



pennsylvania
DEPARTMENT OF REVENUE

TAX UPDATE

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by the Pennsylvania Department of Revenue

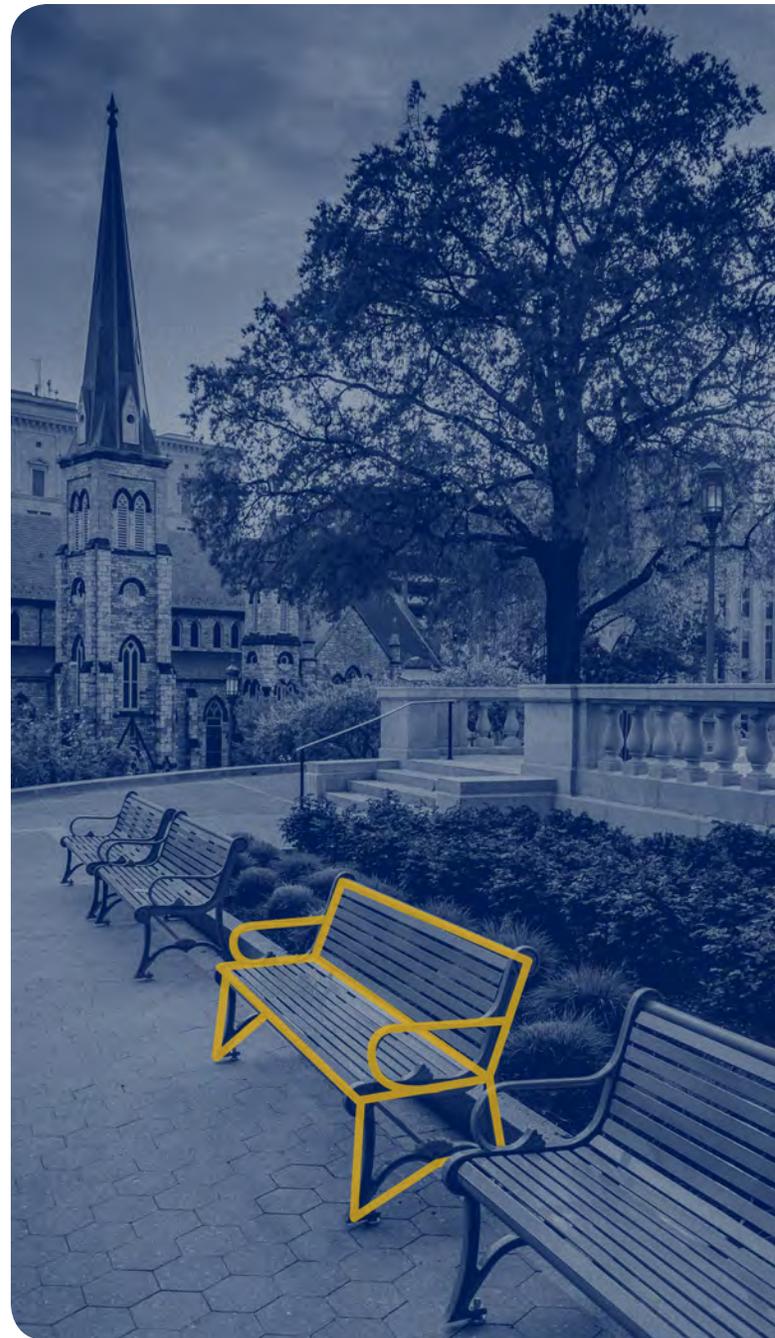
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Secretary of Revenue
C. Daniel Hassell

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

- Revenue Secretary Dan Hassell

DEPARTMENT OF REVENUE'S IMB PROJECT RECOGNIZED WITH GOVERNMENT INNOVATION AWARD

The Department of Revenue's Intelligent Mail Barcode (IMB) project team recently learned the team will be presented with a **2019 Government Innovation Award** later this year. The project team is being recognized in the Public Sector Innovations category, which focuses on creating or utilizing new technology to make government function better. The Government Innovation Awards are presented by two technology publications, Federal Computer Week and Government Computer News, in addition to Washington Technology and Defense Systems.

