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**REVENUE DEPARTMENT EXPANDS PROPERTY TAX/RENT REBATE PROGRAM ELIGIBILITY TO INCLUDE DECEASED CLAIMANTS WHO LIVED PART OF 2013**

Beginning with claim year 2013, the Department of Revenue will pay property tax and rent rebate claims filed on behalf of claimants who lived at least one day during a claim year and meet all other eligibility criteria. Such claims can be filed by spouses, personal representatives or estates, on behalf of deceased claimants.

The department encourages surviving spouses, personal representatives and estates of residents who lived at least one day in 2013 to explore other rebate program criteria and claim rebates on behalf of eligible decedents by the Dec. 31 program application deadline.

Claims already filed on behalf of deceased claimants will be reopened by the department, and claims will be reviewed under the new eligibility rules.

The department will automatically annualize income and prorate property taxes based upon the number of days the claimant lived during the claim year, and rent rebate claims filed on behalf of deceased claimants will now be paid based upon the amount of rent paid during the claim year.

Property Tax/Rent Rebate claim forms (PA-1000) and related information is available online at [www.revenue.state.pa.us](http://www.revenue.state.pa.us) or by calling, toll-free, 1-888-222-9190.

The department will revise the PA-1000 application for the 2014 claim year to include a schedule and instructions to facilitate processing of claims made on behalf of deceased claimants who lived part of a claim year.

**FAST FACT:**

*The new Revenue Department website is the sixth of 47 commonwealth website redesigns scheduled to be completed by 2016 in order to improve residents' Internet experiences with state government.*

## ***About the Property Tax and Rent Rebate Program:***

The Property Tax and Rent Rebate Program benefits eligible Pennsylvanians age 65 and older; widows and widowers age 50 and older; and people with disabilities age 18 and older. The income limit is \$35,000 a year for homeowners and \$15,000 annually for renters, and half of Social Security income is excluded.

The maximum standard rebate is \$650, but

supplemental rebates for qualifying homeowners can boost rebates to \$975. The Revenue Department automatically calculates supplemental rebates for qualifying homeowners.

The Property Tax/Rent Rebate Program is one of five programs supported by the Pennsylvania Lottery. Since the program's 1971 inception, older and disabled adults have received more than \$5.6 billion in property tax and rent relief. The expanded portion of the rebate program is paid for with revenue from slots gaming.

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## **REVENUE DEPARTMENT DEBUTS NEWLY REDESIGNED WEBSITE**

As you may already have noticed, [www.revenue.state.pa.us](http://www.revenue.state.pa.us) has gotten a face-lift! A completely redesigned website featuring improvements in design and functionality went live Sept. 12.

In addition to offering a more modern and visually appealing design, the improved Revenue website offers a number of exciting new features:

- **More Intuitive Navigation:** The user-friendly design provides enhanced navigation facilitated by fly-out menus and footers that allow exposure to deeper levels of content before a single click.
- **Responsive Design:** The redesigned site responds automatically to the device it is accessed from, making [www.revenue.state.pa.us](http://www.revenue.state.pa.us) more accessible and easy-to-use from mobile devices.

- **Enhanced search capabilities:** Expected to be optimized by mid-October, the search functionality on the new website platform offers drastic improvements to the old Revenue website search.

Bookmarks to some pages or documents on the website may redirect to the Revenue home page in the new platform, so practitioners are encouraged to explore the new site and update bookmarks as needed.

Web-based applications including [e-TIDES](#), the [e-Services Center](#) and the [Online Customer Service Center](#) are not impacted by the website redesign, and links for these applications remain unchanged.

The new Revenue Department website is the sixth of 47 commonwealth website redesigns scheduled to be completed by 2016 in order to improve residents' Internet experiences with state government

## **TAX PROFESSIONAL E-SERVICES CENTER**



Tax professionals are encouraged to use the department's Tax Professional e-Services Center for access to clients' tax information.

Visit the department's [Online Customer Service Center](#) or call 717-787-1392.

## PHILADELPHIA CIGARETTE TAX EFFECTIVE OCT. 1

Act 131 of 2014, signed into law on Sept. 24, authorizes a \$2-per-pack cigarette tax on all cigarettes and little cigars sold in Philadelphia, effective Oct. 1, 2014, in order to supplement public school funding in the city.

A new tax stamp has been created for Philadelphia that includes both the state and city cigarette taxes. These new stamps reflect the 8-cent-per-stick state tax and the new 10-cent-per-stick Philadelphia city tax, for a total of \$3.60 per pack of 20 cigarettes/little cigars and \$4.50 per pack of 25 cigarettes/little cigar sold in Philadelphia.

