



pennsylvania
DEPARTMENT OF REVENUE

TAX UPDATE

number 203  JUNE/JULY 2019

Tax Update is a bi-monthly e-newsletter published
by the Pennsylvania Department of Revenue

Click **HERE**
to sign up
for PA Tax
Update
e-alerts

Governor
Tom Wolf

Secretary of Revenue
C. Daniel Hassell

CONTENTS

- 1-2 DEPARTMENT OF REVENUE WELCOMES NEW TAXPAYERS' RIGHTS ADVOCATE

- 2 REVENUE CONTINUES OUTREACH TO NEW BUSINESS OWNERS WITH FREE TAX SEMINAR IN HARRISBURG

- 3 REORGANIZATION OF FIELD AGENTS, CONSOLIDATION OF CALL CENTERS PART OF REVENUE'S REORGANIZATION PLAN

- 4 NEW PENNSYLVANIA LAW AFFECTS ONLINE RETAILERS

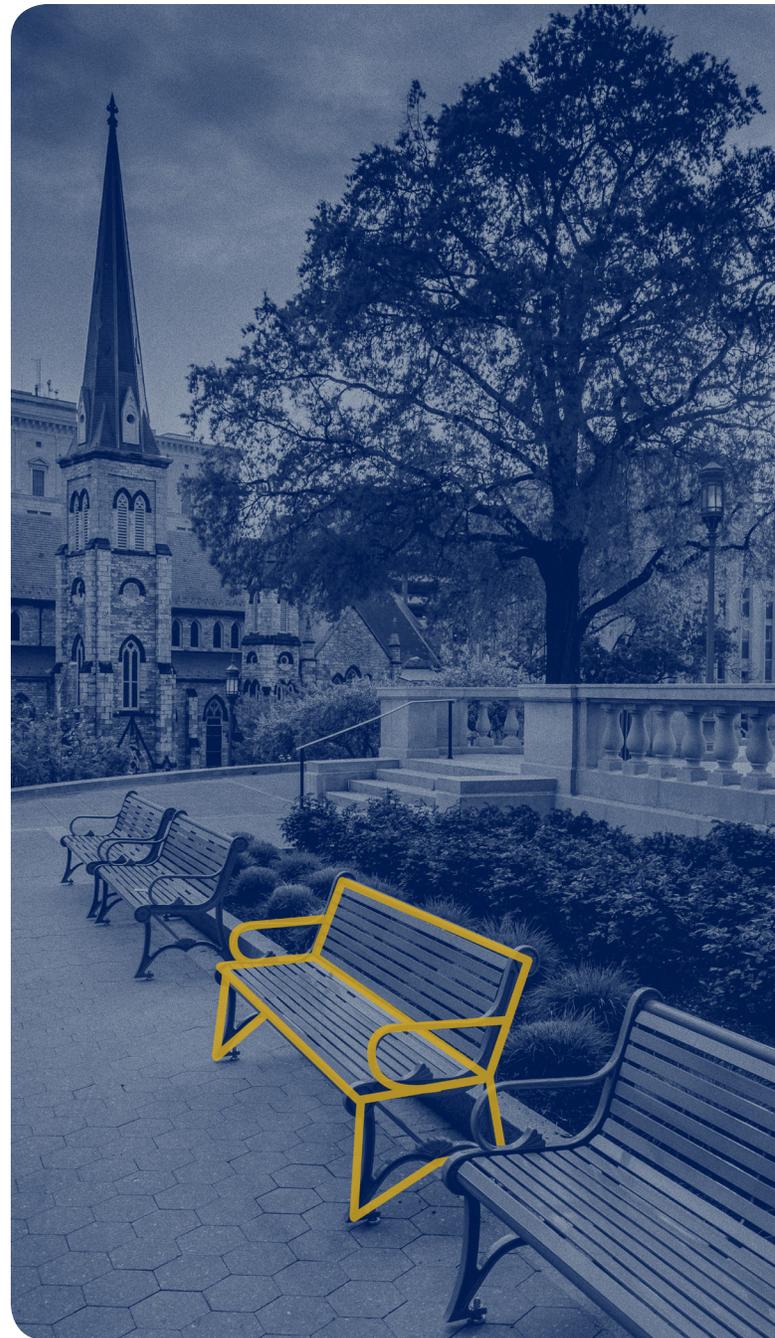
- 4 IMPORTANT CHANGE FOR TAX PREPARERS RECEIVING CLIENT CORRESPONDENCE THROUGH THE MAIL