"This project is a great example of the work that our department is doing to improve our processes for reaching our taxpayers and supplying them with the information they need," Revenue Secretary Dan Hassell said. "This project has greatly helped us improve customer service in a very short period of time."

The Department of Revenue's IMB project is one of 40 Public Sector Innovation projects being recognized during a Nov. 7 ceremony in McLean, Va. Other government agencies receiving awards include the IRS, Department of Veterans Affairs and the Department of Defense.

The Intelligent Mail Barcode project, which was previously featured on **PA Tax Talk**, utilizes new barcodes to improve the speed, accuracy and delivery of mail. Using the barcodes on department mail allows department staff to track and electronically verify taxpayers' addresses with the U.S. Postal Service, so the department's systems are updated with a correct address. This technology allows the department to immediately learn why a delivery failed, including if the mail is not deliverable as addressed or if the mail was refused.

To date, this project has accounted for more than \$1.6 million in tax revenue due to the address updates and subsequent taxpayer payments that have come in, and has allowed the department to take a big step forward in its continuing efforts to create efficiencies and reduce costs.

The department's IMB project team is comprised of approximately 40 employees. The team is led by Shane Lenker, project manager; Christine Sehar, business manager; and Mike Justice, technical manager. 📌

Pictured from left to right: Shane Lenker, project manager; Christine Sehar, business manager; and Mike Justice, technical manager presenting at the Federation of Tax Administrators conference in Detroit.



To date, this project has accounted for more than **\$1.6 MILLION** in tax revenue...

GET TO KNOW REVENUE'S NEW TAXPAYER SERVICE PORTAL: myPATH

Roughly six months after the Department of Revenue launched myPATH, its new online services portal, taxpayers with obligations to the department's Bureau of Motor and Alternative Fuels Taxes are greatly benefitting from the new system. Here are some highlights so far:

- The new portal provided International Fuel Tax Agreement (IFTA) customers with online self-service options for the first time. As of mid-August, nearly 52% of IFTA customers are using myPATH, which has resulted in significant efficiency gains. Overall, there are roughly 13,300 IFTA filers each year.
- The department has realized an almost 90% reduction in the error rate in IFTA returns received via myPATH when compared to the legacy paper-based system.
- Users of myPATH have remitted over \$2.4 billion in tax revenue so far, helping the department fulfill its mission of responsibly collecting the tax revenue that funds essential government services and programs.
- There is a 74% reduction in the turnaround time for IFTA customers to receive their supplemental decals.
- myPATH has brought additional online self-service options to motor and alternative fuels tax customers, including the ability to file amended returns electronically, the ability to request refunds, and the ability to register electronically.

A Successful First Step Toward Modernization

"We're excited that many of our customers for motor and alternative fuels taxes are using the new system to access their accounts, make payments and save themselves time," Revenue Secretary Dan Hassell said. "We're looking forward to moving other tax types into the system to offer similar benefits to other taxpayers."

Revenue's modernization project officially commenced in May 2018 with the arrival of staff from Fast Enterprises, LLC, the vendor the department contracted with to update its tax administration system for certain tax types. Since then, the department has been working side-by-side with experts from Fast, a leading company in its industry, to implement a tax system proven to be successful with government agencies across the country and the world.

Pennsylvania's version of the software solution was named the Pennsylvania Tax Hub (PATH). After it was successfully implemented, that allowed the department to launch myPATH shortly thereafter. myPATH is a version of Fast's solution for taxpayer self-service over the internet.

Future Plans to Help Taxpayers

As part of a first rollout, myPATH was made available for IFTA, the Motor Carrier Road Tax (MCRT), Motor Fuel Tax, Alternative Fuels Tax and PA Fuel Transporter. **The modernization project team is now moving ahead with a second rollout**, which will bring the Realty Transfer Tax, Inheritance Tax and Medical Marijuana Tax into PATH. The workflow system used by the department's Voluntary

Disclosure Program will also be part of this second rollout, which is expected to occur in October 2019.

