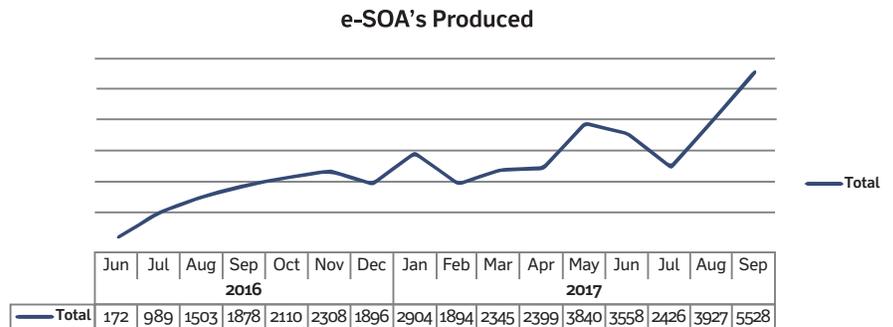




## IN THIS ISSUE:

- PENNSYLVANIA DEPARTMENT OF REVENUE ELECTRONIC STATEMENT OF ACCOUNTS: ONE YEAR LATER  
*Page 1 & 2*
- HURRICANE HARVEY/HURRICANE IRMA: ADDITIONAL EXTENSION OF TIME TO FILE  
*Page 2*
- 2017-18 GENERAL FUND REVENUES  
*Page 3*
- WHY IS ELECTRONIC SALES SUPPRESSION RELEVANT IN PA?  
*Page 3 & 4*
- HAVE YOU LIKED US ON FACEBOOK?  
*Page 4*
- FALL TAX SEMINAR CAMP HILL  
*Page 5*
- FALL TAX SEMINAR SCHEDULE  
*Page 6*

## PENNSYLVANIA DEPARTMENT OF REVENUE ELECTRONIC STATEMENT OF ACCOUNTS: ONE YEAR LATER



In August 2016, at the request of the business and tax practitioner community, the Pennsylvania Department of Revenue launched a new online feature in its business tax filing system.

This feature provides an electronic avenue for business taxpayers and tax practitioners to receive a detailed electronic statement of account (e-SOA) in PDF format within the business tax filing system. Upon making a request, the electronic statement is available the next business day.

Previously, taxpayers could obtain only a simple hard copy summary after making a request in writing or by phone.

Each e-SOA includes the three most recently filed tax periods, nonfiled tax periods, and tax periods with open liabilities, payments, or credits grouped by tax type. Additional sections show tax periods under appeal, unused restricted credits, and W-2 annual reconciliation, if applicable.

*Continued on Page 2*

### TAX PROFESSIONAL E-SERVICES CENTER

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

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



*Continued from Page 1 – Pennsylvania Department of Revenue Electronic Statement of Accounts: One Year Later*

Implementing this process gave businesses faster access to tax information, while reducing costs to the Department of Revenue.

Since implementation, the department has produced almost 29,000 electronic account statements.

On Aug. 28, 2017, the department also added splash page functionality which is part of the department's plans to provide even broader e-correspondence functionality this winter.

"While the mission of the Pennsylvania Department of Revenue is to administer the tax laws of the commonwealth in a fair and equitable manner, it is also the goal of the department to modernize the way we communicate and interact with all taxpayers," said Revenue Secretary Dan Hassell. "We will continue to implement strategic initiatives to better serve individuals, businesses, and practitioners."

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## HURRICANE HARVEY/HURRICANE IRMA: ADDITIONAL EXTENSION OF TIME TO FILE

The Pennsylvania Department of Revenue announced extensions for certain tax return filing deadlines for corporate taxpayers filing the form RCT-101 directly impacted by the severe storms and flooding from Hurricanes Harvey and Irma.

Generally, the Pennsylvania Department of Revenue will follow Internal Revenue Service rules outlined in [Issue Number: IR-2017-135](#) and [Issue Number: IR-2017-150](#). The extended tax return filing due dates apply to taxpayers located in the impacted disaster areas identified in the IRS notice. The tax relief postpones various tax filing deadlines that occurred starting on August 23, 2017 thru January 31, 2018, to January 31, 2018. This does not apply to Specialty Tax return filings or payments applicable to all returns.