- 5 2019 STATE TAX SUMMARY

- 6 DEPARTMENT OF REVENUE TO HOLD ANNUAL TAX SEMINARS

- 7 DEPARTMENT OF REVENUE OUTREACH AND EVENTS
DAN HASSELL SWORN IN AS GOVERNOR TOM WOLF'S SECRETARY OF REVENUE
REVENUE EXECUTIVES HOLD TOWN HALLS ON REORGANIZATION PLAN

- 8 2018-19 GENERAL FUND REVENUES



The No. 1 goal in the department's strategic plan is to continually improve customer service.

- Revenue Secretary Dan Hassell

DEPARTMENT OF REVENUE WELCOMES NEW TAXPAYERS' RIGHTS ADVOCATE

Vincent Pease, a 14-year employee of the Department of Revenue, was recently named the department's Taxpayers' Rights Advocate. Since starting in his new position, Pease has been working on several process improvements to reshape the way the office interacts with taxpayers.

"Our office is here to help Pennsylvanians who have exhausted the other resources offered by the department and need specific assistance with personal income tax and inheritance tax issues," Pease said. "We are determined to increase the level of customer service for anyone who contacts our office."

Created by the Pennsylvania General Assembly in 1996, the Department of Revenue's **Office of Taxpayers' Rights Advocate (OTRA)** was established to provide free and confidential assistance to taxpayers with Pennsylvania personal income tax and inheritance tax concerns that have not been resolved through normal, established department procedures. The office's mission is to ensure that the department applies Pennsylvania laws fairly and equitably, and that the department does not hurt individual taxpayer rights.

Vincent Pease, a 14-year employee of the Department of Revenue, was recently named the department's Taxpayers' Rights Advocate.

"Within the scope of the office, we frequently address issues regarding inheritance tax, relief from joint liabilities, injured spouse relief, as well as duress, but we are frequently contacted by taxpayers with issues that fall outside of our purview or just want to talk to a person on the phone," Pease said. "We will do everything that we can to address a taxpayer's issue or connect them with the appropriate bureau in the department."

The efforts to bolster customer service include recent technological upgrades. Notably, Pease's office has implemented an electronic **Taxpayer Request for Assistance Form** (REV-556) that helps OTRA closely monitor and respond to all incoming inquiries to the office. Since the form went live on the department's website, OTRA has opened nearly 80 new cases as a result of the electronic form. Additionally, overall Pease's team has opened an average of 50 percent more new cases when compared to the same time period in 2018.

"One of the most exciting improvements in our office is the ability for taxpayers to contact us electronically," Pease said. "By creating an electronic Taxpayer Request for Assistance form, taxpayers now have an easy option

continued on next page



“
We are
DETERMINED
to increase
the level of
**CUSTOMER
SERVICE**...”

DEPARTMENT OF REVENUE WELCOMES NEW TAXPAYERS' RIGHTS ADVOCATE

continued from previous page

to contact us. The electronic option also helps us improve the organization of the inquiries on the back end in a way that allows us to quickly and efficiently address new cases.”

As a reminder, before seeking help from OTRA, you should first try to resolve any issues by working directly with the Department of Revenue. If you have been unsuccessful in resolving a problem related to individual or inheritance tax, OTRA provides assistance for taxpayers with concerns about the following:

- An issue with, or action by, the Department of Revenue that has not been resolved by normal, established procedures.
- A delay of more than 180 days.
- A response or resolution not received by the date promised.
- An action by the Department of Revenue that will cause a substantial hardship.

“We are here to help, and in some cases the people that we work with are contacting us as a last resort,” Pease

said. “We are mindful that not everyone has access to the internet, which is why we are dedicated to improving and monitoring all communication avenues to our office.”

