

**IN THIS ISSUE:**

- GOVERNOR RENDELL ANNOUNCES EMERGENCY ACTIONS TO HELP PENNSYLVANIANS *Pages 1 & 2*
- REVENUE SECRETARY AVAILABLE TO DISCUSS PROPOSED BUDGET AND IMMEDIATE EMERGENCY RELIEF INITIATIVES *Page 2*
- CLEAN INDOOR AIR ACT EXEMPTIONS *Page 3*
- DEBIT CARDS NOW ACCEPTED FOR PA TAX PAYMENTS *Page 3*
- VOLUNTEER RESPONDER PERSONAL INCOME TAX CREDIT REMINDER *Page 3*
- PROPERTY TAX/RENT REBATE PROGRAM APPLICATIONS AND ASSISTANCE NOW AVAILABLE *Page 4*
- CIGARETTE RETAILERS ENCOURAGED TO CLEAR OUT STOCK OF NON-FIRE-SAFE CIGARETTES BY JUNE 30 *Page 5*
- INHERITANCE TAX COLLECTION EFFORTS *Page 5*

GOVERNOR RENDELL ANNOUNCES EMERGENCY ACTIONS TO HELP PENNSYLVANIANS***State of Economic Emergency Means Families Need Help Now***

Governor Edward G. Rendell recently announced unprecedented emergency executive actions to provide immediate relief to citizens in need and spark economic recovery.

The Governor's proposed 2009-10 budget, which is awaiting action by the General Assembly, includes a significant economic relief and recovery agenda that would provide tuition relief, health care assistance and job creation. However, the Governor said immediate action is needed because some families cannot wait any longer for help.

Health Care for the Uninsured

Governor Rendell announced that he is cutting waiting list for the **adultBasic health insurance** program by as many as 16,000 people. The current waiting list includes more than 200,000 individuals — an increase of 25,000 from just last month. In his budget plan, the Governor proposed adding as many as 50,000 Pennsylvanians to the adultBasic program.

Mortgage Help for the Jobless

Governor Rendell is directing \$5 million to **mortgage assistance** to ensure that recently unemployed workers can keep their homes while they are retraining and finding new jobs. The Governor says this assistance will help families prevent foreclosure on their homes.

Expanded Help for Job-Seekers

Governor Rendell is ordering state-run Pennsylvania **CareerLink** centers to expand operations in the coming months. PA CareerLink centers help workers find jobs and employers find workers.

*Continued on Page 2***FAST FACT:**

The Department of Revenue now accepts debit cards for tax payments up to \$1,200.

Continued from Page 1

Extra Home Heating Help

Governor Rendell is committing \$6.6 million to extend **home heating assistance** until April 3, to benefit approximately 19,000 families. The aid will help struggling families pay for heating bills.

Help Finding Lowest-Cost Prescriptions

Governor Rendell urges Pennsylvanians to use a new Web site – www.parxpricefinder.com – to find the best local price for prescription drugs. By entering a ZIP code and the name of the prescribed medicine, this new online tool will give consumers a list of local pharmacies with price comparisons.

REVENUE SECRETARY AVAILABLE TO DISCUSS PROPOSED BUDGET AND IMMEDIATE EMERGENCY RELIEF INITIATIVES

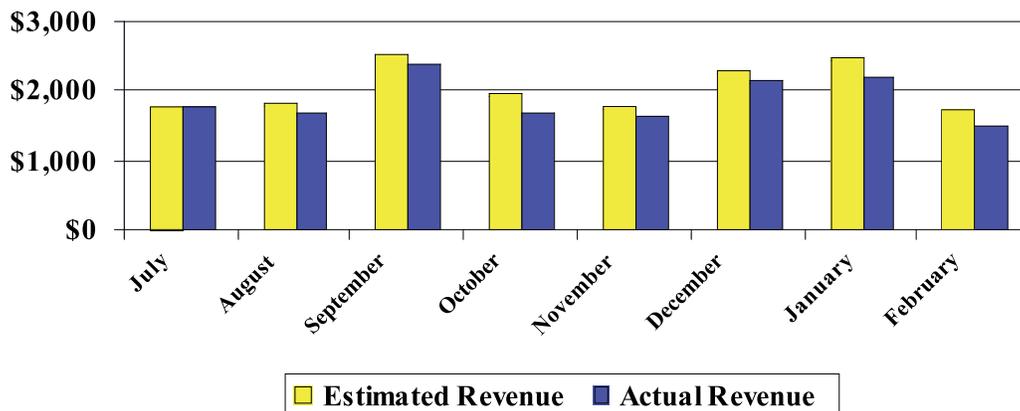
On the heels of Governor Edward G. Rendell's recent remarks addressing the struggles thousands of Pennsylvania families face in these challenging economic times, acting Secretary of Revenue Stephen H. Stetler would like to make himself available, as his schedule permits, to speak with local community and business groups about the Governor's proposed budget and the important initiatives he supports with regard to health care, tuition relief and job creation and recovery.