### ***Cigarette Retailer and Vending Dealer Requirements***

Each retailer and vending dealer must calculate, report and remit cigarette floor tax on all cigarettes and little cigars in inventory and vending machines in Philadelphia as of 12:01 a.m. on Oct. 1. A floor tax return (REV-779) will be provided to each retailer and vending dealer, and the return will also be available at [www.revenue.state.pa.us](http://www.revenue.state.pa.us). Failure to file a complete and accurate floor tax return and pay the tax due will result in the imposition of penalties and interest, and may result in criminal prosecution.

For up to 30 days following the effective date of the Philadelphia cigarette tax, wholesalers may sell Pennsylvania-stamped cigarettes to Philadelphia retailers, so long as the wholesaler charges the Philadelphia cigarette tax (\$20 per carton) to each retailer in Philadelphia and issues the retailer an invoice showing the Philadelphia tax was paid.

Enforcement visits will be conducted to Philadelphia retailers to ensure retailers are selling correctly stamped and documented packs. Each retailer must maintain for inspection a copy of its floor tax return/inventory and all wholesaler invoices showing Philadelphia tax was paid on additional Pennsylvania-stamped product acquired between Oct.1 and Oct. 31.

Retail evasion of the Philadelphia cigarette tax will violate state law and be punishable by suspension or

revocation of the retailer's cigarette license, criminal fines and/or imprisonment.

All cigarettes in Pennsylvania must be sold in compliance with minimum price statutes. The minimum price of cigarettes sold in Philadelphia will include the state and city tax rates in the calculation.

### ***Cigarette Wholesaler Requirements***

To facilitate monitoring of Philadelphia-stamped and Pennsylvania-stamped product across the state, as soon as the Philadelphia cigarette tax becomes effective the department will require wholesalers to report their sales to retail and vending customers monthly. The return and accompanying schedules for this monthly report will be available on the department's website, [www.revenue.state.pa.us](http://www.revenue.state.pa.us).

For up to 30 days following the effective date of the Philadelphia cigarette tax, until Oct. 31, wholesalers may sell Pennsylvania-stamped cigarettes to Philadelphia retailers, so long as the wholesaler charges the Philadelphia cigarette tax (\$20 per carton) to each retailer in Philadelphia and issues the retailer an invoice showing the Philadelphia tax was paid. The Philadelphia cigarette tax collected must be remitted to the Department of Revenue by the 20th day of the month following the sale, along with copies of invoices to verify additional tax collected.

Alternatively, wholesalers can exhaust Pennsylvania-stamped product by selling to retailers and wholesalers located outside of Philadelphia or returning the state-stamped inventory to a CSA for a refund or a credit toward Philadelphia stamped cigarettes.

Additionally, a new return, REV-1142P, is in development for documentation of tax due on unstamped little cigars sold in Philadelphia.

If a wholesaler is unable to exhaust Pennsylvania-stamped product, it should inventory and segregate state-stamped product on Nov. 1 and contact the department at 717-783-9374.

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### Cigarette Stamping Agents Requirements

Cigarette stamping agents must purchase and affix Philadelphia tax stamps to product that will end up in retail and vending locations in Philadelphia, and Philadelphia tax stamps will be available to cigarette stamping agents beginning Sept. 24. Additionally, cigarette stamping agents will have to file a separate return (REV-1030P/REV-1036P) to account for cigarettes sold into Philadelphia and the stamps purchased and used on a monthly basis.

Administrative matters related to the Philadelphia cigarette tax:

- Philadelphia tax stamps will be sold in rolls of 7,200 stamps for both 20- and 25-packs of cigarettes.
- A revised REV-1043, Cigarette Stamping Agent Purchase Order, is available at [www.revenue.state.pa.us](http://www.revenue.state.pa.us).
- The 0.87 percent CSA commission does not apply to the Philadelphia cigarette tax, but the

commission on state cigarette tax will apply to Philadelphia stamps.

- CSAs purchasing cigarette tax stamps on a consignment basis may need to increase their bond liability amounts by executing and submitting a bond rider to the department at the address below.
- Additionally, a new return, REV-1142P, is in development for documentation of tax due on unstampable little cigars sold in Philadelphia.

Any cigarette stamping agent that wants to request a refund for Pennsylvania-stamped cigarettes is encouraged to call the Miscellaneous Tax Section at 717-783-9374.

Any cigarette licensee with questions regarding the proposed implementation plan for the Philadelphia cigarette tax is encouraged to call the Miscellaneous Tax Section at 717-783-9374.

## 2013-2014 General Fund Revenues

*Estimated versus Actual Revenue Collections (in millions)*

Fiscal year-to-date General Fund collections through August totaled \$4 billion, which is \$10.7 million, or 0.3 percent, below estimate.