If you have been unsuccessful in resolving a problem related to individual or inheritance tax, the Office of Taxpayers’ Rights Advocate can be reached through the following methods:

Online: **Taxpayer Request for Assistance Form**
 Phone: (717) 772-9347
 Fax: (717) 787-8264
 Email: **pataxadvocate@pa.gov**

Mailing address:
PA Department of Revenue
Office of Taxpayers’ Rights Advocate
Lobby, Strawberry Square
Harrisburg, PA 17128-0101 🏠

*This article originally appeared on **PA Tax Talk**, the Department of Revenue’s blog, which informs taxpayers and tax professionals of the latest news and developments from the department.*

REVENUE CONTINUES OUTREACH TO NEW BUSINESS OWNERS WITH FREE TAX SEMINAR IN HARRISBURG

In early June, the Department of Revenue continued its efforts to provide support for new business owners by hosting New Business 101: Tax Tips for New Businesses. The free seminar is designed to help entrepreneurs achieve success in managing their new businesses.

The seminar was held in Harrisburg, where new business owners listened to presentations from Department of Revenue tax experts who routinely work with the public and recognize the challenges that many new business owners are facing. The seminar focused on important filing obligations, taxes a business owner should be aware of, effective record keeping, resources available to business owners and other helpful tips.

Revenue staff also encourage new and existing business owners to check out the **Pennsylvania Business One-Stop Shop**, a multi-agency initiative established by Gov. Tom Wolf that provides knowledge, information and resources for businesses both large and small. Whether you are an aspiring entrepreneur or existing business, the Pennsylvania Business One-Stop Shop team helps connect and guide businesses through all stages of development — from planning and startup, to operating and expanding. The One-Stop Shop also provides information and other helpful resources on:

- **Writing a Business Plan**
- **Naming your Business**
- **Choosing a Business Structure**
- **Registering Your Business**

- **Local Registrations, Permits and Zoning**
- **Special Registrations**
- **Operating Your Business Effectively**
- **Growing Your Business.** 🏠

*This article originally appeared on **PA Tax Talk**, the Department of Revenue’s blog, which informs taxpayers and tax professionals of the latest news and developments from the department.*



Eric Belfanti, District Administrator of Revenue’s Harrisburg District Office, recently led a tax seminar for new business owners held in Harrisburg by the Department of Revenue.

REORGANIZATION OF FIELD AGENTS, CONSOLIDATION OF CALL CENTERS PART OF REVENUE'S REORGANIZATION PLAN

The **Department of Revenue** recently announced the next piece of its reorganization plan. This part of the plan involves a consolidation of the department's call centers, a realignment of its field agents into a new bureau and the shift of non-field staff in the department's Bureau of Motor and Alternative Fuel Taxes into new functionalized taxation bureaus.

The call center consolidation has already begun, with 15 collections agents already being cross-trained to help staff in the department's Customer Experience Center answer phone calls from the public. This helped the department significantly reduce its call wait times during the early part of July, when phone calls to the department surge due to the first round of rebate checks being distributed through the Property Tax/Rent Rebate Program.

"We are excited about the direction that we're moving in and the early success that we're seeing with the merging of our call centers," Revenue Secretary Dan Hassell said. "All of these initiatives in this piece of our reorganization plan are part of our ongoing efforts to improve customer service."

Here is a brief overview of this phase of the reorganization plan:

- **Field Enforcement Consolidation** - During the coming winter, the department will launch the Bureau of Enforcement and Taxpayer Assistance (BETA). This new bureau will bring all of the department's field agents — Revenue Enforcement Collections Agents (RECAAs), Cigarette Tax Field Agents, Criminal Tax Investigators and Motor and Alternative Fuel Taxes Field Agents — under one bureau reporting to the Deputy Secretary for Compliance and Collections. The goal of this initiative is to increase coordination and collaboration among the department's field agents. The department believes this will help boost voluntary compliance as a result.
- **Consolidation of Call Centers** - Staff in the Harrisburg, Pittsburgh, and Stanley Drive Call Centers under the Bureau of Collections and Taxpayer Services (CATS) will be organizationally merged into an expanded Customer Experience Center (CEC) under the Deputy Secretary for Compliance and Collections. This will allow all call center employees to help each other by shifting with peak season demands to meet the needs of the department's customers. This will also help the department with one of its core objectives — developing a coordinated training approach for the entire department. With all call center staff aligned under the same bureau, training will become more standardized and employees will be unified in the message they deliver to taxpayers.

