



pennsylvania
DEPARTMENT OF REVENUE

TAX UPDATE

number 201  FEB/MAR 2019

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

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Governor
Tom Wolf

Secretary of Revenue
C. Daniel Hassell

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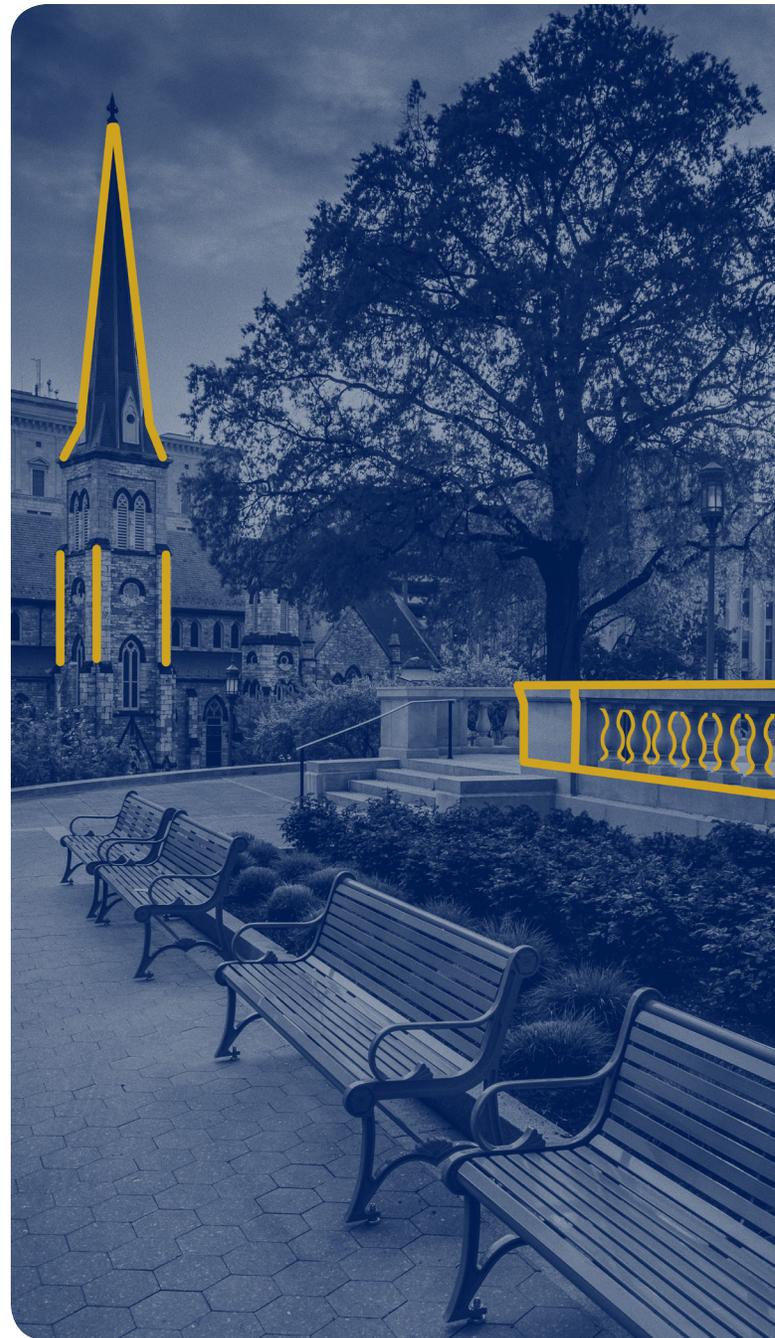
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2018-19 GENERAL FUND REVENUES



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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 TRACKS PROGRESS WITH UPDATE TO STRATEGIC PLAN



The Strategic Plan update of March 2019.

The Department of Revenue is encouraging taxpayers and tax professionals to read about the department's recent improvements to customer service in **the update to its strategic plan**. This update is a way for the department to track the progress it has made on the goals that it established with the launch of its 2016-2020 strategic plan (see link [here](#) for the full strategic plan).

"Our strategic plan allows us to evaluate our growth as a department and take a closer look at the important work that our employees do every day to improve our processes, provide excellent customer service and gain efficiencies and cost savings that benefit Pennsylvania taxpayers," Revenue Secretary Dan Hassell said.

In addition to its main goal, Continually Improve Customer Service, the department also identified seven other goals in its strategic plan: Enhance Effectiveness of Tax Compliance, Continually Improve Business Processes and Technology, Provide Accurate and Timely Revenue Analysis, Continually Improve Lottery Sales and Net Profits, Continually Improve Public Confidence, Increase Organizational Capacity, and Promote Tax Policies to Improve the Commonwealth's Tax Administration.

