENTS. (a) Each licensing department and the supreme court, if the supreme court agrees, shall enter into a memorandum of understanding with the department of revenue under sub. (4) (a) that requires the licensing department or supreme court to do all of the following:

1. Request the department of revenue to certify whether an applicant for a license or license renewal or continuation is liable for delinquent taxes. With respect to an applicant for a license granted by a credentialing board, the department of regulation and licensing shall make a request under this subdivision. This subdivision does not apply to the department of transportation with respect to licenses described in sub. (1) (d) 7.

2. Request the department of revenue to certify whether a license holder is liable for delinquent taxes. With respect to a holder of a license granted by a credentialing board, the department of regulation and licensing shall make a request under this subdivision.

(b) Each licensing department and the supreme court, if the supreme court agrees, shall do all of the following:

1. a. If, after a request is made under par. (a) 1. or 2., the department of revenue certifies that the license holder or applicant for a license or license renewal or continuation is liable for delinquent taxes, revoke the license or deny the application for the license or license renewal or continuation. The department of transportation may suspend licenses described in sub. (1) (d) 7. in lieu of revoking those licenses. A suspension, revocation or denial under this subd. 1. a. is not subject to administrative review or, except as provided in subd. 2., judicial review. With respect to a license granted by a credentialing board, the department of regulation and licensing shall make a revocation or denial under this subd. 1. a.

b. Mail a notice of suspension, revocation or denial under subd. 1. a. to the license holder or applicant. The notice shall include a statement of the facts that warrant the suspension, revocation or denial and a statement that the license holder or applicant may, within 30 days after the date on which the notice of denial, suspension or revocation is mailed, file a written request with the department of revenue to have the certification of tax delinquency on which the suspension, revocation or denial is based reviewed at a hearing under sub. (5) (a). With respect to a license granted by a credentialing board, the department of regulation and licensing shall mail a notice under this subd. 1. b.

2. If notified by the department of revenue that the department of revenue has affirmed a certification of tax delinquency after a hearing under sub. (5) (a), affirm a suspension, revocation or denial under subd. 1. a. A license holder or applicant may seek judicial review under ss. 227.52 to 227.60, except that the review shall be in the circuit court for Dane County, of an affirmation of a revocation or denial under this subdivision. With respect to a license granted by a credentialing board, the department of regulation and licensing shall make an affirmation under this subdivision.

3. If a person submits a nondelinquency certificate issued under sub. (5) (b) 1., reinstate the license or grant the application for the license or license renewal or continuation, unless there are other grounds for suspending or revoking the license or for denying the application for the license or license renewal or continuation. If reinstatement is required under this subdivision, a person is not required to submit a new application or other material or to take a new test. No separate fee may be charged for reinstatement of a license under this subdivision. With respect to a license granted by a credentialing board, the department of regulation and licensing shall reinstate a license or grant an application under this subdivision.

4. If a person whose license has been suspended or revoked or whose application for a license or license renewal or continuation has been denied under subd. 1. a. submits a nondelinquency certificate issued under sub. (3) (a) 2., reinstate the license or grant the person’s application for the license or license renewal or continuation, unless there are other grounds for not reinstating the license or for denying the application for the license or license renewal or continuation. With respect to a license granted by a credentialing board, the department of regulation and licensing

73.0301 TAX APPEALS COMMISSION; REVENUE DEPARTMENT

shall reinstate a license or grant an application under this subdivision.

(c) 1. Each licensing department and the supreme court may require a holder of a license to provide the following information upon request:

a. If the license holder is an individual and has a social security number, the license holder's social security number.

am. If the applicant is an individual and does not have a social security number, a statement made or subscribed under oath or affirmation that the applicant does not have a social security number. The form of the statement shall be prescribed by the department of workforce development. A license issued in reliance upon a false statement submitted under this subd. 1. am. is invalid.

b. If the license holder is not an individual, the license holder's federal employer identification number.

2. A licensing department may not disclose any information received under subd. 1. a. or b. to any person except to the department of revenue for the sole purpose of requesting certifications under par. (b) 2. in accordance with the memorandum of understanding under sub. (4) or to the department of workforce development for the purpose of administering s. 49.22.

(3) DUTIES AND POWERS OF DEPARTMENT OF REVENUE. (a) The department of revenue shall do all of the following:

1. Enter into a memorandum of understanding with each licensing department and the supreme court, if the supreme court agrees, under sub. (4) (a).

2. Upon the request of any applicant for issuance, renewal, continuation or reinstatement of a license whose license has been previously revoked or whose application for a license or license renewal or continuation has been previously denied under sub. (2) (b) 1. a., issue a nondelinquency certificate to the applicant if the applicant is not liable for delinquent taxes.

(b) If a request for certification is made under sub. (2) (a) 1. or 2., the department of revenue may, in accordance with a memorandum of understanding entered into under par. (a) 1., certify to the licensing department or the supreme court that the applicant or license holder is liable for delinquent taxes.

(4) MEMORANDUM OF UNDERSTANDING. (a) Each memorandum of understanding shall include procedures that do all of the following:

1. Establish requirements for making requests under sub. (2) (a) 1. and 2., including specifying the time when a licensing department or the supreme court shall make requests under sub. (2) (a) 1. and 2., and for making certifications under sub. (3) (b).

2. Implement the requirements specified in sub. (2) (b) 3. and 4.

(b) Factors such as the need to issue licenses in a timely manner, the convenience of applicants, the impact on collecting delinquent taxes, the effects on program administration and whether a suspension, revocation or denial under sub. (2) (b) 1. a. will have an impact on public health, safety or welfare or the environment shall be considered in establishing requirements under par. (a) 1.

(5) HEARING. (a) The department of revenue shall conduct a hearing requested by a license holder or applicant for a license or license renewal or continuation under sub. (2) (b) 1. b. or by an applicant for certification or recertification or a certificate holder under s. 73.03 (50) or 73.09 (7m) (b) to review a certification or determination of tax delinquency that is the basis of a denial or revocation of a license in accordance with this section or of a certificate, certification or recertification under s. 73.03 (50) or 73.09 (7m). A hearing under this paragraph is limited to questions of mistaken identity of the license or certificate holder or applicant and of prior payment of the delinquent taxes for which the department of revenue certified or determined the license or certificate holder or applicant is liable. At a hearing under this paragraph, any statement filed by the department of revenue, the licensing department or the supreme court, if the supreme court agrees, may be admitted into evidence and is prima facie evidence of the facts

that it contains. Notwithstanding ch. 227, a person entitled to a hearing under this paragraph is not entitled to any other notice, hearing or review, except as provided in sub. (2) (b) 2.

(b) After a hearing conducted under par. (a), the department of revenue shall do one of the following:

1. Issue a nondelinquency certificate to a license holder or an applicant for a license or license renewal or continuation if the department determines that the license holder or applicant is not liable for delinquent taxes. For a hearing requested by an applicant for certification or recertification or a certificate holder under s. 73.03 (50) or 73.09 (7m) (b), the department shall grant a certification or recertification or reinstate a certification if the department determines that the applicant or certificate holder is not liable for delinquent taxes, unless there are other grounds for denying the application or revoking the certification.

2. Provide notice that the department of revenue has affirmed its certification of tax delinquency to a license holder; to an applicant for a license, a license renewal or a license continuation; and to the licensing department or the supreme court, if the supreme court agrees. For a hearing requested by an applicant for certification or recertification or a certificate holder under s. 73.03 (50), or 73.09 (7m) (b), the department of revenue shall provide notice to the applicant or certificate holder that the department of revenue has affirmed its determination of tax delinquency.

History: 1997 a. 237 ss. 301, 307, 532; 1999 a. 9, 31, 32, 186; 2001 a. 56.

73.0302 Liability for delinquent taxes. (1) If the department of revenue determines that an applicant for certification or recertification under s. 73.03 (50) or a person who holds a certificate issued under s. 73.03 (50) is liable for delinquent taxes, as defined in s. 73.0301 (1) (c), the department of revenue may deny the application or revoke the certificate. Except as provided in sub. (3), a denial or revocation under this subsection is not subject to judicial review.

(2) If the department of revenue denies an application or revokes a certificate under sub. (1), the department shall mail a notice of denial or revocation to the applicant or certificate holder. The notice shall include a statement of the facts that warrant the denial or revocation and a statement that the applicant or certificate holder may, within 30 days after the date on which the notice of denial or revocation is mailed, file a written request with the department to have the determination that he or she is liable for delinquent taxes reviewed at a hearing under s. 73.0301 (5) (a).

(3) If, after a hearing under s. 73.0301 (5) (a), the department of revenue affirms a determination under sub. (1) that an applicant or certificate holder is liable for delinquent taxes, the department shall affirm its denial or revocation. An applicant or certificate holder may seek judicial review under ch. 227 in the circuit court for Dane County of an affirmation by the department of a denial or revocation under this subsection.

(4) If, after a hearing under s. 73.0301 (5) (a), the department of revenue determines that a person whose certificate is revoked under sub. (1) is not liable for delinquent taxes, as defined in s. 73.0301 (1) (c), the department shall reinstate the certificate. The department may not charge a fee for reinstatement of a certificate under this subsection.

History: 1997 a. 237.

73.0305 Revenue limits and intradistrict transfer aid calculations. The department of revenue shall annually determine and certify to the state superintendent of public instruction, no later than the 4th Monday in June, the allowable rate of increase under subch. VII of ch. 121. The allowable rate of increase is the percentage change in the consumer price index for all urban consumers, U.S. city average, between the preceding March 31 and the 2nd preceding March 31, as computed by the federal department of labor.

History: 1993 a. 16; 1995 a. 27; 1997 a. 27; 1999 a. 9; 2001 a. 16.