- **Reorganization of Non-Field MAFT Employees in Taxation Deputate** - Non-field staff in the Bureau of Motor and Alternative Fuel Taxes will be assigned to one of the new functionalized bureaus under the Deputy Secretary for Taxation. These include the Bureau of Business Taxpayer Accounting, Bureau of Business Tax Return Processing, the Bureau of Taxation Support, and the Bureau of Registration and Taxpayer Management.

As noted above, the department is also moving forward with a reorganization strategy to realign its business tax bureaus. The goal is to better align staff around department functions and help deliver improved customer service.

As part of the plan, the current Bureau of Business Trust Fund Taxes (BTFT) and the Bureau of Corporation Taxes (BCT) will become three new bureaus — the Bureau of Business Tax Returns Processing, the Bureau of Business Taxpayer Accounting and the Bureau of Taxation Support. Meanwhile, the Tax Registration Office (TRO) will be rebranded as the Bureau of Registration and Taxpayer Management. The reorganization of these bureaus under the department's Deputy Secretary for Taxation will take place through most of 2019.

The department expects to make further announcements about its reorganization plan in the coming months. 📌



We are
EXCITED
about the
DIRECTION
that we're
MOVING IN...

NEW PENNSYLVANIA LAW AFFECTS ONLINE RETAILERS

A new law recently enacted by the Pennsylvania General Assembly affects individuals and businesses selling products online to Pennsylvanians. Act 13 of 2019 requires any person or business that annually makes \$100,000 or more in gross sales to Pennsylvania customers to collect and remit Pennsylvania's 6 percent sales tax on taxable transactions.

This change in law suspends the option that previously existed for online sellers to elect to send their customers notices informing them that they may owe Pennsylvania use tax, rather than collecting sales tax from those customers. To be clear, this election no longer exists under current law, and no online sellers, regardless of the amount of Pennsylvania sales, will be required to provide such use tax notices. For those who provided notices in the first half of 2019, no reports will be required in January 2020 to either purchasers or the department. Online sellers who make \$100,000 or more in gross sales per year to Pennsylvania customers must now collect and remit Pennsylvania sales tax.

The department offers out-of-state online sellers the option of using Certified Service Providers (CSPs) that are working with the department (for more information search for "Certified Service Providers" on www.revenue.pa.gov). Working with a CSP allows any online seller without physical presence in Pennsylvania to outsource most of their sales tax administration responsibilities. For example, a CSP will facilitate the registration process, file tax returns and collect and forward tax payments to the department on behalf of its clients. This arrangement makes it easier for individuals and businesses with sales tax collection obligations in Pennsylvania to comply with the law.

You can also find further information on the requirements for online sellers by visiting the [Online Retailers Selling Goods and Services to Pennsylvania Customers](#) webpage on the Department of Revenue's website. ▾



IMPORTANT CHANGE FOR TAX PREPARERS RECEIVING CLIENT CORRESPONDENCE THROUGH THE MAIL

In an effort to save resources and better utilize existing electronic options, the Department of Revenue is eliminating the option for tax preparers to request their clients' department correspondence be delivered to them through the U.S. mail.

This was previously an option available through many of the department's corporation tax forms. Previously, the mail-to-preparer option appeared on corporation tax forms as either "Mail to Preparer," "Send All Correspondence to the Preparer" or "Check to Send All Correspondence to Preparer." Here are the forms that are affected:

- | | |
|-------------|------------|
| • RCT-101 | • RCT-124 |
| • RCT-101 I | • RCT-125 |
| • RCT-111 | • RCT-126 |
| • RCT-112 | • RCT-128C |
| • RCT-113A | • RCT-131 |
| • RCT-121A | • RCT-132A |
| • RCT-121B | • RCT-132B |
| • RCT-121C | • RCT-143 |
| • RCT-122 | • RCT-127A |
| • RCT-123 | |
- AFFECTED FORMS

The department is removing this option as it turns to electronic solutions that are more efficient for taxpayers and preparers. The department is encouraging business taxpayers and preparers to **sign up for electronic correspondence**, a feature available in e-TIDES, the department's online business tax system, that allows for the delivery of all department correspondence in electronic form.

