



IN THIS ISSUE:

- GOVERNOR WOLF LAUDS THE DEPARTMENT'S NEW STATEMENT OF ACCOUNT
Page 1
- OTHER TOBACCO PRODUCTS TAX TAKES EFFECT OCT. 1
Page 2
- NJ TO END TAX RECIPROCAL AGREEMENT WITH PA
Pages 3
- TAX AMNESTY GUIDELINES PUBLISHED IN PA BULLETIN
Page 3
- PREVENT LATE TAX PAYMENTS DUE TO ACH DEBIT BLOCKS
Pages 3
- FUEL COMPOSITION AND ACCOUNTABILITY PROGRAM (FUELCAP) EXPANSION
Page 4
- 34TH ANNUAL FALL TAX SEMINAR
Page 5 & 6

GOVERNOR WOLF LAUDS THE DEPARTMENT'S NEW STATEMENT OF ACCOUNT

Governor Tom Wolf recently praised a new innovation that allows business taxpayers and tax practitioners to receive an electronic statement of account and for releasing an informational video explaining the new feature.



Scan this QR code with your smartphone to watch the video



"Businesses and tax professionals have been requesting online access to their tax account information with more details and the Department of Revenue delivered," said Governor Tom Wolf. "Making statements of account available electronically will help all businesses – especially small business owners – get their tax information quickly so they can spend more time with their customers and clients."

The video describes how to request and receive the statement of account through the department's free business tax system, e-TIDES. The statement will be accessible the next business day. Information about more than 40 tax types is available. Several tax practitioner organizations tested the self-service tool before the public launch.

"The best part is the department worked with taxpayers and tax practitioners to develop this new tool," said Jason Skrinak of Reinsel Kuntz Leshner LLP, Certified Public Accountants and Consultants, and a member of the Pennsylvania Institute of Certified Public Accountants. "It's fast and easy to use while providing comprehensive tax information which is important to keep a client's account with the department up-to-date."

For more information including step-by-step instructions, visit the department online at www.revenue.pa.gov, select e-TIDES, then Get Assistance. Please share the video to help inform taxpayers and tax practitioners about the new online tool.

OTHER TOBACCO PRODUCTS TAX TAKES EFFECT OCT. 1

Pennsylvania's new tax on other tobacco products – e-cigarettes, pipe tobacco, chewing tobacco, snuff, and any other tobacco products for chewing, ingesting or smoking, except cigars – takes effect Oct. 1, 2016. Floor tax returns and payments are due by Dec. 29, 2016.

The effective day for the tax on roll-your-own tobacco is 60 days after the Pennsylvania Attorney General publishes a notice in the Pennsylvania Bulletin announcing it has reached an agreement with the participating manufacturers under the Master Settlement Agreement.

**THE OTP FLOOR TAX
RETURN AND PAYMENT ARE
DUE BY DEC. 29, 2016**

The tax change was part of the revenue package passed with bipartisan support in the General Assembly to fund the state budget. Pennsylvania had been the only state without a tax on so-called other tobacco products (OTP), other than e-cigarettes.

The tax rate on roll-your-own, pipe tobacco and smokeless tobacco is 55 cents per ounce, with a minimum per-package tax of 66 cents. The tax rate on e-cigarettes, including the products and substances that go into the e-cigarettes, is 40 percent of the retailer's purchase price from the wholesaler/manufacturer.

When the law takes effect at 12:01 a.m. Oct. 1, 2016, retailers and vending machine operators are required to take an inventory of OTP products. The floor tax return, REV-1141, and payment are due by Dec. 29, 2016. The return must be filed even if no tobacco products are in inventory. The floor tax return due date for roll-your-own tobacco will be determined based on when the announcement is published in the Pennsylvania bulletin.

OTP Licenses

The law also includes new licensing and registration requirements for all manufacturers, wholesalers, retailers and vending machine operators selling the other tobacco products. The licensing fees are \$1,500 per location for manufacturers and wholesalers and \$25 per location for retailers and vending machines.

Dealers who did not receive a tobacco products license from the department may register by visiting www.pa100.state.pa.us.

OTP Tax Reporting Requirement

OTP manufacturers and wholesalers are responsible for collecting and remitting the tax and filing reports with the department. If a retailer purchases an untaxed product, the retailer is responsible for the payment of the tax and filing requirements.

The first filing period will be for the quarter from October through December and will be due by Jan. 20, 2017. However, the filing period changes to monthly in 2017. The return, schedules, payment, and report will be due by the 20th day of the following month. For example, the January 2017 return, schedule, payment, and report will be due by Feb. 20, 2017.

Manufacturers and wholesalers must file using REV-679; and the applicable schedules, REV-679 A, B, C, D and E. Returns must be filed using the department's free and secure online business tax filing system, e-TIDES, at www.etides.state.pa.us. Registration and information in e-TIDES for the OTP tax will be available in January.

More information about tobacco taxation, including returns and due dates, is available online at www.revenue.pa.gov.

Cigarette dealer floor tax returns due Oct. 31

The state tax rate for cigarettes and little cigars changed to \$2.60 per pack on Aug. 1, 2016. The Cigarette Dealer Floor Tax Return and payment must be filed no later than Oct. 31, 2016.