73.031 Arrest powers. A special agent of the department of revenue who has been certified as a law enforcement officer by the

law enforcement standards board and who is on duty may arrest a person if the special agent believes, on reasonable grounds, that a warrant for the person's arrest has been issued in this state, that a felony warrant has been issued in another state, that the person is violating or has violated s. 945.03 (2m) or 945.04 (2m), or that the person is violating or has violated s. 945.05 (1m) in a case in which the department determines that the video gambling machine involved is likely to be used in connection with a violation of s. 945.03 (2m) or 945.04 (2m) or if a crime has been committed in the presence of the special agent. The special agent shall cause the person arrested and the documents and reports pertaining to the arrest to be delivered to the chief of police or sheriff in the jurisdiction where the arrest is made. The special agent shall be available as a witness for the state. A special agent acting under this section is an employee of the department and is subject to its direction, benefits and legal protection.

History: 1991 a. 39; 2003 a. 33.

73.035 Private letter rulings. (1) In this section, “department” means the department of revenue.

(2) Upon receipt of a request, in the form prescribed by the department, from a person who requests a ruling about facts relating to a tax that the department administers, the department may issue a private letter ruling. Rulings under this section:

- (a) May be published if the department decides to do so.
- (b) May be edited by the requester as to types of information specified by the department, if that editing is submitted to the department before the deadline that the department establishes and if the department approves the editing.
- (c) Do not bind the requester.
- (d) May not be appealed.
- (e) Do not preclude application for a declaratory ruling under s. 227.41.

(3) Any person who receives a ruling under this section shall attach a copy of it to all of that person's tax returns to which it is relevant.

(4) Rulings under this section and all information related to them are subject to the confidentiality provisions for the tax relevant to the request, except that if a ruling has been edited under sub. (2) (b), or the deadline for editing set by the department has expired, and if the ruling has been published by the department, the published rulings are not subject to those confidentiality provisions.

(5) The department's decision not to issue, or not to publish, a ruling under this section may not be appealed.

History: 1987 a. 399.

73.04 Hearings, witnesses. (1) CONTEMPTS. If any person unlawfully fails to obey any subpoena to appear before the department of revenue or before the tax appeals commission, or unlawfully refuses to testify, such failure or refusal shall be reported to the attorney general and the department of justice shall institute contempt proceedings against such person.

(2) FEES. Officers who serve subpoenas, and witnesses attending hearings at the instance of the department, shall receive like compensation as officers and witnesses in the circuit court. Such compensation shall be charged to the proper appropriation for the department of revenue.

(3) SPECIAL INVESTIGATIONS. The department of revenue may appoint any employee to act for it to investigate and make report to the department upon any matter upon which the department is required to act, and such employee shall have authority to hold hearings, administer oaths, take testimony and perform all other duties necessary to bring such matter before the department for final adjudication and determination.

A taxpayer subpoenaed by the department has limited discovery rights. *State v. Beno*, 99 Wis. 2d 77, 298 N.W.2d 405 (Ct. App. 1980).

73.05 Assessment districts; supervisors; duties.

(1) The state shall be divided into income assessment districts,

property assessment districts, by the department of revenue, but in no instance shall a county be divided.

(2) The department of revenue shall select and appoint a supervisor of equalization for each property assessment district in the state. Each supervisor shall be a citizen and an elector of this state, but need not be a resident of the district in which appointed to serve. So far as practicable, preference shall be given in making such appointments to residents of the districts.

(3) The department may transfer any supervisor of equalization from one district to another.

History: 1973 c. 90; 1977 c. 29 s. 1647 (15); 1977 c. 143, 272; 1981 c. 20; 1983 a. 275 s. 15 (3).

Cross Reference: See also ss. Tax 1.01, 12.06, and 12.07, Wis. adm. code.

73.06 Supervision of assessments; supervisors; appointments and duties. (1) The department of revenue, through its supervisors of equalization, shall have complete supervision and direction of the work of the local assessors. It shall annually, or more often if deemed necessary at a time which in its judgment is best calculated to obtain the ends sought, call a meeting of all local assessors for conference and instruction relative to their duties in the valuation and assessment of property. The department of revenue may also call a similar meeting of local clerks and other officials for conference and instruction relative to their duties in the valuation and assessment of property. Each official upon notice by mail from the supervisor shall attend the meeting, and shall receive travel expenses from his or her residence to the meeting site and return and the compensation and mileage that the board establishes, but not less than \$5 per day and 6 cents per mile; except that in counties having a population of 500,000 or more, no compensation, travel expense or mileage shall be allowed. This compensation shall be paid out of the treasury of the county in which the local official resides upon the certificate of the supervisor of equalization showing attendance and travel, as certificates of witnesses and jurors are paid.

(2) The department of revenue, through its supervisors of equalization shall have access to all public records, books, papers and offices throughout each district and shall make a full and complete examination of them and investigate all other matters and subjects relative to the assessment and taxation of general property therein.

(3) The department of revenue, through its supervisors of equalization, shall examine and test the work of assessors during the progress of their assessments and ascertain whether any of them is assessing property at other than full value or is omitting property subject to taxation from the roll. The department and such supervisors shall have the rights and powers of a local assessor for the examination of persons and property and for the discovery of property subject to taxation. If any property has been omitted or not assessed according to law, they shall bring the same to the attention of the local assessor of the proper district and if such local assessor shall neglect or refuse to correct the assessment they shall report the fact to the board of review. If it discovers errors in identifying or valuing property that is exempt under s. 70.11 (39) or (39m), the department shall change the specification of the property as taxable or exempt and shall change the value of the property. All disputes between the department, municipalities and property owners about the taxability or value of property that is reported under s. 79.095 (2) (a) or of the property under s. 70.995 (12r) shall be resolved by using the procedures under s. 70.995 (8).

(4) If the department of revenue ascertains, or has good reason to believe, that any assessor is guilty of a violation of law, it may make a complaint to the circuit court for the removal of the assessor. The district attorney shall attend and prosecute the proceedings for removal.

(5) The department of revenue through its supervisor of equalization shall make a report to the county board of each county showing in detail the work of local assessors in their several districts, the failure, if any, of such assessors to comply with the law, the relative assessed and full value of property in each taxation

73.06 TAX APPEALS COMMISSION; REVENUE DEPARTMENT

district, and all information and statistics that may be obtained. Such report shall be filed with the county clerk at least 15 days before the annual meeting of the county board.

(7) The department of revenue shall call a meeting of the supervisors of equalization at the capitol at a specified time in each year, for a conference on the subjects of taxation and the administration of the laws, and for the instruction of such officers in their duties.

(8) For purposes of this section “local assessor” includes the county assessors under s. 70.99.

History: 1973 c. 90; 1977 c. 449; 1981 c. 20; 1983 a. 275 ss. 11, 15 (3) to (6); 1983 a. 538 s. 269 (3); 1987 a. 399; 1997 a. 237; 2001 a. 16.

Cross-reference: See s. 17.14 on removal of assessors from office.

Cross Reference: See also ss. Tax 12.06 and 12.07, Wis. adm. code.

73.07 District offices, supplies, expenses. (1) Office furniture and equipment furnished to income assessment district and branch offices by counties prior to July 1, 1986, shall remain in those offices until the department of revenue determines that the furniture and equipment are no longer needed.

(2) Office furniture and equipment furnished to supervisors of equalization prior to January 1, 1974, shall continue to be furnished until no longer required by them.

(3) The county board of any county shall provide rooms for the use of the tax appeals commission upon the request of the chairperson of the commission. Hearings of the commission may also be held in the department’s district income tax office when the chairperson of the commission deems it advisable.

History: 1971 c. 42; 1973 c. 90; 1977 c. 143; 1979 c. 110 s. 60 (13); 1983 a. 275 s. 15 (4); 1983 a. 538 s. 269 (3); 1985 a. 29; 1993 a. 184.

73.08 Educational program. From the amounts provided under s. 20.566 (2) (a), beginning in 1994, the department of revenue shall implement an educational program for local assessment staff members in taxation districts that do not meet the requirements of s. 70.05 (5) (f).

History: 1977 c. 29; 1981 c. 20, 328; 1983 a. 27; 1983 a. 275 s. 15 (4); 1983 a. 538 s. 269 (3); 1985 a. 29; 1987 a. 399; 1989 a. 359; 1991 a. 39; 1993 a. 16.

73.09 Assessor certification. (1) LOCAL ASSESSMENT PERSONNEL. The department of revenue shall establish by rule the level of certification under sub. (3), the continuing education requirements under sub. (4), examinations under sub. (5), and the requirements for and responsibilities associated with temporary certification under sub. (6) for all assessors and assessment personnel of each local unit of government and for county assessor systems under s. 70.99.

(2) DEPARTMENT OF REVENUE ASSESSMENT PERSONNEL. The requirements established for local assessment personnel under sub. (1) shall also apply to department of revenue assessment personnel commencing on January 1, 1981. The office of state employment relations with the assistance of the department of revenue shall determine the position classifications for which certification shall apply within the department of revenue. The first level of certification shall be obtained within 100 days of the employee’s appointment. The department of revenue in consultation with the office of state employment relations shall establish requirements for obtaining higher levels of assessor certification.

(3) LEVELS OF CERTIFICATION. The levels of certification for assessors and assessment personnel shall be commensurate with the degree of complexity of the various classes of property within each taxation district.

(4) RECERTIFICATION. (a) All certifications issued prior to January 1, 1981, are valid for 10 years from the date of issuance. All certifications issued on or after January 1, 1981, but before August 15, 1991, expire on the 6th June 1 following the date of issuance. All certifications issued on or after August 15, 1991, expire 5 years after the date on which they are issued.

(b) Persons may be recertified by passing an examination as provided in sub. (5) or by attendance for 4 of the previous 5 years at annual meetings called by the department of revenue under s.

73.06 (1) and by meeting continuing education requirements determined by the department of revenue.