This feature streamlines the process for business owners and tax professionals looking to access their correspondence as it becomes available. This electronic delivery also saves money and is environmentally friendly.

If you are a tax preparer who wishes to access your clients' Pennsylvania corporation tax correspondence, the department encourages you to work with your clients to access their e-TIDES accounts. The department **established guidance** to help tax preparers understand how to sign up for electronic correspondence. ▾

Important Change for Tax Preparers Receiving Client Correspondence through the Mail

The Department of Revenue is encouraging business taxpayers and preparers to sign up for electronic correspondence, a feature available in e-TIDES, that allows for the delivery of all department correspondence in electronic form.



2019 STATE TAX SUMMARY

A **synopsis of relevant** legislation enacted during the 2019 budget process is now available on the Pennsylvania Department of Revenue website.

Click on the image to the right for more information. 



pennsylvania
DEPARTMENT OF REVENUE

on social MEDIA!



[linkedin.com/company/parevenue](https://www.linkedin.com/company/parevenue)



[@parevenue](https://twitter.com/parevenue)



[/padepartmentofrevenue](https://www.facebook.com/padepartmentofrevenue)



DEPARTMENT OF REVENUE TO HOLD ANNUAL TAX SEMINARS

The Department of Revenue's annual series of Tax Seminars are right around the corner. Seminars will touch on changes in tax laws, new initiatives within the Department of Revenue and other pertinent topics.

This year the discussion will focus on recent legislative changes, and updates on various Pennsylvania taxes such as personal income tax, sales and use tax and corporate

taxes. Department of Revenue staff will also provide updates on the department's strategic plan, our efforts to further Governor Wolf's goal of creating "Government that Works," and the implementation of the department's new modernized tax system.

The schedule below includes a listing of seminar dates and locations:

TAX SEMINAR SCHEDULE

1. Tuesday 9-17-19

Inn at Pocono Manor
Route 314, One Manor Dr.
Pocono Manor, PA 18349

2. Thursday 9-19-19

Homewood Suites by Hilton
3350 Center Valley Parkway
Center Valley, PA 18034

3. Tuesday 9-24-19

Toftrees
1 Country Club Lane
State College, PA 16803

4. Thursday 9-26-19

The Casino at Lakemont Park
300 Lakemont Park Blvd.
Altoona, PA 16602

8. Tuesday 10-22-19

Springfield Country Club
400 W. Sprould Rd. (Rte 320)
Springfield, PA 19064

11. Thursday 11-7-19

The Woodlands Inn and Resort
Highway 315
Wilkes-Barre, PA 18766

5. Tuesday 10-2-19

Radisson Penn Harris Hotel
& Convention Ctr
1150 Camp Hill Bypass US 15
Camp Hill, PA 17011

9. Thursday 10-24-19

Eisenhower Conference Center
2634 Emmitsburg Rd.
Gettysburg, PA 17325

12. Thursday 11-21-19

Neumann University
Tomas A. Bruder, Jr.
Life Center Bldg.
1 Neumann Dr.
Aston, PA 19014

6. Tuesday 10-8-19

Holiday Inn
Downtown Williamsport
100 Pine St.
Williamsport, PA 17701

10. Tuesday 10-29-19

Cranberry Regional
Learning Alliance Center
850 Cranberry Woods Dr.
Cranberry Township, PA 16066

13. Wednesday 12-18-19

Penn State University
Abington Campus
1600 Woodland Rd.
Abington, PA 19001

7. Thursday 10-17-19

The Inn at Reading
1040 North Park Rd.
Wyomissing, PA 19610



DEPARTMENT OF REVENUE OUTREACH & EVENTS

DAN HASSELL SWORN IN AS GOVERNOR TOM WOLF'S SECRETARY OF REVENUE

On July 15, Dan Hassell was sworn in as Governor Tom Wolf's Secretary of Revenue. Hassell is continuing his service in the role after previously being sworn in and serving as Secretary of Revenue since June 19, 2017. Hassell is an expert in tax policy with more than three decades of experience with the Department of Revenue and the Pennsylvania Senate.