To avoid a late file penalty assessment, taxpayers should email a request on company letterhead and signed by corporation official to [RA-panoticeofadjustment@pa.gov](mailto:RA-panoticeofadjustment@pa.gov). Please include the name and address of the business where the tax records are located. **Also, please include the following on the top front of the return: "Hurricane Harvey/Irma Impacted Return"**.

The Pennsylvania Department of Revenue also extended the tax return filing deadline for the **PA S Corporation/Partnership Information Return PA-20S/PA-65**, for those directly impacted by the severe storms and flooding from Hurricane Harvey and Hurricane Irma.

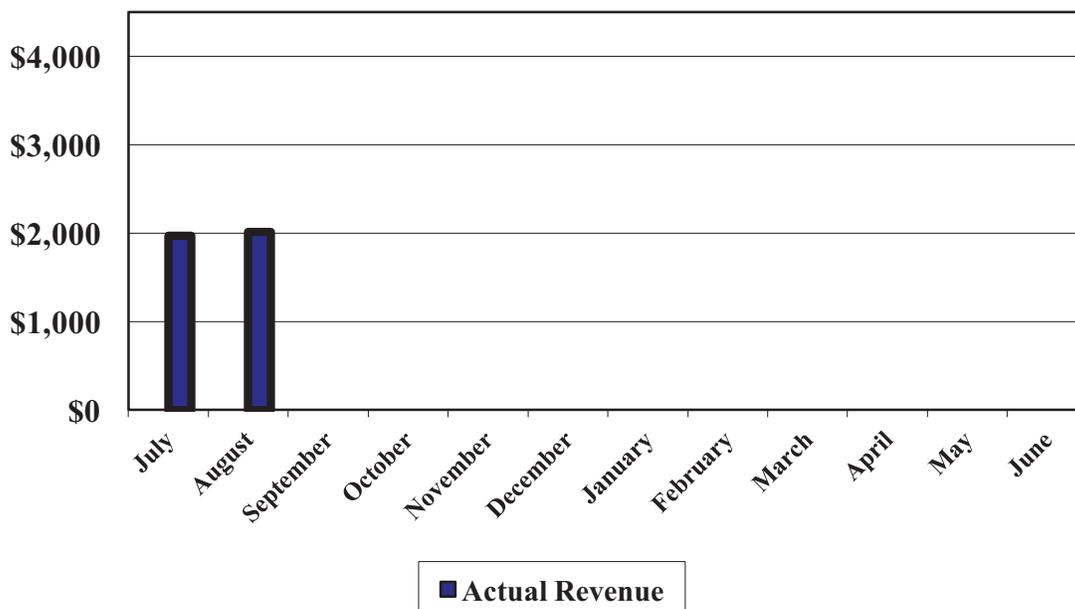
In general, Pennsylvania will follow the Internal Revenue Service rules outlined in [Issue Number: IR-2017-135](#) and [Issue Number: IR-2017-150](#). The extended tax return filing due dates apply to taxpayers located in the impacted disaster areas identified in the IRS notice.

The IRS tax relief postpones various tax filing deadlines that occurred starting on Aug. 23, 2017 thru January 31, 2018. As a result, affected businesses will have until January 31, 2018 to file the PA-20S/PA-65 that was originally due during this period.

The schedule of impacted tax periods may be found by visiting [www.revenue.pa.gov](http://www.revenue.pa.gov).

**2017-2018 General Fund Revenues**  
*Revenue Collections (in millions)*

*Fiscal year-to-date General Fund collections total \$4.2 billion.*



**WHY IS ELECTRONIC SALES SUPPRESSION RELEVANT IN PA?**

In the last edition of the [Tax Update](#), the Pennsylvania Department of Revenue highlighted the growing use of electronic sales suppression (ESS) software and the nationwide concerns associated with this specific method of tax evasion.