(c) Recertification is contingent upon submission of a notarized application for renewal, at least 60 days before the expiration date of the current certificate, attesting to the completion of the requirements specified in par. (b). Persons applying for renewal on the basis of attendance at the meetings called by the department under s. 73.06 (1) and by meeting continuing education requirements shall submit a \$20 recertification fee with their applications.

(5) EXAMINATIONS. As provided in subs. (1) and (2), the department of revenue, assisted by the division of merit recruitment and selection in the office of state employment relations, shall prepare and administer examinations for each level of certification. Persons applying for an examination under this subsection shall submit a \$20 examination fee with their application. Certification shall be granted to each person who passes the examination for that level.

(6) TEMPORARY CERTIFICATION. As provided in subs. (1) and (2), the department of revenue shall promulgate rules for the temporary certification of the first level of certification and designate the functions that may be performed by such persons. An individual may be granted one temporary certification, valid until the results of the next certification examination are issued, but not for more than 100 days.

(6m) SOCIAL SECURITY NUMBERS. Each applicant for certification or recertification under this section shall provide the applicant’s social security number on the application. The department of revenue may not disclose a social security number that it obtains under this subsection. The department of revenue may not certify or recertify any person who fails to provide his or her social security number on his or her application.

(7) REVOCATION OF CERTIFICATION. (a) The secretary of revenue or a designee may revoke the certification of any assessor, assessment personnel or expert appraiser for the practice of any fraud or deceit in obtaining certification, or any negligence, incompetence or misconduct, including making a fraudulent change in the assessment roll after it is opened for examination under s. 70.47 (3).

(b) Charges of fraud, deceit, negligence, incompetence or misconduct may be made against any assessor, assessment personnel or expert appraiser by the department of revenue. Such charges shall be in writing, stating the specific acts, and submitted to the secretary of revenue. All charges shall be heard by the secretary within 3 months after their filing.

(c) The time and place for such hearing shall be fixed by the secretary of revenue and a copy of the charges, together with a notice of the time and place of hearing, shall be given by personal service or by registered letter with return receipt requested, mailed to the last-known address of such expert appraiser, at least 30 days before the hearing. The expert appraiser so charged shall have the right to appear personally and by counsel, to cross-examine witnesses appearing against him or her, and to produce evidence and witnesses in his or her own defense.

(d) If, after such hearing, the secretary of revenue determines that there is just cause for revocation, the secretary shall revoke the certificate of registration of the expert appraiser and notify the expert appraiser to that effect. The expert appraiser shall return his or her certificate to the secretary of revenue immediately on receipt of the notice. The action of the secretary of revenue may be reviewed under ch. 227.

(e) The secretary of revenue, for reasons sufficient, may reinstate a certificate of registration that has been revoked under this subsection, after one year upon formal application for reinstatement.

(7m) LIABILITY FOR DELINQUENT TAXES. (a) If the department of revenue determines that an applicant for certification or recertification under this section or a person who holds a certificate issued under this section is liable for delinquent taxes, as defined

in s. 73.0301 (1) (c), the department of revenue may deny the application or revoke the certificate. Except as provided in par. (c), a denial or revocation under this paragraph is not subject to judicial review.

(b) If the department of revenue denies an application or revokes a certificate under par. (a), the department shall mail a notice of denial or revocation to the applicant or certificate holder. The notice shall include a statement of the facts that warrant the denial or revocation and a statement that the applicant or certificate holder may, within 30 days after the date on which the notice of denial or revocation is mailed, file a written request with the department to have the determination that he or she is liable for delinquent taxes reviewed at a hearing under s. 73.0301 (5) (a).

(c) If, after a hearing under s. 73.0301 (5) (a), the department of revenue affirms a determination under par. (a) that an applicant or certificate holder is liable for delinquent taxes, the department shall affirm its denial or revocation. An applicant or certificate holder may seek judicial review under ch. 227 in the circuit court for Dane County of an affirmation by the department of a denial or revocation under this paragraph.

(d) If, after a hearing under s. 73.0301 (5) (a), the department of revenue determines that a person whose certificate is revoked under par. (a) is not liable for delinquent taxes, as defined in s. 73.0301 (1) (c), the department shall reinstate the certificate. The department may not charge a fee for reinstatement of a certificate under this paragraph.

History: 1979 c. 221; 1981 c. 20 s. 1039; 1983 a. 27 ss. 1264v, 2200 (15); 1985 a. 120; 1991 a. 39, 316; 1997 a. 237; 2003 a. 33 ss. 1626, 1627, 9160.

Cross Reference: See also ss. Tax 12.05, 12.055, and 12.065, Wis. adm. code.

73.10 Municipal finance. (1) In this section “department” means the department of revenue.

(2) (a) 1. The department shall collect annually from all town, city, village, county, and other public officers all of following:

a. Information regarding the collection of taxes, receipts from licenses, and other sources.

b. Information regarding the expenditure of public funds for all purposes.

c. Any other information that is considered necessary by the department.

2. Information collected under subd. 1. shall be on forms prescribed by the department that include any requirements under par. (b). All public officers requested to provide information under subd. 1. shall properly complete and promptly return to the department all forms transmitted to them by the department.

3. The department shall examine all town, village, city, county, and other public records that the department considers necessary. The department shall publish annually the information collected under this paragraph, with any compilations, analyses, or recommendations that the department determines are necessary. The department shall disseminate information concerning local government accounting, auditing, and fiscal matters.

(b) 1. The department may require by rule all of the following:

a. That the information it needs under par. (a) be submitted as annual financial statements, notes to the financial statements, and supporting schedules.

b. That the statements, notes, and schedules under subd. 1. a. conform to generally accepted accounting principles promulgated by the governmental accounting standards board or its successor bodies.

c. That the statements, notes, and schedules under subd. 1. a. be audited in accordance with generally accepted auditing standards.

2. Notwithstanding s. 227.01 (13) (j), a rule promulgated under this paragraph is subject to the requirements of ch. 227.

(3) The department may inspect and examine or cause an inspection and examination of the records of any town, city, village, county or other public officer whenever such officer fails or

neglects to return properly the information required by sub. (2) within the time specified under s. 86.303 (5) (c), (d) or (g).

(4) The officers responsible for the furnishing of information collected pursuant to this section shall be jointly and severally liable for any loss the town, city, village, county or other local public body, board, commission or agency suffers through their delinquency; and no payment shall be made them for salary, or on any other accounts, until the total amount of charges for such inspection and examination as provided in sub. (6) has been paid into the treasury of the regular county or other local public body, board, commission or agency.

(5) The department may inquire into the system of accounting of public funds in use by towns, villages, cities, counties and all other local public bodies, boards, commissions, departments or agencies except technical college districts and school districts; devise a system of accounts which is as nearly uniform as practicable; and audit the books of the town, village, city, county or other local public body, board, commission, department or agency, or any municipal electric utility upon its own motion.

(6) The department may establish a scale of charges for audits, inspections, and other services rendered by the department in connection with financial records or procedures of towns, villages, cities, counties, and all other local public bodies, boards, commissions, departments, or agencies. Upon the completion of such work or, at the department’s discretion, during work in progress, the department shall transmit to the clerk of the town, village, city, county, or other local public body, board, commission, department, or agency a statement of such charges. Duplicates of the statements shall be filed in the office of the secretary of administration. Within 60 days after the receipt of the above statement of charges, it shall be audited as other claims against towns, villages, cities, counties, and other local public bodies, boards, commissions, departments, or agencies are audited, and it shall be paid into the state treasury and credited to the appropriation under s. 20.566 (2) (gi). Past due accounts of towns, villages, cities, counties, and all other local public bodies, boards, commissions, departments, or agencies shall be certified on or before the 4th Monday of August of each year and included in the next apportionment of state special charges to local units of government.

NOTE: Sub. (6) is shown as amended eff. 7–1–04 by 2003 Wis. Act 33. Prior to 7–1–04 it reads:

(6) The department may establish a scale of charges for audits, inspections and other services rendered by the department in connection with financial records or procedures of towns, villages, cities, counties and all other local public bodies, boards, commissions, departments or agencies. Upon the completion of such work or, at the department’s discretion, during work in progress, the department shall transmit to the clerk of the town, village, city, county or other local public body, board, commission, department or agency a statement of such charges. Duplicates of the statements shall be filed in the offices of the state treasurer. Within 60 days after the receipt of the above statement of charges, it shall be audited as other claims against towns, villages, cities, counties and other local public bodies, boards, commissions, departments or agencies are audited, and it shall be paid into the state treasury and credited to the appropriation under s. 20.566 (2) (gi). Past due accounts of towns, villages, cities, counties and all other local public bodies, boards, commissions, departments or agencies shall be certified on or before the 4th Monday of August of each year and included in the next apportionment of state special charges to local units of government.

History: 1971 c. 108 ss. 1, 4, 6; 1971 c. 125 ss. 36, 394; 1971 c. 154 s. 1; 1971 c. 211 ss. 85, 86; 1973 c. 90; 1973 c. 243 s. 82; 1975 c. 224; 1977 c. 29, 418; 1981 c. 20, 237; 1983 a. 27; 1983 a. 192 s. 303 (7); 1985 a. 29; 1985 a. 182 s. 57; 1985 a. 225; 1987 a. 399; 1991 a. 39; 1993 a. 399; 2001 a. 107; 2003 a. 33.

Cross Reference: See also ch. Tax 16, Wis. adm. code.

73.12 Set off of payments to vendors. (1) DEFINITIONS. In this section:

(a) “Tax” means an amount that is owed to this state under ch. 71, 72, 76, 77, 78 or 139 and any addition to tax, interest, penalties or other liability in respect to those amounts and that has been reduced to a tax warrant or in respect to which the time limit for appeal has passed.

(b) “Vendor” means a person providing goods or services to this state under subch. IV or V of ch. 16 or under ch. 84 if the value of the contract for those goods or services is at least \$500.