As part of the work on the second rollout, the department is communicating with county Registers of Wills, Recorders of Deeds, tax practitioner groups and other stakeholders to keep them informed of how the implementation of the new tax system will impact their operations.

The department also plans a third rollout that will allow Pennsylvanians to use myPATH for their Personal Income Tax returns and Property Tax/Rent Rebate Program applications. This will be a major benefit for the department's customers who will have a better system to seamlessly file tax returns and PTRR applications while accessing more information online. Delivery of this third rollout is expected in late 2020.

The department's implementation of PATH and myPATH will increase efficiency, reduce risk of system failure, facilitate improved tax collection, reduce administrative costs and allow the department to respond more quickly to ever-changing tax laws while improving overall taxpayer service. Additional information regarding myPATH, including how to register for an account, can be found at [myPATH](#). 📌



6 months spotlight

52% IFTA customers using myPATH

90% error rate reduction ↓

\$2.4 BILLION in tax revenue so far

74% IFTA decal turnaround reduction ↓

DIRECTOR OF REVENUE'S NEW BUREAU OF BUSINESS TAXPAYER ACCOUNTING EXCITED TO SEE REVENUE REORGANIZATION MOVING FORWARD

As a 16-year Department of Revenue employee, Josh Hulstine has been a key contributor for many of the department's significant projects in recent memory. As the director of the department's new Bureau of Business Taxpayer Accounting, Hulstine also believes that many of the changes occurring within the department will greatly improve customer service for the Pennsylvania taxpayers who interact with Revenue staff.

"The department has been operating for 90 years, so it's not too often that we find ourselves saying, 'We are venturing into exciting, yet uncharted territory,'" Hulstine said. "But many of our projects, particularly the reorganization of our business tax bureaus, are taking us in new directions that will help us operate more efficiently."

Hulstine was named as the director of the Bureau of Business Taxpayer Accounting in late August. The announcement came shortly before Revenue implemented a significant piece of its reorganization strategy — shifting two prior bureaus into three new ones. As part of this shift, the Bureau of Business Trust Fund Taxes and the Bureau of Corporation Taxes were realigned into the Bureau of Business Taxpayer Accounting, the Bureau of Business Tax Returns Processing and the Bureau of Taxation Support.

Hulstine explained his new bureau was created to align the core process of taxpayer accounting. The bureau is organized to efficiently and accurately apply payments to taxpayer accounts, correct misapplied payments posted to the system, apply and track taxpayer credits, process refund requests and manage taxpayer accounts.

"Our goal is to create a centralized bureau for our business taxpayers to make it easier for them to manage their accounts and get the information they need from the department," Hulstine said. "This is a commonsense move that will help not only our customers, but staff here at the department who will have a better structure and work processes in place."

Hulstine began his career at the department as a permanent part-time clerk and went on to serve as the director of the Tax Registration Office when that bureau was officially launched in 2016. In March of this year, he was named the director of the Bureau of Corporation Taxes before his new bureau was launched earlier this summer.

In recent years, Hulstine was a contributor to many department initiatives, including the Digital Document Processing pilot program, which resulted in the department's **Intelligence Mail Barcode project**. He was also assigned to the department's modernization project team as the department launched its new tax administration system, the Pennsylvania Tax Hub (PATH), and new e-services portal, **myPATH**.

"I believe that hard work and dedication have helped me in my career here at the department," Hulstine said. "I think the department is moving forward with many truly meaningful innovations that will position us for future success. I'm honored and humbled to serve as part of a leadership team that is on the cutting edge of how we approach tax administration." 🍷

This profile is one in a series that focus on Revenue leaders and veteran employees, their experiences with the department and their views on new projects that are improving customer service for Pennsylvania taxpayers.



I think the department is **MOVING FORWARD** with many truly meaningful **INNOVATIONS** that will position us for future success.

DEPARTMENT OF REVENUE ANNOUNCES NEXT STEPS IN REORGANIZATION PLAN

The Department of Revenue recently implemented several pieces of its comprehensive reorganization strategy by realigning staff in the department's business tax bureaus and call centers. The goal of these initiatives is to streamline department functions, increase efficiencies and improve customer service for Pennsylvania taxpayers.