The global economic crisis has compelled the administration to refocus and reprioritize the activities of state government. The preceding newsletter article details the series of Emergency Executive Actions the Governor has taken to provide immediate relief to families who just can't hang on and wait until federal stimulus dollars become available or until the Pennsylvania legislature acts to provide relief and recovery.

Should your organization have an upcoming meeting at which acting Secretary Stetler could discuss the Governor's proposed budget and ideas to help Pennsylvanians weather this economic storm, please contact Nancy Beaver at (717) 783-3680 or nbeaver@state.pa.us to schedule.

MONTHLY REVENUE COLLECTIONS

Fiscal year-to-date, General Fund collections total \$14.8 billion, which is \$1.3 billion, or 7.9 percent, below estimate.



CLEAN INDOOR AIR ACT EXEMPTIONS

Business Owners May Now File Exemption Schedules with Sales Tax Returns

By adopting the Clean Indoor Air Act, Pennsylvania joined 24 states, Washington D.C. and Puerto Rico in banning smoking in most public places. Implementation and enforcement of the act requires the Department of Health to partner with several state agencies, including the Department of Revenue.

Businesses that applied for exceptions to the smoking ban and received written approval from the Department of Health must file an Exemption Schedule with each sales tax return through **e-TIDES**.

Only business owners who have applied for and received exemptions from the Department of Health should file the Clean Indoor Air Act Exemption Schedule, however, completion of the schedule does not grant or authorize exemption from the smoking ban.

For additional information, please visit the Department of Health's **Clean Indoor Air Web site**.

DEBIT CARDS NOW ACCEPTED FOR PA TAX PAYMENTS

Earlier this month, the PA Department of Revenue began accepting debit cards for tax payments of \$1,200 or less. This payment option is accompanied by a flat convenience fee of \$3.95 per debit transaction, regardless of debit payment amount.

To arrange a debit card payment, visit the Official Payment Corporation's Web site, www.officialpayments.com.

Taxpayers may also still take advantage of the convenience of paying individual and business taxes, estimated payments, extension payments and by Master Card, Visa, Discover and American Express credit cards. Credit card payments are also arranged through the Official Payments Corporation Web site or toll-free phone number, 1-800-272-9829. A convenience fee of 2.5 percent of the tax due (minimum \$1) is charged per credit transaction.

Official Payments Corporation expects to be able to process debit card payments by phone later this year.

Taxpayers may also make tax payments by electronic funds withdrawal, check or money order.

VOLUNTEER RESPONDER PERSONAL INCOME TAX CREDIT REMINDER

The Volunteer Responder Recruitment and Retention Tax Credit provides for income tax credits of up to \$100 against qualifying volunteer fire, ambulance and rescue personnel's 2008 Pennsylvania personal income tax liabilities.

To apply for the credit, each volunteer responder must include a completed PA Schedule OC-V, Volunteer Responder Recruitment and Retention Tax Credit Application, along with his/her individually filed PA-40, Personal Income Tax Return, and PA Schedule OC.

Schedule OC-V may not be filed using pa.direct.file or TeleFile, so taxpayers claiming the volunteer responder credit are encouraged to file using the Fed/State e-file service or submit paper returns to the address below.

PA DEPT OF REVENUE
VOLUNTEER TAX CREDIT
PO BOX 280400
HARRISBURG PA 17128-0400

Applications for the credit submitted with individuals' Pennsylvania income tax returns will be reviewed and the credit will be awarded on a first-come, first-served basis. Total credits awarded may not exceed \$4.5 million. Unused volunteer credits awarded by Revenue may be carried forward for three tax years.

For more information on the volunteer service point requirement guidelines, visit the **Office of the State Fire Commissioner Web site** or the **Department of Health, Bureau of Emergency Medical Services Web site**.

PROPERTY TAX/RENT REBATE PROGRAM APPLICATIONS AND ASSISTANCE NOW AVAILABLE

Applications are now available for rebates of up to \$975 per household on property taxes or rent paid in 2008 by low-income seniors and disabled residents.

In February, application forms were mailed to more than 708,000 residents who received a rebate last year or may qualify for a rebate in 2009. Residents still seeking information or applications for the Property Tax/Rent Rebate program are encouraged to visit www.papropertytaxrelief.com or call 1-888-222-9190. Forms and assistance also are available at Department of Revenue district offices (listed in the government section of local telephone directories), local Area Agencies on Aging, senior centers and state legislators' offices.