73.12 TAX APPEALS COMMISSION; REVENUE DEPARTMENT

(2) **REQUEST FOR SETOFF.** The department of revenue may request the department of administration to proceed under sub. (3) against any vendor who owes a tax. A request under this subsection consists of identification of the vendor and of the vendor's contracts with this state and notice to the vendor of the request for a setoff.

(3) **SETOFF.** Upon receipt of a request under sub. (2), the department of administration shall begin to set off against amounts owed by this state to a vendor taxes owed to this state by that vendor until those taxes are paid in full. If the secretary of administration determines, within 30 days after receipt of a request for setoff, that the vendor against whom setoff is requested is either an essential supplier of critical commodities or the only vendor from whom a necessary good or service can be obtained and notifies the secretary of revenue of that determination, the department of administration shall waive the right of setoff and the department of administration shall pay to the vendor the amounts set off. The department of administration shall, within 30 days after the end of each calendar quarter, transfer to the department of revenue the taxes set off during the previous calendar quarter for deposit in the general fund, or in the transportation fund in respect to taxes owed under ch. 78, and shall notify the department of revenue of the amounts set off against each vendor.

(4) **APPLICATION OF PROCEEDS.** Upon notice under sub. (3), the department of revenue shall reduce on its books the liability of the vendor by the amount set off. The department shall reduce the principal amount of tax liability and related amounts beginning with the liability of longest standing and proceeding chronologically to the most recent liability. In respect to each principal amount of liability and related amounts, the department of revenue shall reduce amounts in the order provided in s. 71.91 (5) (k).

(5) **LIABILITY PRECLUDED.** Exchange of information required to administer this section does not result in liability under s. 71.78, 72.06, 77.61 (5), 78.80 (3) or 139.38 (6). The department of administration is not liable to any vendor because of setoffs under this section.

(6) **PRESERVATION OF OTHER REMEDIES.** The availability of the remedy under this section does not abridge the rights of the department of revenue to proceed under ss. 71.80 (12), 71.91 (1) (a) and (c) and (2) to (5m) and 71.92.

(7) **TAX IDENTIFICATION INFORMATION.** The department of administration may collect from vendors and provide to the department of revenue any tax identification information that the department of revenue requires to administer the program under this section.

History: 1985 a. 29; 1987 a. 312 s. 17; 1989 a. 31; 1997 a. 237.

Kentucky

This response was submitted by:

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Finance and Administration Cabinet
Department of Revenue
Division of Collections
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The Department of Revenue currently administers three license programs a Mine License Revocation program, the ABC Claim program, and a lottery license clearance program. Below is information regarding each of these programs:

Mine License Revocation Program –

In Kentucky, a coal company must obtain a permit each year, in order to mine coal from a particular site. The deadline for obtaining a license on an existing site is February 15 of each year. New sites may be licensed anytime throughout the year.

KRS 131.181 and KRS 351.175 (see attached) gives the Department of Revenue the authority to request the revocation of an existing mine license or the denial of a newly requested license after determining that the taxpayer holding or applying for the license is a “delinquent taxpayer”.

Kentucky statutes define a “delinquent taxpayer” as anyone holding a mine license who has an overdue state tax liability arising directly or indirectly from the mining, transportation, and/or the processing of coal.

Licenses are also revoked when it is determined that the taxpayer has been affiliated with another business whose mine license has already been revoked and whose liability remains unpaid.

The Department of Revenue may deny the issuance of a mining permit at the time that the Department of Mines and Minerals receives the taxpayer’s application. A telephone call is made immediately, followed by a denial notification letter. The taxpayer is not awarded the license until the Department of Revenue releases the denial with the Department of Mines and Minerals.

After the license has been issued to the taxpayer, the Department of Revenue may initiate revocation action. To be considered for revocation, the taxpayer must have an outstanding tax liability exceeding \$500.00. An Important Notice Letter is sent to the taxpayer, certified mail, notifying him/her of the Department of Revenue’s intent to revoke their mining permit(s). The taxpayer must contact with Department of Revenue,

and negotiate satisfactory repayment arrangements, within 20 days of the Important Notice letter or the Department of Mines and Minerals is notified to revoke the taxpayers mining permit.

A Department of Mines and Minerals inspector physically closes the mine site and this site is opened, and the license reinstated, only after the taxpayer makes satisfactory repayment arrangements with the Department of Revenue.

The Mine License Revocation program has been in existence since 1978. In early years, this was a very successful program, but it has diminished in size in recent years due to the reduced number of taxpayers applying for permits. In FY 2003, the Division of Collections denied 13 mining permits. The largest accounts receivable balance for the program totaled \$480,968 in January 2003 and the total collections for the year were \$41,963.

ABC Claims Program –

Before a taxpayer may either transfer or sell a liquor license, a tax clearance must be issued by the Department of Revenue, in accordance with KRS 139.670. The peak times for tax clearances occurs in April, May, or June of each year since the ABC Board has a renewal deadline of June 30. Renewals include payment of a fee; therefore, most taxpayers who intend to transfer or sell a license want to do so before the renewal deadline.

The Department of Revenue will not submit a tax clearance on any taxpayer with an outstanding tax liability, until satisfactory repayment arrangements have been made.

In addition to holding the taxpayers clearance, the Department of Revenue may file a claim with the ABC board, requesting a hearing, to determine if the delinquent taxpayer's license can be suspended or revoked (see KRS 243.500(5) – attached).

Statistics for FY 2003 include 106 tax clearance denials. The largest accounts receivable balance for the program totaled \$175,358 in July 2002 and a total of \$127,276 was collected during the entire year. The Department of Revenue is currently in the process of automating the clearance process, which should increase revenues significantly.

Lottery Application Review -

The Kentucky Department of Revenue must ensure that all tax liabilities are current in accordance with KRS 154A. 400(1)(b)2 before a retailer can be issued a license to sell lottery tickets. This process involves reviewing the application submitted by the retailer to the Kentucky Lottery Corporation.

The Lottery Corporation faxes the completed application to the Department where all information is cross-matched to verify that the business is registered for the appropriate account numbers. The application also includes responsible party information, which must agree with Department records.

The business account numbers and responsible party members are checked for the filing of all applicable tax returns and payments or arrangement for payments of all tax liabilities.

If these criteria are met, then an approval is issued to the Lottery Corporation by fax. If there are back tax returns due or unresolved tax liabilities, the business is contacted by the Department via letter explaining what issues exist which prompt the denial of their application. The Lottery Corporation is notified via fax that the Department cannot issue an approval for that particular retailer.

If the Lottery Corporation receives notification from the Department indicating that the retailer is not in compliance, they notify the retailer that they have seven days to become compliant or their machines will be shut down. This usually spurs a quick response from the retailer.

When the retailer corrects the problem, which prompted the denial to the Department's satisfaction, the Lottery Corporation is notified that an approval can be issued. A retailer must be re-licensed every two years and undergoes the approval process as if it were a new application.

Text of the appropriate legislation appears below.

131.181 Coal mining license revocation for or denial to delinquent taxpayer or his agent, contract miner, or delegate.

- (1) Whenever it is determined that a taxpayer, who holds a license to mine coal in Kentucky under KRS 351.175, is a "delinquent taxpayer" as defined in subsection (3) of this section, the Revenue Cabinet shall, after giving notice as provided in subsection (4) of this section, submit the name of the taxpayer to the Department of Mines and Minerals for revocation of the license issued under KRS 351.175.
- (2) If it is determined that a person who is an agent, contract miner, or delegate of a delinquent taxpayer as defined in subsection (3) holds a license to mine coal for the delinquent taxpayer in Kentucky under KRS 351.175, the Revenue Cabinet shall, after giving notice as provided in subsection (4) of this section, submit the name of the agent, contract miner, or delegate to the Department of Mines and Minerals for revocation of the license issued under KRS 351.175 to mine coal for the delinquent taxpayer.
- (3) Any of the following situations is sufficient to cause a taxpayer to be classified as a "delinquent taxpayer" for purposes of this section:
 - (a) When a taxpayer has an overdue state tax liability arising directly or indirectly from the mining, transportation, or processing of coal, for which all protest and appeal rights granted by law have expired and has been

contacted by the cabinet concerning the overdue tax liability. This does not include a taxpayer who is making current timely installment payments on the overdue tax liability under agreement with the cabinet.

- (b) When a taxpayer has not filed a required tax return as of thirty (30) days after the due date or after the extended due date, and has been contacted by the cabinet concerning the delinquent return. This applies only to tax returns required as the result of the taxpayer's involvement in the mining, transportation, or processing of coal.
 - (c) When an owner, partner, or corporate officer of a proprietorship, partnership, or corporation holding a license under KRS 351.175, held a similar position in a business whose license was revoked as a "delinquent taxpayer", and the tax liability remains unpaid.
- (4) At least twenty (20) days in advance of submitting a taxpayer's name to the Department of Mines and Minerals as provided in subsection (1) or (2) of this section, the cabinet shall notify the taxpayer by certified mail that the action is to be taken. The notice shall state the reason for the action and shall set out the amount of any tax liability including any applicable penalties and interest and any other area of noncompliance which must be satisfied in order to prevent the submission of his name to the Department of Mines and Minerals as a "delinquent taxpayer."
- (5) If it is determined that an applicant for a license to mine coal under the provisions of KRS 351.175 is a delinquent taxpayer as defined in subsection (3) of this section, or is an agent, contract miner, or delegate of a delinquent taxpayer, the Department of Mines and Minerals shall refuse a mine license to the applicant.

Effective: July 14, 1992

History: Amended 1992 Ky. Acts ch. 271, sec. 1, effective July 14, 1992. – Created 1978 Ky. Acts ch. 233, sec. 35, effective June 17, 1978.

139.670 Withholding amount of tax liability by purchaser of business.

If any retailer liable for any amount under this chapter sells out his business or stock of goods, or otherwise quits business, his successors or assigns shall withhold sufficient of the purchase price to cover such amount until the former owner produces a receipt from the cabinet showing that it has been paid or a certificate stating that no amount is due.