So how big is the issue here in Pennsylvania? The Department of Revenue’s Bureau of Enforcement Planning, Analysis & Discovery estimates ESS results in at least \$100 million in lost sales tax revenue annually.

Armed with that knowledge, in 2016 the department expanded its ESS audit program

statewide, using innovative audit techniques which resulted in 58 audits completed with total assessments of \$4 million.

Moreover, the department utilizes desk review audits, which entail correspondence audits requesting documentation from businesses that are required to report sales tax. The desk review audits have resulted in the department making significant assessments in the 2016-17 fiscal year.

In addition to further audits planned for the future, the department also continues to work on an education and outreach initiative that is designed to

*Continued on Page 4*

*Continued from Page 3 – Why is Electronic Sales Suppression Relevant in PA?*

connect department staff with Pennsylvania merchants. By increasing communications with those running businesses in the commonwealth, the department can improve voluntary compliance and bolster its efforts to increase overall sales and income tax compliance.

“We are taking advanced, proactive measures to ensure that honest businesses are not placed at a competitive disadvantage by those who use electronic sales suppression software to steal taxpayer dollars,” Revenue Secretary Dan Hassell said.

### **What is Electronic Sales Suppression?**

ESS software, which may come pre-installed on a data storage device or Point of Sale (POS) system, could be used to delete or alter receipts, which changes a business’ accounting reports and the amount of sales tax reported.

POS system vendors may also sell, maintain and support ESS software for a business in case of audit.

In 2016, the Pennsylvania legislature passed Act 84, which made it a misdemeanor to purchase, install, use, sell, transfer, or possess an electronic sales suppression device. Each violation of the act is punishable by up to one year in prison and a \$10,000 fine.

Many states are taking enforcement actions to stop this kind of theft. For example, [The Seattle Times](#) reported on a Washington state man who pleaded guilty to fraud and conspiracy charges, and agreed to pay more than \$3.4 million in restitution after selling ESS software that helped restaurants hide cash sales and reduce their tax payments.

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## HAVE YOU LIKED US ON FACEBOOK?



Pennsylvania Department of Revenue



As part of the Department of Revenue’s 2016-2020 Strategic Plan, the department proposed to increase its engagement with taxpayers and tax practitioners through social media. Currently, the department has robust website-based platforms for individuals, businesses, and tax professionals to primarily submit returns, reports, and other information. As of October 2017, the department now maintains a social media presence on Facebook with more than 1,820 followers.

Our Facebook page will be used to share the following and much, much more:

- New projects that are going on within the department
- Advertise various ongoing initiatives
- Reminders of various due dates
- Demonstrate the importance of revenue collection to fund schools, protect the environment, build safe roads and create a stronger commonwealth
- Provide fun facts

## DEPARTMENT OF REVENUE CONTINUES FALL TAX SEMINARS IN CAMP HILL

Tax experts from the Pennsylvania Department of Revenue on Sept. 27 continued their annual series of Fall Tax Seminars — events to inform tax professionals about new state tax laws and initiatives. This is the 35th year the department has led the one-day seminars.

“These seminars are a great opportunity for tax professionals to get important information to ensure the process of filing and paying taxes is as easy and understandable as possible,” Revenue Secretary Dan Hassell said. “Just as importantly, we always appreciate the feedback and input we receive which helps us to be more effective and responsive.”

The Camp Hill seminar, sponsored by the Pennsylvania Society of Tax & Accounting Professionals, was held at the Radisson Penn Harris Hotel and Convention Center.

The seminars feature discussions on personal income tax, sales tax, corporate taxes, compliance initiatives and information on using the department’s website to establish tax accounts for new businesses, file tax returns and pay state taxes. They are part of the department’s work to

further Governor Wolf’s goal of creating “Government that Works.”

Certain seminars this year will feature presentations from the Departments of Banking and Securities and the Department of Aging focusing on recognizing and reporting elder financial abuse. Department of Revenue staff also are scheduled to speak on electronic sales suppression, the practice of using software known as “zappers” or “phantomware” to evade taxes by falsifying point of sale records, and will provide information on how to prepare for a sales and use tax audit.