Seniors must reapply for rebates by June 30 every year because rebates are based on annual income and property taxes or rent paid each year. Rebates will be distributed beginning on July 1, as specified by law.

Revenue from the Lottery and slots gaming provided desperately-needed property tax relief to nearly 600,000 seniors last year, and for the first time, about 113,000 homeowners had school property taxes completely eliminated.

The 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 program expansion in 2006 increased the income limit from \$15,000 to \$35,000 (which excludes half of

Social Security income) for homeowners and raises the maximum standard rebate for both homeowners and renters from \$500 to \$650. The program expansion also provided for supplemental property tax rebates of up to \$325 – on top of the standard rebates – to homeowners in Philadelphia, Pittsburgh and Scranton, and to those in other parts of the state who pay more than 15 percent of income on property taxes.

The household income limits and maximum standard rebate amounts for homeowners are:

- \$0 and \$8,000 \$650 rebate
- \$8,001 to \$15,000 \$500 rebate
- \$15,001 to \$18,000 \$300 rebate
- \$18,001 to \$35,000 \$250 rebate

The Department of Revenue will automatically calculate supplemental rebates for those who live in areas of particularly high tax burden and therefore qualify for additional property tax relief.

Renters with incomes between \$0 and \$8,000 now receive \$650 rebates and those with incomes between \$8,001 and \$15,000 receive \$500 rebates.

The Property Tax/Rent Rebate Program is one of five programs supported by the Pennsylvania Lottery. Since the program's 1971 inception, more than \$4 billion has been paid to seniors and disabled residents. The expanded portion of the rebate program is paid for with revenue from slots gaming.

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.

CIGARETTE RETAILERS ENCOURAGED TO CLEAR OUT STOCK OF NON-FIRE-SAFE CIGARETTES BY JUNE 30



The Cigarette Fire Safety and Firefighter Protection Act of 2008 set forth new standards for cigarettes sold in Pennsylvania, in an effort to reduce the number of fires ignited by lit cigarettes, the leading cause of home fire fatalities in the U.S. Pennsylvania joined 36 other states that have passed similar fire-safe legislation aimed to save lives and prevent injuries and damage caused by cigarette-lit fires.

Beginning July 1, 2009, only tested, certified and stamped self-extinguishing cigarettes may be sold in Pennsylvania. By that date, all Pennsylvania cigarette retailers must have removed from stock all cigarettes not certified with fire-safe package marking approved by the PA Department of Revenue.

Many cigarette manufacturers have already begun distributing fire-safe cigarettes in Pennsylvania, and retailers and smokers have begun to notice the new package markings on one or more brands.

Cigarette manufacturers certified to sell fire-safe cigarettes in Pennsylvania are required to provide stamping agents and wholesalers with copies of their certifications. Manufacturers and wholesalers are, in turn, required to provide retailers with similar copies of certifications. These certifications are provided so retailers may easily identify fire-safe package markings on various brands.

Retailers are encouraged to identify and sell or otherwise remove from stock all non-fire-safe cigarettes between now and June 30, 2009, to avoid fines and penalties. Retailers found selling non-fire-safe cigarettes after July 1, 2009 may be subject to fines up to \$500 for each first offense and \$5,000 for subsequent offenses.

This new legislation does not alter the way taxes are remitted to the Department of Revenue, affect cigarette sales guidelines and restrictions or alter existing retailer license requirements.

Any questions regarding the new fire-safe cigarette requirements may be directed to the PA Department of Revenue's Bureau of Business Trust Fund Taxes at 717-783-9374.

INHERITANCE TAX COLLECTION EFFORTS

The Department of Revenue has increased its efforts with regard to collecting delinquent inheritance tax on estates of the deceased.

This initiative began in 2006 as an informational campaign to educate attorneys handling delinquent estates about requirements for personal representatives, transferees and beneficiaries of estates to file and pay outstanding tax liabilities within nine months of a decedent's death.

As a direct result of this effort, the department has collected more than \$7 million in delinquent inheritance taxes.

While a lien automatically attaches itself to an estate immediately upon a person's death, state law provides the Revenue Department the authority to file duplicate paper liens against estates' real property. Often these duplicate paper liens are effective in stimulating inheritance tax filing and payment compliance.

Beginning in 2008, the Revenue Department began filing paper liens on assessed and delinquent estates in mass. This more proactive approach has already resulted in more than \$400,000 in delinquent inheritance tax collections.