Effective: February 5, 1960

History: Created 1960 Ky. Acts ch. 5, Art. I, sec. 64, effective February 5, 1960.

154A.400 Statewide network of lottery retailers -- Criteria for selection -- Uniform fees -- Suspension, revocation or termination of contract -- Purchase or lease of on-line equipment -- Contracts not transferable or assignable -- Certificates -- General Assembly members not prohibited from being retailers -- Payment of prize -- Sales tax exemption.

- (1) (a) The General Assembly hereby recognizes that to conduct a successful lottery, the corporation must develop and maintain a statewide network of lottery retailers that will serve the public convenience or promote the sale of tickets, while insuring the integrity of the lottery.
- (b) To govern the selection of lottery retailers, the board shall, by administrative regulation, develop a list of objective criteria upon which the selection of lottery retailers shall be based. Separate criteria shall be developed to govern the selection of retailers of instant tickets and on-line retailers. In developing these criteria the board shall consider such factors as the applicant's financial responsibility, security of the applicant's place of business or activity, integrity, and reputation; however, the board shall not consider political affiliation, activities, or monetary contributions to political organizations or candidates for any public office. The criteria shall include, but not be limited to the following:
 1. The applicant shall be current in payment of all taxes, interest and penalties owed to any taxing subdivision where the lottery retailer will sell lottery tickets;
 2. The applicant shall be current in filing all applicable tax returns and in payment of all taxes, interest and penalties owed to the Commonwealth of Kentucky, excluding items under formal appeal pursuant to applicable statutes;
 3. No person, partnership, unincorporated association, corporation, or other business entity shall be selected as a lottery retailer for the sale of instant tickets or on-line games who:
 - a. Has been convicted of a felony related to the security or integrity of the lottery in this or any other jurisdiction, unless at least ten (10) years have passed since satisfactory completion of the sentence or probation imposed by the court for each felony;
 - b. Has been convicted of any illegal gambling activity in this or any other jurisdiction, unless at least ten (10) years have passed since satisfactory completion of the sentence or probation imposed by the court for each conviction;

- c. Has been found to have violated the provisions of this chapter or any administrative regulation adopted hereunder, unless at least ten (10) years have passed since the violation;
 - d. Is a vendor or an employee or agent of any vendor doing business with the corporation;
 - e. Resides in the same household as an officer of the corporation; or
 - f. Has made a statement of material fact to the corporation, knowing such statement to be false, unless at least ten (10) years have passed since the statement was made.
 - 4. Retailers shall be afforded the same exceptions to disqualification as provided for vendors in KRS 154A.600(4)(a) and (b) or (c).
 - 5. In addition to the provisions of subsection (3) of this section, no person, partnership, unincorporated association, corporation, or other business entity shall be selected as an on-line lottery retailer who:
 - a. Has been denied a license to sell instant tickets on the basis of objective criteria established by the board, or any provision of this chapter; or
 - b. Has failed to sell sufficient instant tickets to indicate that the location of an on-line game at his outlet would be of economic benefit to him or the lottery corporation.
 - 6. The applicant shall not be engaged exclusively in the sale of lottery tickets. However, this paragraph does not preclude the corporation from contracting for the sale of lottery tickets with nonprofit, charitable organizations or units of local government in accordance with the provisions of this chapter.
- (c) Persons applying to become lottery retailers shall be charged a uniform application fee for each lottery outlet. Retailers chosen to participate in on-line games shall be charged a uniform annual fee for each on-line outlet.
- (d) Any lottery retailer contract executed pursuant to this section may, for good cause, be suspended, revoked, or terminated by the president if the retailer is found to have violated any of the objective criteria established by the board as provided in subsection (1) of this section. Review of such action shall be in accordance with the procedures outlined in KRS 154A.090. All lottery retailer contracts shall be renewable annually after issuance unless sooner canceled or terminated.

- (2) (a) A retailer who has been denied an on-line game for reasons other than financial responsibility, security, or integrity shall be permitted to purchase or lease the equipment necessary to operate such a game from the corporation in a manner consistent with the corporation's manner of acquisition. A retailer need not file an appeal before being permitted to purchase or lease on-line equipment.
- (b) After one (1) year of operation, any retailer who purchased or leased on-line equipment pursuant to paragraph (a) of this subsection and whose sales are equal to or greater than the statewide average of sales of on-line retailers, shall be reimbursed the cost of the purchase or lease by the corporation. The board may purchase the terminals of other retailers who purchased their equipment if the board determines that such purchase is in the best interest of the lottery.
- (3) No lottery retailer contract awarded under this section shall be transferable or assignable. No lottery retailer shall contract with any person for lottery goods or services except with the approval of the board.
- (4) Each lottery retailer shall be issued a lottery retailer certificate which shall be conspicuously displayed at the place where the lottery retailer is authorized to sell lottery tickets. Lottery tickets shall only be sold by the retailer at the location stated on the lottery retailer certificate.
- (5) A member of the General Assembly who meets the same requirements as any other applicant to be a retailer may be granted a retail contract to sell lottery tickets or participate in any other lottery game operations. No member of the General Assembly shall be entitled to preference over any other applicant for a contract. (6) For the convenience of the public, all retailers shall be authorized to pay winners up to six hundred dollars (\$600) after the retailer performs validation procedures appropriate to the lottery game involved. Lottery tickets shall be exempt from the Kentucky sales tax.

Effective: December 15, 1988

History: Created 1988 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 9, effective December 15, 1988.

243.500 Causes for which licenses may be revoked or suspended.

Any license issued under KRS 243.020 to 243.670 may be revoked or suspended for the following causes:

- (1) Conviction of the licensee or his agent or employee for selling any illegal beverages on the licensed premises.
- (2) Making any false, material statements in an application for a license or supplemental license.

- (3) Violation of the provisions of KRS 243.670.
- (4) Conviction of the licensee or any of his clerks, servants, agents, or employees of:
- (a) Two (2) violations of the terms and provisions of KRS Chapter 241, 243, or 244 or any act regulating the manufacture, sale, and transportation of alcoholic beverages within two (2) consecutive years;
 - (b) Two (2) misdemeanors directly or indirectly attributable to the use of intoxicating liquors within two (2) consecutive years; or
 - (c) Any felony.
- (5) Failure or default of a licensee to pay an excise tax or any part of the tax or any penalties imposed by or under the provisions of any statutes, ordinances, or Acts of Congress relative to taxation, or for a violation of any administrative regulations promulgated by the Revenue Cabinet made in pursuance thereof.
- (6) Revocation of any license or permit provided in KRS 243.060, 243.070, 243.600, and 243.610, or granted under any Act of Congress relative to the regulation of the manufacture, sale, and transportation of alcoholic beverages. Any license issued under KRS 243.020 to 243.670 shall be revoked or suspended if the licensee sells the alcoholic beverages at a price in excess of the price set by federal or state regulations.
- (7) Setting up, conducting, operating, or keeping, on the licensed premises, any gambling game, device, machine, contrivance, lottery, gift enterprise, handbook, or facility for betting or transmitting bets on horse races; or permitting to be set up, conducted, operated, kept, or engaged in, on the licensed premises, any such game, device, machine, contrivance, lottery, gift enterprise, handbook, or facility. This section shall not apply to contests in which eligibility to participate is determined by chance and the ultimate winner is determined by skill and the licensee has no direct interest, or to the sale of lottery tickets sold under the provisions of KRS Chapter 154A.
- (8) Conviction of the licensee, his agents, servants, or employees for:
- (a) The sale or use upon the licensed premises of those items described in KRS 218A.050 to 218A.130 as controlled substances;
 - (b) Knowingly permitting the sale or use by patrons upon the licensed premises of those items described in KRS 218A.050 to 218A.130 as controlled substances; or
 - (c) Knowingly receiving stolen property upon the licensed premises.

Effective: July 15, 1998

History: Amended 1998 Ky. Acts ch. 522, sec. 13, effective July 15, 1998. -- Amended 1992 Ky. Acts ch. 254, sec. 2, effective July 14, 1992. -- Amended 1988 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 26, effective

December 15, 1988. -- Amended 1978 Ky. Acts ch. 194, sec. 18, effective June 17, 1978. -- Amended 1974 Ky. Acts ch. 11, sec. 1. -- Amended 1952 Ky. Acts ch. 111, sec. 1, effective February 21, 1952. -- Amended 1944 Ky. Acts ch. 154, sec. 19. -- Amended 1942 Ky. Acts ch. 168, secs. 4 and 13. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 2554b-134, 2554b-141.

Legislative Research Commission Note. Although references to the sale of "shares" were deleted in the Senate committee substitute, due to a clerical error, such reference was not deleted in subsection (7) of this section. The Reviser of Statutes, pursuant to KRS 7.136, has removed the words "or shares" to conform.

351.175 Provisions concerning license to operate mine.

- (1) The operation of a coalmine in Kentucky is a privilege granted by the Commonwealth of Kentucky to a licensee who satisfies the requirements of this section and demonstrates that the mine is or will be operated in a safe manner and in accordance with the laws of this Commonwealth.
- (2) Within forty-five (45) days after January 1, 1953, and of each year thereafter, the owner, operator, lessee, or licensee of each mine shall procure from the department a license to operate the mine, and the license shall not be transferable. Any owner, operator, lessee, or licensee who assumes control of a mine, opens a new mine, or reopens an abandoned mine during any calendar year shall procure a license before mining operations are begun.
- (3) The license shall be in printed form as the commissioner may prescribe and when issued shall be kept posted at a conspicuous place near the main entrance of the mine.
- (4) Requests for a license shall be made to the department and shall be accompanied by a United States postal money order or cashier's check drawn in favor of the State Treasurer in an amount established by administrative regulations of a minimum of one hundred dollars (\$100) and a maximum of fifteen hundred dollars (\$1,500). When the annual report of the licensee and the annual mine map, as required by KRS 351.170 and 352.450, together with a certification from the commissioner of the Department of Workers' Claims that the applicant for license has presented positive proof of compliance with the provisions of KRS Chapter 342, and a certification from the secretary of the Revenue Cabinet that the applicant is not a "delinquent taxpayer" as defined in KRS Chapter 131, are properly submitted to the department, the license shall be issued. The commissioner or his accredited agents shall have the authority to extend the time for filing of the map not to exceed an additional forty five (45) days. Upon receipt of withdrawal of the certification of the commissioner of the Department of Workers' Claims, or upon receipt of notice from the secretary of revenue that the licensee is a "delinquent taxpayer," as defined in KRS Chapter 131, the department shall forthwith revoke any license issued. Revocation of a license shall be an administrative function of the department. Appeal of the revocation of a license shall lie in the Fayette Circuit Court.