The department's strategic plan was developed pursuant to Act 47 of 2001, which calls on the Department of Revenue to develop and publish a strategic plan on March 1 of odd-numbered years. As an agency under

the Governor's jurisdiction, the Department of Revenue's 2016-2020 Strategic Plan aligns and supports the overarching goals set forth by Governor Tom Wolf: Schools that Teach, Jobs that Pay, and Government that Works.

"While we've had success in recent years, we know there is still plenty of work to do in order to reach our vision of being a leading tax administration and public service agency," Secretary Hassell said. "With the initiatives we have in process and a revision of our strategic plan forthcoming, we will continue to look for ways to improve the Department of Revenue so that we continue to fulfill our mission." 🏛️

“
Schools that Teach,
Jobs that Pay,
Government
that works.”

MORE THAN 1,500 USERS SIGN UP FOR MYPATH IN FIRST TWO MONTHS



• MyPaTH ATM Screen Graphic.

Since its debut in early February, more than 1,500 users have registered for myPaTH, the Department of Revenue’s new e-services portal. Those users have remitted more than \$490 million in tax revenue in about two months, which has provided some early evidence that taxpayers with obligations to the department’s Bureau of Motor and Alternative Fuel Taxes are finding the system and taking advantage of its user-friendly features.

“We are very encouraged that our taxpayers are finding that myPaTH is saving them time and making it easier for them to review their accounts and make payments,” Revenue Secretary Dan Hassell said. “This project continues to run on time and on budget, and we’re looking forward to the benefits that will be added as our modernization team moves other taxes into this system.”

Initially, myPaTH will support taxpayers with obligations to the department’s Bureau of Motor and Alternative Fuel Taxes. Prior to the system’s launch, the department implemented GenTax, a commercial, off-the-shelf tax administration solution from Fast Enterprises, LLC, which included implementation of Fast’s solution for taxpayer self-service over the internet. The department’s version of this portal is myPaTH.

As part of a first rollout, myPaTH is now available for:

- International Fuel Tax Agreement (IFTA)
- Motor Carrier Road Tax (MCRT)
- Motor Fuel Tax

- Alternative Fuels Tax
- PA Fuel Transporter

Other taxes will be added to the system as the department moves forward with its modernization project. A second rollout will modernize the Realty Transfer Tax and Inheritance Tax administration processes, improving the customer experience for those taxpayers.

“Our team is already hard at work on the second rollout,” Secretary Hassell said. “We expect to have some more details to share on our progress in the coming months.”



The department will also embark upon 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, and access more information online. Delivery of this third rollout is expected in late 2020.

The department’s implementation of GenTax 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.pa.gov.

DEPARTMENT OF REVENUE LAUNCHES PA TAX TALK

The Department of Revenue recently launched **PA Tax Talk**, a new blog that is designed to provide taxpayers and tax professionals with the latest news and developments from the department.

“We recognized the need to add a new tool to communicate with the public and the tax practitioner community,” Revenue Secretary Dan Hassell said. “We look forward to using the blog as a resource that will help us communicate in real time.”

One of the main initiatives outlined in the department’s strategic plan called on the department to expand its communication channels to include social media networks, such as Facebook and Twitter, and other communication channels. The department’s goal is to use PA Tax Talk to meet this demand while it works to ensure consistency in messaging between new online platforms and traditional communication methods.

Through March, PA Tax Talk has covered topics focusing on the department’s **Intelligent Mail Barcode** initiative, the successes of the department’s **Voluntary Disclosure Program** in 2018 and the Pennsylvania tax implications of the **Tax Cuts and Jobs Act of 2017**.

Visit the Department of Revenue website, www.revenue.pa.gov, for new blog post alerts. Also, follow the department on **Twitter**, **LinkedIn** and **Facebook**. 📌

VOLUNTARY DISCLOSURE PROGRAM OPENS NEARLY 500 NEW ACCOUNTS IN 2018

In an effort to deliver exceptional customer service, the Department of Revenue offers a **Voluntary Disclosure Program** that is designed for businesses and individuals who have recently become aware of their Pennsylvania tax obligations to resolve their accounts without paying penalties.

The employees who administer the program for the department work with local, national and international law offices, CPA firms and tax practitioners to discuss the program’s parameters and provide guidance on taxpayers’ eligibility.

2018 proved to be a very productive year for the Voluntary Disclosure Program. The three Revenue employees who administer the program opened a total of 499 new accounts and collected a calendar year record of \$45.1 million in revenue.