Importantly, any account specific notices that you receive will contain updated contact information to ensure you can reach staff in the appropriate bureau in the department. Also, many of the phone numbers you have been using to reach the department will remain the same. Here are some important numbers to keep in mind:

- General Business Tax Questions: 717-787-1064
- Business Tax Collections Questions: 717-783-8434
- Registration: 717-783-3653
- e-Business Unit: 717-783-6277

As part of the department's reorganization, two bureaus within the department, the Bureau of Business Trust Fund Taxes and the Bureau of Corporation Taxes, have been realigned into three new bureaus — the Bureau of Business Tax Returns Processing, the Bureau of Business Taxpayer Accounting and the Bureau of Taxation Support. Additionally, the Tax Registration Office has been rebranded as the Bureau of Registration and Taxpayer Management. Here is a synopsis of the new bureaus:

Bureau of Business Tax Returns Processing

– This bureau aligns the core process of returns processing and is organized to efficiently process returns that suspend and require a person to review the returns.

Bureau of Business Taxpayer Accounting

– This bureau aligns the core process of taxpayer accounting and is organized to efficiently and accurately apply payments to taxpayer accounts, correct misapplied payments posted to the system, apply and track taxpayer credits, process refund requests and manage taxpayer accounts.

Bureau of Taxation Support – This bureau is designed to provide information and support to senior management of the business tax organizations. This bureau manages special projects (tax code changes, restricted credit calculations, etc.) and monitors performance across the related business processes.

Bureau of Registration and Taxpayer Management

– This bureau will continue to perform the functions of the current Taxpayer Registration Office, including registering business taxpayers across all tax types and maintaining the taxpayer's accounts over the lifetime of the business. The Bureau of Registration and Taxpayer Management will continue to streamline current processes so resources can be reallocated and begin to take on additional duties that fall within the taxpayer management purview.

In addition to these moves, the department launched a consolidated call center within its existing Customer Experience Center. This move resulted in employees who previously worked in the department's collections call center joining with staff in the customer service call center, which is comprised of employees who answer inbound calls from taxpayers. This part of the reorganization plan was designed to better align resources and have more staff in place to respond to incoming taxpayer phone calls, particularly during periods of the year when call volumes are high. The department has already gained many efficiencies by moving its call center employees under one bureau.

These changes in the department's organizational structure were all made to help staff become more efficient and improve the way they interact with customers — the taxpayers of Pennsylvania. The department expects to make further announcements in the coming months on additional pieces of its reorganization plan. ▾

for all of your
TAX ANSWERS
 revenue.pa.gov
 click the image to the right



TAXPAYERS ENCOURAGED TO GO ONLINE FOR ESTIMATED TAX PAYMENTS FORMS AND INSTRUCTIONS

Beginning with tax year 2020, the Department of Revenue will stop mailing certain forms and instructions related to estimated tax and nonresident withholding payments. This change applies to individuals and fiduciaries that make estimated tax payments, as well as partnerships and PA S corporations that make nonresident withholding payments on behalf of their nonresident owners. These changes are being made to encourage taxpayers to use the department's online resources, which are user friendly and provide immediate access to the forms and instructions that were previously mailed to taxpayers. These changes also help the department reduce costs associated with printing and mailing forms and instructions.

Beginning with tax year
2020,
 the Department of
 Revenue will stop
 mailing certain forms
 and instructions...

Individuals can remit estimated, extension and tax due payments through the department's Personal Income Tax e-Services. Visit the department's website, www.revenue.pa.gov, and select the "Make a Payment" icon on the homepage. You can also use the options on this page to view previously filed PA-40 Personal Income Tax returns, a history of payments and notices issued by the department.

Individual taxpayers who are not able to file their estimated payments electronically may obtain paper forms by visiting the department's website and selecting "Forms and Publications" at the top of the homepage. From the drop down menu, select "Forms for Individuals" and then "2020 Personal Income Tax Estimated Forms."

Taxpayers may also request forms by emailing ra-forms@pa.gov or by calling the 24-hour Forms Ordering Message Service at 1-800-362-2050.