- (5) The mine inspector shall have the authority to stop production or close any mine whose operator fails to procure a license or fails to furnish a certification of workers' compensation coverage as required under this section.
- (6) The department shall be authorized to seek injunctive relief for any violation of this section.
- (7) A license which has been revoked under the "delinquent taxpayer" provision shall not be reissued until a written tax clearance has been received from the secretary of revenue.
- (8) No mine underlying a cemetery shall be licensed by the commissioner unless two thirds (2/3) of the governing body of that cemetery vote in approval of the operation. The application for a license shall contain an affidavit setting forth the approval of the cemetery's governing body. This subsection applies only to those cemeteries with governing bodies.

Effective: April 9, 1996

History: Amended 1996 Ky. Acts ch. 308, sec. 16, effective April 9, 1996. -- Amended 1992 Ky. Acts ch. 271, sec. 2, effective July 14, 1992. -- Amended 1988 Ky. Acts ch. 415, sec. 1, effective July 15, 1988. -- Amended 1987 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 60, effective January 4, 1988. -- Amended 1984 Ky. Acts ch. 214, sec. 1, effective July 13, 1984. -- Amended 1980 Ky. Acts ch. 188, sec. 277, effective July 15, 1980. -- Amended 1978 Ky. Acts ch. 233, sec. 36, effective June 17, 1978; and ch. 301, sec. 8, effective June 17, 1978. -- Amended 1976 Ky. Acts ch. 171, sec. 1; and ch. 220, sec. 1. -- Amended 1974 Ky. Acts ch. 258, sec. 2. -- Amended 1972 Ky. Acts ch. 298, sec. 15. -- Amended 1970 Ky. Acts ch. 79, sec. 1. -- Created 1952 Ky. Acts ch. 162, sec. 14, effective March 5, 1952.

Legislative Research Commission Note (4/9/96). The action taken with respect to this statute by 1996 Ky. Acts ch. 308 was to have become effective April 8, 1996, under Section 51 of that Act. The Act, however, did not become effective until April 9, 1996, when the Governor's signed copy of the Act was filed with the Secretary of State.

Appendix F: Kickoff Meeting Presentation

The following pages contain the Microsoft PowerPoint presentation presented to the agencies at the project kickoff meeting held on January 29, 2004.

Agenda

- Introduction
- Work Products
- Departments' Tasks
- Definitions
- Potential DoR Solution
- To Do's
- Questions



Project Steering Committee

- DoR Project Executive – Robert P. Coyne
- DoR Project Manager – Kevin Milligan
- Bureau of Collection & Taxpayer Services (CATS) – Kelvin Bailey
- CATS – George Byerly
- Bureau of Research – Donald Sheridan
- Office of Chief Counsel – Valerie Barbin
- Bureau of Compliance – Ario Andreoli
- Information Systems – Walt Schneider



CAI Team Overview

- Charles Anderson – Project Manager
- Jeff Bryner – Infrastructure Specialist
- Paul Caulfield – Facilitator
- Jenn Cooney – Senior Business Analyst
- Katrina Molnar – Business Analyst
- Suzanne Tallman – Business Analyst



Introduction

Develop a legislative report on the impact of a statewide tax clearance program (House Bill 200, 2003, Act 46, Section 32 P.N. 3160)

- Department of Banking
- Department of Environmental Protection
- PA Insurance Department
- Department of Labor & Industry
- Department of Revenue
- PA Securities Commission
- Department of State

Purpose

- To assess the business process and technical impact of a 'statewide' (business and individual) tax liability compliance law
- Not a policy or legal analysis of how departments operate
- Key Dates:
 - March 8th – Final Report
 - April 1st – Present results to General Assembly



Work Products

1. State agency surveys
2. Perform clearance program cost analysis
 - Includes figures for current program costs and future implementation
3. Perform policy and legal analysis
4. Develop comparative state study
5. Present final recommendations and implementation plan

Departments' Tasks

- Assign single point of contact
- Facilitate information gathering
- Schedule interviews and facilitated sessions

ID	ID	Task Name	Work	Start	Finish
21	21	Business Process Impact Interviews	139 hrs	Tue 2/3/04	Fri 2/13/04
22	22	Interview Content Prep	32 hrs	Tue 2/3/04	Wed 2/4/04
23	23	Develop Interview Instrument	4 hrs	Wed 2/4/04	Wed 2/4/04
24	24	Interview Department of Revenue Legislative Liaison	5 hrs	Wed 2/4/04	Thu 2/5/04
28	28	Interview Department of Revenue Office of Chief Counsel	5 hrs	Thu 2/5/04	Thu 2/5/04
29	29	Prepare OCC Interview	1 hr	Thu 2/5/04	Thu 2/5/04
30	30	Administer OCC Interview	2 hrs	Thu 2/5/04	Thu 2/5/04

ID	ID	Task Name	Work	Start	Finish
31	31				
32	32	79 79 Technical Impact Facilitated Sessions	129 hrs	Wed 2/4/04	Fri 2/13/04
33	33	80 80 Facilitated Session Content Prep	32 hrs	Wed 2/4/04	Thu 2/5/04
37	37	81 81 Develop Facilitated Session Instrument	16 hrs	Thu 2/5/04	Fri 2/6/04
41	41	82 82 Interview Department of Revenue BIS	9 hrs	Fri 2/6/04	Fri 2/6/04
45	45	86 86 Interview Department of Banking	7 hrs	Mon 2/9/04	Mon 2/9/04
49	49	90 90 Interview Department of Environmental Protection	9 hrs	Mon 2/9/04	Mon 2/9/04
50	50	94 94 Interview Department of Labor & Industry	9 hrs	Tue 2/10/04	Tue 2/10/04
54	54	98 98 Interview PA Insurance Department	7 hrs	Tue 2/10/04	Tue 2/10/04
58	58	102 102 Interview Department of State	7 hrs	Wed 2/11/04	Wed 2/11/04
62	62	106 106 Interview Pennsylvania Securities Commission	9 hrs	Wed 2/11/04	Thu 2/12/04
66	66	110 110 Synthesize Session Information	24 hrs	Thu 2/12/04	Fri 2/13/04
70	70	111 111 Analyze and Process Interview and Session Info	80 hrs	Fri 2/13/04	Tue 2/17/04
74	74				
78	78	Synthesize Interview Information	24 hrs	Thu 2/12/04	Fri 2/13/04

Definitions

- Applicant –
- Costs –
- Permit, License, Registration –





Applicant

- OA 215.9 Contractor Responsibility Program: Defines the contractor as any person or entity providing goods or services to the Commonwealth and includes permittees and licensees. Also contains provisions for interagency offsets.
- PA-100 Enterprise Registration: Responsible parties include owner, partners, shareholders, and officers.



Applicant Types

Included

- Sole Proprietorship
- General Partnership
- Limited Partnership
- Association
- Restricted Professional Company
- Corporation
- Limited Liability Partnership
- Joint Venture Partnership
- Trust
- Business Trust
- Limited Liability Company

To be Discussed

- Government
- Estate

Costs

Objective: Capture all costs associated with administering various licensing programs/systems			
	Description	Additional Notes	
Please provide description of current system. Include hardware, software and associated telecommunications.			
Annual Capital Expenditures	Description	\$ Cost/Year	
	Hardware		
	Software		
	Network		
	Security		
	Other (upgrades, etc)		
Annual Operating Expenses	Description	\$ Cost/Year	
	Hardware Maintenance		
	Software Maintenance (licensing fees etc)		
	Help Desk		
	Data Powerhouse		
	Administrative Expenses		
	Other (please itemize)		
Annual Personnel Expense	Position	Pay Grade	FI/PT

Permits, Licenses, Registrations

Objective: Capture information about permits, licenses, certificates and their related systems

General Questions

Can you provide a single file listing all licensees to DoR?