NJ TO END TAX RECIPROCAL AGREEMENT WITH PA

In early September, the governor of New Jersey announced that he will unilaterally end a nearly 40-year-old tax reciprocal agreement with Pennsylvania effective Jan. 1, 2017. The agreement allowed commuters to pay state income tax in the state where they live, rather than the state where they work.

Ending the agreement will impact thousands of employees and employers. Nearly 250,000 workers in both states, including approximately 125,000 in Pennsylvania, will take on the added burden of filing income tax returns in both states. Pennsylvania residents will receive a resident credit for income tax paid to New Jersey on wages earned there. The department estimates a \$5 million revenue loss for the commonwealth as a result of the change.

While Pennsylvania has a low, flat personal income tax rate of 3.07 percent, New Jersey's income tax rates range from 1.40 percent for taxable incomes under \$20,000 to 8.97 percent for taxable incomes over \$500,000, nearly triple Pennsylvania's rate.

Governor Tom Wolf urged New Jersey's governor to reverse his decision, which will hurt our states' mutual interest in creating jobs and economic opportunities in the region, and make Pennsylvania residents working in New Jersey suffer for that state's political budget debate.

The 1977 agreement between the states allowed either party to end the agreement with 90 days notice prior to the start of the next tax year.

The PA Department of Revenue will provide more information in the future.

TAX AMNESTY GUIDELINES PUBLISHED IN PA BULLETIN

Act 84 of 2016, signed into law July 13, 2016, authorized the Pennsylvania Department of Revenue to administer a tax amnesty period which will be from April 21, 2017 through June 19, 2017. **Program guidelines** were published in the Sept. 10, 2016 edition of the PA Bulletin and are available online at www.revenue.pa.gov.

The Tax Amnesty program will allow taxpayers with eligible periods to pay the tax and half of the interest due. The remaining interest, penalties and fees will be waived. Eligible periods are those periods with known or unknown delinquencies as of Dec. 31, 2015. Taxpayers who participated in the 2010 Tax Amnesty Program are not eligible to participate in this amnesty. Failure to pay taxes eligible for amnesty will result in the application of a 5 percent penalty to non-participants.

More information about Pennsylvania's Tax Amnesty program will be available in the coming months.

PREVENT LATE TAX PAYMENTS DUE TO ACH DEBIT BLOCKS

Many financial institutions offer ACH debit blocks to prevent an unauthorized transaction with an account. Such security features are intended to protect their customers from becoming victims of fraud.

The Department of Revenue has experienced an increase in rejected electronic tax payments due to ACH debit blocks. When this happens, the department is prevented from debiting an intended tax payment. As a result, the taxpayer will receive a Notice of Assessment along with additional fees for the blocked payment.

To ensure the department can debit a tax payment as intended, taxpayers should contact their financial institution to authorize the Pennsylvania Department of Revenue for ACH debit transactions.

If the financial institution requires information from the department, or if you have any questions, contact the e-Business Tax Unit at 717-783-6277 or retides@pa.gov.

FUEL COMPOSITION AND ACCOUNTABILITY PROGRAM (FUELCAP) EXPANSION

The Fuel Composition and Accountability Program (FuelCAP) is expanding. The Department of Revenue will perform inspections of multiple fueling stations under the same ownership. The inspections may be simultaneous.

FuelCAP was developed in 2007 and is performed by the Bureau of Motor and Alternative Fuel Taxes. The program helps to ensure that oil company franchise taxes owed to the commonwealth are accurately paid.

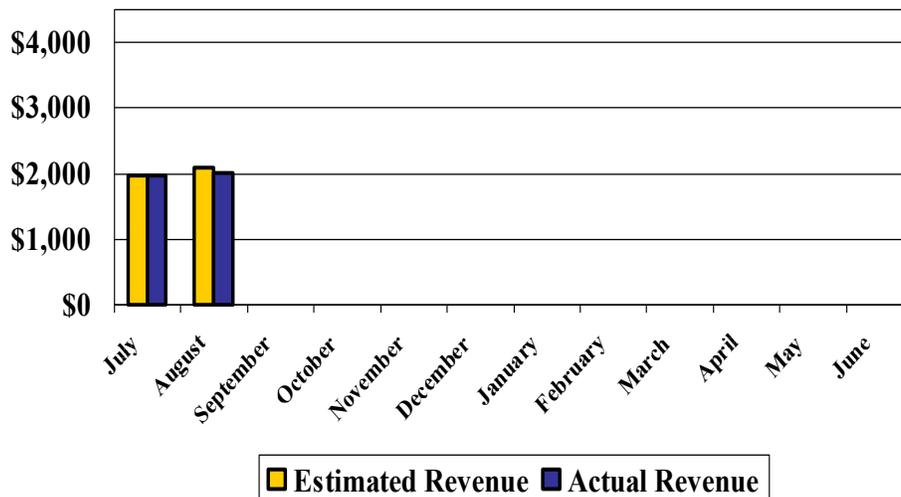
At the department's request the fueling station owner or controlling entity must provide records within a reasonable time, typically 24 hours.