Here are the forms and instructions available for Personal Income Tax:

- PA-40 ES (I) - Declaration of Estimated Tax
- REV-413 (I) - Instructions for Estimating PA Personal Income Tax - For Individuals Only
- REV-414 (I) - Individuals Worksheet for PA Estimated Tax

Fiduciary taxpayers (estates and trusts) may also download their estimated tax forms by visiting www.revenue.pa.gov and clicking on "Forms and Publications" at the top of the homepage. From the drop down menu, choose "Forms for Individuals" and then select "2020 Personal Income Tax Estimated Forms." Fiduciary taxpayers may also request forms by emailing ra-forms@pa.gov or by calling the 24-hour Forms Ordering Message Service at 1-800-362-2050.

Here are the estimated tax forms and instructions available for fiduciaries:

- PA-40 ES (F/C) - Declaration of Estimated Tax or Estimated Withholding Tax For Fiduciaries & Partnerships
- REV-413 (F) - Instructions for Estimating PA Fiduciary Income Tax - For Estates and Trust Only
- REV-414 (F) - Estates and Trusts Worksheet for PA Estimated Tax

Partnerships and PA S corporations may also download their nonresident estimated withholding tax forms by visiting www.revenue.pa.gov and selecting "Forms and Publications" at the top of the homepage. From the drop down menu, choose "Forms for Businesses," then click on "Partnerships/S Corporations/LLCs Forms" and lastly "2020 Partnerships/S Corporations/LLCs Forms." Partnerships and PA S corporations may also request forms by emailing ra-forms@pa.gov or by calling the 24-hour Forms Ordering Message Service at 1-800-362-2050.

Here are the estimated tax forms and instructions available for partnerships and PA S corporations:

- PA-40 ES (F/C) - Declaration of Estimated Tax or Estimated Withholding Tax For Fiduciaries & Partnerships
- REV-413 (P/S) - Instructions for Estimating PA Personal Income Tax Nonresident Withholding - By Partnerships and PA S Corporations
- REV-414 (P/S) - PA Nonresident Withholding Tax Worksheet For Partnerships and PA S Corporations

NEW ENHANCEMENTS TO ELECTRONIC STATEMENT OF ACCOUNT IN E-TIDES

In response to requests from businesses and tax practitioners, the Department of Revenue has enhanced the electronic Statement of Account (e-SOA) available through e-TIDES, the department's online system for business taxpayers. The e-SOA now includes net operating losses (NOLs) for corporate net income tax. The NOLs shown represent the existing balance on a taxpayer's account.

In 2016, the department launched a new Document Center in e-TIDES. The first new feature in the Document Center was the electronic Statement of Account (e-SOA). Previously, only a paper copy of the statement could be requested, which the department printed and mailed to taxpayers.

The e-SOA provides a summary at the top and detail at the end. For most taxes, the summary includes the three most recently filed tax periods. The department implemented another recent enhancement that increased the number of periods to seven for corporation taxes.

The e-SOA also includes periods with a balance, and periods where no tax return was filed, grouped by tax type. Additional sections show items such as tax periods under appeal, unused restricted credits, and W2 annual reconciliation, if applicable.

For more information and step-by-step instructions, visit the department online at www.revenue.pa.gov, select e-TIDES and Get Assistance. 📌



BOARD OF APPEALS REMOVES OPTION TO SUBMIT PETITIONS FOR APPEAL BY FAX

Starting Jan. 1, 2020, the Board of Appeals will no longer accept petitions by fax. The board encourages anyone who wishes to request a refund or appeal an assessment or determination to use the board's online filing system available at www.boardofappeals.state.pa.us.

The board is implementing this change to reduce transmission errors and address legibility issues that often occurred when petitioners submitted their petitions via fax. Relying on the board's electronic filing system provides the petitioner with immediate confirmation when their petition has been filed.