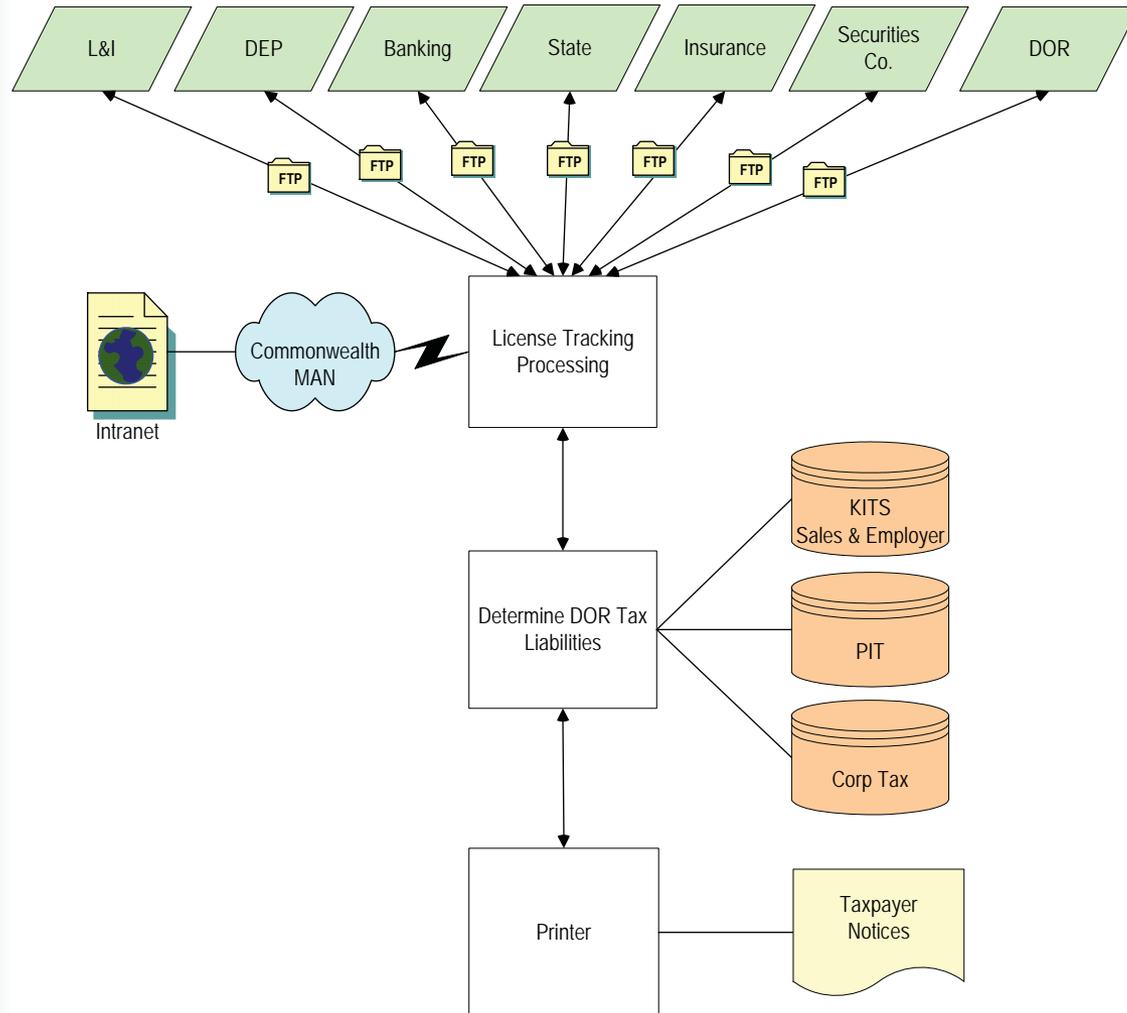
What is the format and file layout?

Instructions

1. For each permit listed, review the permit and update or complete the information. If the information is previously documented, please provide the location.
2. Indicate what priority we should give the permit or license for inclusion in the bill. Use **(H)** for high priority, **(M)** for medium, and **(L)** for low. If you feel the permit or license should not be included at all, please provide a reason in the "Comment" column.
3. If the cost is tiered, please provide separate documentation of various tiers.
4. Provide date of the last fee change in the "Fee Chg" column.
5. In the "Applicant" column indicate whether businesses **(B)** or individuals **(I)** can apply for the permit or license.
6. If the permit is issued to businesses, please indicate whether there are any restrictions on the type of business that may apply in the "Bus. Type" column.
7. Please delete unused permits from the list.
8. Please add missing permits to the list and provide appropriate information.

Permit/License	Priority	Number Per Year		Cost		Fee Chg	Cycle	Applicant	Bus. Type
		New	Renewal	New	Renewal				
Asbestos Occupation Certification Less Than 6 Months Until Expiration Of Training Certificate									
Worker				System Information					
Supervisor									
Project Designer				Name	App Tech	DB Tech	Owner	Contact Inf	Comments
Building Inspector									
Management Planner									
Contractor									

Potential DoR Solution



Potential DoR Solution (contd)

Summary

- When agency issues new or renewed license etc, it will electronically forward transaction to DoR for verification
- Check for outstanding DoR tax liabilities for that entity (this will not include liabilities that exist at the participating agencies)
- If liabilities exist and entity is “dirty,” the agency will be notified and a Delinquent Taxpayer Notice will be printed
- The “dirty accounts” will be refreshed periodically and a notice issued when they are in compliance with their tax liabilities.

Potential DoR Solution (contd)

Issues

- Agency changes
 - Need to have IT Infrastructure to support processing requirements
 - File Key, SSN or EIN, must be captured and utilized
 - Would be desirable to capture e-mail addresses
 - What is the process to challenge adverse results of the Tax Clearance Processing?
 - Through DoR or each agency?

To Do's

- Schedule interviews
- Prioritize systems
- Determine predominant funding source
- Collect information



Questions





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Appendix G: Legal Issues

This appendix contains additional information obtained from DOR counsel, in the following order:

Disclosure of Social Security Numbers to Other State Agencies Official Purposes Exception, from the Office of Chief Counsel, dated February 5, 2004, submitted for review and approved by the Governor's Office of General Counsel

Due Process Challenges to the License Clearance Program, from the Office of Chief Counsel, dated March 4, 2004, submitted to the Governor's Office of General Counsel and is still under review as of the date of this report



Office of Chief Counsel
Dept. 281061
Harrisburg, PA 17128-1061



**GOVERNOR'S OFFICE OF
GENERAL COUNSEL**

www.revenue.state.pa.us

DATE: February 5, 2004

TO: Kevin Milligan
Revenue Fiscal Analyst
Supervisor/Chief
Planning Division
Bureau of Fiscal Management

FROM: Valerie A. Barbin
Assistant Counsel

RE: Disclosure of Social Security Numbers
to Other State Agencies – Official
Purposes Exception

Issue:

May state agencies use a social security number to share information in a tax clearance program for state licensing activities?

Answer:

Yes, state agencies may use a social security number as an identifier to share information in a statewide tax clearance program.

Discussion:

The social security number is used by government agencies for voter registration, tax identification, drivers licensing, general assistance programs, professional licensing, sex offender registrations and many other programs. Social security numbers are also used as the primary identifier for credit histories, medical records, financial transactions and student loans.

The Federal Privacy Act permits federal, state and local government agencies to require a social security number for certain purposes. A government agency may lawfully require a social security number be used in the administration of any tax, general public assistance, driver's license or motor vehicle registration law within the agency's jurisdiction. 42 U.S.C. § 405(c)(2)(c)(i)(iv). Federal law permits the use of social security numbers by state officials for licensing purposes. Kaufmann v. DEP, 788 A.2d 795, Pa. Commw. 2001.

The Social Security Act was amended in 1990 to make an individual's social security number confidential. 42 U.S.C. § 405(c)(2)(C)(ii)(vii)(I). Accordingly, an individual's social security number is protected from public inspection and must be redacted from public records prior to public disclosure. However, there is no prohibition barring inter agency use of a social security number as an identifier in a tax clearance program.

Pursuant to 72 P.S. § 731, the General Assembly has authorized the Department to utilize confidential information for official purposes. The Pennsylvania Supreme Court has interpreted "official purposes" to mean official purposes of the Commonwealth. Frontage, Inc. v. Allegheny County, 400 Pa. 249, 162 A.2d (1960). This case has not been overruled, although, it has been more narrowly construed by the Office of Chief Counsel to be limited to those purposes related to the collection and administration of a Commonwealth tax.

The release of confidential information is further supported by Attorney General Opinion No. 90-1 dated May 9, 1990. This opinion addressed the issue of whether the Department of Revenue could release confidential information to a Commonwealth centralized information system accessible by Commonwealth agency officials. The opinion concluded that the purposes of the program were to assure that government contractors were financially responsible and were not tax delinquents. The program was designed to assist in the collection of tax and thus fit within the official purposes exception to the laws prohibiting disclosure of confidential information.

The License Clearance Program has the same purposes as the Contractor Responsibility Program, to aid in the collection of taxes, and therefore, also fits within the official purposes exception. The Department of Revenue is authorized by statute to release confidential information, including social security numbers, to other state government agencies.

Most but not all of the agencies listed within the License Clearance Program have statutes which prohibit the release of confidential information which would include a social security number, from all disclosure except "official purposes." Our Supreme Court and Federal law recognize the administration of taxes to be a valid exception to the rule of confidentiality.

The protections afforded by both federal and state laws were designed to shield an individual's confidential information from public scrutiny and not from government controls designed to detect fraud and tax evasion.

Notes:

It is clear that the Department of Revenue may release information to other state agencies. However, a number of those agencies have requested the Department not provide information but act as the Clearinghouse for all licensing actions. Accordingly, the legislature may want to consider enacting legislation similar to that which provides for the release of confidential information in Domestic Relations, support matters.

23 P.S. § 4304.1, Cooperation of government and government agencies. Subsection (a)(2) provides that [other state agencies are required to provide] a social security number of an individual who has one on any application for a professional or occupational license or certification; a permit, driver's license, including a commercial driver's license, a recreational license or a marriage license. Collection of the social security number shall be performed in such manner as to protect its confidentiality. If the government agency uses another identifying number on the face of the application, the government agency shall advise the applicant and shall keep the social security number on file at the agency.

The committee preparing this report may also want to specifically request that other identifiers be subject to release and sharing such as a taxpayer's identification number, date of birth or a driver's license number. This would assist in the matching techniques for those agencies that are not permitted to make mandatory the submission of an applicant's social security number, due to constraints imposed by the Federal Privacy Act.

The exceptions provided for in the Federal Privacy Act are:

- 1) disclosure is required by federal statute.
- 2) grandfather clause for agency's who required it prior to January 1, 1975 as a means to maintain a system of records.
- 3) social security numbers are used in the administration of any tax, general public assistance, driver's license or motor vehicle registration law within the agencies jurisdiction.
- 4) the issuance of birth certificates or enforcement, or enforcement of child support orders; and
- 5) Administration of the Food Stamp Act and the Federal Crop. Ins. Act.