Information about record keeping requirements is available from the brochure, **Recordkeeping Requirements for Retail Service Stations**, DMF-76. The department has more information about the program online at www.revenue.pa.gov.

2016-2017 General Fund Revenues

Estimated versus Actual Revenue Collections (in millions)

Fiscal year-to-date General Fund collections totaled \$4 billion, which is \$73.6 million, or 1.8 percent, below estimate.



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.



34TH ANNUAL FALL TAX SEMINAR

The 34th annual Fall Tax Seminars are underway. This year the department is focusing on how to further Governor's Wolf's initiative of Government that Works by making the Department of Revenue more effective, accountable and responsive to Pennsylvania's taxpayers.

Please see the schedule below for a listing of seminar dates and locations.

2016 FALL TAX SEMINAR SCHEDULE

SPONSOR	DAY	DATE	CONTACT PERSON	CONFERENCE LOCATION
Central Chapter PSTAP	Tuesday	10-18-2016	Sherry DeAgostino 1-800-270-3352 sherry@pstap.org	The Inn at Reading 1040 North Park Road Wyomissing, PA 19610
Pittsburgh PSTAP	Thursday	10-20-2016	Sherry DeAgostino 1-800-270-3352 sherry@pstap.org	Cranberry Regional Learning Alliance Center 850 Cranberry Woods Drive Cranberry Township, PA 16066
Philadelphia Tri-County Chapter PSTAP	Wednesday	10-26-2016	Sherry DeAgostino 1-800-270-3352 sherry@pstap.org	Springfield Country Club 400 W. Sproul Road (Route 320) Springfield, PA 19064
South Central Chapter PSTAP	Friday	10-28-2016	Sherry DeAgostino 1-800-270-3352 sherry@pstap.org	Eisenhower Conference Center 2634 Emmitsburg Road Gettysburg, PA 17325
Wilkes University Continuing Education Dept.	Thursday	11-03-2016	Margaret Petty 570-408-4460 Margaret.Petty@wilkes.edu	The Woodlands Inn and Resort Highway 315 Wilkes-Barre, PA 18766
Neumann University Division of Business & Information Mgt.	Thursday	11-17-2016	Janet Massey 610-558-5588 jmassey@neumann.edu	Neumann University Thomas A. Bruder, Jr. Life Center Bldg. 1 Neumann Drive Aston, PA 19014
Penn State University	Wednesday	12-14-2016	Theresa Bloom 215-881-7402 tmb17@psu.edu	Penn State University Abington Campus 1600 Woodland Road Abington, PA 19001

Continued on Page 6

2016 FALL TAX SEMINAR AGENDA

TIME	TOPIC	PRESENTER
7:50 - 10:00 A.M.	INTRODUCTION & PERSONAL INCOME TAX UPDATES <ul style="list-style-type: none"> ➤ 2016 Tax Law Changes ➤ 2016 Forms & Instructions Changes ➤ BIT's New Fraud Investigation Unit ➤ Inheritance Tax ➤ Miscellaneous Issues 	David A. Braden, CPA Donald E. Bianchi, CPA
10:00 - 10:10 A.M.	BREAK	
10:10 - 11:10 A.M.	CORPORATION TAXES UPDATES <ul style="list-style-type: none"> ➤ Legislative Tax Changes ➤ Completing RCT-101 for 2015 ➤ New Tax Forms 2016 ➤ Completing the RCT-128 Properly ➤ CNI Affiliate Tax Addback and Credit 	Jeffrey A. Creveling, CPA, Valerie Greene or Glenwood Hoskin
11:10 - 11:20 A.M.	BREAK	
11:20 - 12:00 P.M.	BTS STATEMENT OF ACCOUNT <ul style="list-style-type: none"> ➤ Electronic Detailed Statement of Account 	Adria Senft Torrence Miller Crystal Antley
12:00 P.M. - 1:00 P.M.	LUNCH	
1:00 - 1:50 P.M.	PASS THROUGH BUSINESS UPDATES <ul style="list-style-type: none"> ➤ Federal/Pennsylvania Differences ➤ Common Errors ➤ What's New 	Jane McCurdy, CPA Christopher Wilsbach
1:50 P.M. - 2:00 P.M.	BREAK	
2:00 - 2:50 P.M.	SALES TAX UPDATES <ul style="list-style-type: none"> ➤ Legislation Updates ➤ What's New 	Jane McCurdy, CPA Christopher Wilsbach
2:50 - 3:00 P.M.	BREAK	
3:00 - 4:20 P.M.	COLLECTIONS UPDATES <ul style="list-style-type: none"> ➤ Overview of CATS Organizations ➤ General Compliance Process ➤ Registering a Business, Remitting Payments and Reporting Changes ➤ Common Issues ➤ New Items 	Tony Bupp, William Orasin, Denise Pickup, Debra Saul, Joe Stagliano, Rocco Sivillo, Matthew Willis

In compliance with the Americans with Disabilities Act, the Department will make every effort to provide an alternative format to persons with disabilities about the content of the seminars.