REVENUE EXECUTIVES HOLD TOWN HALLS ON REORGANIZATION PLAN

Executives from the Department of Revenue, including Radee Skipworth, Deputy Secretary for Compliance and Collections, recently traveled to State College for a town hall event with Revenue field agents to discuss the department's plans to realign field agents into one new bureau, the Bureau of Enforcement and Taxpayer Assistance (BETA). Town Halls were also held with Revenue employees affected by other parts of the department's reorganization plan.



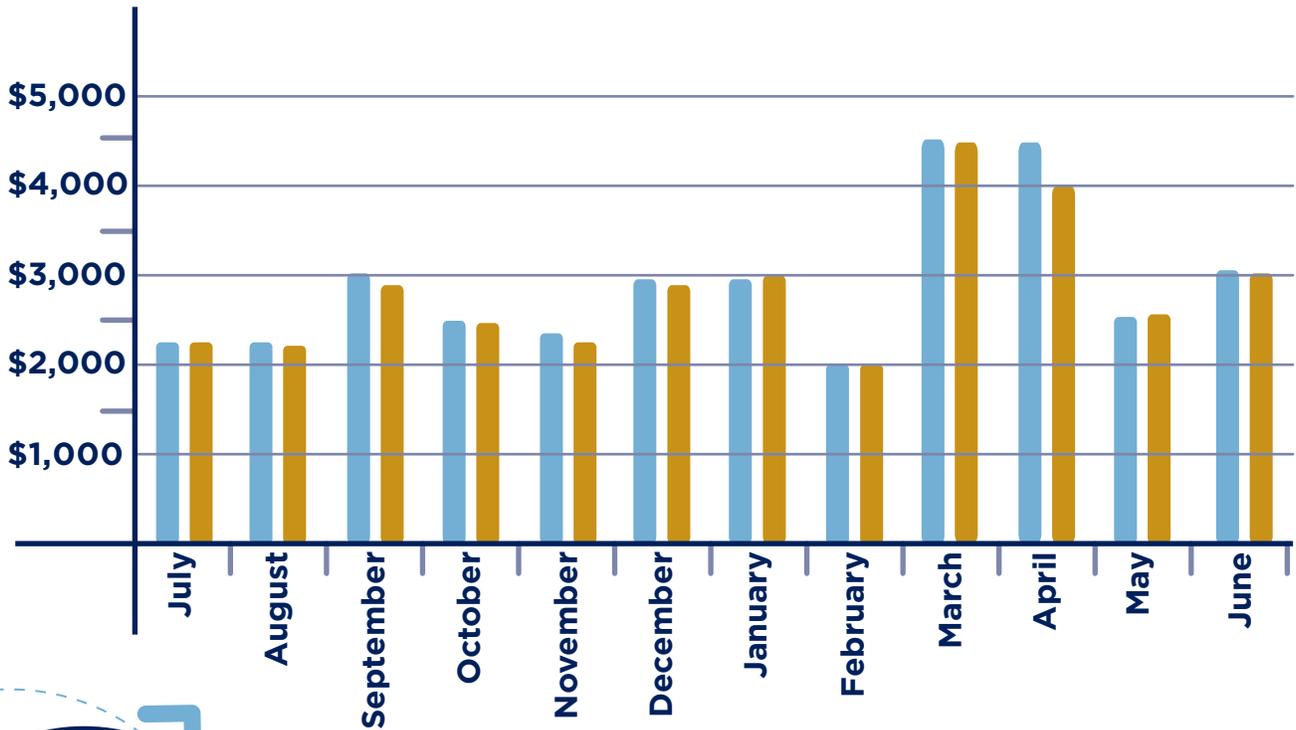
2018-2019 General Fund Revenues

Estimated vs. Actual Revenue Collections (in millions)

General Fund collections totaled \$34.9 billion in 2018-19

Actual Revenue

Estimated Revenue



GRAPH

ACTUAL FIGURES
(in millions)

Month	Actual Revenues	Estimated Revenues
July	2,238	2,240
August	2,274	2,247
September	3,041	2,857
October	2,474	2,446
November	2,337	2,241
December	2,905	2,835
January	2,885	2,999
February	2,042	2,044
March	4,553	4,477
April	4,413	3,949
May	2,616	2,631
June	3,079	3,009