If you prefer to submit a paper petition form instead of filing electronically, you can download and print a Board of Appeals Petition Form (REV-65). Printed Petition Forms may be submitted to the Board of Appeals through U.S. mail, Express Mail or courier. Use the addresses below to submit paper petitions:

Mailing Address:
 PA DEPT OF REVENUE
 BOARD OF APPEALS
 PO BOX 281021
 HARRISBURG PA 17128-1021

Express Mail Address:
 PA DEPT OF REVENUE
 BOARD OF APPEALS
 4TH AND WALNUT STS
 STRAWBERRY SQ 10 FL
 HARRISBURG PA 17120 📧

CLICK THE IMAGE TO THE RIGHT FOR AN ONLINE VERSION OF REV-65



REV-65 (08-11) (04-17)
 Pennsylvania DEPARTMENT OF REVENUE
 BOARD OF APPEALS
 PO BOX 281021
 HARRISBURG PA 17128-1021
 717-783-3664

FOR INTERNAL USE ONLY

SECTION 1. TAX INFORMATION

Sales/Use Tax Employer Withholding Corporation Tax Personal Income Tax Other _____
 Account ID _____ Federal Employer ID (FEIN) _____ Revenue ID _____
 Tax Period: Begin _____ End _____
 Is this a petition for refund? Yes No If yes, Cash Credit Total Refund Requested \$ _____
 If petition is in regard to sales tax, please list amount(s) below:
 PA Tax Refund \$ _____ Philadelphia Tax Refund \$ _____ Allegheny County Tax Refund \$ _____
 Are there any current appeals or audits for this taxpayer or tax period? Yes No
 If yes, please provide relevant docket number _____ assessment number _____
 and/or audit assignment number _____
 Is this a petition for reassessment/review of tax, penalty and/or interest? Yes No
 Notice Number _____ Notice Mail Date _____ Tax Assessment Amount \$ _____
 Penalty/Fees Assessment Amount \$ _____ Paid Yes No If paid, date paid _____

SECTION 2. PETITIONER INFORMATION

Corporation Individual Partnership (Attach a list of partners and addresses.) Other _____
 Estate _____ (required for estates & personal income tax fiduciary appeals.)
 Business Name _____
 Trade Name _____
 Individual Last Name _____ First Name _____ MI _____
 Social Security Number _____ **PRIVACY NOTIFICATION:** The department is authorized under federal law, 42 U.S.C. § 405 (c), to use your Social Security number in administering state tax law. The department uses your Social Security number to establish your identity and to process your appeal.
 Street Address _____ City _____ State _____
 Country _____ ZIP Code +4 _____ Website _____
 Telephone _____ Fax _____ Email _____
 Contact Person _____ Contact Phone Number _____

SECTION 3. REPRESENTATIVE INFORMATION

Representation by an attorney, CPA or other person is not required. However, if so represented, complete this area.
 Business Name _____
 Individual Last Name _____ First Name _____ MI _____
 Street Address _____ City _____ State _____
 Country _____ ZIP Code +4 _____ Website _____
 Telephone _____ Fax _____ Email _____
 Contact Person _____ Contact Phone Number _____

FOR INTERNAL USE ONLY

DOCKET # _____ EXAMINER _____ PETITION DUE _____

DEPARTMENT OF REVENUE CONTINUES ANNUAL TAX SEMINARS

The Department of Revenue's annual series of Tax Seminars officially kicked off in early September. This year the seminars will touch on changes in tax laws, new initiatives within the Department of Revenue and other pertinent topics.

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

5. Wednesday 10-2-19

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

6. Tuesday 10-8-19

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

7. Thursday 10-17-19

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

8. Tuesday 10-22-19

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

9. Thursday 10-24-19

Eisenhower Conference Center
2634 Emmitsburg Rd.
Gettysburg, PA 17325

10. Tuesday 10-29-19

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

11. Thursday 11-7-19

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

12. Thursday 11-21-19

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

13. Wednesday 12-18-19

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



DEPARTMENT OF REVENUE OUTREACH & EVENTS

2019 STATE EMPLOYEE COMBINED APPEAL (SECA) KICKS OFF

The **2019 State Employee Combined Appeal (SECA)** kicked off in early September. During the campaign, which runs through October 25, commonwealth employees can donate to their favorite charities and participate in fundraising events. Members of the Department of Revenue, including staff from the executive office, took part in the opening SECA festivities, allowing employees to deliver pies to their faces for a donation.