“Not only does this work help Pennsylvania taxpayers resolve their accounts and get into good standing, but it helps the department fulfill its overall mission of collecting the tax revenue that funds essential programs and services for all Pennsylvanians,” Revenue Secretary Dan Hassell said. “We are working hard to ensure this program helps as many taxpayers as possible.”

The Voluntary Disclosure Program is not available for delinquent taxpayers already registered with the department. Rather, it provides an opportunity for qualifying taxpayers who recently became aware of their Pennsylvania tax obligations to come forward voluntarily. In return for filing their tax returns and clearing any tax debts, taxpayers are only responsible for the payment of tax and interest. Penalties are waived.

The Voluntary Disclosure Program’s accounts in 2018 involved corporation taxes, sales and use tax, employer withholding, pass-through entities and personal income tax.

Click [here](#) for more information on the Voluntary Disclosure Program and its guidelines. 📌

*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.*



PA TAX TALK



INTELLIGENT MAIL BARCODE: HELPING IMPROVE CORRESPONDENCE AND CUSTOMER SERVICE

In an effort to continue creating efficiencies and reducing costs, the Department of Revenue has started the use of Intelligent Mail Barcodes (IMB) on the correspondence that is mailed to Pennsylvania taxpayers. Using these barcodes allows the department to track mail and to electronically verify taxpayers' addresses with the U.S. Postal Service. In cases where a taxpayer's address needs to be updated, the department can now make that determination in a timelier manner, which reduces the costs the department incurs for sending mail to the wrong address.

"We now have a better system in place to ensure that taxpayers are receiving their mail from the department as quickly as possible," Revenue Secretary Dan Hassell said. "This is another step that we are taking to improve customer service and provide taxpayers with the information they need to stay in compliance."

The IMB, which is a 65-bar barcode, consists of a 20-digit Tracking Code that embeds various data points into the barcode. These data points, which include the barcode identifier, service type identifier, mail identifier, serial number and routing code, allow the department to improve the speed, accuracy and delivery of mail. Using these barcodes also makes the department eligible for automation discounts from the USPS.

Moreover, through IMB the department receives updated address information daily and can be informed immediately of a change of address or bad address for a taxpayer. Importantly, the department also is informed of why the address is bad. It receives notification of what went wrong (examples: not deliverable as addressed, insufficient address, vacant, refused, etc.).

Another important feature of IMB is what happens to the mail that can't be delivered. When a piece of mail is

undeliverable and doesn't contain personally identifiable information, it is destroyed by USPS instead of being returned to the department. That significantly reduces the amount of time that Revenue employees spend sorting and disposing of returned mail.

The department also receives a daily file of what pieces of mail were destroyed, what was mailed back to the department and what pieces were forwarded automatically with an updated address. This leads to less manual effort and a better response time to returned mail.

Since the IMB barcodes were first implemented in November, there have been over 1,200 accounts that have made payments after an address was updated through IMB. These payments have accounted for more than \$409,000 in tax revenue, which helps the department fulfill its mission of collecting the revenue that funds essential services and programs for Pennsylvanians.

Secretary Hassell also noted the department launched an electronic correspondence initiative last year that eliminates paper mail completely for those who opt in to this service. The initiative allow users of e-TIDES, the department's online business tax system, to electronically receive all of their tax-related correspondence from the department in real time. This streamlines the process for customers who no longer have to wait for their correspondence to arrive through the U.S. mail. Visit this [link](#) for more information. 📌

*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.*



This is another step that we are taking to IMPROVE CUSTOMER SERVICE...

TAX CUTS AND JOBS ACT 2017 - WHAT DOES IT MEAN FOR PENNSYLVANIA TAXPAYERS?

The **Tax Cuts and Jobs Act of 2017**, signed by President Trump on December 22, 2017, introduced various changes to the federal tax code. The Department of Revenue has created **this matrix**, which compares the federal treatment to the Pennsylvania treatment of many common tax issues.

For more information click on the image to the right. 📄



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DEPARTMENT OF REVENUE OUTREACH & EVENTS

REVENUE & LOTTERY TESTIFY BEFORE HOUSE APPROPRIATIONS COMMITTEE DURING ANNUAL BUDGET HEARING

Officials from the Department of Revenue and the Pennsylvania Lottery testified on Feb. 11, 2019 before the PA House of Representatives Appropriations Committee. Revenue Secretary Dan Hassell, Deputy Secretary for Tax Policy Amy Gill, Deputy Secretary for Administration Christin Heidingsfelder and Pennsylvania Lottery Executive Director Drew Svitko testified before the committee during its series of annual budget hearings.