There are eight other tax seminars scheduled through the end of the year in various locations throughout Pennsylvania, including Wyomissing (Berks County), Breinigsville (Lehigh County), Springfield (Delaware County), Gettysburg (Adams County), Cranberry Township (Butler County), Wilkes-Barre (Luzerne County), Aston (Delaware County) and Abington (Montgomery County). More information on registration is available on the final page of this month’s Tax Update, or on the Department of Revenue’s website or Facebook page.



### GETTING TAX ANSWERS MADE EASY

The department’s **Online Customer Service Center** is an easy and secure way to get answers to **3,000** frequently asked questions or submit your own.

Step 1:

Go to **revenue.pa.gov** and select **GET ASSISTANCE**

Step 2:

Click **Online Customer Service Center** to review frequently asked questions.

Step 3:

**Submit** your own questions by following the prompts and **attach** relevant documents.

You will receive an email notification when your question is answered. Log in to the secure portal and view the response.

## 35TH ANNUAL FALL TAX SEMINARS

The 35th annual Fall Tax Seminars are currently underway. Once again, this year's event will center on how to further Governor Wolf's initiative of *Government that Works*. There will be sessions on Personal Income Tax, Pass Thru Entities, and Sales Tax. As well as, updates on "What's New" within the Department of Revenue and discussions on new tax compliance programs. This year we are joined by the Departments of Banking and Aging, who will present on how to recognize and report elder financial abuse.

Please see the schedule below for a complete listing of seminar dates and locations including our newest location in the Poconos!

### 2017 FALL TAX SEMINARS SCHEDULE

DATE	SPONSOR	CONTACT PERSON	CONFERENCE LOCATION
Tuesday Oct. 17, 2017	Central Chapter PSTAP	<b>Sherry DeAgostino</b> 1-800-270-3352 sherry@pstap.org	<b>The Inn at Reading</b> 1040 North Park Road Wyomissing, PA 19610
Thursday Oct. 19, 2017	Lehigh Valley PSTAP	<b>Sherry DeAgostino</b> 1-800-270-3352 sherry@pstap.org	<b>Breinigsville Holiday Inn Conf. Center</b> 7736 Adrienne Drive Breinigsville, PA 18031
Wednesday Oct. 25, 2017	Philadelphia Tri-County Chapter PSTAP	<b>Sherry DeAgostino</b> 1-800-270-3352 sherry@pstap.org	<b>Springfield Country Club</b> 400 W. Sproul Road (Rte 320) Springfield, PA 19064
Friday Oct. 27, 2017	South Central Chapter PSTAP	<b>Sherry DeAgostino</b> 1-800-270-3352 sherry@pstap.org	<b>Eisenhower Conference Center</b> 2634 Emmitsburg Road Gettysburg, PA 17325
Tuesday Oct. 31, 2017	Pittsburgh PSTAP	<b>Sherry DeAgostino</b> 1-800-270-3352 sherry@pstap.org	<b>Cranberry Regional Learning Alliance Center</b> 850 Cranberry Woods Drive Cranberry Township, PA 16066
Thursday Nov. 02, 2017	<b>Wilkes University Continuing Education Dept.</b> 84 W. South Street Wilkes-Barre, PA 18766	<b>Margaret Petty</b> 570-408-4460 Margaret.Petty@wilkes.edu	<b>The Woodlands Inn and Resort</b> Highway 315 Wilkes-Barre, PA 18766
Thursday Nov. 16, 2017	<b>Neumann University Div. of Business &amp; Info. Mgt.</b> 1 Neumann Dr. Aston, PA 19014-1298	<b>Janet Massey</b> 610-558-5588 jmassey@neumann.edu	<b>Neumann University</b> Thomas A. Bruder, Jr. Life Center Bldg. 1 Neumann Drive Aston, PA 19014
Wednesday Dec. 13, 2017	<b>Penn State University</b> 1600 Woodland Rd. Abington, PA 19001	<b>Theresa Bloom</b> 215-881-7402 tmb17@psu.edu	<b>Penn State University Abington Campus</b> 1600 Woodland Road Abington, PA 19001