REVENUE STAFF ATTEND NESTOA ANNUAL MEETING

Department of Revenue staff in September attended the annual meeting of the Northeastern States Tax Officials Association (NESTOA) in Providence, R.I.

The meeting provides an opportunity for tax administrators from across the country and others in the private sector to learn from their peers about innovative projects and initiatives.

Revenue staff presented on the department's customer service and outreach efforts, management strategies, specialized collections approaches, work with remote sellers and other topics.



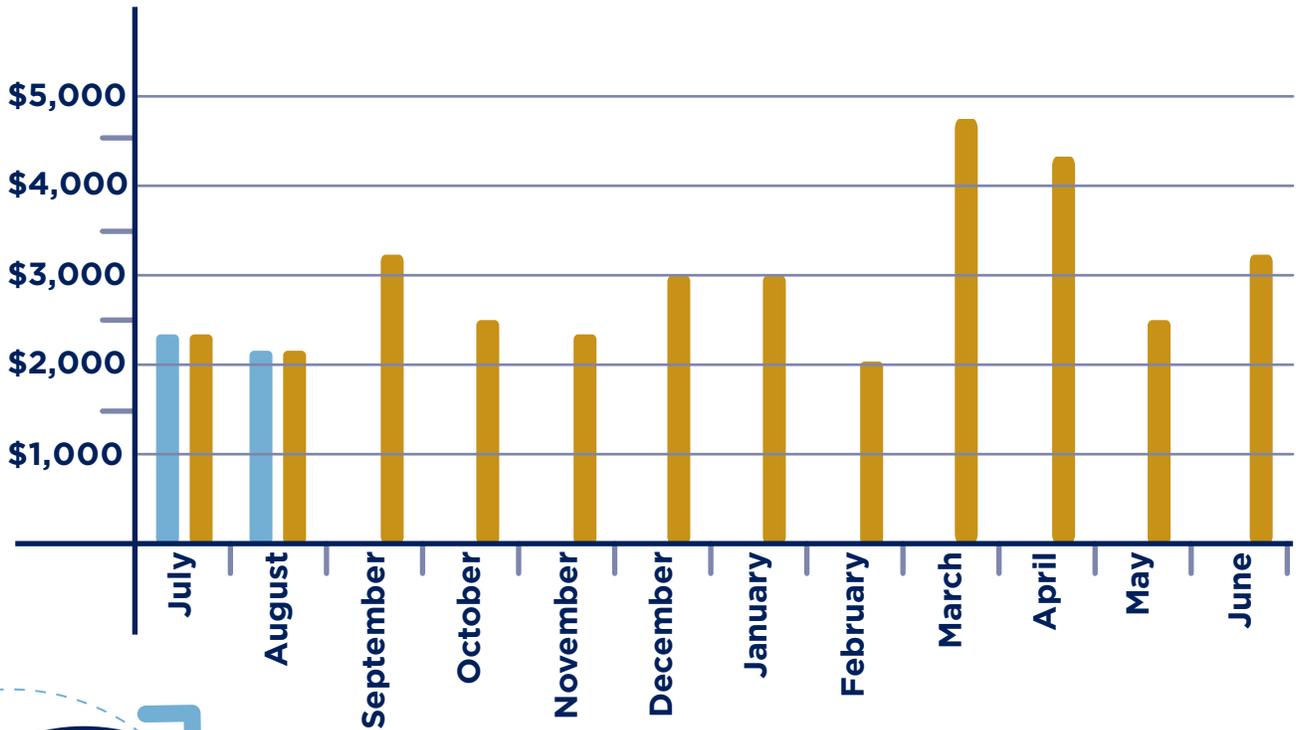
2019-2020 General Fund Revenues

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	2,329	2,328
August	2,193	2,132
September		3,203
October		2,550
November		2,355
December		2,999
January		2,987
February		2,077
March		4,730
April		4,339
May		2,545
June		3,252