Pictured right to left: Deputy Secretary for Administration Christin Heidingsfelder, Deputy Secretary for Tax Policy Amy Gill, Revenue Secretary Dan Hassell, and Pennsylvania Lottery Executive Director Drew Svitko.



Dan Hassell, Revenue Secretary

DEPARTMENT OF REVENUE JOINS WITH IRS & PICPA TO PROVIDE TIPS TO AVOID TAX SCAMS

The Department of Revenue recently partnered with the IRS and the Pennsylvania Institute of Certified Public Accountants to offer useful filing tips and other guidance to help Pennsylvanians avoid falling victim to common tax scams. Revenue Secretary Dan Hassell spoke at the Capitol Media Center with Richard Furlong Jr., IRS Senior Stakeholder Liaison, and Jason Skrinak, CPA, State & Local Tax Practice Leader with RKL LLP and a member of the PICPA.



Jason Skrinak, CPA, State & Local Tax Practice Leader with RKL LLP and a member of the PICPA



Richard Furlong Jr., IRS Senior Stakeholder Liaison

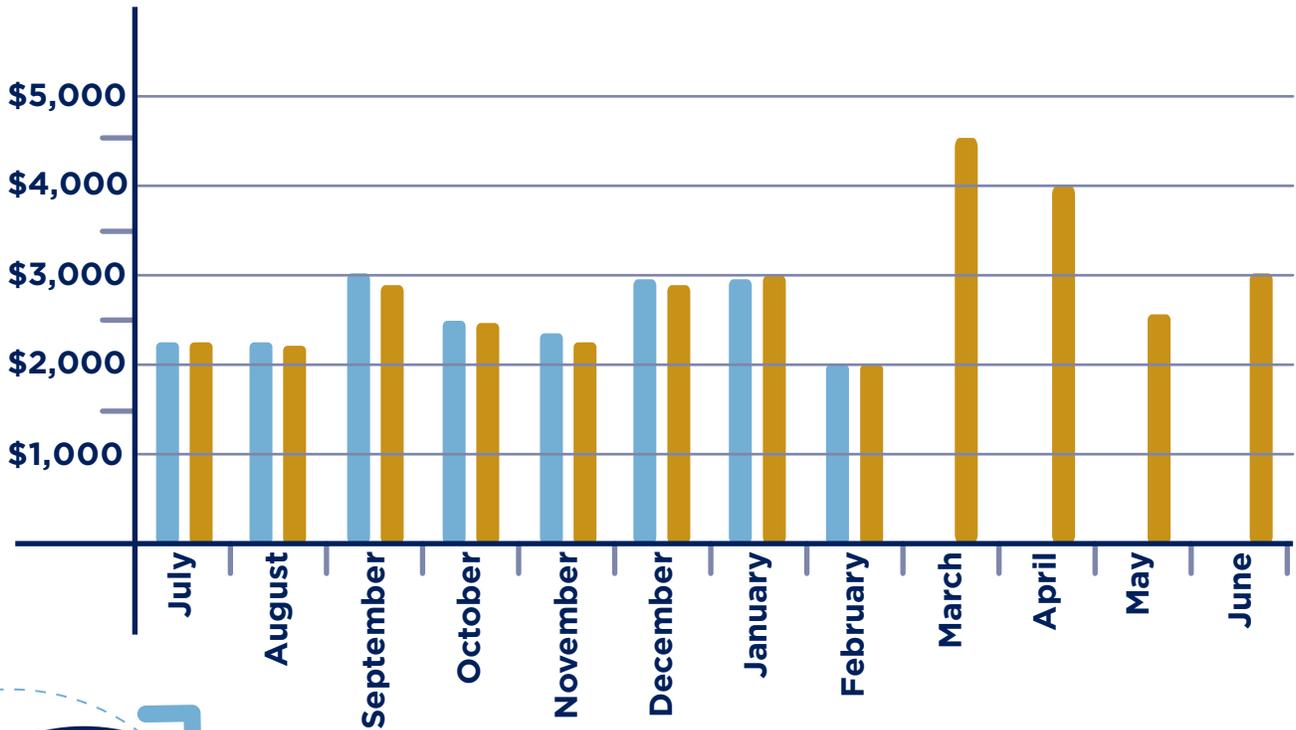
2018-2019 General Fund Revenues

Estimated vs. Actual Revenue Collections (in millions)

General Fund collections totaled \$34.6 billion in 2017-18

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	4,477	3,949
April		3,949
May		2,631
June		3,009