Thus, it appears agencies such as Department of State or Department of Environmental Protection may not make submission of a social security number mandatory.

VAB:sa



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**GOVERNOR'S OFFICE OF
GENERAL COUNSEL**

www.revenue.state.pa.us

DATE: March 4, 2004

TO: Kevin Milligan
Revenue Fiscal Analyst
Supervisor/Chief
Planning Division
Bureau of Fiscal Management

FROM: Valerie A. Barbin
Assistant Counsel

RE: Due Process Challenges to the License
Clearance Program (The "Program")

I am providing the following memorandum in response to your request for a brief summary of due process constitutional issues raised with you by various Pennsylvania State agencies. The participating agencies have also raised concerns regarding the use of procedural safeguards to insure the reliability, fairness and efficiency of the Program. Many participating agencies have requested selective enforcement of the Program. These concerns are addressed within the Equal Protection section.

There are three types of constitutional challenges which can be brought against a license revocation program: procedural due process, substantive due process and an equal protection claim. Each of these types of challenges is addressed below.

I. Procedural Due Process

The United States Constitution prohibits state and federal governments from depriving an individual of life, liberty or property without granting the person the due process of law. A violation of due process requires the claimant to establish: 1) that there was activity by the government; and 2) the official state action resulted in a

deprivation or infringement of an individual's liberty or property interest. If these thresholds are established, a determination must be made regarding what process is due. The Supreme Court has recognized that due process is not a technical concept, that government resources are limited and, therefore, the process must strike a balance among fairness, accuracy and efficiency. Matthews v. Eldridge, 424 U.S. 319 (1976).

In Matthews, the Supreme Court held that allowing for a written presentation prior to termination of disability benefits coupled with post termination review, satisfied due process requirements. The three-prong test to determine if due process has been provided considered: 1) the private interest affected by official action; 2) the risk of erroneous deprivations; and 3) the probable value of additional procedural safeguards.

The Pennsylvania courts have established that procedural due process does not require a second administrative hearing for additional sanctions to be imposed, once the liability has been established. Telang v. Commonwealth, 561 Pa. 535, 75 A.2d 1147 (2000). Under Pennsylvania case law, the Supreme Court has stated that adequate procedural due process exists where appellees knew exactly what was happening to them and why, and that the knowledge, or notice provided was sufficient under the circumstances. DOT v. McCafferty, 563 Pa. 146, 178 A.2d 1155 (2000). In McCafferty, the scope of review involved identifying the licensee and establishing a prior conviction.

Accordingly, under the Program once notice is given of the tax liability and the appeal rights of the taxpayer have been exhausted, no predetermination hearing is required to apprise the licensee of the revocation or suspension of the license or the reason why such action is being taken. The failure of the Taxpayer to exhaust administrative remedies precludes review. Thus, in depth pre-deprivation hearings would only provide opportunity for obfuscation, delay and high administrative costs. The Commonwealth Court has held that a teacher could not challenge the constitutionality of procedures used to suspend her certificate where she refused to avail herself of the appeal procedures. Pardue v. Department. of Education, 815 A.2d 1162 (2003).

Applying the procedural due process three-prong balancing test to the Program results in the following analysis. The interest affected is an economic interest. The risk of erroneous deprivation is minimal if identity of the delinquent taxpayer is verified through Social Security and/or Employer Identification Numbers (EIN). Additional safeguards are not required since the Program provides that all revocation and suspension must involve non-filers or tax liabilities for which the appeal process is exhausted. Finally, the fiscal and administrative burden to provide additional hearings would be substantial.

The Program, as designed, provides for notice prior to suspension or revocation, an opportunity to correct the delinquency prior to suspension or revocation and an opportunity to enter into a deferred payment plan. This notice is an addition to the original notice of a tax liability and numerous opportunities for appeal, that all taxpayers receive. Persons who apply for a license or renewal will have their applications put on

hold until the tax delinquency is corrected. Persons who have had their licenses revoked or suspended will be permitted to reapply immediately after the tax deficiency is cured. Aggrieved parties are entitled to a post deprivation hearing limited in scope to identity of the taxpayer and certification of an outstanding tax liability. The Program evinces a legitimate strategy for achieving fair, accurate and cost effective results. Further, the Program could be amended to provide each agency with the right to request reconsideration if it believes the suspension or revocation will interfere with its administrative mission.

II. Substantive Due Process

The Due Process Clause has been interpreted to provide substantive protection. Early cases recognized freedom to contract and to own property and other economic rights as fundamental liberties. However, the Supreme Court has subsequently held that economic regulation falls within a state's police power and that only a minimally rational relationship between the means and ends is required. Accordingly, a license may be revoked unless the licensee can establish that another fundamental constitutional right has been infringed such as the right to vote, the right to marry, the right to use the courts or the right to travel between states.

Neither the U.S. Supreme Court nor the Pennsylvania Courts currently recognize the right to earn a livelihood as a fundamental right. The right to operate a motor vehicle or to engage in an occupation has not been held to be a fundamental right, despite its essential role in human existence. Nowak and Rotunda, *Constitutional Law* 11.3, Note 88 at 383. See, also, FDIC v. Mallen, 486 U.S. 230, 108 S.Ct. 1780 (1988).

However, some courts have held that the revocation of a license is an unconstitutional violation of substantive due process because the statute did not require the use of the license for the commission of the offense and, therefore, the license revocation did not bear a reasonable relationship to the offense. Ohio v. Gowdy, 639 N.E.2d 878 (OH. 1994), Rushworth v. Registrar of Motor Vehicles, 596 N.E.2d 340 (Mass. 1992), Lowe v. SEC., 472 U.S. 181 (1985), Johnson v. State Hearing Examiners Office, 838 P.2d 158 (Wyo. 1992), People v. Lindner, 708 N.E.2d 1169 (ILL.1999). Accordingly, our Legislature may wish to more narrowly tailor the statutory scheme to include only those licenses, permits and clearances which produce income from the relevant business activity. This would establish a direct relationship between the

issuance of a government business license and the production of business income. Failure to pay tax on that income could result in revocation, suspension or denial of the license. This excludes from review local government and nonprofit entities who render services without charge.

In Schwartz v. Board of Bar Examiners, 353 U.S. 232 (1957) the Supreme Court held there must be a rational relationship between the applicant's fitness and capacity and the professional/occupational licensure. A taxpayer who, despite repeated notice and opportunity, refuses to satisfy a tax deficiency and ignores a known tax obligation,

may not be fit to be licensed by the state. Thus, the license may be revoked for lack of financial responsibility or moral turpitude for tax evasion. Windham v. Board of Medical Quality Assurance, 104 Cal. App. 461 (1980).

III. Equal Protection

The Equal Protection Clause of the Fourteenth Amendment of the United States Constitution provides that no state shall deny any person within its jurisdiction the equal protection of the laws. The standard of review is the rational basis test, unless the legislative classification involves a fundamental right or a suspect classification. Neither economic regulation nor distribution of government benefits involves suspect or fundamental classifications. Thus, government must only establish a rational relationship to a legitimate legislative purpose. Occasionally, a court will strike down legislation that does not infringe on a fundamental right but has little or no perceptible relation to the discernable public good.

The Program has a rational and actual relationship with the license denial, suspension or revocation. The threat of license denial, suspension, or revocation has a direct relationship to compliance with the Commonwealth's tax laws. States that have enacted license revocation programs have seen a significant increase in tax collections. Maryland recently collected over three million dollars in delinquent tax in the six months since its license program has been in effect.

In addition to establishing a real and substantial or rational relationship to a legitimate legislative purpose, the government must establish that the statute is neither arbitrary nor discriminatory. Nixon v. Commonwealth, 839 A.2d 277, 2003 Pa. Lexis 2604 (Pa. 2003). The licensee classifications in the Program are likely to be upheld on an equal protection challenge because they create parity in the administration and collection of taxes. The Program brings a group of non-wage earners and self-employed professionals within the reach of tax enforcement who are not subject to

enforcement mechanisms such as garnishment and wage withholding. The Program will not stifle economic activity because there will be advance notice of the potential for license revocation and the opportunity for the delinquent taxpayer to come into compliance. The licensee's economic benefit which is derived from the business activity will exceed the tax liability to be paid. This program is designed to expedite enforcement against taxpayers who are able but unwilling to pay. Moreover, including the self-employed and professionals within the Department's compliance programs may contribute, to overall public perception regarding the fairness of the tax burden and the government's willingness to go after the more affluent as well as those who are less well off.

The Pennsylvania Supreme Court has held that an offense committed under a licensing statute which is remote in time is irrelevant to the prediction of future behavior and therefore an inappropriate basis for license revocation. Secretary of Revenue v. Johns Vending Company, 453 Pa. 488 (1973). See also Nixon v. Commonwealth, 839

A.2d 277, 2003 Pa. Lexis 2604 (Pa. 2003). These licensing statutes were held to be constitutionally infirm. The Department will employ safeguards such as durational limits (recent or non-remote tax liabilities) as well as amount requirements (de minimus standards representing those cases which are not economically feasible to pursue through license revocation).

Results reported by Maryland indicate that the mere threat of license revocation has generated substantial voluntary compliance. Warning letters will be sent to delinquent licensees informing them that they will be subject to license revocation if they do not comply with statutory requirements. The letter will advise them how to satisfy their tax responsibility. The bulk of the Program administration and enforcement can be accomplished without judicial involvement and if judicial involvement is required, it will be statutorily limited to mistake of identity. The Department will be prepared to present a custodian of records with certified copies of the tax liability at a post deprivation hearing.

This Program is modeled after a program established by the Internal Revenue Service in 1994, which encouraged states to identify non-filers and collect delinquent taxes. In doing so, states were encouraged to establish initiatives requiring persons who receive government issued licenses to be in compliance with state tax laws. See, Tax Analysts, State Tax Today, August 8, 1994 (Doc. 94-51733).

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